UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

Amendment No.2

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal period ended January 31, 2011

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT**

For the transition period from _____ to _____

Commission File No.
000-25809

Apollo Medical Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-8046599**
State of Incorporation	IRS Employer Identification No.

450 North Brand Blvd., Suite 600
Glendale, California 91203
(Address of principal executive offices)

(818) 396-8050
(Issuer's telephone number)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each Class	Name of each Exchange on which Registered
	None

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, $.001 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act
Yes ☐ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.
Yes ☐ No ☐

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that registrant was required to submit and post such files).
Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein and, will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☐

The aggregate market value of the shares of voting common stock held by non-affiliates of the Registrant computed by reference to the price at which the common stock was last sold on OTCQB on July 31, 2010, the last business day of the Registrant's most recently completed second fiscal quarter, was $736,110. Solely for purposes of the foregoing calculation, all of the registrant's directors and officers as of July 31, 2010 are deemed to be affiliates. This determination of affiliate status for this purpose does not reflect a determination that any persons are affiliates for any other purpose.

As of April 30 , 2011, there were 28,985,774 shares of common stock, $.001 par value per share, issued and outstanding.

APOLLO MEDICAL HOLDINGS, INC.

EXPLANATORY NOTE

Apollo Medical Holdings, Inc. is filing this Amendment No. 2 (this "Amendment") to its Annual Report on Form 10-K for the fiscal year ended January 31, 2011 in response to additional comments received from the SEC and this amendment No. 2 only amends Part IV.

This Amendment No. 2 speaks as of the filing date of the original Annual Report on Form 10-K, except where otherwise expressly stated and except for the certifications, which speak as of their respective dates and the filing date of this Amendment No. 2. The information contained in this Amendment No. 2 has not been updated to reflect events occurring or trends arising after the original filing date of the original Annual Report on Form 10-K.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Please see the Report of our Independent Registered Public Accounting Firm, and related financial statements for our fiscal year ended January 31, 2011, beginning on page F-1 of this Form 10-K/A.

(b) Exhibits Index

Number	Exhibit
3.1	Certificate of Incorporation (filed as an exhibit to Registration Statement on Form 10-SB filed on April 19, 1999, and incorporated herein by reference).
3.2	Certificate of Ownership (filed as an exhibit to Current Report on Form 8-K filed on July 15, 2008, and incorporated herein by reference).
3.3	Second Amended and Restated Bylaws (filed as an exhibit to Form 10-Q filed on September 14, 2011, and incorporated herein by reference).
4.1	Form of 10% Senior Subordinated Convertible Note, dated October 16, 2009. (filed as an exhibit on Annual Report on Form 10-K on May 14, 2010, and incorporated herein by reference).
4.2	Form of Investor Warrant, dated October 16, 2009, for the purchase of 25,000 shares of common stock. (filed as an exhibit on Annual Report on Form 10-K/A on March 28, 2012, and incorporated herein by reference).
10.1	Agreement and Plan of Merger among Siclone Industries, Inc. and Apollo Acquisition Co., Inc. and Apollo Medical Management, Inc. (filed as an exhibit to Current Report on Form 8-K filed on June 19, 2008 and incorporated herein by reference).
10.2	Management Services Agreement dated August 1, 2008, between Apollo Medical Management and ApolloMed Hospitalists. (filed as an exhibit on Annual Report on Form 10-K/A on March 28, 2012, and incorporated herein by reference).
10.3	Director Agreement, dated October 27, 2008, between the Company and Suresh Nihalani. (filed as an exhibit on Annual Report on Form 10-K/A on March 28, 2012, and incorporated herein by reference).
10.4	Management Services Agreement dated March 20, 2009, between Apollo Medical Management and ApolloMed Hospitalists.*
10.5	2010 Equity Compensation Plan (filed as an exhibit to Current Report on Form 8-K filed on March 9, 2010, and incorporated herein by reference).
10.6	Employment Agreement with A. Noel DeWinter (filed as an exhibit to Current Report on Form 8-K filed on September 11, 2008, and incorporated herein by reference).
10.7	Amendment to Suresh Nihalani's Director Agreement dated July 16, 2010.*
10.8	2010 Equity Incentive Plan (filed as Appendix A to Schedule 14C Information Statement filed on August 17, 2010 and incorporated herein by reference).
10.9	Stock Purchase Agreement, dated as of February 15, 2011, among the Company, Aligned Healthcare Group LLC, Aligned Healthcare Group - California, Inc., Raouf Khalil, Jamie McReynolds, M.D., BJ Reese & Associates, LLC and BJ Reese.*
10.10	First Amendment to Stock Purchase Agreement entered into by Apollo Medical Holdings, Inc. and Aligned Healthcare Group LLC, Aligned Healthcare Group - California, Inc., Raouf Khalil, Jamie McReynolds, M.D., BJ Reese & Associates LLC and BJ Reese dated July 8, 2011.*
10.11	Services Agreement entered into by Apollo Medical Holdings, Inc. and Aligned Healthcare Group LLC, Aligned Healthcare Group - California, Inc., Raouf Khalil, Jamie McReynolds, M.D., BJ Reese & Associates LLC and BJ Reese dated July 8, 2011.*
10.12	Employment Agreement with Jilbert Issai, M.D. dated September 4, 2008.*
10.13	Consulting Agreement with Kyle Francis dated March 22, 2009.*
10.14	Hospitalist Participation Service Agreement with Warren Hosseinion, M.D. dated May 1, 2009.*
10.15	Hospitalist Participation Service Agreement with Adrian C. Vazquez, M.D. dated May 1, 2009.*
21.1	Subsidiaries of Apollo Medical Holdings, Inc.*
23.1	Consent of Kabani and Company. (Previously filed with this Annual Report on Form 10-K/A when filed on March 28, 2012)
31.1	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

