

**NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING AND CLAIMS PROCEDURE**

Paul Meco, et al. v. International Medical Research, Inc., et al.

Los Angeles Superior Court, Case No. BC267700/San Diego Superior Court Case No. GIC846200

TO: All Persons who purchased PC Spes, Spes, RA Spes, and OA Plus (collectively “BotanicLab Dietary Supplements”) manufactured by International Medical Research, Inc. doing business as BotanicLab from January 1, 1996 through February 28, 2002, from one or more of the Settling Defendants, except those persons to whom the total amount was refunded.

**THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY
YOU ARE NOT BEING SUED**

THIS NOTICE SUMMARIZES A PROPOSED CLASS ACTION SETTLEMENT RELATING TO YOUR PURCHASE BETWEEN JANUARY 1, 1996 AND FEBRUARY 28, 2002 OF ANY OR ALL OF THE FOLLOWING PRODUCTS: PC SPES, SPES, RA SPES, NEUTRALIS, OSPORO AND OA PLUS (COLLECTIVELY “BOTANICLAB DIETARY SUPPLEMENTS) MANUFACTURED BY INTERNATIONAL MEDICAL RESEARCH, INC. DOING BUSINESS AS BOTANICLAB FROM ONE OR MORE OF THE SETTLING DEFENDANTS. ON MAY 12, 2006, THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, GAVE PRELIMINARY APPROVAL TO THE SETTLEMENT AS TO THE FOLLOWING SETTLING DEFENDANTS: PRESCRIPTION CITY, INC.; LLOYD WRIGHT DOING BUSINESS AS CLASSIC MOUNTAIN DOING BUSINESS AS HEPATITISFREE.COM; MEDQUEST PHARMACY; LIFE EXTENSION SUPPLIES AND SERVICES, INC.; MICHAEL CHANG DOING BUSINESS AS HALIBURTON PHARMACY; SMARTBOMB, INC.; JEFF LIN, (HEREAFTER “SETTLING DEFENDANTS.”) THE PURPOSE OF THIS NOTICE IS TO DESCRIBE THE PROPOSED SETTLEMENTS TO YOU AND ADVISE YOU OF YOUR RIGHTS. THIS SETTLEMENT DOES NOT INCLUDE ANY OTHER DEFENDANTS IN THE IDENTIFIED CLASS ACTION LITIGATION.

I. THE DESCRIPTION OF THE LITIGATION

A. On or about February 2002, Plaintiffs Arthur Cusolito and Tatiana Palma, et al. (Plaintiffs) filed a class action complaint as amended from time to time against International Medical Incorporated dba BotanicLab, Sophie Chen, Ph.D., Allan Wang, John Chen, Dennis Misurell, James Peoples, Barre Rorabaugh, Ian Strachan, Alec Chen, Deborah Alder, Harry Pinchot, Paul Anderson, Michael Cook, Steve Litvak, Kimberly Litvak, Nelson L. Levy, Leonard Weinglass, Alhambra Nutrition Center, Michael Min Chang, Donald R. Yance dba Donald C.N. Yance, Donigan Nutrition Center, Geoffrey Crenshaw dba HealingYou.Org, Gerald Wolke dba Natural Health Consultants, Dr. Stan Guberman dba Guberman’s Health and Wellness, Harry Kessel Distributor, Health-N-Energy dba Health-N-Energy.com, Hickey Chemists, Ltd., Innovative Therapeutics, Life Extension Supplies and Services, Lloyd Wright dba Classic Mountain dba HepatitisCFree.com, Mario P. Menelly, Medquest Pharmacy, Mother’s Market & Kitchen - Park Place, Inc., Mountain States Health Care Products, Nutrition 2000, Oxylife, Inc. aka LBR, Inc., Prescription City, Inc., Pure Prescriptions, Inc., Scientific Biologics aka Healing Edge Sciences, Michael B. Schachter, M.D., P.C., Seacoast Natural Foods, Inc., Smart Bomb, Inc. aka Smartbomb.com, The Wellness Store, Whitaker Wellness Institute Medical Clinic, Inc., Robelen Chemists, Inc. dba Willner Chemist, Healing Touch Oncology, Cook’s Vivacity Corp., Sun-Ten Laboratories, Inc., Brion Corporation, Brion Herbs Corporation, Charleston Hsu, Herb Shen, David Rutolo, The Apothecary, Inc., Ithrive Health, LLC, as successor in interest to the Apothecary, Inc., (collectively “Defendants”), among others, in the Superior Court of the County of Los Angeles, State of California, Case No. BC26770/San Diego Superior Court Case No. GIC846200 (the “Action”).

