IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re: **HEALTH DIAGNOSTIC LABORATORY, INC., *et al.*,** **Debtors.**[1]	**Chapter 11** **Case No. 15-32919 (KRH)** **(Jointly Administered)**
HEALTH DIAGNOSTIC LABORATORY, INC., **Plaintiff,** **v.** **TRUE HEALTH DIAGNOSTICS, LLC, and JEFFREY P. "BOOMER" CORNWELL,** **Defendants.**	**Adversary Proceeding No. _____**

VERIFIED COMPLAINT

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Health Diagnostic Laboratory, Inc. (0119), Central Medical Laboratory, LLC (2728) and Integrated Health Leaders, LLC (2434).

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Plaintiff Health Diagnostic Laboratory, Inc. ("HDL"), by and through its undersigned counsel, file this Verified Complaint (the "Complaint"), against True Health Diagnostics, LLC ("True Health") and Jeffrey P. "Boomer" Cornwell ("Mr. Cornwell"; and together with True Health, the "Defendants"), and respectfully alleges as follows:

I. NATURE OF THE ACTION

1. HDL brings this action against the Defendants to, among other relief sought, obtain an injunction enjoining the Defendants from continuing to interfere with HDL's collection of certain estate assets and a judgment holding the Defendants in contempt for continuing to willfully violate the automatic stay found in section 362(a) of Title 11 of the United Stated Code (the "Bankruptcy Code").

2. In addition, HDL also seeks specific performance of certain of True Health's contractual obligations, and damages for breach of contract, tortious interference with contract, violations of the automatic stay, and violations of section 18.2-499 of the Code of Virginia (the "Virginia Code").

II. PARTIES

3. HDL is a Virginia corporation with its principal place of business in Richmond, Virginia.

4. IHL is a Virginia limited liability company with its principal place of business in Richmond, Virginia.

5. True Health is a Delaware limited liability company with its principal place of business in Frisco, Texas.

6. Pursuant to the HDL Sale (as defined below), True Health purchased substantially all of the business assets of HDL and Integrated Health Leaders, LLC ("IHL").

7. IHL is wholly owned by HDL.

8. Upon information and belief, Mr. Cornwell is a Vice President of Sales for True Health, a resident of Dallas, Texas, and has conducted business for True Health in Richmond, Virginia, since the HDL Sale.

III. JURISDICTION AND VENUE

9. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 28 U.S.C. § 1334(b).

10. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

11. This matter is a core proceeding within the meaning of 28 U.S.C. § 157 (b)(2)(A), (G), and (O).

12. The predicates for the relief requested herein are Bankruptcy Code sections 362(a), 362(k), and 105(a), Rules 7001 and 7065 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and sections 18.2-499 and 18.2-500(b) of the Virginia Code.

13. True Health consented to the jurisdiction of this Court for disputes concerning the APA (as defined herein) pursuant to section 11.6 of the APA.

14. True Health consented to the jurisdiction of this Court for disputes concerning the Note (as defined herein) pursuant to section 10 of the Note.

IV. STATEMENT OF FACTS

A. Chapter 11 Cases

15. On June 7, 2015 (the "Petition Date"), each of HDL, IHL and Central Medical Laboratory, LLC (collectively, the "Debtors") filed with the Court its respective voluntary petition for relief under chapter 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 cases.

16. The Debtors continue to operate and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 9, 2015, the Court entered an order authorizing the joint administration of these chapter 11 cases (the "Bankruptcy Cases") [Doc. No. 42].

17. On June 16, 2015, the United States Trustee for the Eastern District of Virginia (the "U.S. Trustee") appointed the statutory committee of unsecured creditors (the "Committee").

18. No trustee or examiner has been appointed.

B. The HDL Sale

19. On June 29, 2015, the Debtors filed the *Motion of Debtors and Debtors in Possession for Entry of an Order (I) Approving the Strategic Transaction Bidding Procedures, (II) Scheduling Bid Headlines and the Auction, (III) Approving the Form and Manner of Notice Thereof and (IV) Granting Related Relief* [Doc. No. 176] setting forth proposed bidding procedures for selling substantially all of the Debtors' assets (the "Bidding Procedures").

20. On July 15, 2015, the Court entered an order approving the Bidding Procedures.

21. In accordance with the Bidding Procedures, on September 10, 2015, the Debtors conducted an auction for the sale of substantially all of the business assets of HDL and IHL (the "HDL Sale") and selected True Health as the successful bidder for such assets.

22. On September 17, 2015, the Court entered the *Order (I) Approving Asset Purchase Agreement and Authorizing the Sale of Assets of the Debtors Outside the Ordinary Course of Business, (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Interests, (III) Authorizing the Assumption and Sale and Assignment of Certain Executory Contracts and Unexpired Leases and (IV) Granting Related Relief* [Doc. No. 512] (the "HDL Sale Order") in which the Court approved the terms of the HDL Sale, including

the terms of the Asset Purchase Agreement with True Health (the "APA"). A true and correct copy of the APA, without the Exhibits and Schedules, is attached hereto as Exhibit A.

23. The HDL Sale closed on September 29, 2015 (the "Closing Date").

24. Pursuant to the APA, among the assets purchased by True Health were accounts receivable aged less than 180 days as of the Closing Date (the "Purchased Receivables").

25. Pursuant to the APA, including without limitation Schedule 2.2(m), HDL retained ownership of accounts receivable aged 180 days or more as of the Closing Date (the "Excluded Receivables"). A true and correct copy of Schedule 2.2(m) of the APA is attached hereto as Exhibit B.

26. The Excluded Receivables include, among other things, amounts owed to HDL by patients for laboratory testing HDL performed.

27. The amounts owed to HDL by patients for laboratory testing HDL performed are based on valid contracts or business expectancies (such contracts or business expectancies, together with the obligations, the "Patient Obligations").

28. Millions of dollars of Excluded Receivables remain outstanding.

29. The consideration for the HDL Sale consisted of, among other things, $27,100,000 less the Good Faith Deposit and any Closing AR Adjustment (each, as defined in the APA), the assumption of certain assumed liabilities, and the execution and delivery by True Health of a promissory note (the "Note"), which obligates True Health to pay HDL certain sums, including the initial principal amount of $10,000,000 plus Contingent Principal (as defined below). A true and correct copy of the Note executed and delivered by True Health is attached hereto as Exhibit C.

30. Although IHL is a party to the APA, HDL owns the Excluded Receivables, HDL is the sole holder of the Note, and HDL is the entity entitled to the Contingent Principal.

31. Under section 2(b) of the Note, Contingent Principal is 85% of all collections on the Purchased Receivables in excess of the $10,000,000 initial principal amount. *See* Note at § 2(b).

32. Pursuant to section 6(a) of the Note, True Health has an ongoing obligation to "perform all necessary and appropriate commercial collection activities in arranging the timely payment of Accounts Receivable due and owing to Maker and shall promptly remit such collections to Holder in accordance with this Note." *See* Note at § 6(a).

33. There remain outstanding Purchased Receivables that True Health is obligated to collect under section 6(a) of the Note; thus, True Health still owes HDL Contingent Principal. *See* Note at § 6(a).

34. Section 10.3 of the APA requires that True Health, among other things, provide HDL with reasonable access to "all of the books and records relating to the Business or the Purchased Assets, including all employee records or other personnel and medical records required by Law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such party in connection or relating to the Business, the Purchased Assets, the Excluded Receivables, the Assumed Liabilities or Liabilities not assumed by Buyer." *See* APA at § 10.3.

35. Section 10.5 of the APA requires that True Health, upon the request of HDL, take such actions and execute and deliver such documents and instruments of contract or lease assumption as [HDL] may reasonably request in order to confirm [True Health's] Liability for

the Assumed Liabilities or otherwise to more fully consummate the transactions contemplated by this Agreement." *See* APA at § 10.5.

36. Prior to the Closing Date, HDL offered True Health the opportunity to purchase the Excluded Receivables and disclosed to True Health its intention to pursue collection of the Excluded Receivables.

37. True Health did not accept HDL's offer to purchase the Excluded Receivables.

38. The HDL Sale closed without True Health acquiring any rights in the Excluded Receivables.

39. The Excluded Receivables are property of HDL's estate.

40. The APA is a valid contract and enforceable against True Health.

41. HDL and IHL have performed their obligations under the APA.

42. The Note is a valid promissory note and enforceable by HDL against True Health.

C. Collection of the Excluded Receivables

43. On or about July 28, 2015, HDL entered into an Agreement for Services (the "ARM Agreement") with Accelerated Receivables Management, Inc. ("ARM"), to pursue collection of certain account receivables owned by HDL. A true and correct copy of the ARM Agreement is attached hereto as Exhibit D.

44. The ARM Agreement constitutes a valid and enforceable contract between ARM and HDL.

45. ARM is a debt collector and is not a "professional person" under Bankruptcy Code section 327(a).

46. Since its engagement as a debt collector for HDL, ARM has sent collection notices to certain patients for whom HDL had performed laboratory testing, demanding payment of sums that fall within the Excluded Receivables.

47. ARM has collected in excess of $1,000,000 of Excluded Receivables since engaged by HDL.

48. The ARM Agreement requires ARM to comply with applicable state and federal law.

D. Collection of the Purchased Receivables

49. After the HDL Sale, True Health initially began collecting Purchased Receivables in accordance with its obligations under sections 2(a) and 6(a) of the Note. *See* Note at §§ 2(a); 6(a).

50. True Health collected $10 million worth of Purchased Receivables and paid such amount to HDL to satisfy the initial principal amount owed by True Health to HDL under the Note. *See* Note at § 2(a).

51. After payment of the initial principal amount owed under the Note, True Health initially continued collection of the Purchased Receivables and made additional payments of Contingent Principal to HDL in accordance with section 2(b) of the Note. *See* Note at § 2(b).

52. Upon information and belief, in early December 2015 and thereafter, True Health has directed its employees to stop collection efforts on the Purchased Receivables in direct violation of section 6(a) of the Note. *See* Note at § 6(a).

53. Collections on the Purchased Receivables and HDL's receipt of Contingent Principal have slowed considerably during January 2016.

54. Upon information and belief, HDL's receipt of Contingent Principal has slowed as a result of True Health's failure to engage in appropriate collection efforts related to the Purchased Receivables in direct violation of section 6(a) of the Note. *See* Note at § 6(a).

55. As a result of this action, an event of default (a "Default") has occurred under section 7(b) of the Note. *See* Note at § 7(b).

56. True Health's Default has continued unremedied for five (5) business days after the date True Health became aware of such Default.

E. Cease and Desist Letters, Events of Default, and Failure to Cure

57. On or about January 5, 2016, True Health sent HDL a letter (the "True Health Cease and Desist Letter"), among other things, demanding that HDL require ARM to immediately cease and desist from all collection efforts with respect to the Excluded Receivables on the basis that such collection efforts are improper and causing immediate and irreparable harm to True Health's ongoing business relationships with certain of its patients. A true and correct copy of the True Health Cease and Desist Letter is attached hereto as Exhibit E.

58. In the True Health Cease and Desist Letter, True Health also alleged that (i) ARM is not authorized to collect the Excluded Receivables on behalf of the Debtors' estates because ARM has not been retained as a professional under Bankruptcy Code section 327(a); (ii) HDL has no legal right to collect any outstanding amounts directly from patients; and (iii) HDL is improperly attempting to collect debts using misappropriated and/or inaccurate information because True Health has not provided the necessary books and records to HDL or ARM. *See* True Health Cease and Desist Letter at 1-2.

59. Also on or about January 5, 2016, True Health sent a similar letter to ARM (the "ARM Cease and Desist Letter"; and together with the True Health Cease and Desist Letter, the "Cease and Desist Letters"), among other things, demanding that ARM immediately cease and desist from all collection efforts with respect to the Excluded Receivables. A true and correct copy of the ARM Cease and Desist Letter is attached hereto as Exhibit F.

60. As True Health expressly admitted in the Cease and Desist Letters, True Health has failed, and refuses, to provide HDL access to books and records and other information regarding the Excluded Receivables.

61. True Health is required to provide HDL with such access to books and records and other information regarding the Excluded Receivables under section 10.3 of the APA, and therefore True Health is in Default under section 7(b) of the Note and section 10.3 of the APA. *See* Note at § 7(b); APA at § 10.3.

62. On or about January 6, 2016, HDL sent True Health a response (the "Response Letter") to the Cease and Desist Letters, among other things, informing True Health that (i) the Cease and Desist Letters constitute breaches of the APA and willful violations of the automatic stay as a result of True Health's attempt to exercise control and obtain possession over the estate-owned Excluded Receivables, (ii) the ARM Cease and Desist Letter constitutes tortious interference with the ARM Agreement, (iii) the True Health Cease and Desist Letter misrepresents the law concerning whether ARM is a professional person under Bankruptcy Code section 327, and (iv) the Cease and Desist Letters mispresent HDL's rights to collect the Excluded Receivables.

63. Pursuant to the Response Letter, HDL demanded that True Health withdraw the Cease and Desist Letters and confirm that True Health will comply with all terms of the APA no later than January 8, 2016. A true and correct copy of the Response Letter is attached hereto as Exhibit G.

64. Although True Health and HDL engaged in discussions following the Response Letter, True Health has not withdrawn the Cease and Desist Letters.

65. Upon information and belief, in January 2016, Mr. Cornwell and True Health circulated via electronic mail notices to physicians, groups of physicians, and/or related entities (the "TH Doctor Memos") stating that collection letters sent by ARM to patients are a fraudulent attempt to collect funds from patients and that such collection efforts are in direct violation of HDL's stated billing policy. A true and correct copy of one such TH Doctor Memo is attached hereto as Exhibit H (the "January 6 Doctor Memo").

66. The January 6 Doctor Memo stated that ARM's collections notices are "a fraudulent attempt by a company that has been hired by the small remaining HDL estate ownership group." *See* January 6 Doctor Memo at 1.

67. The January 6 Doctor Memo further stated that "patients do not need to do anything, as this company [ARM] is operating illegally in Texas." *See* January 6 Doctor Memo at 1.

68. The January 6 Doctor Memo enclosed at least one of the Cease and Desist Letters. *See* January 6 Doctor Memo at 1.

69. The January 6 Doctor Memo enclosed a letter for patients to send to ARM "instructing the collection agency of the action they must legally take." *See* January 6 Doctor Memo at 1.

70. The January 6 Doctor Memo further instructed recipients to "[p]lease encourage your patients NOT to contact their insurance company to obtain an EOB. It is the responsibility of the collection agency to prove the debt. If a patient issues an EOB, the collection agency will use that to generate an invoice to the patient." *See* January 6 Doctor Memo at 1.

71. Upon information and belief, the Defendants have circulated other similar TH Doctor Memos to numerous physicians groups of physicians, and/or related entities, all of which are designed to prevent HDL from collecting on the Excluded Receivables.

72. Upon information and belief, on January 6, 2016, acting upon the information contained in a TH Doctor Memo, the Austin Family Medicine practice sent a letter (the "AFM Letter") to patients informing them that ARM "has initiated unauthorized, aggressive collection actions against patients for services performed by HDL years ago that were never billed to these patients and previously written off by HDL. ARM's action [SIC] are unlawful. They do not have legal rights to collect any outstanding balance on behalf of HDL." A true a correct copy of the AFM Letter is attached hereto as Exhibit I.

73. Among other things, the AFM Letter instructs patients as follows: "DO NOT SEND ANY INFORMATION THEY ARE REQUESTING." *See* AFM Letter at 1 (emphasis in original).

74. The AFM Letter further instructs patients to "[f]ax back a copy of the letter you received from the agency with a letter of your own, stating that you do not owe this amount along with the attached supporting information." *See* AFM Letter at 1.

75. The AFM Letter further instructs patients to "[r]each out to Ken Paxton the Texas State Attorney General to file a complaint." *See* AFM Letter at 1.

76. As a direct and proximate result of the TH Doctor Memos, the Austin Family Medicine practice sent the AFM Letter to its patients instructing them not to respond or comply with any attempts by ARM to collect on the Excluded Receivables and to file a complaint against ARM with the Texas attorney general.

77. Upon information and belief, as a direct and proximate result of the TH Doctor Memos, other physicians, groups of physicians, and/or related entities have circulated correspondence similar to the AFM Letter based on the information contained in the TH Doctor Memos.

78. Since the Cease and Desist Letters, the TH Doctor Memos, and the AFM Letter were sent, collections on the Excluded Receivables have slowed considerably.

79. Upon information and belief, collections on the Excluded Receivables have slowed as a direct and proximate result of Defendants' efforts to prevent HDL from collecting on the Excluded Receivables.

V. CLAIMS FOR RELIEF

COUNT I
(Injunctive Relief - Tortious Interference with Contract)

80. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

81. As evidenced by the Cease and Desist Letters and the TH Doctor Memos, the Defendants have actual knowledge of the ARM Agreement and the Patient Obligations.

82. Despite not being a party to the ARM Agreement, True Health has intentionally interfered with such contract by sending the ARM Cease and Desist Letter to ARM and demanding that ARM immediately cease and desist the collections efforts ARM is contractually obligated to perform.

83. Despite not being a party to the Patient Obligations, True Health has intentionally interfered with the Patient Obligations by sending the ARM Cease and Desist Letter to ARM and demanding that ARM immediately cease and desist efforts to collect the amounts owed to HDL by numerous patients for whom HDL performed laboratory testing.

84. Despite not being parties to either the ARM Agreement or any of the Patient Obligations, the Defendants have intentionally interfered with the ARM Agreement and many of the Patient Obligations by directing physicians, groups of physicians, and/or related entities, including the Austin Family Medicine practice, to instruct their patients not to respond or comply with any attempts by ARM or HDL to collect on the Excluded Receivables through the TH Doctor Memos and otherwise.

85. True Health also has intentionally interfered with the ARM Agreement and the Patient Obligations by refusing to provide access to books and records related to the Excluded Receivables.

86. The Defendants' actions interfering with the ARM Agreement and the Patient Obligations and preventing collection of the Excluded Receivables have caused, and continue to cause, significant and irreparable harm to HDL's estate.

87. HDL has no adequate remedy at law.

88. As a result, HDL is entitled to an injunction enjoining the Defendants from continuing to tortiously interfere with the ARM Agreement and the Patient Obligations, and the efforts of HDL to collect the Excluded Receivables.

89. HDL requests that the Court enter orders in favor of HDL temporarily, preliminarily, and permanently enjoining the Defendants from interfering with the ARM Agreement, the Patient Obligations, and the efforts of HDL to collect the Excluded Receivables, including without limitation enjoining the Defendants from contacting physicians, groups of physicians, related entities, patients, or any other persons or entities concerning the Excluded Receivables.

COUNT II
(Finding of Contempt – Bankruptcy Code Sections 105(a) and 362(a))

90. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

91. Section 105(a) of the Bankruptcy Code authorizes the Court to issue "any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

92. Section 362(a) of the Bankruptcy Code operates as a stay that protects HDL and property of its estate.

93. Relief under sections 105(a) and 362(a) is particularly appropriate in this case where HDL requires relief that is necessary in order to preserve the value of its estate.