APOLLO MEDICAL HOLDINGS, INC.

Date: April 9, 2012

By: /s/ WARREN HOSSEINION, M.D.
Warren Hosseinion, M.D.,
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ KYLE FRANCIS Kyle Francis	Chief Financial Officer (Principal Financial and Accounting Officer)	April 9, 2012

MANAGEMENT SERVICES AGREEMENT

This Management Agreement ("Agreement") is made and entered into as of this 20th day of March, 2009, by and between Apollo Medical Management, Inc., a Delaware corporation ("Manager"), and ApolloMed Hospitalists, a California medical corporation ("Group").

Recitals:

A. Manager is a Delaware corporation engaged in the business of managing physician practices to enhance the quality and efficiency of the medical practices it manages.

B. Group is a California medical corporation that provides hospitalist services to inpatients at hospitals staffed by Group.

C. Group desires retain Manager to provide assistance to Group in managing and administering all non-medical aspects of Group's medical practice in a manner and to the extent permitted by law.

D. Group and Manager recognize that Group has sole responsibility for providing medical services to Group's patients, and Manager shall provide assistance to Group in managing and administering all non-medical functions of Group's medical practice.

THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Management Services . During the term of this Agreement, Group engages Manager to assist Group in providing the following management and administrative services required by Group for the operation of the Practice:

(a) Business Matters . Supervising and coordinating all day-to-day, non-medical business aspects of Group's Practice.

(b) Supplies and Equipment . Ordering and purchasing, after consultation with Group, all medical and office supplies and equipment required by Group in connection with the operation of Group's practice. All such supplies shall be of a quality acceptable to Group.

(c) Bookkeeping . Providing all bookkeeping and accounting services, including, without limitation, maintenance, custody and supervision of Group's business records, papers and documents, ledgers, journals and reports, and the preparation, distribution and recording of all bills and statements for professional services rendered by Group in the course of Group's Practice.

(d) Management & Clinical Information Systems. Upon request and in consultation with Group, the planning, negotiation with third party vendors, selection, installation and operation of appropriate hardware and software (including but not limited to the Apollo Web database technology) to provide Group with management and clinical information systems support. All clinical and financial data pertaining to Group's practice shall be regularly backed up on electronic media, with additional hard copy back up when in the judgment of Manager, after consultation with Group, it is prudent to do so, and copies of such back up data in both electronic media and hard copy shall be provided to Group from time to time upon request of Group. Upon termination of this Agreement for any reason, all such data and back up data shall be promptly delivered to Group to ensure continuity of Group's financial and clinical operations. All such services shall comply, as appropriate, with the Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereto ("HIPAA").

(e) Billing & Collection. Subject to Section 3(d) below, providing all billing and collection services for Group's medical practice. All billings shall be accurate and in accord with appropriate and up-to-date payor coding requirements. Manager shall diligently pursue collections of Group and shall follow up billings in a timely fashion to ensure that payments are received to the greatest extent possible in a commercially reasonable time, and that aged accounts receivable are maintained within commercially reasonable limits, for medical practices similar to that of Group.

