

**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)

NOTICE OF AUCTION

PLEASE TAKE NOTICE that:

1. The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), are soliciting offers for the purchase of substantially all or any portion of the property of the Debtors (such property, the “Auctioned Assets” and such transaction, a “Sale”) or (b) sponsorship of a plan of reorganization for the Debtors (a “Sponsored Plan”) (each, a “Restructuring Transaction”).

2. The Debtors expect to proceed with an auction (the “Auction”) to identify the Restructuring Transaction that provides for the highest and best recovery for the Debtors’ estates and creditors. The Auction will take place pursuant to bidding procedures (the “Strategic Transaction Bidding Procedures”) approved on July 15, 2015, by an order (the “Strategic”).

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 (7832).

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Transaction Bidding Procedures Order”) of the United States Bankruptcy Court for the Eastern District of Virginia.²

3. The Strategic Transaction Bidding Procedures Order established the following dates and deadlines in connection with the Auction:

- (a) **Preliminary Indications of Interest: August 20, 2015, at 5:00 p.m. (prevailing Eastern Time)**, is the deadline by which all Preliminary Indications of Interest must be **actually received** by the Debtors, counsel to the Debtors, and the Debtors’ proposed investment banker, in the form and manner specified in the Strategic Transaction Bidding Procedures, in order for an interested party to become a Qualified Bidder.
- (b) **Bid Deadline: September 4, 2015, at 5:00 p.m. (prevailing Eastern Time)**, as the deadline by which all Bids must be **actually received** by the Debtors, counsel to the Debtors, the Debtors’ proposed investment banker and proposed counsel to the UCC and BB&T, in the form and manner specified in the Strategic Transaction Bidding Procedures.
- (c) **Auction: September 10, 2015, at 10:00 a.m. (prevailing Eastern Time)** as the date and time of the Auction, which will be held at the offices of Hunton & Williams, LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219.
- (d) **Sale Hearing** (if the Successful Bid contemplate a Sale): **September 16, 2015, 10:00 a.m. (prevailing Eastern Time)** or as soon thereafter as counsel may be heard, which will be held before the Honorable Kevin R. Huennekens, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division, 701 East Broad Street, Room 5000, Richmond, Virginia 23219.

4. The Strategic Transaction Bidding Procedures, the Strategic Transaction Bidding Procedures Order, the *Motion of the Debtors and Debtors in Possession for Entry of an Order (i) Approving the Strategic Transaction Bidding Procedures, (ii) Scheduling Bid Deadlines and the Auction, (iii) Approving the Form and Manner of Notice Thereof and (iv) Granting Related Relief* [ECF No. 273] (the “Motion”) and further information regarding the chapter 11 cases is available on the Debtors’ case information website (located at www.americanlegal.com/HDL). **All interested bidders should carefully read the Strategic Transaction Bidding Procedures and the Strategic Transaction Bidding Procedures Order.**

5. As set forth in the Strategic Transaction Bidding Procedures, the Debtors may, in their reasonable judgment, and in consultation with the UCC and BB&T, modify the Strategic Transaction Bidding Procedures at any time with notice to Qualified Bidders (as defined therein),

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Strategic Transaction Bidding Procedures. This notice is qualified in its entirety by reference to the Strategic Transaction Bidding Procedures.

including to adjourn the Auction, Sale Hearing or any of the dates set forth herein or therein one or more times for any reason and to terminate the Strategic Transaction Bidding Procedures at any time to pursue an alternative restructuring strategy that maximizes value for the Debtors' estates.

6. Objections, if any, to the relief requested in the Motion in respect of a Qualified Bid (as defined in the Strategic Transaction Bidding Procedures), **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules and any case management order entered in these cases; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served, so as to be **actually received** no later than **September 14, 2015, at 4:00 p.m. (prevailing Eastern Time)**, on: (i) the Debtors, Health Diagnostic Laboratory, Inc., 737 N. 5th Street, Suite 200, Attn: Douglas Sbertoli, email: dsbertoli@hdlabinc.com; (ii) counsel to the Debtors, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, Attn: Tyler P. Brown, email: tpbrown@hunton.com; and (iii) proposed counsel to the UCC, Cooley LLP, 1114 Avenue of Americas, New York, New York 10036, Attn: Richard S. Kanowitz and Jay R. Indyke, email: rkanowitz@cooley.com and jindyke@cooley.com..

DATED: July 22, 2015

Respectfully submitted,

/s/ Henry P. (Toby) Long, III
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