94. The Defendants have willfully violated the automatic stay imposed under 11 U.S.C. § 362 and unjustifiably interfered with the ARM Agreement and the collection of the Excluded Receivables, colluded with each other and numerous physicians to convince patients not to pay amounts rightfully owed to HDL, and made numerous false statements regarding HDL's right to collect the Excluded Receivables and HDL's employment of ARM.

95. Pursuant to the automatic stay imposed by the Bankruptcy Code, the Defendants were and are prohibited from taking any actions that improperly interfere with property of HDL's estate, including the Excluded Receivables.

96. The Cease and Desist Letters constitute an attempt by True Health to interfere with HDL's rights to pursue collection of the Excluded Receivables, which are property of HDL's estate.

97. The TH Doctor Memos and all similar correspondence sent by the Defendants constitute attempts by the Defendants to interfere with HDL's rights to pursue collection of the Excluded Receivables, which are property of HDL's estate.

98. The Defendants' actions have caused and continue to cause irreparable harm to HDL by preventing HDL from recovering property of its estate.

99. The likelihood of the irreparable harm to the HDL's estate outweighs any harm to the Defendants, who have no rights or interests in the Excluded Receivables.

100. Accordingly, HDL is entitled to entry of an order holding the Defendants in contempt of court for violating the automatic stay until such time as the Defendants cease interfering with the collection of the Excluded Receivables, withdraw the Cease and Desist Letters, the TH Doctor Memos and all similar correspondence, and all other damages sustained by HDL are reimbursed by the Defendants.

COUNT III
(Specific Performance – Breach of Contract)

101. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

102. Pursuant to section 10.3 of the APA, True Health is obligated to provide information to HDL concerning the Excluded Receivables for a period of seven years following the Closing Date. *See* APA at § 10.3.

103. True Health's failure to provide, and refusal to provide, HDL with information concerning the Excluded Receivables constitutes a material breach of True Health's obligations under sections 10.3 and 10.5 of the APA. *See* APA at §§ 10.3 and 10.5.

104. True Health's failure to provide HDL with information concerning the Excluded Receivables constitutes a Default under section 7(b) of the Note. *See* Note at § 7(b).

105. As a direct and proximate result of True Health's breach, HDL's estate has been damaged because HDL needs access to the books and records to collect some or all of the Excluded Receivables.

106. True Health's action directing its employees to cease collection efforts on the outstanding Purchased Receivables constitutes a material breach of True Health's obligations to HDL under section 10.5 of the APA, and sections 6(a) and 7(b) of the Note. *See* APA at § 10.5; Note at §§ 6(a) and 7(b).

107. As a direct and proximate result of True Health's Defaults, HDL's estate has been damaged because (i) HDL cannot collect some or all of the Excluded Receivables without access to the books and records, and (ii) HDL is losing significant estate funds True Health contractually agreed to collect and pay.

108. Pursuant to section 11.1 of the APA, HDL is entitled to recover reasonable attorneys' fees plus costs and expenses for pursuing this action. *See* APA at § 11.1.

109. Pursuant to section 5 of the Note, HDL is entitled to recover court costs and reasonable attorneys' fees incurred in enforcing the Note. *See* Note at § 5.

110. Pursuant to section 11.17 of the APA, HDL is entitled to specific performance of True Health's obligations under sections 10.3 and 10.5 of the APA. *See* APA at § 11.17.

111. HDL has no adequate remedy at law.

112. HDL requests that the Court enter orders against True Health (i) granting HDL a mandatory injunction pursuant to Bankruptcy Rule 7065 temporarily, preliminarily, and permanently requiring True Health to specifically perform with the APA and the Note, including without limitation by (a) providing HDL with access to the books and records related to the Excluded Receivables and (b) collecting the Purchased Receivables and paying to HDL the

amounts owed to HDL related to the Purchased Receivables; and (ii) awarding HDL costs and reasonable attorneys' fees.

COUNT IV
(Declaratory Relief – Bankruptcy Code Sections 105(a) and 362(a))

113. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

114. This is a claim for declaratory relief and there exists a substantial controversy between HDL and the Defendants of sufficient immediacy and reality to warrant the issuance of declaratory judgment under 28 U.S.C. § 2201.

115. Section 105(a) of the Bankruptcy Code authorizes the Court to issue "any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

116. Section 362(a) of the Bankruptcy Code operates as a stay that protects HDL and property of its estate.

117. Relief under sections 105(a) and 362(a) is particularly appropriate in this case where HDL requires relief that is necessary in order to preserve the value of its estate.

118. The Defendants' actions have caused real and significant harm to HDL's estate because they interfere with and pose a substantial risk to HDL's ability to recover the Excluded Receivables, which are valuable estate assets.

119. By circulating the Cease and Desist Letters and the Notices, the Defendants are attempting to interfere with HDL's collection of the Excluded Receivables, which are property of HDL's estate.

120. The Defendants also have made false and misleading statements regarding ARM and its authority to collect the Excluded Receivables on behalf of HDL, which are intended to convince numerous patients to refuse to return funds rightfully owed to HDL.

121. If the Defendants are allowed to continue to interfere with HDL's collection of their interests in the Excluded Receivables, HDL's estate and creditors will suffer the loss of significant estate assets.

122. Accordingly, HDL respectfully requests that this Court enter a declaratory judgment that (i) HDL shall not be required to cease and desist collection efforts with respect to the Excluded Receivables; (ii) HDL has the right to collect the Excluded Receivables subject to any defenses the patients may have; and (iii) ARM is not a professional under Bankruptcy Code section 327(a), or to the extent that this Court determines that ARM is such a professional, HDL may seek authority to employ ARM retroactively.

COUNT V
(Damages – Bankruptcy Code Sections 105(a), 362(a) and 362(k))

123. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

124. Section 362(a) operates as a stay that protects HDL and property of its estate.

125. Section 362(a)(1) of the Bankruptcy Code operates as a stay, "applicable to all entities," of "the commencement or continuation . . . of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title." 11 U.S.C. § 362(a)(1).

126. Section 362(a)(3) of the Bankruptcy Code prohibits "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3).

127. Section 362(k) of the Bankruptcy Code provides that "an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may recover punitive damages." 11 U.S.C. § 362(k).

128. HDL is an individual entitled to relief under section 362(k) of the Bankruptcy Code.

129. Pursuant to the automatic stay imposed by the Bankruptcy Code, the Defendants were and are prohibited from taking any actions that improperly interfere with the property of HDL's estate, including the Excluded Receivables.

130. Any cease and desist letters, demand letters, motion, or other judicial proceeding against HDL and any correspondence intended to inhibit the collection of estate assets is subject to section 362(a) of the Bankruptcy Code.

131. The Cease and Desist Letters constitute an attempt by True Health to interfere with HDL's right to pursue collection of the Excluded Receivables.

132. The TH Doctor Memos and all similar correspondence sent by the Defendants constitute attempts by the Defendants to interfere with HDL's rights to pursue collection of the Excluded Receivables.

133. These actions by the Defendants are attempts to exercise control over property of HDL's estates.

134. Defendants have willfully violated the automatic stay of section 362(a) of the Bankruptcy Code.

135. HDL has been damaged by the Defendants' violations of the automatic stay.

136. HDL requests that the Court enter a judgment in favor of HDL against Defendants awarding actual damages, including costs and attorneys' fees, and punitive damages in accordance with Bankruptcy Code section 362(k), in an amount to be proven at trial.

COUNT VI
(Damages - Tortious Interference with Contract)

137. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

138. As evidenced by the Cease and Desist Letters and the TH Doctor Memos, the Defendants have actual knowledge of the ARM Agreement and the Patient Obligations.

139. Despite not being a party to the ARM Agreement, True Health has intentionally interfered with such contract by sending the ARM Cease and Desist Letter to ARM and demanding that ARM immediately cease and desist the collections efforts ARM is contractually obligated to perform.

140. Despite not being a party to any of the Patient Obligations, True Health has intentionally interfered with the Patient Obligations by sending the ARM Cease and Desist Letter to ARM and demanding that ARM immediately cease and desist the collection efforts to collect the amounts owed to HDL by numerous patients for whom HDL performed laboratory testing.

141. Despite not being parties to the ARM Agreement or any of the Patient Obligations, the Defendants have intentionally interfered with the ARM Agreement and many of the Patient Obligations by directing physicians, groups of physicians, and/or related entities to

instruct their patients not to respond or comply with any attempts by ARM or HDL to collect on the Excluded Receivables through the TH Doctor Memos and otherwise.

142. True Health also has intentionally interfered with the ARM Agreement and the Patient Obligations by refusing to provide access to books and records related to the Excluded Receivables.

143. The Defendants' actions in interfering with the ARM Agreement and the Patient Obligations and preventing collection of the Excluded Receivables have caused, and continue to cause, significant and irreparable harm to HDL's estate.

144. Furthermore, the Defendants' tortious interference is not justified, is intended to harm HDL, is accomplished through wrongful and/or illegal means, and is willful, wanton, intentional, malicious, and outrageous, justifying the imposition of both actual damages and punitive damages.

145. In the alternative to Count I, HDL requests that the Court enter a judgment in favor of HDL against Defendants awarding actual damages and punitive damages, in an amount to be proven at trial.

COUNT VII
(Damages – Breach of Contract)

146. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

147. Pursuant to section 10.3 of the APA, True Health is obligated to provide information to HDL concerning the Excluded Receivables for a period of seven years following the Closing Date. *See* APA at § 10.3.

148. True Health's failure to provide, and refusal to provide, HDL with information concerning the Excluded Receivables constitutes a material breach of True Health's obligations under section 10.3 of the APA. *See* APA at § 10.3.

149. True Health's failure to provide HDL with information concerning the Excluded Receivables constitutes a Default under section 7(b) of the Note. *See* Note at § 7(b).

150. As a direct and proximate result of True Health's breach, HDL's estate has been damaged because HDL needs access to HDL's books and records to collect some or all of the Excluded Receivables.

151. True Health's action directing its employees to cease collection efforts on the outstanding Purchased Receivables constitutes a material breach of True Health's obligations under section 10.5 of the APA, and sections 6(a) and 7(b) of the Note. *See* APA at § 10.5; Note at §§ 6(a) and 7(b).

152. As a direct and proximate result of True Health's Defaults, HDL's estate has been damaged because (i) HDL cannot collect some or all of the Excluded Receivables without access to the books and records, and (ii) HDL is losing significant estate funds True Health contractually agreed to collect and pay.

153. Pursuant to section 11.1 of the APA, HDL is entitled to recover reasonable attorneys' fees plus costs and expenses for pursuing this action. *See* APA at § 11.1.

154. Pursuant to section 5 of the Note, HDL is entitled to recover court costs and reasonable attorneys' fees incurred in enforcing the Note. *See* Note at § 5.

155. In the alternative to Count III, HDL requests that the Court enter a judgment in favor of HDL against True Health awarding actual damages, including costs and attorneys' fees based on True Health's Defaults, in an amount to be proven at trial.

COUNT VIII
(Va. Code §§ 18.2-499, 500)

156. HDL repeats, realleges, and incorporates by reference the allegations contained in paragraphs 1 through 79 of this Complaint as though fully set forth herein.

157. Upon information and belief, Defendants, between themselves and with the numerous physicians, physicians groups, and/or related entities with whom they have been in contact regarding the collection of the Excluded Receivables, including, without limitation, the Austin Family Medicine practice, have intentionally, willfully, and maliciously conspired, for their individual and collective benefit, to unlawfully, and in violation of the automatic stay, prevent HDL, through ARM, from collecting the Excluded Receivables and interfere with HDL's collection of the Patient Obligations in violation of Virginia Code section 18.2-499.

158. As a result of Defendants' unlawful conduct in furtherance of the above conspiracy, HDL has suffered, and will continue to suffer, substantial damages to its estate, reputation, and business.

159. Thus, HDL is entitled to recover treble damages, the costs of suit, reasonable attorney's fees, and all other relief provided pursuant to Virginia Code section 18.2-500.

160. HDL requests that the Court enter a judgment against Defendants awarding HDL treble damages in an amount to be proven at trial, the costs of suit, reasonable attorney's fees, and all other relief provided pursuant to Virginia Code section 18.2-500.

VI. PRAYER FOR RELIEF

WHEREFORE, for the reasons set forth herein, HDL respectfully requests that the Court enter the following relief:

1) For Count I of this Complaint, orders temporarily, preliminarily, and permanently enjoining the Defendants from interfering with the ARM Agreement, the Patient Obligations, and the efforts of HDL to collect the Excluded Receivables, including without limitation enjoining the Defendants from contacting physicians, groups of physicians, related entities, patients, or any other persons or entities concerning the Excluded Receivables;

2) For Count II of this Complaint, an order holding the Defendants in contempt of court for violating the automatic stay until such time as the Defendants cease interfering with the collection of the Excluded Receivables, withdraw the Cease and Desist Letters, the TH Doctor Memos and all similar correspondence, and all other damages sustained by HDL are reimbursed by the Defendants;

3) For Count III of this Complaint, orders against True Health (i) granting HDL a mandatory injunction pursuant to Bankruptcy Rule 7065 temporarily, preliminarily, and permanently requiring True Health to specifically perform with the APA and the Note, including without limitation by (a) providing HDL with access to the books and records related to the Excluded Receivables and (b) collecting the Purchased Receivables and paying to HDL the amounts owed to HDL related to the Purchased Receivables; and (ii) awarding HDL costs and reasonable attorneys' fees;

4) For Count IV of this Complaint, declaratory judgment that (i) HDL shall not be required to cease and desist collection efforts with respect to the Excluded Receivables; (ii) HDL has the right to collect the Excluded Receivables subject to any defenses the patients may have; and (iii) ARM is not a professional under Bankruptcy Code section 327(a), or to the extent that this Court determines that ARM is such a professional, HDL may seek authority to employ ARM retroactively;

5) For Count V of this Complaint, a judgment in favor of HDL against the Defendants awarding actual damages, including costs and attorneys' fees, and punitive damages in accordance with Bankruptcy Code section 362(k), in an amount to be proven at trial;

6) For Count VI of this Complaint, in the alternative to Count I, a judgment in favor of HDL against the Defendants awarding actual damages and punitive damages, in an amount to be proven at trial;

7) For Count VII of this Complaint, in the alternative to Count III, a judgment in favor of HDL against the Defendants awarding actual damages in an amount to be proven at trial, including costs and attorneys' fees based on True Health's Defaults;

8) For Count VIII of this Complaint, a judgment in favor of HDL against the Defendants awarding treble damages in an amount to be proven at trial, and all other relief provided pursuant to Virginia Code section 18.2-500;

9) For costs of the suit incurred herein;

10) For reasonable attorneys' fees under Bankruptcy Code section 362(k), section 11.1 of the APA, section 5 of the Note, and Virginia Code section 18.2-500;

11) For prejudgment and post-judgment interest; and

12) That such other and further relief be awarded as this Court deems just and appropriate.

DATED: February 1, 2016

Respectfully submitted,

/s/ Jason W. Harbour

Tyler P. Brown (VSB No. 28072)
Jason W. Harbour (VSB No. 68220)
Henry P. (Toby) Long, III (VSB No. 75134)
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Counsel to the Debtors
and Debtors in Possession

VERIFICATION

I, Richard Arrowsmith, hereby verify, pursuant to 28 U.S.C. § 1746, that I am the Chief Restructuring Officer of the Debtors and a Managing Director of Alvarez & Marsal Healthcare Industry Group, LLC, that in my capacity as Chief Restructuring Officer of the Debtors, I am familiar with the business operations of the Debtors and the books and records of the Debtors, that I have read the allegations set forth above in the Verified Complaint, and that to the best of my information and belief such, representations are true and accurate. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

By: */s/ Richard Arrowsmith*
Richard Arrowsmith
Chief Restructuring Officer

EXHIBIT A

EXECUTION COPY

ASSET PURCHASE AGREEMENT

dated as of September 29, 2015

among

TRUE HEALTH DIAGNOSTICS, LLC,

as Buyer,

and

HEALTH DIAGNOSTICS LABORATORY, INC. and

INTEGRATED HEALTH LEADERS, LLC,

as Sellers

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EXHIBITS

SCHEDULES

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is made and entered into as of this 29th day of September, 2015, by and among True Health Diagnostics, LLC, a Delaware limited liability company ("Buyer"), Health Diagnostic Laboratory, Inc., a Virginia corporation ("HDL"), and Integrated Health Leaders, LLC, a Virginia limited liability company ("IHL"). Each of HDL and IHL is sometimes hereinafter referred to as a "Seller," and collectively HDL and IHL are sometimes hereinafter referred to as "Sellers." Leon Capital Group, LLC, a Texas limited liability company, is joining as a party hereto solely for the purposes of Section 11.18.

WHEREAS, on June 7, 2015 (the "Petition Date"), Sellers, as debtors and debtors-in-possession, each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), jointly administered as Case No. 15-32919 (KRH) (the "Chapter 11 Cases"), in the United States Bankruptcy Court for the Eastern District of Virginia (Richmond Division) (the "Bankruptcy Court");

WHEREAS, on July 15, 2015, the Bankruptcy Court entered an order which, among other things, authorizes Sellers to solicit bids for the sale of all or substantially all of the assets of Sellers pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code (the "Bidding Procedures Order"); and

WHEREAS, on the terms and subject to the conditions set forth herein, Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase, acquire and assume from Sellers, pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code, all of the Purchased Assets and Assumed Liabilities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Unless otherwise defined herein, terms used herein shall have the meanings set forth below:

"Accounts Receivable" means all accounts, notes, interest and other receivables of Sellers, and all claims, rights, interests and proceeds related thereto, including all accounts and other receivables, and notes receivable of Sellers outstanding as of the Closing Date, other than accounts and notes receivable from Affiliates of Sellers.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether by contract, through the ownership of voting securities or otherwise.

"Affiliated Group" means an "affiliated group" as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax law) of which any Seller is or has been a member.

"Agreement" means this Asset Purchase Agreement, including all the Exhibits and the Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"Allocation" has the meaning set forth in Section 10.4(a) hereof.

"Assignment and Assumption" has the meaning set forth in Section 4.3(d) hereof.

"Assumed Contracts" has the meaning set forth in Section 2.1(f) hereof.

"Assumed Equipment Leases" has the meaning set forth in Section 2.1(e) hereof.

"Assumed Executory Contracts" means the Assumed Contracts, the Assumed Facility Leases and the Assumed Equipment Leases.

"Assumed Facility Leases" has the meaning set forth in Section 2.1(c) hereof.

"Assumed Leased Facilities" means the Leased Facilities identified in the Assumed Facility Leases.

"Assumed Liabilities" has the meaning set forth in Section 2.3 hereof.

"Assumed State and Local Tax Liabilities" means all Liabilities for sales, use, transfer, stamp, documentary, registration, conveyance fees, recording charges and other fees and charges incurred in connection with the transactions contemplated under this Agreement, including the sale and purchase of the Purchased Assets pursuant to this Agreement.

"Auction" means the auction, if any, conducted by Sellers pursuant to the Bidding Procedures Order for all or substantially all of the Purchased Assets in the event a Qualified Bid (as defined in the Bidding Procedures Order) is timely received prior to the Bid Deadline (as defined in the Bidding Procedures Order).

"Bankruptcy Code" has the meaning set forth in the recitals hereto.

"Bankruptcy Court" has the meaning set forth in the recitals hereto.