(i) Attorney-In-Fact; Assignment and Limitations. In performing its billing and collection duties hereunder, Manager shall act as Group's agent and shall indicate it is billing in the name of Group. Group hereby appoints Manager, for the term hereof, as its true and lawful attorney-in-fact, with full power of assignment and substitution, to bill patients or third party payors on Group's behalf; collect accounts receivable arising out of billings, and receive payments on behalf of Group. Notwithstanding the foregoing, no assignment shall be made to Manager of any sums or rights to payment, the assignment of which is prohibited by law (e.g., revenues from patients covered by the Medicare program). In lieu of assignment of such payments, unless otherwise prohibited by law, Group shall remit to Manager the amount of any such sums within five (5) business days of Group's receipt thereof. Group and Manager shall cooperate in the establishment of a separate account or accounts to track all such amounts. In connection with its billing activities, Manager may take possession of, and endorse in the name of Group, any and all notes, drafts and other instruments received by way of payment. Manager shall assist Group in negotiating or otherwise communicating with any patient or third party payor regarding claims processing and any disputes arising therefrom.

(ii) Bank Accounts. Manager is hereby granted a general power of attorney with respect to the bank accounts of Group and shall have full access to and signatory rights, with Group, over such bank accounts. Manager shall have full power and authority to deposit funds into, and withdraw funds from, all such accounts in accordance with the terms of this Agreement; provided, however, that Group may impose such limitations upon Manager's signatory rights over such accounts as Group shall determine from time to time, in Group's sole discretion. Manager shall have full authority to receive and transact on behalf of Group all cash, checks, drafts, notes and other instruments tendered as payment for professional services rendered by Group, except as may be precluded by law.

(f) UR/QA . Assisting Group in the establishment and implementation of a program or programs of utilization review and quality assurance for the activities of Group, and in the formulation and implementation of related policies, procedures and protocols including, but not limited to both a monitoring function and the development and implementation of performance parameters, evidence based medicine protocols, and outcomes measurements

(g) Insurance . Negotiating and securing appropriate insurance coverage on behalf of Group and in connection with Group's Practice, after consultation with Group, including coverage for malpractice, comprehensive general liability, fire and premises liability, worker's compensation, business interruption, and such other coverage as may be agreed from time to time between Manager and Group.

(h) Worker's Compensation, Etc . Preparing and filing all forms, reports, and returns required by law in connection with unemployment insurance, workers' compensation insurance, disability benefits, social security, and other similar laws now in effect or hereafter imposed.

(i) Premises . Managing the proper maintenance and physical operation of Group's medical practice premises ("Premises"). Group's medical office lease(s) are listed on Exhibit A, which is attached hereto and made a part hereof.

(j) Clerical Support . Providing reception, secretarial, human resources, transcription and clerical personnel and services, including management of the maintenance of medical records. All Manager personnel shall be acceptable to Group in its reasonable discretion and shall be appropriately trained and supervised for the duties assigned to them in connection with Group's practice.

(k) Advertising . Marketing of physician services to hospitals, and otherwise coordinating advertising, marketing and similar activities conducted on behalf of Group, after consultation with Group.

(l) Capital . Consulting with Group regarding capital and financial needs, including seeking capital, undertaking the efforts to raise, and providing access to, capital for any lawful purpose, including without limitation working capital, acquiring other physician practices and acquiring other business assets of the practice.

(m) Contracting . Manager shall assist Group in setting the parameters under which Group will enter into, and in negotiating, contractual relations with hospitals and third party payors.

(n) Other Services . Providing such other services as may be agreed between the parties from time to time which may include, but not be limited to, Physician recruitment services, contracting services (with hospitals and payors), physicians scheduling, Payroll services for the physicians (as well as management company personnel), Case management for patients

2. Performance of Manager's Services.

(a) Manager's Availability . Manager shall devote its best efforts to carrying out the terms of this Agreement and shall devote sufficient time and resources, as determined by Manager after consultation with Group, as is reasonably required to discharge its duties under this Agreement.

(b) Manager's Authority . Manager shall perform all additional and ancillary services, not otherwise described in this Agreement, that may in Manager's judgment, after consultation with Group, be reasonable and appropriate in order to meet Manager's obligations under this Agreement. Manager may subcontract with other persons or entities, including entities related to Manager by common ownership or control, to perform all or any part of the services required of Manager by this Agreement. For purposes of this Agreement, Manager shall have signatory rights on all bank accounts used by Group in the conduct of Group's Practice, and Manager shall have the right to make deposits to and payments from such accounts as it deems appropriate in furtherance of its obligations hereunder, in accordance with Paragraph 1(e)(ii) (Bank Accounts).