The Action generally alleges that the manufacturers and distributors sold BotanicLab Dietary Supplements manufactured by International Medical Research, Inc. doing business as BotanicLab which were found to be contaminated with prescription drugs regulated by the FDA. The Action alleges that the manufacturers and distributors are accountable to the purchasers of the BotanicLab Dietary Supplements for this defective dietary supplement. Defendants deny the allegations of the Action. The Class is limited to those persons who purchased directly or indirectly the BotanicLab Dietary Supplements between January 1, 1996 and February 28, 2002, and have not received a total refund.

B. The Court preliminarily certified a class in the Action defined as: “All persons who purchased the BotanicLab Dietary Supplements between January 1, 1996 and February 28, 2002, from one or more of the Settling Defendants and have not received a total refund.” The certification of this class for settlement purposes only is without prejudice to the non-settling Defendants’ ability to challenge certification of the class against them. The settlement is limited to the Settling Defendants only.

C. The Court has scheduled a hearing on September 1, 2006 at 2:00 p.m. before the Honorable John S. Meyer in Department 61 of the San Diego Superior Court, located at 330 West Broadway, San Diego, California 92101, to consider whether to grant final approval of the settlement.

II. TERMS OF THE PROPOSED SETTLEMENT

The Settlement will become effective when the Stipulation and Settlement Agreement signed by the Settling Defendants (the "Settlement") is approved by the Court and a Judgment of dismissal is entered of the Settling Defendants that is no longer subject to appeal (Final Approval). Upon the Effective Date, the Settling Defendants will pay into the Settlement Fund the amount set forth herein and the Settling Defendants will be released from the Released Claims consisting of any and all claims, actions, demands, causes of action, suits, liens, debts, obligations, damages, rights or liabilities, of any nature and description whatsoever, known or unknown, present or future, concealed or hidden, liquidated or unliquidated, fixed or contingent, anticipated or unanticipated, whether based on federal or state statute or regulation, tort, contract, law, equity or otherwise, that have been, could have been or might in the future be asserted by Plaintiffs, the Class or any Class Member or any of their respective heirs, executors, administrators, predecessors, successors, assigns, representatives, agents, and attorneys arising out of or related in any way to any claims asserted at any time in this Action. Excluded from the Released Claims described above are: (a) claims relating to personal injuries/wrongful death of the Plaintiffs, the Class or any Class Member; (b) damages of every kind and nature relating to the personal injury/wrongful death claims; (c) claims for coverage made under any policy of insurance for personal injury claims; and (d) claims against persons other than Settling Defendants. In addition, nothing in this Settlement shall be deemed a release of the Parties' respective rights and obligations under the Settlement. Settling Defendants do not include any Defendant named in the Action that is not specifically named herein as one of the Settling Defendants.

In return for a release of all Released Claims as that term is defined in the Stipulation and Settlement Agreement, and dismissal with prejudice of the Action, Settling Defendants have each separately agreed to pay into the Settlement Fund upon the Effective Date the amount set forth in Section III.

III. SETTLEMENT FUNDS:

The amount of the Settlement Fund to be contributed by each Settling Defendant is as follows:

- Michael Chang dba Haliburton Pharmacy: \$37,210.67.
- Prescription City, Inc.: \$25,000.00.
- Jeff Linn: \$14,142.69.
- Lloyd Wright dba Classic Mountain dba HeaptitisFree.com: \$5,000.00.
- Medquest Pharmacy: \$3,213.00.
- Life Extension Supplies and Services, Inc.: \$2,210.00.
- Smartbomb, Inc.: \$300.00.