"Bidding Procedures Order" has the meaning set forth in the recitals hereto.

"Books and Records" means all books and records of Sellers.

"Break-Up Fee" has the meaning set forth in Section 9.2(a) hereof.

"Business" means the Sellers' disease management business and associated diagnostic testing and related wellness services for cardiovascular disease, diabetes and other conditions, but excluding the CML Business.

"Buyer" has the meaning set forth in the preamble hereto.

"Buyer Expenses" means, as of any date of determination, the reasonable fees and out-of-pocket expenses incurred by Buyer on or prior to such date to the extent not previously paid or reimbursed by Sellers in connection with (i) its due diligence regarding Sellers, and (ii) the negotiation, preparation and performance of this Agreement and the transactions contemplated hereby.

"Buyer Released Parties" has the meaning set forth in Section 3.1 hereof.

"Cash" means cash and cash equivalents of Sellers (including marketable securities and short-term investments).

"Chapter 11 Cases" has the meaning set forth in the recitals hereto.

"Claim" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"Closing" has the meaning set forth in Section 4.1 hereof.

"Closing AR Estimate" has the meaning set forth in Section 4.6 hereof.

"Closing AR Adjustment" has the meaning set forth in Section 4.6 hereof.

"Closing Date" has the meaning set forth in Section 4.1 hereof.

"CML Business" means certain assets acquired from Oncimmune, Ltd. which are currently located and operated at a leasehold facility in DeSoto, Kansas and such leasehold facility.

"CMS" has the meaning set forth in Section 2.4(c) hereof.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as reflected in Code Section 4980B and any treasury regulations issued thereunder, and any similar state Laws.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Contract" means any agreement, license, contract, commitment or other binding arrangement or understanding, whether written or oral, to which any Seller is a party and which any Seller is permitted under the Bankruptcy Code to assume and assign other than an Employee Benefit Plan, including any and all amendments and modifications of any of the foregoing, and any waivers received or granted by either or both Sellers with respect to the foregoing.

"Cure Amount" has the meaning set forth in Section 2.4 hereof.

"DOJ Settlement Agreement" means the settlement agreement entered into on March 30, 2015 by and between the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services, the Department of Defense's Defense Health Agency on behalf of the

TRICARE program, and the United States Office of Personnel Management, HDL and Dr. Michael Mayes, Chris Riedel, Scarlett Lutz, and Kayla Webster.

"Employee Benefit Plan" means any "employee benefit plan" (as defined in ERISA § 3(3)) and any other benefit or compensation plan, program, agreement or arrangement maintained, sponsored, or contributed or required to be contributed to by any Seller or any ERISA Affiliate or with respect to which any Seller or any ERISA Affiliate has any Liability.

"Encumbrance" or "Encumbrances" means any lien (statutory or otherwise), encumbrance, security interest, mortgage, collateral assignment, right of setoff, debt, pledge, levy, charge, encumbrance, Tax or Order of any Governmental Authority, option, right of refusal, restriction (whether on transfer, disposition or otherwise), other similar agreement terms tending to limit any right or privilege of Sellers under any Contract, mortgage, lease, deed of trust, hypothecation, indenture, security agreement, easement, license, servitude, proxy, voting trust, transfer restriction under any shareholder or similar agreement, or any other agreement, arrangement, contract, commitment or binding obligation of any kind whatsoever, whether oral or written, or imposed by any applicable law, equity or otherwise.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all Laws issued thereunder.

"ERISA Affiliate" means any Person that, at any relevant time, is or was treated as a single employer with any Seller for purposes of Code § 414.

"Escrow Agent" has the meaning set forth in Section 2.6 hereof.

"Excluded Assets" has the meaning set forth in Section 2.2 hereof.

"Excluded Liabilities" has the meaning set forth in Section 2.4 hereof.

"Exhibits" means the exhibits hereto.

"Expense Reimbursement" has the meaning set forth in Section 9.2(b) hereof.

"Facility Leases" means all right, title and interest of any Seller in all leases, subleases, licenses, concessions and other written agreements and all written amendments, extensions, renewals, guaranties and other written agreements with respect thereto, pursuant to which any Seller holds a leasehold or subleasehold estate in a Leased Facility.

"Final Order" means an Order as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending.

"Good Faith Deposit" has the meaning set forth in Section 2.6 hereof.

"Governmental Authority" means any federal, state, local, municipal, foreign, supranational or other governmental or quasi-governmental authority of any nature (including any governmental agency, branch, commission, department, official or entity and any court or

other tribunal), or any administrative, executive, judicial, legislative, police, regulatory or taxing authority, or arbitral body.

"HDL" has the meaning set forth in the preamble hereto.

"IHL" has the meaning set forth in the preamble hereto.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, divisionals, extensions and reexaminations thereof, (ii) trademarks, service marks, designs, trade dress, logos, slogans, trade names, telephone numbers, internet domain names, URLs, websites, email addresses and corporate names, and all applications, registrations and renewals in connection therewith, together with all goodwill associated with any of the foregoing, (iii) copyrights, mask works and copyrightable works, and all applications, registrations and renewals in connection therewith, (iv) trade secrets and confidential business information (including ideas, research and development, know-how, inventions, formulas, compositions, manufacturing and production processes and techniques, technical data, customer and supplier lists, designs, drawings, plans and specifications), and all derivatives of any of the foregoing, (v) computer software (including source code, executable code, data, databases and related documentation) and (vi) copies and tangible embodiments of any of the foregoing in whatever form or medium.

"Inventory" means all inventory of any kind or nature, whether or not prepaid, and wherever located, held or owned, including all raw materials, work in process, semi-finished and finished products, replacement and spare parts, packaging materials, operating supplies, and fuels and other and similar items.

"Law" means any law, statute, regulation, code, constitution, ordinance, treaty or Order of, administered or enforced by or on behalf of, any Governmental Authority.

"Leased Facilities" means any land, buildings, structures, improvements, fixtures or other interest in real property which is leased or subleased by any Seller in the operation of the Business, excluding the leasehold facility in DeSoto, Kansas.

"Liability" means any liability, including but not limited to any direct or indirect indebtedness, guaranty, endorsement, warranty, indemnification, product liability, environmental liability, commissions, claim, loss, damage, deficiency, cost, expense, Tax, obligation or responsibility, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

"Order" means any award, decision, decree, order, injunction, ruling, judgment, or consent of or entered, issued, made or rendered by any Governmental Authority.

"Ordinary Course of Business" means the operation of the Business by the Sellers in the usual and ordinary course in a manner substantially similar to the manner in which Sellers operated since the commencement of the Chapter 11 Cases (including with respect to quantity and frequency).

"Person" means any corporation, partnership (including any limited partnership and any limited liability partnership), joint venture, limited liability company, organization, trust, entity, authority or natural person.

"Petition Date" has the meaning set forth in the recitals hereto.

"Proceeding" means any claim, charge, complaint, dispute, demand, grievance, action, litigation, audit, investigation, review, inquiry, arbitration, liability, damage, suit in equity or at law, administrative, regulatory or quasi-judicial proceeding, account, cost, expense, setoff, contribution, attorney's fee or causes of action of whatever kind or character.

"Purchase Price" means the total consideration to be delivered to Sellers pursuant to Section 4.2 hereof.

"Purchased Assets" has the meaning set forth in Section 2.1 hereof.

"Rehired Employees" means each employee of Seller who accepts an offer of employment by Buyer as described in Section 10.1 hereof.

"Sale Order" means an order of the Bankruptcy Court , in substantially the form of Exhibit A attached hereto, to be entered by the Bankruptcy Court pursuant to sections 363, 365 and 1146(c) of the Bankruptcy Code.

"Schedules" means the schedules attached hereto.

"Seller Releasing Parties" has the meaning set forth in Section 3.1 hereof.

"Sellers" has the meaning set forth in the preamble hereto.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or (ii) if a partnership, limited liability company or other business entity, a majority of the partnership, limited liability company or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by such Person.

"Tax" and, with correlative meaning, "Taxes" mean with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments or other government charges, including any income, alternative or add-on minimum tax, estimated gross income, gross receipts, sales, use, privilege, *ad valorem*, value added, transfer, capital stock franchise, profits, license, registration, recording, documentary, intangibles, conveyancing, gains, withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real and personal), environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment, charge, or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign) whether such Tax is disputed or not, (ii) Liability for the payment of any amounts of the type

described in clause (i) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same affiliated, consolidated, combined, unitary or other group with such other Person, or (iii) Liability for the payment of any amounts of the type described in clause (i) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any Tax Return relating thereto). For the avoidance of all doubt, all Liabilities for sales, use, transfer, stamp, documentary, registration, conveyance fees, recording charges and other fees and charges incurred in connection with the transactions contemplated under this Agreement, including the sale and purchase of the Purchased Assets pursuant to this Agreement are included within the definition of "Tax" and "Taxes."

"Tax Purchase Price" has the meaning set forth in Section 10.4(a) hereof.

"Tax Return" means any report, return, declaration, claim for refund or other information or statement supplied or required to be supplied by any Person relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

"Termination Date" has the meaning set forth in Section 9.1(a) hereof.

"THD Claims" has the meaning set forth in Section 2.1(k) hereof.

"THD Released Claims" has the meaning set forth in Section 3.1 hereof.

"Transaction Documents" means this Agreement, and all other agreements, instruments, certificates and other documents to be entered into or delivered by any party in connection with the transactions contemplated to be consummated pursuant to this Agreement.

"Transition Services Agreement" has the meaning set forth in Section 4.3(f) hereof.

"WARN Act" means, collectively, the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar state, local or foreign Laws.

ARTICLE II
PURCHASE AND SALE; ASSUMPTION OF CERTAIN LIABILITIES

2.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing, Sellers shall sell, assign, transfer, convey and deliver to Buyer, free and clear of all Encumbrances, and Buyer shall purchase, acquire and take assignment and delivery of, for the consideration specified in Article IV, all right, title and interest of every kind and nature of Sellers in and to all of the properties, assets and rights (contractual or otherwise) of Sellers and used primarily in the Business as of the Closing Date, whether tangible or intangible, real or personal and wherever located and by whomever possessed, including all of the following properties, assets and rights, but excluding the Excluded Assets (all of the assets to be sold, assigned, transferred, conveyed and delivered pursuant to this Section 2.1 shall be referred to herein as the "Purchased Assets"):

(a) all Accounts Receivable;

(b) all Inventory;

(c) all Facility Leases set forth on Schedule 2.1(c) (the "Assumed Facility Leases"), but excluding the Facility Leases set forth on Schedule 2.2(c);

(d) all tangible personal property of each Seller, including but not limited to leasehold improvements and all machinery, equipment, vehicles, computers, servers, information systems, fixtures, computer equipment, telephone systems, furniture, office supplies, production supplies, spare parts and other miscellaneous supplies;

(e) all equipment leases of each Seller set forth on Schedule 2.1(e) (the "Assumed Equipment Leases", together with the Assumed Facility Leases, the "Assumed Leases"), but excluding the equipment leases set forth on Schedule 2.2(d);

(f) all Intellectual Property owned or licensed by each Seller or by the Sellers jointly (including without limitation all of the Intellectual Property set forth on Schedule 2.1(f)), along with all income, royalties, damages, claims, goodwill and payments due or payable to Sellers as of the Closing or thereafter, including damages and payments for past, present or future infringements or misappropriations thereof, or other conflicts therewith, the right to sue and recover for past, present or future infringements or misappropriations thereof, or other conflicts therewith, and any and all corresponding rights that, now or hereafter, may be secured throughout the world, including all copies and tangible embodiments of any such Intellectual Property in Sellers' possession or control;

(g) all Contracts of each Seller (the "Assumed Contracts"), including the Contracts set forth on Schedule 2.1(g), but excluding the Contracts set forth on Schedule 2.2(e);

(h) all Books and Records;

(i) all transferable permits, licenses, certifications and approvals from all permitting, licensing, accrediting and certifying agencies, and the rights to all data and records held by such permitting, licensing and certifying agencies, in each case, of Sellers;

(j) any confidential personnel and medical records pertaining to any Employee of the Sellers who accepts Buyer's offer of employment;

(k) all Claims and causes of action against the Persons listed on Schedule 3.1 (the "THD Claims");

(l) all goodwill as a going concern and all other intangible property of Sellers; and

(m) all other tangible and intangible assets related to the Sellers' Business.

2.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the following assets of Sellers shall be retained by Sellers and are not being sold, assigned, transferred, conveyed or delivered to Buyer hereunder (all of the following are referred to

collectively as the "Excluded Assets"), and Buyer shall have no obligations of any kind or nature with respect to or arising from:

(a) all Cash of the Sellers;

(b) all claims, actions, causes of action, suits, liabilities, obligations, demands, grievances, debts, sums of money, agreements, promises, damages, rights to reimbursement, rights to contribution, rights to indemnification, costs, expenses, attorneys' fees, injunctive relief, disgorgement, restitution, and all other rights and remedies of any type, whether known or unknown, whether in law or in equity, and whether based upon any federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common law source, or any other source, against third parties, including claims against current and former directors and officers of Sellers and avoidance claims or causes of action arising under the Bankruptcy Code or applicable state law (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code); provided that, for the avoidance of doubt, the right and ability to collect the Accounts Receivable in Section 2.1(a), the Intellectual Property rights expressly set forth in Section 2.1(f) and the THD Claims in Section 2.1(k) shall be Purchased Assets and not Excluded Assets;

(c) all Facility Leases set forth on Schedule 2.2(c);

(d) the equipment leases of each Seller set forth on Schedule 2.2(d);

(e) all Contracts of each Seller set forth on Schedule 2.2(e);

(f) subject to Section 7.2, originals of any Seller's minute books, stock books and stock certificates;

(g) subject to Section 7.2, any (i) confidential personnel and medical records pertaining to any Employee of the Sellers to whom Buyer does not make an offer of employment or any Employee of the Sellers who does not accept Buyer's offer of employment or (ii) other Books and Records that Sellers are required by Law to retain including, without limitation, Tax Returns, taxpayer and other identification numbers, financial statements and corporate or other entity filings;

(h) all Tax Returns of Sellers and their Affiliates and all other books and records relating to Taxes of Sellers and their Affiliates, and any claim, right or interest of Sellers and their Affiliates in or to any refund, rebate, abatement or other recovery for Taxes, together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof) ending on or before the Closing Date;

(i) the membership interests in HDL Properties, LLC, a Virginia limited liability company, Central Medical Laboratory, LLC, a Virginia limited liability company, and Biotech 8, LLC, a Virginia limited liability company, in each case held directly or indirectly by HDL, and any equity securities or membership or ownership interests in any other direct or indirect Subsidiary of any Seller;

(j) all assets used primarily in the CML Business;

(k) all rights under Sellers' insurance policies relating to the Business (including, without limitation, Seller's directors and officers liability insurance policies) and any right to refunds due with respect to such insurance policies;

(l) this Agreement and the other Transaction Documents and Sellers' rights hereunder and thereunder; and

(m) all assets listed on Schedule 2.2(m).

2.3 Assumed Liabilities. Subject to the terms and conditions set forth in this Agreement, including Section 2.3 hereto, Buyer shall only assume from Sellers and thereafter be responsible for the payment, performance or discharge of the following Liabilities of Sellers (all such liabilities and obligations assumed pursuant to this Section 2.3 shall be referred to herein as the "Assumed Liabilities"):

(a) all Liabilities under the Assumed Executory Contracts that arise after the Closing; and

(b) all Assumed State and Local Tax Liabilities

2.4 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or become liable for the payment or performance of any Liabilities of Sellers of any nature whatsoever, whether accrued or unaccrued, known or unknown, fixed or contingent ("Excluded Liabilities"). For the avoidance of doubt, the concept of Excluded Liabilities is intended to be construed as broadly as possibly under applicable Law, including section 363 of the Bankruptcy Code as interpreted, and shall include, without limitation, the following:

(a) any Liabilities associated with any Excluded Assets;

(b) any Liabilities associated with the DOJ Settlement Agreement;

(c) any Liabilities associated with the Sellers' Medicare and Medicaid enrollment agreements, provider transaction access numbers or the claims for payment submitted thereunder; provided that Accounts Receivable from Centers for Medicare & Medicaid Services ("CMS") may be subject to offset or recoupment by CMS in the ordinary course under the terms of the Sellers' Medicare enrollment agreements, Medicare statutes, regulations, policies and procedures; but not subject to any offset or recoupment outside of the ordinary course, including but not limited to any rights or obligations under the DOJ Settlement Agreement;

(d) all Liabilities of Seller or with respect to the Business for violations of any Legal Requirement;

(e) any Liabilities arising under (i) the WARN Act or COBRA with respect to terminations of employment occurring on or prior to the Closing Date or (ii) the Employee Benefit Plans; and

(f) except as set forth in Section 2.3(b), Taxes of the Sellers or their Affiliates and any of their respective members, managers, officers, directors, employees, agents or

representatives, or liability under and contract or agreement with respect to payment of any Taxes, whether it be Taxes of the Sellers, Affiliates of the Sellers or any other party.

2.5 Obligations in Respect of Cure Amounts. To the extent that any Assumed Executory Contract is subject to a cure pursuant to section 365 of the Bankruptcy Code, at the Closing, any amounts (the "Cure Amount") related to such cure obligations shall be paid by Buyer; provided, however, that if the lease of real property located at 737 N. 5th Street, Richmond, Virginia from Biotech 8, LLC is an Assumed Executory Contract, then any Cure Amount or post-petition administrative expense due to Biotech 8, LLC with respect to such lease shall be paid by Sellers.

2.6 Good Faith Deposit. Upon the execution and delivery of this Agreement by the parties hereto, Buyer shall pay (or shall have paid) $10,000,000.00 (the funds deposited into the escrow account, together with any investment earnings thereon after the date of deposit thereof, are collectively referred to as the "Good Faith Deposit") by wire transfer of immediately available funds to the escrow account established by Sellers' counsel (the "Escrow Agent"). Upon termination of this Agreement by Buyer or Sellers pursuant to Section 9.1 (other than a termination by Sellers pursuant to Section 9.1(d)), and provided that Buyer is not in material breach of its obligations under this Agreement, within three business days following such termination, Buyer and the Sellers shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Buyer. If this Agreement is terminated by Sellers pursuant to Section 9.1(d), within three business days following such termination, Buyer and Seller shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Sellers; provided that Sellers' right to receive the Good Faith Deposit under such circumstances shall be without prejudice to any other rights or remedies the Sellers may have as a result of any breach of this Agreement by Buyer.

ARTICLE III
RELEASE

3.1 Sellers Release. Effective upon the Closing, each of Sellers, for itself and all of its predecessors, Affiliates, Subsidiaries, heirs, estates, successors and assigns, and for all of their respective officers, directors, trustees, principals, managers, partners, shareholders, members, employees, attorneys, representatives and agents (the "Seller Releasing Parties"), hereby jointly and severally release the Persons listed on Schedule 3.1 (the "Buyer Released Parties"), from any and all claims, actions, causes of action, suits, liabilities, obligations, demands, grievances, debts, sums of money, agreements, promises, damages, rights to reimbursement, rights to contribution, rights to indemnification, costs, expenses, attorneys' fees, injunctive relief, disgorgement, restitution, and all other rights and remedies of any type, whether known or unknown, whether in law or in equity, and whether based upon any federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common law source, or any other source, except for any claims that may arise under this Agreement (the "THD Released Claims").