(c) Manager's Responsibility . In all matters under this Agreement, Manager shall abide by all applicable state and federal laws and regulations, and applicable policies and procedures of Group.

(d) Reports to Group . On or before the twenty-fifth (25^{th}) day of the first month of each calendar quarter, Manager shall provide Group with an accounting of all billings and collections on behalf of Group, and all deposits to the account(s) of Group and payments from the account(s) of Group, effected by Manager for the benefit of Group during the immediately preceding calendar quarter. All reports shall be in such form as may be agreed between Manager and Group from time to time.

3. Obligations of Group.

(a) Designation of Agent . Group hereby designates and appoints Manager to act as Group's non-physician manager and to provide the services to Group in connection with Group's Practice as described in this Agreement. Group hereby designates Warren Hosseinion, M.D. as its designated representative who is duly authorized by the Group to bind the Group and act on behalf of the Group in all respects pertaining to this Agreement.

(b) Access to Information . Group acknowledges and agrees that all information and records concerning Group and Group's performance of services that may be obtained by Manager during the term of this Agreement may be used by Manager for all purposes necessary or convenient to Manager's obligations under this Agreement.

(c) Selection of Group Personnel . Group shall retain responsibility for the selection, hiring and termination of physicians, allied health professionals and medical assistants working in clinical capacities for the Group. Group, in consultation with Manager, shall be solely responsible for determining the compensation of all licensed medical professionals.

(d) Coding and Billing Procedures . Group shall retain responsibility for decisions relating to coding and billing procedure for patient care services.

4. Confidentiality.

(a) Trade Secrets . All proceedings, files, records and related information of Group and of Manager are confidential and proprietary information of Group and Manager, respectively, and each party shall keep and maintain as strictly confidential all such information to which it may have access by virtue of this Agreement. Neither party shall voluntarily disclose all or any part of such confidential information, orally or in writing, except as expressly required by law or pursuant to a written authorization from the other party. Each party shall include the provisions of this Paragraph in any written contract with any employed or contracted persons that may be engaged by such party to render services pursuant to this Agreement, and shall take such other steps as may be reasonable under the circumstances to ensure that its respective personnel do not disclose any confidential information in violation of this provision. This covenant shall survive the termination of this Agreement. Each party agrees that upon termination of this Agreement for any reason, it shall promptly return to the other party the originals and all copies of any and all trade secrets, confidential or proprietary information, it may then possess, including without limitation any such information stored on computer media.

(b) Medical Information & Patient Records . Each party shall maintain the confidentiality of all patient records, charts and other patient identifying information, and shall comply with all applicable State and Federal laws governing the confidentiality of medical records and related information. Manager will serve as a "Business Associate" (as that term is defined under HIPAA) of Group, Accordingly, and in compliance with the requirements HIPAA, Manager shall, prior to the commencement of services hereunder, enter into a mutually acceptable form of Business Associate Agreement.

(c) Intellectual Property Rights . Group utilizes a proprietary database technology called ApolloWeb to enhance the quality and efficiency of the medical practices it manages. ("ApolloWeb"). From time to time, Group may provide Manager with software programs and related documentation, or improvements and upgrades thereto, to facilitate its use of ApolloWeb ("System-Related Software"). Group hereby grants Manager a nonexclusive, royalty-free license to reproduce, install and use on equipment owned or controlled by Group, and solely for Group's own purposes (which may be business or non-commercial, as applicable), any such System-Related Software only in the form it was provided or made available to Manager by Group, and only in connection with Manager's use of the ApolloWeb in accordance with this Agreement. Manager will not distribute, sublicense, modify, create derivative works of, sell, transfer or assign the System-Related Software, nor will Manager reverse engineer, decompile or disassemble any object code of System-Related Software except to the extent permitted by applicable law notwithstanding this restriction. Manager further agrees not to remove or destroy any proprietary markings or confidential legends placed upon or contained within any System-Related Software.

Group and its licensors reserve all right, title and interest in the ApolloWeb and System-Related Software, including all intellectual property rights therein (including without limitation all copyrights, patents, trade secrets, trademarks, service marks and trade names) subject to the licenses expressly set forth in this Agreement. This Agreement does not include any sale or transfer to Manager of Group intellectual property rights, including without limitation with respect to ApolloWeb or any System-Related Software.

Manager acknowledges that the content, data and other materials made available by Group are owned or licensed by Group (the "Third Party Materials"). Manager will not reproduce, distribute, modify, create derivative works of, or exercise any other rights in, such third party materials except as authorized by Group.