IV. CLAIM PROCEDURE: IN ORDER TO BE REFUNDED 85% OF THE PURCHASE OF THE BOTANICLAB DIETARY SUPPLEMENTS YOU BOUGHT FOR WHICH YOU HAVE RECEIVED NO REFUND TO DATE, YOU MUST COMPLETE THE ATTACHED CLAIM FORM PRIOR TO THE CLAIM CUTOFF DATE.

A. In order to receive a refund of up to 85% of the purchase price of the BotanicLab Dietary Supplement you bought between January 1, 1996 and February 28, 2002, from one or more of the Settling Defendants and have to date received no refund, you must complete, sign and return in a proper and timely fashion the Claim Form (attached hereto) via first class U.S. mail or equivalent, postage paid, postmarked on or before September 18, 2006. All claims will be paid from the Net Settlement Funds which are the funds remaining after payment of all costs and fees in the litigation. Payments will be made by check issued by the Claims Administrator and mailed to Authorized Claimants within thirty (30) days following the Effective Date. Payments will not be subject to any interest calculation. The checks will remain valid and negotiable for one hundred eighty (180) days from issuance and may thereafter automatically be canceled if not cashed within that time. The Claims Administrator shall also have no obligation to issue additional checks or make any payment for checks that are not cashed within this time period.

B. Any Claim Form that is not submitted by first class mail or equivalent, or is postmarked after the applicable date, or is not fully completed, or is not addressed to the address in the Claim Form, or is not signed by the necessary member(s) of the Class, will not constitute a valid claim and may be rejected unless otherwise ordered by the Court.

C. Even if you fail to submit a Claim Form, you will be bound by the judgment unless you request an exclusion. If you request an exclusion, you cannot submit a Claim Form.

V. THE FINAL SETTLEMENT APPROVAL HEARING

A. A final settlement approval and good faith determination hearing (the "Hearing") will be held before the Honorable John S. Meyer September 1, 2006 at 2:00 p.m., in Department 61 of the San Diego Superior Court, located at 330 West Broadway, San Diego, California 92101, to determine whether the proposed settlement is fair, reasonable and adequate and should be finally approved by the Court and whether a Judgment should be entered, and set the amount of the award of attorneys' fees and costs. The Court may adjourn or continue the Hearing without further notice to the Class. To the extent permitted by law, pending final determination as to whether the settlement should be approved, the Class shall not institute or prosecute any Released Claims against the Settling Defendants. Any Class Member may appear at the Hearing and show cause, if they have any, why the proposed settlement should or should not be approved as fair, reasonable, and adequate why a Judgment should or should not be entered, and/or why the requested award of attorneys' fees and costs should not be made; provided, however, that no Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment and attorneys' fees and costs award to be entered thereon approving the same, unless on or before August 21, 2006, that person has served by hand or by first class mail written objections and copies of any papers and briefs in support of their position and verification of their membership in the Class upon: Blumenthal & Markham, Attn.: David R. Markham, 2255 Calle Clara, La Jolla, CA 92037; Co-Lead Class Counsel), and Monroe & Zinder, Attn: Paul R. Ayers, 4605 Lankershim Boulevard, Suite 300, North Hollywood, CA 91602-1872 (Defendant Distributor Group A Liaison Counsel), and filed said objections, papers and briefs with the Clerk of the Court. In order to be valid, said papers must be filed in with the court in San Diego and received by the above counsel by the date set forth above. Any Class Member who does not make their objection in the manner provided for in this Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to or appeal of the fairness, reasonableness or adequacy of the settlement.