3.2 Sellers Covenant Not to Sue. Each of the Seller Releasing Parties agrees never to bring any claim, action or proceeding against the Buyer Released Parties relating to the THD Released Claims.

3.3 Unknown Facts. Each of the Sellers fully understands and recognizes that it may hereafter discover facts other than, or different from, what it knows or believes to be true with respect to the THD Released Claims. Nevertheless, each of the Sellers hereby does and has, and for all times shall be deemed to have, waived and fully, finally and forever released any known or unknown, hidden or open, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claims, without regard to the subsequent discovery or existence of different or additional facts.

3.4 Release as Defense to Further Action. This Release may be pleaded as full and complete defense to any action, suit, or other proceeding that may be instituted or prosecuted with respect to any of the THD Released Claims.

ARTICLE IV
CLOSING

4.1 Closing. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, the closing of the transaction contemplated by this Agreement (the "Closing") will take place at the offices of Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219 at 10:00 a.m. local time as soon as practicable after the date on which the conditions set forth in Article VIII have been satisfied or waived (but no later than three business days thereafter) or on such other date or at such other place and time as Buyer and Sellers may mutually determine (the "Closing Date").

4.2 Closing Payments. At the Closing, Buyer and Sellers shall make the following payments and take the following actions:

(a) Buyer shall pay $27,100,000.00, less the Good Faith Deposit and less the Closing AR Adjustment, if any, by wire transfer of immediately available funds to an account designated by the Sellers in a written notice to Buyer at least two business days prior to the Closing;

(b) Buyer shall deliver a fully executed promissory note payable to Sellers in the initial principal amount of $10,000,000.00 secured by the Accounts Receivable, in the form attached hereto as Exhibit B (the "THD Note"); and

(c) Buyer and the Sellers shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Sellers.

4.3 Deliveries by Sellers. At the Closing, Sellers shall deliver or procure delivery to Buyer of:

(a) a certificate signed by each Seller, dated the date of the Closing Date, certifying that the condition specified in Section 8.2(a) has been satisfied as of the Closing;

(b) originals (or, to the extent originals are not available, copies) of all Assumed Executory Contracts (together with all amendments, supplements or modifications thereto);

(c) one or more bills of sale, in the form attached hereto as Exhibit C conveying in the aggregate all of the owned personal property of Sellers included in the Purchased Assets, duly executed by Sellers;

(d) one or more assignments and assumptions of the Assumed Liabilities, in the form attached hereto as Exhibit D (collectively, the "Assignment and Assumption"), duly executed by the relevant Seller or Sellers;

(e) duly executed Intellectual Property assignments (collectively, the "Intellectual Property Assignments") in the forms attached hereto as Exhibit E, each in recordable form to the extent necessary to assign such rights;

(f) a duly executed Transition Services Agreement in the form attached hereto as Exhibit F (the "Transition Services Agreement");

(g) certificates of title and title transfer documents to all titled motor vehicles; and

(h) such other documents or instruments as are required to be delivered by any Seller at the Closing pursuant to the terms hereof or that Buyer reasonably requests prior to the Closing Date to effect the transactions contemplated hereby.

4.4 Deliveries by Buyer. At the Closing, Buyer will deliver to Sellers:

(a) the Assignment and Assumption duly executed by Buyer;

(b) the Transition Services Agreement duly executed by Buyer; and

(c) a certificate signed by Buyer, dated the date of the Closing Date, certifying that the condition specified in Section 8.3(a) has been satisfied as of the Closing.

4.5 Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Buyer and Sellers.

4.6 Accounts Receivable Adjustment. Not later than three days prior to the Closing Date, Sellers will provide Buyer with an estimate of the Accounts Receivable on the Closing Date with aging of 120 days or less (the "Closing AR Estimate"), which Closing AR Estimate shall be certified on behalf of Sellers by the President and the Chief Financial Officer of Sellers to be Sellers' good faith estimate of all Accounts Receivable that will be included in the Purchased Assets that represent valid obligations in all material respects arising from bona fide sales actually made or services actually performed in the ordinary course of business and that are carried in the Books and Records of the Sellers at values determined in accordance with generally acceptable accounting principles consistently applied in all material respects. To the extent the Closing AR Estimate is less than $10,000,000, such difference (the "Closing AR Adjustment") will be deducted from the Purchase Price otherwise payable pursuant to Section 4.2(a); provided that if the Closing AR Adjustment is greater than 10% of the Purchase Price, then Sellers may terminate this Agreement pursuant to Section 9.1(f).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers jointly and severally represent and warrant to Buyer as follows.

5.1 Organization, Standing. Each Seller is a legal entity duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

5.2 Power and Authority; Enforceability. Subject to any necessary authorization from the Bankruptcy Court, each Seller has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All Transaction Documents to which any Seller is a party have been duly executed and delivered by such Seller, except such Transaction Documents that are required by the terms hereof to be executed and delivered by such Seller after the date hereof, in which case such Transaction Documents will be duly executed and delivered by such Seller at or prior to the Closing, and, subject to any necessary authorization from the Bankruptcy Court, all Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Sellers, enforceable against Sellers in accordance with their terms.

5.3 Title to Assets. The Sellers have good title to, or interest in (as applicable), all of the Purchased Assets. Upon entry of the Sale Order, at the Closing, the Buyer will be authorized to transfer to the Seller the Purchased Assets, free and clear of all liens, Claims and Encumbrances to the fullest extent permissible under section 363(f) of the Bankruptcy Code.

5.4 Contracts.

(a) Upon entry of the Sale Order and payment or satisfaction of the Cure Amounts, (x) the Assumed Executory Contracts shall be deemed valid and binding and in full force and effect and assumed by the Sellers and assigned to the Buyer at Closing, and (y) all defaults and other obligations under the Assumed Executory Contracts arising prior to Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be deemed cured by payment of the Cure Amounts and the non-debtor parties to such contracts shall be forever barred and estopped from asserting or claiming against the Sellers or the Buyer that any additional amounts are due or other defaults exist.

(b) Upon entry of the Sale Order, payment or satisfaction of the Cure Amounts, and the occurrence of the Closing (i) the non-debtor party to each Assumed Executory Contract shall be deemed to have consented to such assignment under section 365(c)(1)(B) of the Bankruptcy Code, and the Buyer shall enjoy all of the rights and benefits under each such Assumed and Assigned Contract as of the applicable date of assumption without the necessity of obtaining such non-debtor party's written consent to the assumption or assignment thereof; and (ii) any provision in any Assumed Executory Contract that purports to declare a breach, default or payment right as a result of an assignment or a change of control in respect of the Sellers is unenforceable, and all Assumed Executory Contracts shall remain in full force and effect, subject only to payment of the appropriate Cure Amount, if any.

5.5 Taxes.

(a) Sellers have timely filed or caused to be timely filed (taking into account any applicable extension of time within which to file), with the appropriate taxing authorities, all material federal, state and local Tax Returns required to be filed relating to the Business on or prior to the Closing Date. Such Tax Returns as filed were correct and complete in all material respects.

(b) All Taxes and Tax liabilities due and owing by or with respect to the income, assets or operations of the Business have been paid in full, except for any such Taxes that are forgiven as part of the bankruptcy proceedings.

(c) There are no current liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Taxes that will survive the bankruptcy proceedings and carryover and become a liability of the Buyer after the Closing Date.

5.6 "AS IS," "WHERE IS" Transaction. Buyer hereby acknowledges and agrees that, except as otherwise expressly provided in this Agreement, Sellers make no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Business or the Purchased Assets, including, without limitation, income to be derived or expenses to be incurred in connection with the Purchased Assets, the physical condition of any personal property comprising a part of the Purchased Assets or which is the subject of any Assumed Executory Contract, the environmental condition or other matter relating to the physical condition of any real property or improvements which are the subject of any Assumed Facility Lease, the zoning of any such real property or improvements, the value or transferability of the Purchased Assets (or any portion thereof), the terms, amount, validity or enforceability of any Assumed Liabilities, the title of the Purchased Assets (or any portion thereof), the merchantability or fitness of the Purchased Assets (or any portion thereof for any particular purpose, or any other matter or thing relating to the Business or the Purchased Assets or any portion thereof). Without in any way limiting the foregoing, except as otherwise expressly provided in this Agreement, Sellers hereby disclaim any warranty (express or implied) of merchantability or fitness for any particular purpose as to any portion of the Purchased Assets. Buyer further acknowledges that Buyer has conducted an independent inspection and investigation of the physical condition of the Purchased Assets and all such other matters relating to or affecting the Purchased Assets as Buyer deemed necessary or appropriate and that in proceeding with its acquisition of the Purchased Assets, Buyer is doing so based solely upon such independent inspection and investigation. Accordingly, except as otherwise expressly provided in this Agreement, Buyer will accept the Purchased Assets at the Closing "AS IS," "WHERE IS" and "WITH ALL FAULTS."

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

6.1 Organization; Standing. Buyer is a legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

6.2 Authority. Buyer has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All Transaction Documents to which Buyer is a party have been duly executed and delivered by Buyer, except such Transaction Documents that are required by the terms hereof to be executed and delivered by Buyer after the date hereof, in which case such Transaction Documents will be duly executed and delivered by Buyer at or prior to the Closing, and all Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect, and to general equitable principles.

6.3 Qualifications. Buyer has obtained and maintains in full force and effect a Clinical Laboratory Improvement Amendments of 1988 (CLIA) certificate, a Medicare certification and associated Medicare supplier agreement, and all other licenses, permits, authorizations and other approvals of Governmental Authorities required to receive and process new and existing laboratory orders from patients and referring providers.

ARTICLE VII
PRE-CLOSING COVENANTS

7.1 Closing Efforts. Prior to Closing, Buyer and Sellers shall use commercially reasonable efforts to (i) obtain all material consents and approvals of all Governmental Authorities and all other Persons required to be obtained by Buyer and Sellers to effect the transactions contemplated by this Agreement and (b) take, or cause to be taken, all action, and to do, or cause to be done, all things necessary or proper, consistent with applicable Law and this Agreement, to consummate and make effective in an expeditious manner the transactions contemplated hereby.

7.2 Access to Information. Sellers agree that, prior to the Closing Date, Buyer, Buyer's lender, if any, and their respective representatives shall, upon reasonable advance notice and so long as such access does not unreasonably interfere with the business operations of Sellers or any of their Affiliates, have reasonable access during normal business hours to Sellers' premises and shall be entitled to make such investigation of the properties, businesses and operations of Sellers and such examination of the Books and Records and financial condition of Sellers as it reasonable requests and to make extracts and copies to the extent necessary of the Books and Records; provided, that no investigation pursuant to this Section 7.2 shall affect any liability for, or otherwise diminish, modify or affect, any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the transactions contemplated by this Agreement. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Sellers to disclose information subject to attorney-client privilege or conflict with any confidentiality obligations to which any Seller is bound. Upon reasonable request, Sellers will make available the laboratory director, employees from information services and employees from the billing department to discuss Sellers' Business. Buyer will not contact any employee, customer or supplier of Sellers with respect to this Agreement without the prior written consent of Sellers, which consent will not be unreasonably withheld, conditioned or delayed and which may be given via email. Buyer agrees to repair at its sole cost any damage to Sellers' premises caused

by Buyer's investigation and to indemnify and hold Sellers harmless of and from any claim for physical damages or physical injuries arising from Buyer's investigation, and notwithstanding anything to the contrary in this Agreement, such obligations to repair and to indemnify shall survive the Closing or any termination of this Agreement.

7.3 Conduct of the Business Pending the Closing. Subject to any obligations as debtors-in-possession under the Bankruptcy Code, and except as required by Law, as contemplated by this Agreement, with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed) or as described on Schedule 7.3, from the date hereof until the Closing Date, Sellers:

(a) shall not sell, transfer, abandon, permit to lapse or otherwise dispose of any of the Purchased Assets;

(b) shall conduct the Business in the Ordinary Course of Business;

(c) shall not authorize, declare or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities);

(d) shall use commercially reasonable efforts to preserve intact the Business to keep available the services of its current employees and agents and to maintain its relations and goodwill with its suppliers, customers, distributors and any others with whom or with which it has business relations;

(e) shall not enter into any Contracts other than in the Ordinary Course of Business without prior written authorization of Buyer;

(f) shall not fail to maintain in full force and effect insurance policies covering Sellers and their respective properties, assets and businesses in a form and amount consistent with past practice; and

(g) shall not make or change any election relating to Taxes, amend any Tax Return, enter into any closing agreement with respect to Taxes, settle any Tax claim or assessment relating to Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action relating to Taxes.

7.4 Bankruptcy Actions.

(a) Sellers shall use their commercially reasonable efforts to: (i) ensure that Bids are due no later than September 4, 2015, (ii) ensure that the Auction, if any, for the sale of all or substantially all of the Purchased Assets, on terms and conditions substantially the same in all material respects to this Agreement and in accordance with the procedures set forth in the Bidding Procedures Order, shall be held no later than September 10, 2015, (iii) obtain entry of the Sale Order by no later than September 21, 2015 and (iv) consummate the Closing as soon as practicable after the approval of the Sale Order and no later than the earlier of (x) 10 business days following approval of the Sale Order or (y) one day before the Termination Date.

(b) Buyer agrees to promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of providing necessary assurances of performance by Buyer of its obligations under this Agreement and the Transaction Documents and demonstrating that Buyer is a good faith buyer under section 363(m) of the Bankruptcy Code.

(c) Sellers shall pay when due all post-petition administrative expenses related to the Assumed Contracts relating to the period beginning on the Petition Date and ending on the Closing Date.

(d) Buyer shall be responsible for providing evidence and argument in support of the Sale Order in order to establish Buyer's ability to provide "adequate assurance of future performance" (within the meaning of section 365(f)(2)(B) of the Bankruptcy Code) of any Assumed Executory Contract. Sellers agree to use commercially reasonable efforts to cooperate with Buyer in the presentation of such evidence and argument. The Bankruptcy Court's refusal to approve the assumption by Buyer of any Assumed Executory Contract on the grounds that "adequate assurance of future performance" by Buyer of such Contract has not been provided shall constitute grounds for Sellers (but not Buyer) to terminate this Agreement pursuant to Section 9.1(d) hereof.

(e) This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher or better competing bids (each a "Competing Bid"). From the date hereof (and any prior time) and until the transaction contemplated by this Agreement is consummated, Sellers are permitted to cause their representatives and Affiliates to initiate contact with any Person in connection with, or solicit or encourage submission of, a Qualifying Bid (as defined in the Bidding Procedures Order) to be submitted at the Auction by any Person. In addition, Sellers shall, in an effort to encourage submission of Qualifying Bids at the Auction, respond to any inquiries or offers to purchase all or any part of the Purchased Assets and perform any and all other acts related thereto that are required under the Bankruptcy Code or other applicable law, including, without limitation, supplying information relating to the Business and the assets of Sellers to prospective purchasers.

ARTICLE VIII
CONDITIONS TO CLOSING

8.1 Conditions to Parties' Obligations. The obligations of Buyer and Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer and Sellers in whole or in part to the extent permitted by applicable Law):

(a) Governmental Approvals. All terminations or expirations of waiting periods imposed (and any extension thereof) by any Governmental Authority necessary for the transactions contemplated under this Agreement (including those under the HSR Act or similar foreign statute or rule), if any, shall have occurred.

(b) No Order or Proceeding. No Order shall be issued by any Governmental Authority enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement.

(c) Bankruptcy Condition. The Sale Order shall have been entered on the docket by the Clerk of the Bankruptcy Court.

8.2 Conditions to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer in whole or in part to the extent permitted by applicable Law):

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Sellers contained herein shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of Covenants. Sellers shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date.

(c) Closing Deliveries. Sellers shall have delivered, or caused to be delivered, to Buyer all of the items set forth in Section 4.3.

(d) Dismissal or Conversion of the Chapter 11 Cases. The Chapter 11 Cases shall not have been dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

8.3 Conditions to Sellers' Obligations. The obligation of Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers in whole or in part to the extent permitted by applicable Law):

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of Covenants. Buyer shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

(c) Consideration. Buyer shall have made the payments specified in Section 4.2.

(d) Closing Deliveries. Buyer shall have delivered, or caused to be delivered, to Sellers all of the items set forth in Section 4.4.

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement may be terminated prior to the Closing as follows:

(a) by either Buyer or Sellers, if the Closing shall not have occurred by the close of business on September 30, 2015 (the "Termination Date"); provided, however, that, if the Closing shall not have occurred due to the failure of the Bankruptcy Court to enter the Sale Order and if all other conditions to the respective obligations of the parties to close hereunder that are capable of being fulfilled by the Termination Date shall have been so fulfilled or waived, then no party may terminate this Agreement prior to October 14, 2015; provided, further, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by Buyer or Sellers, then the breaching party may not terminate this Agreement pursuant to this Section 9.1(a);

(b) by mutual written agreement of Buyer and Sellers;

(c) by either Buyer or Sellers, if there shall be in effect a Final Order enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated hereby, provided that Sellers shall not be entitled to terminate under this subsection if either or both of the Sellers are the parties that have sought, or have advocated in favor of, such a Final Order;

(d) by either Buyer or Sellers, if there shall have been a material breach of any of the representations, warranties, covenants or agreements set forth in this Agreement on the part of the other party, which breach is not cured within the earlier of (x) 10 days following written notice to the party committing such breach or (y) one day before the Termination Date or which breach, by its nature, cannot be cured prior to the Closing; provided that neither Buyer nor Sellers may terminate this Agreement pursuant to this Section 9.1(d) if such party is then in material breach of any representation, warranty, covenant or agreement contained herein;

(e) by either Buyer or Sellers, if the Bankruptcy Court shall enter an Order approving a Competing Bid, subject to the limitations set forth in the Bidding Procedures Order and subject to Buyer's right to payment of the Break-Up Fee and Expense Reimbursement in accordance with the provisions of Section 9.2; or

(f) by Sellers, if the Closing AR Adjustment is greater than 10% of the Purchase Price; provided that if Buyer notifies Sellers in writing within one business day following Buyer's receipt of the Closing AR Estimate that Buyer agrees that, notwithstanding the provisions of Section 4.6, the Closing AR Adjustment shall equal 10% of the Purchase Price, then Sellers may not terminate this Agreement pursuant to this Section 9.1(f).

9.2 Break-Up Fee and Expense Reimbursement.

(a) If this Agreement is terminated pursuant to Section 9.1(e), Sellers shall pay in cash to Buyer in accordance with Section 9.2(c) a break-up fee equal to $960,000 (the "Break-Up Fee"), with Sellers being jointly and severally liable for such payment; provided,

however, that the Break-Up Fee shall not be payable to Buyer if this Agreement is terminated for any reason other than pursuant to Section 9.1(e).

(b) If this Agreement is terminated pursuant to Section 9.1(e), Sellers shall, in addition to the Break-Up Fee in Section 9.2(a), pay in cash to Buyer in accordance with Section 9.2(c) and an amount equal to all Buyer Expenses as of the date of such termination up to a maximum of $500,000 (the "Expense Reimbursement"), with the Sellers being jointly and severally liable for such payment; provided, however, that the Expense Reimbursement shall not be payable to Buyer if this Agreement is terminated for any reason other than pursuant to Section 9.1(e).

(c) The Break-Up Fee shall be paid and payable in the nature of liquidated damages. The Expense Reimbursement shall be paid and payable as an actual damage, earned at the time of incurrence. The Break-Up Fee and the Expense Reimbursement shall be paid to Buyer in lieu of any other payments or damages under this Agreement (except for the return of the Good Faith Deposit pursuant to Section 2.6). The Break-Up Fee and the Expense Reimbursement shall be payable by Sellers in the event and at the time a Competing Bid is consummated from the proceeds thereof or otherwise as provided by Section 9.2(d).

(d) Sellers' obligation to pay the Break-Up Fee and the Expense Reimbursement pursuant to this Section 9.2 shall survive termination of this Agreement and shall constitute an administrative expense (which shall be a superpriority administrative expense claim senior to all other administrative expense claims and payable out of Sellers' cash or other collateral securing Sellers' obligations to its senior secured lenders, prior to any recovery by such lenders) of Sellers under section 364(c)(1) of the Bankruptcy Code.

9.3 Effect of Termination or Breach. If the transactions contemplated hereby are not consummated (a) this Agreement shall become null and void and of no further force and effect, except (i) for this Section 9.3, (ii) for the provisions of Sections 2.6, 9.2, 11.1, 11.6, 11.7, 11.8, 11.9, and 11.10 hereof, and (iii) that the termination of this Agreement for any cause shall not relieve any party hereto from any Liability which at the time of termination had already accrued to any other party hereto or which thereafter may accrue in respect of any act or omission of such party prior to such termination; (b) the payment of the Break-Up Fee and Expense Reimbursement shall be sole and exclusive remedy (as liquidated damages) of Buyer; and (c) in the event this Agreement is terminated by Sellers pursuant to Section 9.1(d), the receipt by Sellers of the Good Faith Deposit shall be without prejudice to any other rights or remedies the Sellers may have as a result of any breach of this Agreement by Buyer.

ARTICLE X
POST-CLOSING COVENANTS

10.1 Employees. Buyer expects to offer employment immediately prior to the Closing (but contingent on the occurrence of the Closing) to such employees of Sellers actively employed or engaged principally in the Business as of the Closing Date as determined by Buyer in their sole discretion (such employees who accept such offer of employment, the "Rehired Employees") on terms and conditions as determined by Buyer in their sole discretion. Such offers shall be sufficient in number and as to terms and conditions so as not to give rise to any

obligations or liabilities of Sellers under the WARN Act; provided, however, that the foregoing obligation of Buyer is conditioned on the satisfaction by Sellers of all notice, payment and other obligations under the WARN Act with respect to employment terminations occurring during the period through and up to the Closing Date. Nothing contained in this Agreement shall confer upon any Rehired Employee any right to any term or condition of employment or to continuance of employment by Buyer or any of its Affiliates, nor shall anything herein interfere with the right of Buyer or any of its Affiliates to terminate the employment of any employee, including any Rehired Employee, at any time, with or without notice and for any or no reason, or restrict Buyer or any of its Affiliates in modifying any of the terms or conditions of employment of any employee, including any Rehired Employee, after the Closing.

10.2 Employee Benefit Plans. Buyer shall not assume any Employee Benefit Plan or any Liability thereunder or related thereto and Buyer shall provide only those benefits to Rehired Employees as of or after the Closing as Buyer, in its sole discretion, shall determine. Sellers shall be responsible for all obligations, Claims, or Liabilities at any time arising under or in connection with any Employee Benefit Plan. With respect to all claims by or benefits due to current and former employees, officers, directors or contractors of any Seller whenever arising under or in connection with any Employee Benefit Plan, whether insured or otherwise (including life insurance, medical and disability programs, retirement and pension plans), Sellers shall, at their own expense, honor, process, administer or pay or cause their respective insurance carriers (as applicable) to honor, process, administer or pay such claims or benefits, regardless of whether such claims are made or such benefits are due before or after the Closing, in accordance with the terms and conditions of such Employee Benefit Plans without regard to the employment by Buyer of any such employees after the Closing. Nothing contained in this Agreement, express or implied: (a) shall be construed to establish, amend, or modify any benefit or compensation plan, program, agreement or arrangement; (b) shall alter or limit the ability of any Buyer or any of its Affiliates to amend, modify or terminate any benefit or compensation plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them; or (c) is intended to confer upon any Person (including employees, retirees, or dependents or beneficiaries of employees or retirees) any rights as a third-party beneficiary of this Agreement.

10.3 Access to Information. For a period of seven years after the Closing Date, or longer to the extent necessary to respond to claims by Governmental Authorities or third parties, each party and their representatives shall have reasonable access to, and each shall have the right to photocopy, all of the books and records relating to the Business or the Purchased Assets, including all employee records or other personnel and medical records required by Law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such party in connection or relating to the Business, the Purchased Assets, the Excluded Assets, the Assumed Liabilities or Liabilities not assumed by Buyer. Such access shall be afforded by the party in possession of such books and records upon receipt of reasonable advance notice and during normal business hours; provided, however, that (i) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of any party or its Affiliates, (ii) no party shall be required to take any action which would constitute a waiver of the attorney-client privilege and (iii) no party need supply the other party with any information which such party is under a legal obligation not to supply. The party exercising this right of access shall be solely responsible for any costs or

expenses incurred by it pursuant to this Section 10.3. If the party in possession of such books and records shall desire to dispose of any such books and records upon or prior to the expiration of such period, such party shall, prior to such disposition, give the other party a reasonable opportunity at such other party's expense, to segregate and remove such books and records as such other party may select.

10.4 Tax Matters.

(a) Transaction Treatment; Allocation of Purchase Price. Buyer and Sellers hereby agree that the purchase price for Federal and state income tax purposes shall equal the aggregate of the Purchase Price and an amount equal to the Assumed Liabilities ("Tax Purchase Price"). Buyer and Sellers shall cooperate as provided herein in determining (in accordance with all applicable Treasury Regulations promulgated under Section 1060 of the Code) the allocation of the final Tax Purchase Price among the Purchased Assets (the "Allocation"). Within 30 days after the Closing, Buyer shall notify Sellers in writing of Buyer's proposed Allocation of the Tax Purchase Price among the Purchased Assets. Sellers shall be deemed to have accepted such Allocation unless, within 30 days after the date Buyer provided the proposed Allocation to Sellers, Sellers notifies Buyer in writing of (a) each amount of the proposed Allocation with which Sellers disagree and (b) for each such amount, the amount that Sellers propose as the appropriate amount. If Sellers provide such notice to Buyer, the parties shall proceed in good faith to resolve the amounts in dispute. If they are unable to do so within 20 days after the delivery of Sellers' notice to Buyer, they shall retain a mutually acceptable independent accounting firm (with a valuation group) to do so, and the fees of such firm shall be paid 50% by Sellers and 50% by Buyer. Neither Buyer nor Sellers shall take, nor shall they permit any Affiliate to take, any position inconsistent with the Allocation as finally determined hereunder; provided, however, that (i) Buyer's cost for the Purchased Assets may differ from the Tax Purchase Price to the extent necessary to reflect Buyer's capitalized acquisition costs other than the Purchase Price and (ii) the amount realized by Sellers may differ from the Tax Purchase Price to the extent necessary to reflect transaction costs that reduce the amount realized by Sellers. To the extent the THD Note causes the transaction to be in part an installment sale under Section 453 of the Code (and the Buyer does not elect out of such treatment), the installment sale will be calculated and determined by treating the principal portion of the THD Note as purchasing a pro rata portion of each Purchased Asset, and imputing interest (to the extent needed) at the lowest Applicable Federal Rate for the term of the THD Note and the month which includes the Closing Date.

(b) Tax-Sharing Agreements. All tax-sharing agreements or similar agreements with respect to or involving Sellers or any of their Affiliates or any other party shall be terminated as of the Closing Date and, on and after the Closing Date, the Buyer shall not be bound thereby or have any liability thereunder.

(c) Cooperation. Buyer and Sellers jointly covenant and agree that, from and after the Closing Date, Buyer and Sellers will each use commercially reasonable efforts to cooperate with each other in connection with any action, suit, proceeding, investigation or audit of the other relating to (i) the preparation or audit of any Tax Return of any Seller or Buyer for periods prior to or including the Closing Date, (ii) any audit of Buyer and/or any audit of any Seller with respect to the sales, transfer and similar Taxes relating to the transactions

contemplated by this Agreement or (iii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing involving Sellers or any of their Affiliates. In furtherance hereof, Buyer and Sellers further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 10.4(c) referred to herein shall be borne by the party who is subject to such action.

10.5 Collections on Purchased Assets. If, after the Closing Date, Sellers shall receive payment with respect to any Purchased Assets, Sellers shall immediately deliver such funds or assets to Buyer and take all steps necessary to vest title to such funds or assets in Buyer. If after the Closing Date, Buyer shall receive payment with respect to any Excluded Assets, Buyer shall immediately deliver such funds or assets to Sellers and take all steps necessary to vest title to such funds or assets in Buyer.

10.6 Treatment of Purchased Assets. In the case of licenses, certificates, approvals, authorizations, Assumed Executory Contracts and other commitments included in the Purchased Assets (a) that cannot be transferred or assigned effectively without the consent of third parties, which consent has not been obtained prior to the Closing (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer, at the sole cost and expense of Buyer, in endeavoring to obtain such consent and, if any such consent is not obtained, Sellers shall, subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects and at Buyer's sole cost and expense, to provide to Buyer the benefits thereof in some other manner, or (b) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer, at the sole cost and expense of Buyer, to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Sellers thereunder).

10.7 Further Assurances. From time to time after the Closing and without further consideration, (i) Sellers, upon the request of Buyer, shall take such actions and execute and deliver such documents and instruments of conveyance and transfer as Buyer may reasonably request in order to consummate more effectively the purchase and sale of the Purchased Assets as contemplated hereby and to vest in the applicable Buyer title to the Purchased Assets transferred hereunder, or to otherwise more fully consummate the transactions contemplated by this Agreement and (ii) Buyer, upon the request of Sellers, shall take such actions and execute and deliver such documents and instruments of contract or lease assumption as Sellers may reasonably request in order to confirm Buyer's Liability for the Assumed Liabilities or otherwise to more fully consummate the transactions contemplated by this Agreement.

ARTICLE XI
MISCELLANEOUS

11.1 Expenses. Except as provided in Section 9.2 hereof, each party hereto shall bear its own costs and expenses, including attorneys' fees, with respect to the transactions

contemplated hereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing party in such action or proceeding (i.e., the party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing party such costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing party may incur in the pursuit or defense thereof.

11.2 Amendment. This Agreement may not be amended, modified or supplemented except by a written instrument signed by Sellers and Buyer.

11.3 Notices. Any notice, request, instruction or other document to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given, (a) when received if delivered by hand (including by reputable overnight courier), (b) on the date of transmission if sent by facsimile or email (if the sender on the same day sends a confirming copy of such notice by reputable overnight courier) or (c) upon delivery, or refusal of delivery, if deposited in the U.S. mail, certified or registered mail, return receipt requested, postage prepaid:

To Sellers:
Health Diagnostic Laboratory, Inc.
737 N. 5th Street, Suite 200
Richmond, Virginia 23219
Attn: Douglas Sbertoli
Email dsbertoli@hdlabinc.com
Fax: (804) 225-0530

with copy to:
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Attn: Tyler P. Brown
Email: tpbrown@hunton.com
Fax: (804) 788-8218

To Buyer:
True Health Diagnostics, LLC
6170 Research Road
Frisco, Texas 75033
Attn: Chris Grottenthaler
Email: chris.grottenthaler@TrueHealthDiag.com
Fax: (469) 362-8048

With copy to:
Perkins Coie LLP
131 South Dearborn Street, Suite 1700
Chicago, Illinois 60603
Attn: Michael Osterhoff
Email: mosterhoff@perkinscoie.com
Fax: (312) 324-9587

or to such other individual or address as a party hereto may designate for itself by notice given as herein provided.

11.4 Waivers. The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing by Sellers, in the case of a waiver by any Seller, or Buyer, in the case of any waiver by Buyer, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach of other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

11.5 Counterparts and Execution. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

11.6 SUBMISSION TO JURISDICTION. THE PARTIES HEREBY AGREE THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS RELATING TO THIS AGREEMENT OR THE OTHER AGREEMENTS CONTEMPLATED HEREIN SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF SUCH COURT.

11.7 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Commonwealth of Virginia (regardless of the Laws that might otherwise govern under applicable Virginia principles of conflicts of Law) as to all matters, including matters of validity, construction, effect, performance and remedies.

11.8 Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties (which shall not be unreasonably withheld or delayed), except that: (i) prior to Closing, Buyer may assign any of its rights and obligations hereunder to any Affiliate or Subsidiary of Buyer (whether wholly owned or otherwise) and to its lender; provided that no such assignment shall relieve Buyer of its obligations hereunder; (ii) the rights and interests of Sellers hereunder may be assigned to a trustee appointed under chapter 11 or chapter 7 of the Bankruptcy Code; (iii) this Agreement may be assigned to any entity appointed as a successor to Sellers pursuant to a confirmed Chapter 11 plan; and (iv) as otherwise provided in this Agreement.

11.9 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to confer on any Person other than the parties hereto or their successors and permitted assigns, any rights, remedies, obligations, Claims, or causes of action under or by reason of this Agreement.

11.10 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to this Agreement to express their mutual intent, and no rule of

strict construction shall be applied against any party. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and Laws promulgated thereunder, unless the context requires otherwise.

11.11 Termination of Representations and Warranties. All representations and warranties made by Sellers and Buyer in this Agreement and in any certificate delivered pursuant to Section 4.3(a) or 4.4(c) shall terminate on the Closing Date upon the consummation of the transactions contemplated hereby, and neither Sellers nor Buyer shall have any liability after the Closing Date for any breach of any representation or warranty.

11.12 Public Announcements. Except as required by Law or in connection with the Chapter 11 Cases, neither Sellers nor Buyer shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other parties hereto relating to the contents and manner of presentation and publication thereof, which approval will not be unreasonably withheld, conditioned or delayed. Prior to making any public disclosure required by applicable law, the disclosing parties shall give the other party a copy of the proposed disclosure and reasonable opportunity to comment on the same.

11.13 Entire Understanding. This Agreement, the Exhibits and the Schedules set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby and the Agreement, the Exhibits and the Schedules supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and are not intended to confer upon any other Person any rights or remedies hereunder.

11.14 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable term, provision, covenant or restriction or any portion thereof had never been contained herein.

11.15 Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

11.16 No Liability of Officers and Directors. The parties hereto acknowledge and agree that any individual executing this Agreement or any certificates or other documents contemplated by this Agreement on behalf of Buyer or Sellers do so on behalf of such entities and not in their individual capacities. As such, except for fraud, no officer, director, employee, or agent of Buyer or Sellers shall have any liability hereunder.

11.17 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement to be performed at or prior to the Closing were not performed in accordance with the terms hereof and that, prior to the Closing, the parties shall be entitled to specific performance of such provisions, in addition to any other remedy at law or in equity.

11.18 Guaranty. Leon Capital Group, LLC, a Texas limited liability company, hereby irrevocably and unconditionally guarantees to Sellers the payment of the cash portion of the Purchase Price required to be paid at Closing pursuant to Section 4.2(a).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

BUYER:

TRUE HEALTH DIAGNOSTICS, LLC

By: _____
Name: Christopher L. Grottenthaler
Its: CEO

SELLERS:

HEALTH DIAGNOSTIC LABORATORY, INC.

By: _____
Name: Joseph P. McConnell
Title: President and CEO

INTEGRATED HEALTH LEADERS, LLC

By: _____
Name: Joseph P. McConnell
Title: President and Treasurer

GUARANTOR:

LEON CAPITAL GROUP, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

BUYER:

TRUE HEALTH DIAGNOSTICS, LLC

By: _____
Name:
Its:

SELLERS:

HEALTH DIAGNOSTIC LABORATORY, INC.

By: _____
Name:
Title:

INTEGRATED HEALTH LEADERS, LLC

By: _____
Name:
Title:

GUARANTOR:

LEON CAPITAL GROUP, LLC

By: _____
Name: Fernando De Leon
Title: manager

EXHIBIT B

Schedule 2.2(m)

Other Excluded Assets

1. All Medicare provider numbers.

2. All collateral securing liens of Bank of the West or PNC.

3. Email, email servers, back-up tapes and other back-up storage media, and company computers, laptops and handheld devices used by key executives.

4. All security deposits concerning leases, whether equipment leases or Facility Leases, including without limitation all security deposits held in connection with the lease with Biotech 8, LLC.

5. Non-operating Accounts Receivable, including without limitation the Accounts Receivable from Oncimmune and G3.

6. All Accounts Receivable and claims related to Cigna, Aetna, United Health, Humana, or Anthem/Blue Cross Affiliates, which arise from services performed one hundred eighty (180) days before the Closing.

7. All claims related to Boston Heart.

8. Any attorney-client privilege and attorney work-product protection of Sellers or associated with the Business as a result of legal counsel representing Sellers or the Business, including, without limitation, in connection with the transactions contemplated by this Agreement, and all documents maintained by legal counsel as a result of representation of Sellers or the Business.

EXHIBIT C

IMPORTANT NOTICE -- THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

SECURED PROMISSORY NOTE

$10,000,000 Richmond, Virginia
September 29, 2015

1. For value received, the undersigned, True Health Diagnostics, LLC, a Delaware limited liability company ("Maker"), promises to pay to the order of Health Diagnostics Laboratory, Inc., a Virginia corporation ("the "Holder"), (i) the principal amount of Ten Million Dollars ($10,000,000), together with interest thereon calculated as provided in Section 3 below from the date of this Secured Promissory Note (the "Note") until the date that the principal amount hereof is paid in full and (ii) all Contingent Principal. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in that certain Asset Purchase Agreement, dated as of September 29, 2015, by and among True Health Diagnostics, LLC, Health Diagnostics Laboratory, Inc., and Integrated Health Leaders, LLC (the "Purchase Agreement").

2. Payment of Principal.

a. Maker shall pay all outstanding principal under this Note together with all accrued and unpaid interest thereon promptly, but in any event within three (3) business days, after the Accounts Receivable are collected, on a dollar for dollar basis. All principal and accrued and unpaid interest thereon, together with any Liabilities (as hereinafter defined), that remain outstanding on January 31, 2016 (the "Maturity Date") shall be due and payable to the Holder on the Maturity Date. All payments under this Note shall be applied to the Liabilities as follows: (i) first, to any costs or expenses then payable to Holder hereunder; (ii) second, to any interest then payable to Holder hereunder; and (iii) third, to any principal outstanding under this Note.

b. Upon payment in full of all Liabilities (other than Contingent Principal) and fees, Maker shall pay to Holder 85% of all collected Accounts Receivable until all Accounts Receivable have been collected by Maker ("Contingent Principal"). Such payments of Contingent Principal shall be made to Holder promptly, but in any event within three (3) business days, after the Accounts Receivable are collected. Maker's obligation to pay Contingent Principal pursuant to this Section 2(b) shall survive the repayment of the principal balance of this Note and accrued interest thereon that occurs at maturity, by prepayment or otherwise, and Maker's obligation to pay Contingent Principal shall continue to be secured by the Collateral as set forth in Section 12 of this Note.