VI. APPLICATION OF CLASS COUNSEL FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

Class Counsel may submit one or more applications for payment to them of an award of attorneys' fees and costs, to be determined by the Court in a total amount for fees not to exceed twenty-five per cent (25%) of the amount(s) deposited with the Claims Administrator, plus reimbursement of reasonable costs incurred (upon which a first priority statutory attorneys' lien shall exist for such fees and costs) unless otherwise limited by a settlement agreement with a settling defendant as to the funds derived from that settling defendant. The approval of this settlement is without prejudice to all challenges to any fee award. Any attorneys' fees and costs awarded by the Court shall be paid to Class Counsel within five (5) days after the Effective Date. Reasonable costs (expenses of the litigation), may include expert witness fees, filing and citation fees, court costs, subpoena costs, service fees, depositions, court reporter and videographer charges, witness fees, photo copies and printing, document imaging, exhibit preparation and equipment and operators, travel expenses, conference room rentals, mediator fees, postage, long distance charges and other similar expenses that are customarily charged. Any fees and costs awarded to Class Counsel shall be paid from the Settlement Fund prior to any other distribution under the settlement. Attorneys' fees and costs awarded to Class Counsel shall not be subject to any interest calculation. Class Counsel shall allocate the fees and costs award between Class Counsel.

VII. REQUESTS FOR EXCLUSION

Any member of the Class as herein defined may choose to be excluded (opt out) of the Class by requesting to be excluded in writing. Any such person who chooses to be excluded from the Class will not be entitled to any recovery from the Settlement and will not be bound by the Settlement or have any right to object, appeal or comment thereon. Any such person who chooses to opt out may do so by submitting a written request to *IMR Settlement*, c/o Gilardi & Co. LLC, Claims Administrator, P.O. Box 8060, San Rafael, CA 94912-8060, postmarked no later than September 18, 2006. The written request to opt out should set forth the name and address of the Class Member, state a request for exclusion and be signed by the member of the Class. If you opt out, you cannot submit a Claim Form to the Claims Administrator for a refund of your purchase of the BotanicLab Dietary Supplements. **IF YOU FAIL TO REQUEST AN EXCLUSION, YOU WILL BE BOUND BY THE JUDGMENT AND A MEMBER OF THE CLASS FOR ALL FUTURE PROCEEDINGS AGAINST BOTH THE SETTLING DEFENDANTS AND NON-SETTLING DEFENDANTS. IF YOU REQUEST AN EXCLUSION, YOU CANNOT SUBMIT A CLAIM FORM AND WILL NOT BE A MEMBER OF THE CLASS FOR ANY PURPOSE.**

VIII. FINAL JUDGMENT AND RELEASES TO BE ENTERED

If the proposed settlement is approved by the Court and becomes effective, the Judgments will be entered by this Court which will dismiss with prejudice the Action as against Settling Defendants only. The Judgment will resolve the Released Claims to the extent provided in the settlement agreements and permanently bar all Class Members who have not opted out and the other Defendants in the actions from prosecuting any and all Released Claims against the Settling Defendants. The actions will also be dismissed with prejudice as a good faith settlement upon the Judgment in the actions becoming final and no longer subject to appeal.

IX. EXAMINATION OF PAPERS AND INQUIRIES AND INCORPORATION OF THE STIPULATION AND SETTLEMENT AGREEMENT AND ATTACHED EXHIBITS INTO THIS NOTICE

The above description is only a summary of the settlement. THE ENTIRE STIPULATION AND SETTLEMENT AGREEMENTS BY AND BETWEEN THE CLASS AND EACH AND EVERY SETTLING DEFENDANT AND THE EXHIBITS ATTACHED THERETO AND ALL TERMS AS DEFINED THEREIN ARE INCORPORATED BY THIS REFERENCE HEREIN AND IS AVAILABLE ON CLASS COUNSEL'S WEB SITE AT www.bamlawca.com. To review these documents in their entirety or for more detailed information you may inspect the Court files at the Office of the Clerk of the Superior Court of the State of California, County of San Diego, 330 West Broadway, San Diego, California 92101 during the business hours of each business day or you can view these documents on Class Counsel's web site at www.bamlawca.com. All inquiries should be directed to Blumenthal & Markham, Attn: David R. Markham, at 2255 Calle Clara, La Jolla, CA 92037 or at bam@bamlawlj.com.

**PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK
OF THE COURT REGARDING THIS ACTION**

Dated: July 6, 2006

HONORABLE JOHN. S. MEYER
JUDGE OF THE SUPERIOR COURT