3. Payment of Interest. Interest shall accrue on the outstanding principal amount of this Note at the rate of TEN percent (10.00%) per annum compounded monthly and shall be payable as described in Section 2(a) above. Notwithstanding the foregoing, if a Default has

occurred and remains outstanding, interest shall accrue on the outstanding principal amount of this Note at the rate of TWELVE percent (12%) per annum.

4. Saving Clause. Notwithstanding anything to the contrary contained herein, it is the intent of the parties that the rate of interest and other charges to Maker under this Note shall be lawful and therefore, if for any reason the interest or other charges payable hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which the holder of this Note may lawfully charge Maker, then all amounts so received shall, at the election of Holder, be deemed partial prepayments of principal by Maker and applied as of the date received or refunded to Maker.

5. Liabilities. Maker further agrees to pay to Holder on demand all reasonable costs and expenses, including, without limitation, court costs and reasonable attorneys' fees and disbursements, incurred by Holder in enforcing this Note, including, without limitation, those incurred in defending any action threatened or brought against Holder by Maker. As used in this Note, the term "Liabilities" means, collectively, (i) all principal, interest, costs, fees, expenses and all other amounts now or hereafter owing under this Note from time to time and (ii) all Contingent Principal. The Liabilities are prepayable at any time without penalty.

6. Covenants.

a. Maker shall perform all necessary and appropriate commercial collection activities in arranging the timely payment of Accounts Receivable due and owing to Maker and shall promptly remit such collections to Holder in accordance with this Note.

b. Other than in the ordinary course of business consistent with Holder's past practices, Maker shall not (i) grant any extension of the time of payment of any Accounts Receivable, (ii) compromise or settle any Accounts Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Accounts Receivable, (iv) allow any credit or discount whatsoever on any Accounts Receivable or (v) amend, supplement or modify any Accounts Receivable in any manner that could materially adversely affect the value thereof.

c. Maker shall furnish to Holder as soon as available, but in any event within three (3) business days after the end of each week, (i) a listing of all Accounts Receivable as of such day, which shall include the amount and age of each such Accounts Receivable (together with a reconciliation of such schedule with the schedule delivered to the Holder for the immediately preceding week) and (ii) a schedule of actual cash collections on such Account Receivable received during the previous week.

7. Default. Each of the following events shall constitute an event of default regardless of the reason for such occurrence (each, a "Default"):

a. Maker fails to make any payment under this Note, including the payment of any Contingent Principal, when due or on demand by Holder and such failure to pay shall continue unremedied for five (5) business days after the earlier of (i) the date Maker becomes aware of such failure and (ii) the date written notice of such failure is given by Holder to Maker.

b. Maker fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note, the Purchase Agreement or any other agreement with Holder and such failure shall continue unremedied for five (5) business days after the earlier of (i) the date Maker becomes aware of such failure and (ii) the date written notice of such failure is given by Holder to Maker.

c. The dissolution or termination of Maker's existence as a going business, the appointment of a receiver for any part of Maker's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Maker.

In the event of any Default under this Note, the failure of Holder to exercise promptly any of its rights shall not constitute a waiver of such rights while such Default continues, nor a waiver of such rights in connection with any future Default on the part of Maker. Acceptance by Holder of any payment in any amount less than the amount due shall be deemed an acceptance on account only and the failure to pay the entire amount then due shall be and continue to be a Default.

8. Holder's Rights. Upon the occurrence of any Default, Holder may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due and payable, and then Maker will pay that amount. In case of any Default by Maker in payment of any amount when due or upon the filing of any petition in bankruptcy by or against Maker this Note shall automatically become due and payable without any further notice or demand.

9. Notices. All notices and other communications in connection with this Note shall be given in accordance with Section 11.3 of the Purchase Agreement.

10. Forum; Jury Trial Waiver. IN CONNECTION WITH ANY MATTER OR DISPUTE ARISING OUT OF OR RELATING TO THIS NOTE, MAKER HEREBY AGREES THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS RELATING TO THIS NOTE SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT (AS THAT TERM IS DEFINED IN THE PURCHASE AGREEMENT), AND MAKER HEREBY CONSENTS TO THE JURISDICTION OF SUCH COURT. MAKER CONSENTS TO SERVICE OF PROCESS BY CERTIFIED OR REGISTERED MAIL, POSTAGE PREPAID, ADDRESSED TO MAKER AT ITS ADDRESS SET FORTH BELOW. MAKER HEREBY WAIVES TRIAL BY JURY IN ALL PROCEEDINGS ARISING IN CONNECTION WITH THIS NOTE.

11. Waiver. Maker, its legal representatives, successors and assigns, hereby irrevocably waive diligence in collection, demand and presentment for payment, notice of non-payment, protest, notice of protest, dishonor, notice of dishonor, default and all other matters or things relating to the Liabilities or this Note including any extension before, at or after demand.

12. Grant of Security Interest.

a. For valuable consideration, Maker grants to Holder a security interest in the Collateral to secure the payment and performance of the Liabilities and agrees that Holder shall have the rights stated in this Note with respect to the Collateral, in addition

to other rights and remedies which Lender may have under applicable law, including those rights and remedies as a secured party under Article 9 of the Uniform Commercial Code.

b. Maker represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral. Maker shall not assume, incur, or suffer to be created, assumed, incurred or to exist any mortgage, pledge, lease, encumbrance, lien or charge of any kind upon the Collateral or any part thereof (except for the lien in favor of Holder).

c. Maker grants to Holder, and any authorized agent of Holder, the right to file, without notice to Maker, financing statements, continuation statements and any other filings or security agreements, with all appropriate jurisdictions or offices to perfect, maintain perfection or otherwise protect Holder's interest or rights hereunder, and grants to Holder, and any authorized agent of Holder, a power of attorney to execute and make such filings on behalf of Maker.

13. Collateral Description. The word "Collateral" as used in this Note means the Accounts Receivable and all proceeds and products thereof, which Maker is giving to Holder as a security interest for the payment of the Liabilities and performance of all other obligations under this Note from Maker to Holder.

14. CONFESSION OF JUDGMENT. IF AN EVENT OF DEFAULT OCCURS UNDER THIS NOTE, MAKER HEREBY DULY CONSTITUTES AND APPOINTS DOUG SBERTOLI, TYLER BROWN AND JASON HARBOUR, ANY OF WHOM MAY ACT ALONE WITHOUT THE OTHER, TO BE MAKER'S TRUE AND LAWFUL ATTORNEY-IN-FACT IN THE NAME, PLACE AND STEAD OF MAKER, TO APPEAR FOR MAKER BEFORE THE CLERK OF THE CIRCUIT COURT OF ANY CITY OR COUNTY IN THE COMMONWEALTH OF VIRGINIA AND TO CONFESS JUDGMENT AGAINST MAKER IN FAVOR OF HOLDER FOR THE FULL AMOUNT OUTSTANDING UNDER THIS NOTE (INCLUDING, WITHOUT LIMITATION, ALL LIABILITIES), PLUS ACCRUED AND UNPAID INTEREST, PLUS OUTSTANDING FEES AND LATE CHARGES, PLUS COURT AND OTHER COLLECTION COSTS, PLUS REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED, ALL WITHOUT PRIOR NOTICE OR OPPORTUNITY OF MAKER FOR PRIOR HEARING, WITHOUT STAY OF EXECUTION OR RIGHT OF APPEAL, AND EXPRESSLY WAIVING THE BENEFIT OF THE HOMESTEAD AND ALL OTHER EXEMPTION LAWS AND ANY IRREGULARITY OR ERROR IN ENTERING ANY SUCH JUDGMENT. NO SINGLE EXERCISE OF THE POWER TO CONFESS JUDGMENT GRANTED IN THIS PARAGRAPH SHALL EXHAUST THE POWER, REGARDLESS OF WHETHER SUCH EXERCISE IS RULED INVALID, VOID OR VOIDABLE BY ANY COURT. THE POWER TO CONFESS JUDGMENT GRANTED IN THIS PARAGRAPH MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS HOLDER MAY ELECT.

HOLDER SHALL AT ANY TIME HAVE THE IRREVOCABLE RIGHT TO APPOINT A SUBSTITUTE FOR THE ATTORNEYS-IN-FACT NAMED IN THIS SECTION

WITHOUT NOTICE OR CAUSE BY SPECIFICALLY NAMING THE SUBSTITUTE IN AN INSTRUMENT APPOINTING THE SUBSTITUTE ATTORNEY-IN-FACT.

THIS POWER OF ATTORNEY IS A POWER OF AUTHORITY COUPLED WITH AN INTEREST AND MAY NOT BE TERMINATED BY MAKER AND SHALL NOT BE REVOKED OR TERMINATED BY MAKER'S DISABILITY AS TO SAID ATTORNEY-IN-FACT OR ANY OTHER PERSON WHO, WITHOUT ACTUAL KNOWLEDGE OR NOTICE OF MAKER'S DISABILITY HAS ACTED OR ACTS IN GOOD FAITH, UNDER OR IN RELIANCE UPON THIS POWER OF ATTORNEY, AND ANY ACTIONS SO TAKEN UNLESS OTHERWISE INVALID OR UNENFORCEABLE, SHALL BE BINDING UPON MAKER, ITS SUCCESSORS AND ASSIGNS.

15. General. If any provision of this Note is prohibited by or invalid under applicable law, that provision shall be ineffective to the extent of the prohibition or invalidity, without invalidating the rest of that provision or the remaining provisions of this Note. This Note shall be governed in all respects by and construed in accordance with the laws of the Commonwealth of Virginia. This Note shall bind Maker and Maker's legal representatives, successors and assigns, and shall inure to the benefit of Holder and its heirs, legal representatives, successors and assigns. Maker shall not assign any right or obligation under this Note without prior written consent of Holder. No provision of this Note may be waived, amended, released or otherwise changed, except by a writing signed by the party against which enforcement is sought.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, Maker's duly authorized representative has executed this Note as of the date set forth above.

True Health Diagnostics, LLC

By: _____
Name: Christopher Grotthaler
Title: CEO

Address of Maker:

6170 Research Rd #211
Frisco TX 75033

EXHIBIT D

AGREEMENT FOR SERVICES

WHEREAS, ACCELERATED RECEIVABLES MANAGEMENT, INC. (hereinafter referred to as "ARM"), is a collection service retaining legal counsel, and

WHEREAS, HEALTH DIAGNOSTIC LABORATORY, INC. (hereinafter referred to as "CLIENT"), has certain accounts they desire to be collected,

THEREFORE, BE IT RESOLVED:

For and in consideration of mutual promises contained herein, the sufficiency of such consideration being herewith acknowledged, the parties agree as follows:

ACCOUNTS:

From time to time as Client shall deem appropriate, they shall transmit to ARM collection files of accounts due and payable along with such documentation as may be available to aid in collection efforts on such accounts as identified in Exhibit A attached hereto.

COLLECTION EFFORTS:

ARM shall commence the collection of such accounts in a reasonable and workmanlike manner, upon receipt of same, in conformance with the federal Fair Debt Collection Act and the laws of the appropriate jurisdictions by means of written correspondence, telephone communication and credit reporting. ARM will automatically file a claim in a bankruptcy or an estate which is filed on an account after the account is placed with ARM.

MODIFICATION AND SETTLEMENT:

ARM, in its collection efforts, shall have the right to settle all claims by establishment of payment schedules, acceptance of reduced lump sums, or such other agreements as ARM, its counsel or her agents may deem appropriate within the guidelines established by Client as set forth in Exhibit B, and as may be periodically modified and mutually agreed for future projects unless waived in writing by an authorized representative of Client. In the event of litigation, with prior written approval of Client, ARM shall have the right to settle, modify, or dismiss the suit and in each instance, such right shall include the right to take such action without further permission of the client.

COLLECTION OF PAYMENTS:

On all accounts delivered by Client to ARM, ARM shall have the right and duty to receive and deposit all cash, checks, money orders, or negotiable instruments received through ARM or the attorney's efforts. In the event such instrument shall bear the name of the Client, ARM shall have the right to endorse such instrument for Client, whether in client's name or in the name of ARM, for the deposit to the trust account without notice or further consent from Client. All funds collected on Client's accounts will be held in the company's escrow account at Wells Fargo until disbursed to client on the 15th of each month following the month of collections, less its fees and court costs, if any. An itemized statement will accompany all disbursements to Client.

FEES:

ARM will charge Client a contingency fee of 25% on all non-legal accounts, and 35% on legal accounts, plus court costs. If an account is closed due to a determination of no payment to debtor, there will be a flat fee of $2.00 per account. There will not be a fee or payment of any variety on any account on which no funds are collected. ARM will automatically file a claim in a bankruptcy or an estate which is filed on an account after the account is placed with ARM.

DIRECT PAYMENTS:

Client shall, not less than once per month, report to ARM, all payments received directly by them on accounts previously delivered to ARM for collection by the 7th business day following the end of the prior calendar month.

TERMINATION:

This agreement shall remain in force on a month-to-month period. Either party may terminate the agreement upon 30 day's written notice sent to the addresses indicated below. ARM shall be entitled to the

contingency fee on any accounts placed and paid prior to termination. ARM shall retain all accounts currently in payment plans or in a partially resolved status and remit funds to Client under the appropriate fee schedule for 6 months following the date of termination. All accounts will be returned to client on the last day of the 7th month following termination. All hard copy not previously shredded shall be returned to client on or before the effective date of termination. Further, ARM shall retain the right to accept payment on accounts placed on credit files by ARM prior to cancellation and remit funds to Client under the appropriate fee schedule.

INDEMNIFICATION:

Each Party (the "Indemnifying Party") shall indemnify, defend with counsel of the Indemnifying Party's choice who is reasonably satisfactory to the Indemnified Party (as defined herein), and hold harmless the other Party (the "Indemnified Party") against third party claims, demands, causes of action, and damages (including reasonable attorney's fees and costs incurred for Indemnifying Party's chosen counsel) to the extent caused by the wrongful action of the Indemnifying Party, its officers, directors, employees and agents under this Agreement. The Indemnified Party may, at its option and its expense, participate through its own counsel in the defense of any such action or proceeding hereunder. The indemnity provided for herein shall survive the termination of the Agreement.

ENTIRE AGREEMENT:

This Agreement supersedes any prior agreements or understandings, whether oral or in writing, and constitutes the entire agreement between the parties relating to the subject matters hereof. This Agreement can be modified only in writing signed and authorized by both ARM and Client.

GOVERNING LAW:

This Agreement constitutes the entire Agreement between the parties with regard to the subject matter herein contained and no other Agreement, statement, promise or practice between the parties or standard in the industry relating to the subject matter shall be binding upon the parties. No representations or promises of any kind not contained in this Agreement shall be binding upon the parties. This Agreement may be amended only in writing and must be signed by both parties. This Agreement shall be governed by and construed under the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have affixed their respective signatures on the date referenced above.

Accelerated Receivables Management
3740 Beach Boulevard Suite 307-A
Jacksonville, FL 32207

Francine Lauderdale
(Please print name)

President
(Title)

Francine Lauderdale
(Signature)

Date: 7-29-15

Health Diagnostic Laboratory, Inc.
737 N. 5th Street, Suite 103
Richmond, VA 23219

Joseph P. McConnell, President and CEO
(Please print name and title)

(Signature)

Date: July 28, 2015

Exhibit A

Collection Activity Information

[To be provided by Accelerated Receivables Management, Inc.]

Exhibit B

Settlement Guidelines

[To be provided by Client]

Business Associate Agreement

The parties to this Business Associate Agreement ("Agreement") are Health Diagnostic Laboratory, Inc., the "Covered Entity," and [illegible] the "Business Associate." The date of this Agreement is the date it is signed by the Business Associate. The purpose of this Agreement is to comply with the HIPAA Rules (defined below) so that the Covered Entity may ensure that the Business Associate will appropriately safeguard the privacy, confidentiality, integrity and availability of protected health information ("PHI"). This Agreement sets forth the terms and conditions under which PHI that is provided to, or created or received by the Business Associate, from or on behalf of the Covered Entity, will be handled.

The parties agree as follows:

A. Definitions

Catch-all definition:

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Business Associate, Covered Entity, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

(a) HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R Part 160 and Part 164.

(b) Services Agreement. "Services Agreement" means the agreement for services between HDL. Inc. and [illegible] dated 1-29-15.

B. Obligations and Activities of Business Associate

(1) Use or Disclosure. Business Associate agrees not to Use or further Disclose PHI other than as expressly permitted or required by this Agreement, or as Required By Law.

(2) Safeguards. Business Associate agrees to use appropriate safeguards and comply with Subpart C of 45 C.F.R Part 164 with respect to electronic protected health information, to prevent Use or Disclosure of PHI other than as provided for by the Agreement. Safeguards include but are not limited to Administrative Safeguards (45 C.F.R. 164.308), Physical Safeguards (45 C.F.R. 164.310), Technical Safeguards (45 C.F.R. 164.312), Organizational Requirements (45 C.F.R. 164.314), and Policies and Procedures and Documentation Requirements (45. C.F.R. 164.316).

(3) Minimum Necessary Standard. In conducting functions under this Agreement that involve the Use and/or Disclosure of PHI, Business Associate shall limit the Use or Disclosure of PHI to the minimum amount of information necessary to accomplish the intended purpose of the Use or Disclosure, as required under 45 C.F.R. 164.502(b).

(4) Subcontractors. In accordance with 45 C.F.R 164.502(e)(1)(ii), if applicable, Business Associate agrees to ensure that any Subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information.

(5) Reporting a Breach. Business Associate agrees to promptly report to Covered Entity any Security Incident, Breach, Use, Disclosure, modification, or destruction of PHI in violation of this Agreement by Business Associate or by a third party or Subcontractor to which Business Associate disclosed PHI, no later than within forty-eight (48) hours of discovery of such violation. Business Associate further agrees to cooperate and coordinate with Covered Entity and to provide a detailed written report to Covered Entity within ten (10) days of discovery of a Breach.

(6) Public Notification of a Breach. Business Associate agrees to fully cooperate and coordinate with Covered Entity in gathering the information necessary to notify the affected individuals in the event of a Breach. Specifically, Business Associate agrees to cooperate with Covered Entity to ensure that all such Breach notices are sent without unreasonable delay, and in no case more than sixty (60) days from the discovery of the Breach in compliance with the Breach Notification Regulations, or such sooner period of time as required under applicable state data breach rules. In the event a Breach affects more than five hundred (500) individuals, Business Associate will consult and coordinate with Covered Entity before a public media announcement is made. Business Associate agrees that it shall be responsible for all costs and expenses incurred as a result of a Breach or Security Incident by the Business Associate or the Business Associate's Subcontractors, including costs associated with mitigation, preparation, and delivery of notices.

(7) Requests for Restrictions. Business Associate agrees to comply with requests for restrictions on Use or Disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R 164.522.

(8) Access to PHI. Business Associate agrees to provide, within seven (7) business days after a request by Covered Entity, access to PHI in a Designated Record Set under Business Associate's control to Covered Entity or, as directed by Covered Entity, to an individual, and to notify Covered Entity within seven (7) business days of receipt of an individual's direct request for access to such PHI, in order to allow Covered Entity to meet its obligations under 45 C.F.R. 524.

(9) Amendment of PHI. Business Associate agrees to amend, within seven (7) business days after a request by Covered Entity, PHI in a Designated Record Set under Business Associate's control, and to notify Covered Entity within seven (7) business days of receipt of an individual's direct request for an amendment of such PHI, in order to allow Covered Entity to meet its obligations under 45 C.F.R 164.526.

(10) Accounting of Disclosures: Business Associate agrees to maintain and make available, within seven (7) business days after a request by Covered Entity, an accounting of disclosures to Covered Entity or, as directed by Covered Entity, to an individual, and to notify Covered Entity within seven (7) business days of receipt of an individual's direct request for an accounting of such PHI, in order to allow Covered Entity to meet its obligations under 45 C.F.R. 164.528.

(11) Audit and Inspection. Business Associate agrees to make all PHI and all internal practices, books and records relating to its policies and procedures regarding the Use and Disclosure of PHI available to Covered Entity or to the Secretary for purposes of determining compliance with the HIPAA Rules.

(12) Training. Business Associate shall train its employees and other members of its workforce on the HIPAA Rules.

(13) Privacy Rule. To the extent Business Associate carries out one or more of Covered Entity's obligation(s) under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.

C. Permitted Uses and Disclosures by Business Associate

(1) General Use and Disclosure. Except as otherwise limited in this Agreement, Business Associate may Use or Disclose PHI in connection with its performance of the Services Agreement, provided that such Use or Disclosure would not violate (i) the Privacy Rule if done by Business Associate or (ii) the minimum necessary policies and procedures of Covered Entity.

(2) Specific Use and Disclosure.

a. Except as otherwise limited in this Agreement, Business Associate may Disclose protected health information for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the Disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that the information will remain confidential and be Used or further Disclosed only as Required By Law or for the purposes for which it was Disclosed to the person, and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

b. Business Associate may Use and Disclose PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R 164.502(j)(1).

c. When specifically authorized by Covered Entity in writing, Business Associate may Use and Disclose PHI to provide Data Aggregation and/or De-identification services to Covered Entity for Health Care Operations purposes as permitted by the Privacy Rule.

D. Obligations of Covered Entity

(1) Covered Entity shall notify Business Associate of any limitations in Covered Entity's Notice of Privacy Practices to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

(2) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an individual to Use or Disclose PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

(3) Covered Entity shall notify Business Associate of any restriction to the Use or Disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R 164.522, to the extent that such restriction may affect Business Associate's Use or Disclosure of protected health information.

E. Term and Termination

(1) Term. This Agreement shall be effective as of the date of signature by the Business Associate and shall continue until terminated in accordance with the "Termination for Cause" provision below or until the Services Agreement terminates.

(2) Termination for Cause. Upon either party's knowledge of a material violation of the terms of this Agreement, the non-breaching party shall either:

a. Provide an opportunity for the breaching party to cure the breach or end the violation, and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party; or

b. Immediately terminate this Agreement if cure is not possible.

(3) Effect of Termination. Upon request of Covered Entity or upon termination for any reason of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to PHI that is in the possession of Subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(4) Return of PHI. In the event that Business Associate determines that returning or destroying some or all of the PHI is infeasible, Business Associate will provide to Covered Entity written notification of the conditions that make return or destruction infeasible. If Covered Entity agrees that return or destruction of PHI is infeasible, Business Associate will extend the protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such PHI.

(5) Survival. The respective rights and obligations of Covered Entity and Business Associate under this section of the Agreement will survive the termination of this Agreement and the Services Agreement if applicable.

F. Miscellaneous

(1) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

(2) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

(3) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

(4) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(5) Notices. All notices, requests and demands, or other communications to be given hereunder to a Party shall be made via first class mail, registered or certified or express courier to such Party's address given below, and/or via facsimile or encrypted e-mail:

If to Covered Entity:

Health Diagnostic Laboratory, Inc.
737 N. 5th Street, Ste. 103
Richmond, VA 23219
Attn: HIPAA Privacy Officer
Facsimile Number: 1-888-965-9798
E-Mail: NDeJong@hdlabinc.com

If to Business Associate:

[redacted]
_____
_____
Attn: _____
Facsimile Number: _____
E-Mail: _____

(6) Primacy. To the extent that any provisions of this Agreement conflict with the provisions of any other agreement or understanding between the Parties, this Agreement shall control with respect to the subject matter of this Agreement.

(7) No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, obligations, remedies or liabilities.

(8) Independent Contractors. No provision of this Agreement is intended to create, nor shall be deemed to create, any employment, agency or joint venture relationship between Covered Entity and Business Associate other than that of independent entities contracting with each other for the purpose of effectuating the provisions of this Agreement.

(9) Indemnification. Except to the extent caused by covered Entity's own negligence or willful misconduct, Business Associate shall indemnify the Covered Entity, its affiliates, and their respective agents, representatives and employees against and shall hold them harmless from any loss, damages, cost, liability, or expense (including reasonable attorney's fees), resulting from the claims of third parties and arising out of (i) Business Associate's negligent receipt, handling, use, disclosure or loss of PHI by Business Associate or any third party acting on its behalf; (ii) or in connection with a breach or alleged breach of the terms of this Agreement by Business Associate or any employee, agent, or Subcontractor of Business Associate.

(10) Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia, without application of principles of conflicts of laws.

THE PARTIES HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND BY SIGNING BELOW AGREE TO BE BOUND BY IT. EACH PARTY REPRESENTS THAT THE INDIVIDUAL SIGNING ON ITS BEHALF HAS FULL AUTHORITY TO BIND SUCH PARTY.

Preferred Payables Management, Inc.

By: Francine Landau

Printed name: Francine Landau

Title: President

Date: 7-29-15

Health Diagnostics Laboratory, Inc.

By: _____

Printed name: _____

Title: _____

Date: _____

EXHIBIT E

PERKINSCOIE

131 South Dearborn Street
Suite 1700
Chicago, IL 60603-5559

T +1.312.324.8400
F +1.312.324.9400
PerkinsCoie.com

January 5, 2016

Eric E. Walker
Partner
EWalker@perkinscoie.com
D. +1.312.324.8659
F. +1.312.324.9659

VIA FEDERAL EXPRESS OVERNIGHT, FACSIMILE AND EMAIL

Tyler P. Brown
Hunton & Williams LLP
951 East Byrd Street
Richmond, Virginia 23219
Fax: 804-788-8218
tpbrown@hunton.com

Re: CEASE AND DESIST - Health Diagnostic Laboratory Collection Actions

Dear Tyler:

As you know, we represent True Health Diagnostics, LLC ("True Health"). On September 17, 2015, the United States Bankruptcy Court for the Eastern District of Virginia entered an order approving the sale of substantially all of the assets of Health Diagnostic Laboratory, Inc. ("HDL") to True Health, which sale closed on September 29, 2015. Pursuant to that sale, True Health acquired substantially all of the assets of HDL, including certain of its accounts receivables and all of its books and records, and uses these assets to operate a diagnostic laboratory business that serves many of the former physicians and patients of HDL.

We have recently learned that the HDL estate has engaged Accelerated Receivables Management, Inc. ("ARM"), without bankruptcy court approval, to initiate aggressive collection actions directly against individual True Health patients for services performed by HDL years ago that were never billed to these patients and previously written off by HDL. For the reasons explained below, the HDL estate's actions are improper and causing immediate and irreparable harm to True Health's ongoing business relationships with these patients and their physicians. We therefore demand that you require ARM to **IMMEDIATELY CEASE AND DESIST** from all collections efforts against former patients of HDL.

First, the Bankruptcy Court has not authorized the retention of ARM to pursue any collection action on behalf of the HDL bankruptcy estate, as is required under the Bankruptcy Code. *See, e.g., In re Metropolitan Hospital,* 119 B.R. 910, 917 (Bankr. E.D. Pa. 1990) (holding that a collection agency was a professional under Section 327(a) because of the specialized skill involved in collecting medical accounts receivables from patients with insurance). Although the HDL estate has not disclosed the terms of its engagement with ARM, ARM's website reveals that its founder, Fran Landau, "is an attorney with 28 years of litigation experience, nearly all of them representing companies like yours in collections litigation" and further states that ARM employs other attorneys to purse collection actions, including Judi Parent as Litigation Team Lead.

Second, the HDL estate has no legal right to collect any outstanding amounts directly from patients. The HDL billing policy, distributed to physicians and patients, expressly states that it will not bill or seek payment directly from patients except in limited circumstances. These billing policies where sent to physicians as an inducement to do business with HDL. HDL never issued an invoice or a bill to these patients and instead expressly assumed the risk of non-payment. A copy of these HDL billing policies are enclosed with this letter. HDL expressly waived its right to seek any payment from individual patients and the HDL estate is therefore estopped from engaging ARM to pursue collection actions against these patients.

Third, the HDL estate is improperly attempting to collect debts using misappropriated and/or inaccurate information. As part of the sale of substantially all of HDL's assets, True Health acquired the books and records of HDL, including all information relating to HDL billing and accounts receivable. True Health has not provided this information to ARM, nor has it authorized anyone else to do so. Accordingly, neither the HDL estate nor ARM has access to legitimate billing and accounts receivable information to correctly calculate the amounts for these collection actions. Indeed, we have identified numerous inaccuracies in the amounts alleged in the ARM collection notices that have been sent to patients..

Fourth, ARM is actively making misrepresentations regarding True Health and its relationship to HDL as part of its unauthorized collection activities. These representations include statements that ARM is pursuing these collections on behalf of True Health, that True Health is the new name of HDL, directing patient inquiries into these collection actions to True Health and encouraging patients to solicit account information from True Health, among other improper and inaccurate statements. These misrepresentations, made by ARM as an agent of the HDL estate, have severely and irreparably injured True Health's goodwill and relationship with its patients and physicians, and potentially violate the Fair Debt Collection Practices Act, among various other debt collection statutes and regulations.

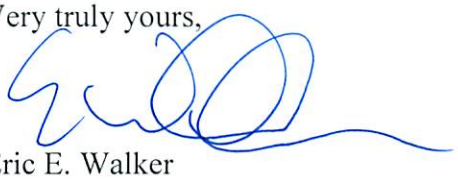
Fifth, it does not appear that ARM is legally authorized to collect debts in many jurisdictions in which it is pursuing collection actions on behalf of the HDL estate, including Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, Tennessee, Texas, Utah, West Virginia, Wisconsin, Wyoming and Washington. Contemporaneously with this notice, we have sent a cease and desist notice to ARM demanding that they immediately cease and desist from all collection actions against former HDL patients.

These improper post-petition actions on behalf of the HDL estate are severely interfering with True Health's business relationships with its physicians and patients, impairing the goodwill and going concern value that True Health purchased from the HDL estate as part of the sale, and threatens the viability of True Health's business. Furthermore, these actions could give rise to substantial administrative expense claims against the HDL estate for post-petition breach of

contract, misappropriation and tortious interference with business relationships, among other claims. We therefore demand that the HDL estate confirm by **no later than 4:00 p.m. Eastern Standard Time on January 7, 2016** that it will cause ARM to immediately cease and desist from any and all collection activities against former HDL patients. True Health expressly reserves all of its rights to seek legal, equitable and other relief against the HDL estate, ARM, and anyone facilitating or working in connection with the HDL estate and ARM, based on these improper actions.

Please call me at your earliest opportunity to discuss this matter further.

Very truly yours,



Eric E. Walker

EEW:ah

Enclosures

Cc: H. Slayten Dabney, Jr., Dabney PLLC (via email)
Richard Kanowitz, Cooley LLP (via email)
Robert B. Van Arsdale, Office of the United States Trustee (via email)

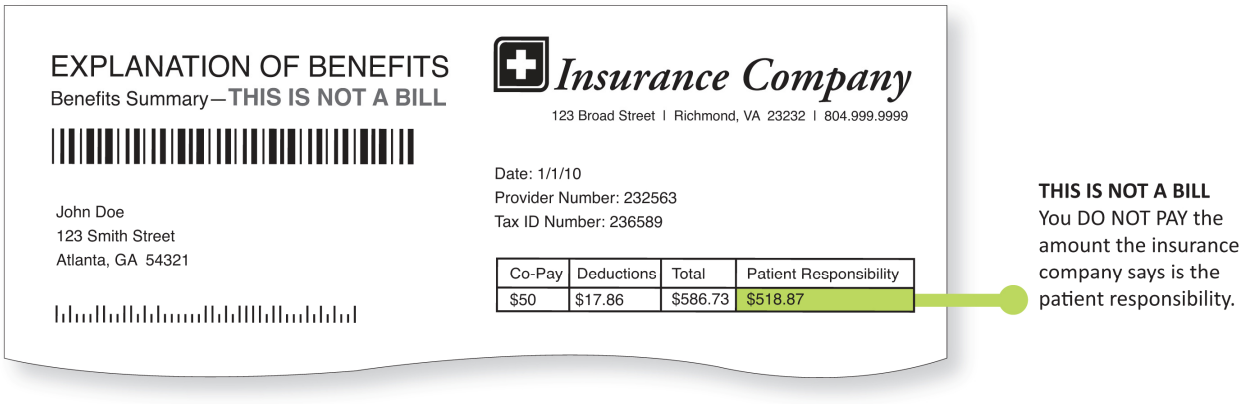
HealthDiagnosticLaboratoryInc.
beyond disease diagnosis

Health Diagnostic Laboratory, Inc. (HDL, Inc.) Pricing Overview

- **MEDICARE / MEDICAID**
  - The entire cost of services performed by HDL, Inc. is covered under current Medicare/Medicaid requirements.
- **PPO's, POS & HMO Plans:**
  - HDL, Inc. will accept the amount your insurance company allows for each diagnostic.
  - If it turns out your insurance company does not cover a specific test, HDL, Inc. assumes all the risk.

Below you will find an example of a document that you may receive from your insurance company. This is an explanation of the insurance claim (Explanation of Benefits). IT IS NOT A BILL, so do not send payment when it is received. Read the document carefully as different insurance companies label their documents differently.

THE BENEFITS SUMMARY OF YOUR CLAIM IS NOT A BILL.



IMPORTANT

If your insurance company sends a check directly to you, rather than HDL, Inc., please sign the back of the check and write "Pay to the Order of HDL, Inc." and forward to the address to the right. Include a copy of your Explanation of Benefits.

Health Diagnostic Laboratory, Inc.
Attention: Billing Department
737 N. 5th Street, Suite 103
Richmond, VA 23219

WILL PATIENTS RECEIVE A BILL FROM HDL, Inc.?

There are **THREE** instances in which a patient would receive a bill from HDL, Inc.:

1) If HDL, Inc. learns that payment for services was sent directly to the patient and not forwarded to our billing department as requested above.

2) If the patient does not have Medical Insurance or opts for services at the Cash Price.

3) If HDL, Inc. has filed claims with the patient's insurance company and the patient has NOT met the patient contribution requirements (i.e. deductibles, co-pays, etc.) for laboratory services.

Thank you for trusting HDL, Inc. with an integral part of your healthcare!

HealthDiagnosticLaboratoryInc.
beyond disease diagnosis

Thank you for considering trusting HDL, Inc. with your laboratory testing. We are excited by the opportunity. Mr. Johnson told me that you were interested in receiving our billing policy explanation directly from HDL, Inc.

We at HDL, Inc. are dedicated to both the physician and patient partnership in order to prevent events. Our goal is to provide quality testing that will help you identify where on the disease continuum that a patient sits and to provide the tools you need to get that patient back to a healthy state. A key component to achieving our goals is patient accessibility. Therefore, we internally control costs, at no sacrifice to quality, and have adopted the billing policy where we do not balance bill the patient for costs not covered by their insurance companies. The out of pocket expense to the patient with insurance is zero.

There are only three instances in which a patient will ever receive a bill from HDL, Inc.:

- If the patient receives a check from their insurance company to cover our services and has not forwarded that check to our billing department (this has never happened to date);
- If the patient does not have medical insurance and opts for services at the cash price;
- If HDL is "In-Network" and the patient has not met their contribution requirements (i.e. co-pays and deductibles) for lab services with their insurance company. These expenses are minimal and typically less than $20.

Please do not hesitate to give me a call with any questions you might have. I can be reached at 804-325-1122, directly or on my mobile at 804-986-3660. Again we greatly appreciate the opportunity and look forward to our partnership.

Best regards,

Tonya Mallory, President and CEO

737 North 5th Street, Suite 103, Richmond VA 23219 Phone: 804.343.2718 Fax: 804.343.2704

EXHIBIT F

PERKINSCOIE

131 South Dearborn Street
Suite 1700
Chicago, IL 60603-5559

T +1.312.324.8400
F +1.312.324.9400
PerkinsCoie.com

January 5, 2016

Eric E. Walker
Partner
EWalker@perkinscoie.com
D. +1.312.324.8659
F. +1.312.324.9659

VIA FEDERAL EXPRESS OVERNIGHT, FACSIMILE AND EMAIL

Fran Landau
Accelerated Receivables Management, Inc.
3740 Beach Boulevard, Suite 307-A
Jacksonville, Florida 32207
Fax: 904-562-5245
fran@cuttingedgecollections.com

Re: CEASE AND DESIST - Unauthorized Health Diagnostic Laboratory Collection Actions

Dear Ms. Landau:

This law firm represents True Health Diagnostics, LLC ("True Health"). On September 17, 2015, the United States Bankruptcy Court for the Eastern District of Virginia entered an order approving the sale of substantially all of the assets of Health Diagnostic Laboratory, Inc. ("HDL") to True Health, which sale closed on September 29, 2015. Pursuant to that sale, True Health acquired substantially all of the assets of HDL, including certain of its accounts receivables and all of its books and records, and uses these assets to operate a diagnostic laboratory business that serves many of the former physicians and patients of HDL.

We have recently learned that Accelerated Receivables Management, Inc. ("ARM") has initiated unauthorized, aggressive collection actions directly against individual True Health patients for services performed by HDL years ago that were never billed to these patients and previously written off by HDL. For the reasons explained below, ARM's actions are unlawful and causing immediate and irreparable harm to True Health's ongoing business relationships with these patients and their physicians. We therefore demand that you **IMMEDIATELY CEASE AND DESIST** from all collections efforts against former patients of HDL.

First, the Bankruptcy Court has not authorized the retention of ARM to pursue any collection action on behalf of the HDL bankruptcy estate, as is required under the Bankruptcy Code. Please note that HDL's bankruptcy attorneys and the Office of the United States Trustee are copied on this notice.

Second, ARM has no legal right to collect any outstanding amounts on behalf of HDL directly from patients. The HDL billing policy, distributed to physicians and patients, expressly states that it will not bill or seek payment directly from patients except in limited circumstances. HDL never issued an invoice or a bill to these patients and instead expressly assumed the risk of non-payment. A copy of these HDL billing policies are enclosed with this letter. The ARM

collection actions directly violate this billing policy and attempt to collect a debt that was never billed and expressly waived by HDL.

Third, ARM is improperly attempting to collect debts using misappropriated and/or inaccurate information. As part of the sale of substantially all of HDL's assets, True Health acquired the books and records of HDL, including all information relating to HDL billing and accounts receivable. True Health has not provided this information to ARM, nor has it authorized anyone else to do so. Accordingly, ARM does not have access to legitimate billing and accounts receivable information to correctly calculate the amounts for these unauthorized collection actions. We have identified numerous inaccuracies in the amounts alleged in the ARM collection notices.

Fourth, ARM is actively making misrepresentations regarding True Health and its relationship to HDL as part of its unauthorized collection activities. These representations include statements that ARM is pursuing these collections on behalf of True Health, that True Health is the new name of HDL, directing patient inquiries into these collection actions to True Health and encouraging patients to solicit account information from True Health, among other improper and inaccurate statements. These misrepresentations have severely and irreparably injured True Health's goodwill and relationship with its patients and physicians. Any attempt to collect a debt using false, deceptive or misleading representations is a violation of the Fair Debt Collection Practices Act, among various other debt collection statutes and regulations. Please note that the Federal Trade Commission, Consumer Financial Protection Bureau and Attorney Generals for Florida and Virginia are copied on this notice.

Fifth, it does not appear that ARM is legally authorized to collect debts in many jurisdictions in which it is pursuing such actions, including Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, Tennessee, Texas, Utah, West Virginia, Wisconsin, Wyoming and Washington.

We demand that ARM confirm by **no later than 4:00 p.m. Eastern Standard Time on January 7, 2016** that it will immediately cease and desist from any and all collections activities against former HDL patients. True Health expressly reserves all of its rights to seek legal, equitable and other relief against ARM, and anyone facilitating or working in connection with ARM, based on these unlawful actions.

Please call me at your earliest opportunity to discuss this matter further.

Very truly yours,

Eric E. Walker

EEW:ah

Enclosures

Cc: H. Slayten Dabney, Jr., Dabney PLLC (via email)
Tyler P. Brown, Hunton & Williams LLP (via email)
Robert B. Van Arsdale, Office of the United States Trustee (via email)
Richard Kanowitz, Cooley LLP (via email)
Federal Trade Commission (via Federal Express)
Consumer Financial Protection Bureau (via Federal Express)
Office of the Attorney General for the State of Virginia (via Federal Express)
Office of the Attorney General for the State of Florida (via Federal Express)

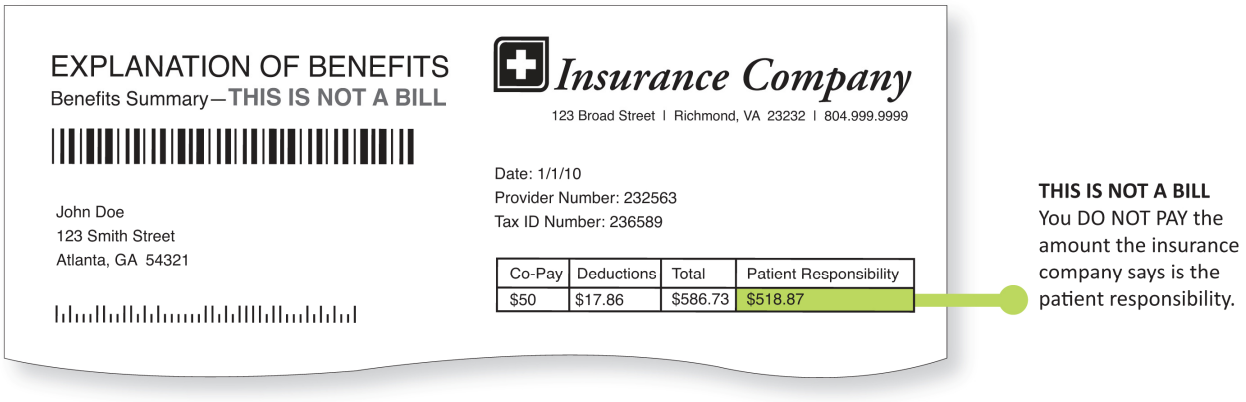
HealthDiagnosticLaboratoryInc.
beyond disease diagnosis

Health Diagnostic Laboratory, Inc. (HDL, Inc.) Pricing Overview

- **MEDICARE / MEDICAID**
  - The entire cost of services performed by HDL, Inc. is covered under current Medicare/Medicaid requirements.
- **PPO's, POS & HMO Plans:**
  - HDL, Inc. will accept the amount your insurance company allows for each diagnostic.
  - If it turns out your insurance company does not cover a specific test, HDL, Inc. assumes all the risk.

Below you will find an example of a document that you may receive from your insurance company. This is an explanation of the insurance claim (Explanation of Benefits). IT IS NOT A BILL, so do not send payment when it is received. Read the document carefully as different insurance companies label their documents differently.

THE BENEFITS SUMMARY OF YOUR CLAIM IS NOT A BILL.



IMPORTANT

If your insurance company sends a check directly to you, rather than HDL, Inc., please sign the back of the check and write "Pay to the Order of HDL, Inc." and forward to the address to the right. Include a copy of your Explanation of Benefits.

Health Diagnostic Laboratory, Inc.
Attention: Billing Department
737 N. 5th Street, Suite 103
Richmond, VA 23219

WILL PATIENTS RECEIVE A BILL FROM HDL, Inc.?

There are **THREE** instances in which a patient would receive a bill from HDL, Inc.:

1) If HDL, Inc. learns that payment for services was sent directly to the patient and not forwarded to our billing department as requested above.

2) If the patient does not have Medical Insurance or opts for services at the Cash Price.

3) If HDL, Inc. has filed claims with the patient's insurance company and the patient has NOT met the patient contribution requirements (i.e. deductibles, co-pays, etc.) for laboratory services.

Thank you for trusting HDL, Inc. with an integral part of your healthcare!

HealthDiagnosticLaboratoryInc.
beyond disease diagnosis

Thank you for considering trusting HDL, Inc. with your laboratory testing. We are excited by the opportunity. Mr. Johnson told me that you were interested in receiving our billing policy explanation directly from HDL, Inc.

We at HDL, Inc. are dedicated to both the physician and patient partnership in order to prevent events. Our goal is to provide quality testing that will help you identify where on the disease continuum that a patient sits and to provide the tools you need to get that patient back to a healthy state. A key component to achieving our goals is patient accessibility. Therefore, we internally control costs, at no sacrifice to quality, and have adopted the billing policy where we do not balance bill the patient for costs not covered by their insurance companies. The out of pocket expense to the patient with insurance is zero.

There are only three instances in which a patient will ever receive a bill from HDL, Inc.:

- If the patient receives a check from their insurance company to cover our services and has not forwarded that check to our billing department (this has never happened to date);
- If the patient does not have medical insurance and opts for services at the cash price;
- If HDL is "In-Network" and the patient has not met their contribution requirements (i.e. co-pays and deductibles) for lab services with their insurance company. These expenses are minimal and typically less than $20.

Please do not hesitate to give me a call with any questions you might have. I can be reached at 804-325-1122, directly or on my mobile at 804-986-3660. Again we greatly appreciate the opportunity and look forward to our partnership.

Best regards,

Tonya Mallory, President and CEO

737 North 5th Street, Suite 103, Richmond VA 23219 Phone: 804.343.2718 Fax: 804.343.2704

EXHIBIT G

HUNTON& WILLIAMS

HUNTON & WILLIAMS LLP
RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219-4074

TEL 804 • 788 • 8200
FAX 804 • 788 • 8218

JASON W. HARBOUR
DIRECT DIAL: 804-788-7233
EMAIL: jharbour@hunton.com

FILE NO: 79841.000010

January 6, 2016

VIA ELECTRONIC AND OVERNIGHT MAIL

Eric E. Walker, Esq.
Perkins Coie LLP
131 South Dearborn Street, Suite 1700
Chicago, Illinois 60603

Re: Breach of Asset Purchase Agreement, Willful Violation of the Automatic Stay, and Tortious Interference With Contract by True Health Diagnostics, LLC

Dear Eric:

We are in receipt of your letters to Health Diagnostic Laboratory, Inc. ("HDL"), and HDL's contract party, Accelerated Receivables Management, Inc. ("ARM"), dated January 5, 2016 (together, the "Letters", and individually, the "HDL Letter" and the "ARM Letter"). The Letters constitute blatant breaches of the Asset Purchase Agreement, willful violations of the automatic stay, and intentional tortious interference with a contract. Unless retracted by January 8, 2016, HDL intends to seek immediate relief in the Bankruptcy Court.

The Letters each constitute breaches of the Asset Purchase Agreement, dated as of September 3, 3015 (the "APA"), between True Health Diagnostics, LLC ("True Health"), on the one hand, and HDL and Integrated Health Leaders, LLC, on the other. Specifically, in the Letters True Health seeks to exercise control over Excluded Assets consisting of Accounts Receivable (as defined in the APA) arising from services performed more than one hundred eighty (180) days prior to the Closing (as defined in the APA). HDL and True Health had specific discussions prior to the closing of the APA on the intention of HDL to pursue collection of these Excluded Assets, and True Health was offered the opportunity to buy these accounts and declined. Yet, True Health closed without acquiring any rights in these Excluded Assets.

True Health also breaches the APA by indicating that True Health will not provide information to HDL concerning these Excluded Assets, yet True Health is required to provide information to HDL concerning these Excluded Assets for a period of seven years after the Closing as required by Section 10.3 of the APA. *See* APA §10.3. True Health's suggestion in the Letters

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that HDL has no rights to books and records relating to the Excluded Assets is wholly without merit. There was no confusion over these points concerning the Excluded Assets since there were specific discussions about them. If these breaches are not immediately cured, HDL will suffer damages and will hold True Health accountable for these breaches.

The Letters each also constitute willful violations of the automatic stay by True Health. HDL's contract with ARM and these Excluded Assets are property of HDL's bankruptcy estate, and True Health is fully aware of that fact. As a result, the Letters are an overt act to obtain possession of property of or from the estate or to exercise control over property of the estate, in willful violation of Bankruptcy Code section 362. In the Fourth Circuit, even corporate debtors are entitled to relief under section 362(k) in these circumstances.

In addition, the ARM Letter constitutes a tortious interference of HDL's contract with ARM. HDL and ARM are parties to a valid contract. True Health is aware of this contractual relationship and has intentionally interfered with this contractual relationship for the specific purpose of impeding HDL's efforts to collect its accounts. If such actions by True Health cause damage to HDL, HDL intends to hold True Health accountable.

By no later than January 8, 2016, HDL demands that True Health withdraw the Letters and confirm that True Health will comply with all terms of the APA, including without limitation Section 10.3. If HDL does not receive such withdrawal and confirmation by January 8, 2016, HDL intends to pursue all available remedies against True Health, including without limitation specific performance, actual damages, punitive damages under Bankruptcy Code section 362(k), and reimbursement of all attorney's fees and expenses incurred in connection with this matter under Bankruptcy Code section 362(k) and Section 11.1 of the APA.

In addition to constituting breaches of the APA, willful violations of the automatic stay, and tortious interference with HDL's contract with ARM, the Letters contain incorrect and inappropriate assertions. As one such example, True Health suggests that HDL could not contract with ARM without bankruptcy court approval. To the contrary, HDL has, in fact, contracted with ARM, and True Health is not a party to or a beneficiary of that contract. Whether or not ARM must be retained as a "professional" under the Bankruptcy Code to be compensated does not affect whether HDL has a contractual relationship with ARM. Moreover, nor does True Health hold a claim in HDL's bankruptcy or have any standing to challenge whether retention under section 327 is required to compensate ARM. In short, True Health's views about this issue are irrelevant. Nonetheless, True Health misstates applicable law.

Specifically, the HDL Letter misrepresents the holding in the *Metropolitan Hospital* case and the law concerning whether ARM is a professional person under Bankruptcy Code section 327.

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The court in *Metropolitan Hospital* did not hold, as True Health states in the HDL Letter, that the "collection agency was a professional under Section 327(a) because of the specialized skill involved in collecting medical accounts receivables from patients with insurance." HDL Letter, at 1. Instead, the *Metropolitan Hospital* court stated that with respect to the debt collector at issue, HHL, "the services of HHL go far beyond mere debt collection." *Metropolitan Hospital*, 119 B.R. 910, 917 (Bankr. E.D. Pa. 1990). In *Metropolitan Hospital*, the debt collector actually submitted medicaid applications for patients and was "responsible for insuring that the Commonwealth paid whatever was required under the medicaid regulations." *Id.* Thus, the *Metropolitan Hospital* court held that "because of the highly specialized and technical nature of HHL's services, it is more like a paralegal professional than a debt collector, and is a professional within the meaning of *§ 327(a)*." Here, ARM is simply a debt collector. As a result, the *Metropolitan Hospital* case supports the conclusion the ARM is not a professional person. This conclusion is consistent with the *Windsor Communications* case, in which the court held that the record in that case did not "support the conclusion that this collection agency is a professional person." *Windsor Communications Group, Inc.*, 68 B.R. 1007, 1012 (Bankr. E.D. Pa. 1986).

The HDL Letter also fails to address whether ARM's duties are sufficiently central to the administration of HDL's estate to qualify ARM as a "professional person," as that term of art is used in Bankruptcy Code section 327. *See Sieling Associates Limited Partnership*, 128 B.R. 721, 723 (Bankr. E.D. Va. 1991) (noting the distinction between administrative and mechanical functions and that if "the duties involved are central to the administration of the estate such duties are professional in nature."). ARM's duties do not include assisting with the negotiation of a plan, assisting in the adjustment of debtor/creditor relationships, disposing of assets, or purchasing assets. Therefore, ARM's duties are not central to the administration of HDL's estate. *See id.* As a result, ARM is not a "professional person" under Bankruptcy Code section 327. *See id.*

The Letters also misrepresent HDL's rights to collect accounts receivables from patients. Tellingly, the alleged "billing policy" enclosed with the Letters does not indicate to whom or when the alleged billing policy was sent. Setting aside the enforceability of the alleged billing policy, which HDL disputes, True Health is not a recipient of the alleged billing policy and has no rights whatsoever concerning the alleged billing policy. Instead, it appears that the alleged billing policy was included as part of True Health's inappropriate effort to prevent HDL from collecting Excluded Assets that True Health knowingly chose not to purchase under the APA.

Finally, the Letters allege that ARM is engaged in misrepresentations and is not legally authorized to conduct business in certain jurisdictions. As you would expect, the contract between HDL and ARM requires ARM to comply with the federal Fair Debt Collection Act and the laws of the applicable jurisdictions. Although it is HDL's understanding that ARM is

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complying with all applicable laws, in light of the allegations True Health has raised, HDL has demanded in writing that ARM confirm that ARM is complying with all applicable laws in accordance with its contractual obligations. True Health, however, has no right to make demands on ARM or interfere with ARM's performance of its contractual obligations to HDL.

Please contact me immediately should you have any questions.

Sincerely,

Jason W. Harbour

Cc: H. Slayten Dabney, Jr., Esq., Dabney PLLC (via email)
Robert Van Arsdale, Esq., Office of the United States Trustee (via email)
Richard Kanowitz, Esq., Cooley LLC (via email)

EXHIBIT H

I 6147859
1178400
Came from William Tolle

From: Pth <taresa@phillipstotalhealth.com>
To: Greg <gregphillipsmd@aol.com>
Subject: Fwd: HDL Collection Letters
Date: Sun, Jan 10, 2016 10:19 am
Attachments: IMG_2746.JPG (503K), IMG_2747.JPG (377K),
1 05 16 cease desist letter from E Walker to F Landau with enclosures.pdf (1343K)

724 Pennsylvania Ave
Fort Worth, TX 76104

Sent from my iPhone

Begin forwarded message:

From: Boomer Cornwell <BCornwell@TrueHealthDiag.com>
Date: January 6, 2016 at 11:27:30 AM CST
Subject: HDL Collection Letters

Good Morning,

Recently, many patients have received a collections notice from a company called Accelerated Receivables Management, or "ARM". Please know this is NOT coming from True Health Diagnostics and is not affiliated with us in any way. This is a fraudulent attempt by a company that has been hired by the small remaining HDL estate ownership group. This collection effort is in direct violation with HDL's stated Billing Policy (attached). Furthermore, this action was NOT approved by the appointed bankruptcy judge which oversaw the hearings when we purchased the assets of HDL.

To date, we know they are targeting BCBS patients that they believe received a reimbursement check directly from their insurance company. We know this agency is not licensed or bonded in Texas to collect debt and we have reported them multiple times to the Texas State Attorney General's Office. I encourage you to do the same. The website is www.texasattorneygeneral.gov/cpd/file-a-consumer-complaint.com

We have also issued an Infringement Letter (attached) ordering them to cease and desist this activity immediately. We fully intend to take further legal action if this does not stop. We have notified the bankruptcy court of the violation as well.

What to do:

In short, the patients do not need to do anything, as this company is operating illegally in Texas. If the patient wishes to dispute, I've attached a letter they can use instructing the collection agency of the action they must legally take. Please encourage your patients NOT to contact their insurance company to obtain an EOB. It is the responsibility of the collection agency to prove the debt. If a patient issues an EOB, the collection agency will use that to generate an invoice to the patient.

Please feel free to contact me anytime with questions regarding this, or any other matter. If you wish, you may also refer your patients to me and I will be more than happy to discuss this with them as well.

Regards,

Boomer Cornwell
True Health Diagnostics

EXHIBIT I

Page 1

AUSTIN
FAMILYMEDICINE
Optimal Health & Wellness

(512) 443-WELL
www.ausfp.com

came with letter on 1/14/16 506 1/14/16007

January 6, 2016

Dear Patient,

It has recently been brought to our attention that several of our patients are receiving collection letters from an agency named Accelerated Receivables Management Inc. This is regarding Advanced Lipid Testing you may have had done over the last few years through Health Diagnostic Laboratory.

We have learned recently that Accelerated Receivables Management Inc. has initiated unauthorized, aggressive collection actions against patients for services performed by HDL years ago that were never billed to these patients and previously written off by HDL. ARM's action are unlawful. They do not have legal rights to collect any outstanding balance on behalf of HDL.

We ask that our patients proceed with the following to help resolve this matter and ensure no further collection actions will be taken by this company.

- Reach out to the agency in writing within 30 days.
- All they seem to have is a billable amount and a client name. They're only trying to get you to do their job and obtain evidence that you theoretically still owe them for whatever balance may be on the EOB. We recommend responding in writing and requesting a detailed itemized proof of the invoice, what the debit is for, and what the actual date of service is. DO NOT SEND ANY INFORMATION THEY ARE REQUESTING.
- Send them in writing a copy of the billing policy that I'm attaching. It will reinforce that you never received a bill from HDL because their own policy said you would not get any bill for charges beyond what the insurance covered.
- Ask the collection agency to provide their license and bonding in Texas.
- Fax back a copy of the letter you received from the agency with a letter of your own, stating that you do not owe this amount along with the attached supporting information.
- Reach out to Ken Paxton the Texas State Attorney General to file a complaint. They need to be made aware of this issue. https://www.texasattorneygeneral.gov/contact-form 713-223-5886

We apologize for any inconvenience this has caused you. We are working diligently for our patients to resolve this matter as quickly as possible.

If you have any questions or concerns, please contact Juanita ext 109 or Crystal ext 114.

Thank You,

Austin Family Medicine Billing Department