5. Independent Contractors.

In the performance of services under this Agreement, it is mutually understood and agreed that Manager is at all times acting and performing as an independent contractor rendering administrative services to Group. Neither party shall have any claim against the other under this Agreement or otherwise for Workers' Compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits, or any other benefits.

6. Staffing of Manager and Group.

(a) Non-physician Personnel . Manager shall be responsible for the payment to all persons employed or retained by Manager of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits that Manager may make available to its employees or contractors.

(b) Licensed Professional Personnel . Group shall employ or contract with all physicians and other licensed professional personnel that Group, after consultation with Manager, deems to be required for the conduct of the Practice. All such personnel shall be employees or contractors of Group, and Group shall be responsible for the payment to all such persons of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits which Group may make available to Group's employees or contractors; provided, however, that Manager shall have management responsibility over the non-medical aspects associated with Group's employment or contracting of such personnel.

7. Term and Termination.

(a) Term . This Agreement shall commence on August 1, 2008 and shall continue in full force and effect for a term of twenty (20) years (the "Term") until terminated as provided in this Agreement.

(b) No Termination without Cause . This Agreement may be terminated only for cause as specified in Subparagraph (c) below.

(c) Termination For Cause . This Agreement may be terminated by either party for cause, upon sixty (60) days prior written notice to the other party specifying the cause upon which such termination is based. For purposes of this Agreement, "cause" shall have the meanings set forth below. Notwithstanding the foregoing, neither party may terminate this Agreement if, during the foregoing sixty (60) day period, the party to whom notice has been given successfully cures the failure or breach of performance upon which termination is based; provided, however, that if such failure or breach cannot be cured within the sixty (60) day period, termination shall not occur if the party to whom notice has been given takes material action during such sixty (60) day period to cure the failure or breach and thereafter diligently and continuously prosecutes such cure to completion.

(d) By Group . Cause for termination by Group shall be limited to the following: (i) failure of any representation or warranty made by Manager in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Group; (ii) material failure by Manager to duly observe and perform the covenants and agreements undertaken by Manager herein; (iii) misrepresentation of material fact, or fraud, by Manager in the discharge of its obligations under this Agreement; (iv) if Manager shall dissolve, shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Manager of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(e) By Manager . Cause for termination by Manager shall be limited to the following: (i) failure of any representation or warranty made by Group in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Manager; (ii) material failure by Group to duly observe and perform all the covenants and agreements undertaken by Group herein; (iii) misrepresentation of material fact, or fraud, by Group in the discharge of Group's obligations under this Agreement; or (iv) if Group shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Group of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(f) Effect of Termination . Termination of this Agreement shall not discharge either party from any obligation which may have arisen and which remains to be performed upon the date of termination, including, but not limited to, the obligation to compensate Manager in accordance with Section 8 (Management Fee). Upon termination of this Agreement, Manager shall promptly deliver to Group all clinical and financial data maintained by Manager for Group's benefit. Manager shall make diligent efforts to collect receivables arising from services of Group prior to the date of termination and shall remit to Group in a timely fashion the allocable portion of all such collections. Similarly, following termination, all receivables that Group may directly collect arising from services of Group prior to the date of termination shall be allocated as provided herein, and Group shall remit to Manager in a timely fashion the allocable portion of Group's collections of the same.

8. Management Fee.

(a) In consideration of the management services to be rendered by Manager hereunder, Group shall pay Manager, each month, a percentage of Group's gross revenue that Group receives for the performance of medical services by Group. This percentage will be amended or modified each month, according to medical practice budgets agreed between Manager and Group.

(b) On or before the twentieth (20th) day of the month following each month, Manager may deduct and pay to itself, from any account(s) of Group managed by Manager, all amounts due and owing to Manager as management fees for the immediately preceding month.

9. Rights of Entry and Inspection.

(a) By Manager . Manager and its duly authorized representatives shall have the right at all reasonable times to enter upon Group's Premises for the purposes of carrying out the duties of Manager hereunder, and for inspection and verification of Group's books and records pertaining to Group's Practice; provided, however, that any such entry by Manager shall not unreasonably interfere with the conduct of Group's Practice.

(b) By Group . Group and its duly authorized representatives shall have the right at all reasonable times to enter upon Manager's premises for the purposes of carrying out the duties of Group hereunder, and for inspection and verification of Manager's books and records pertaining to Group's Practice; provided, however, that any such entry by Group shall not unreasonably interfere with the conduct of Manager's business.

10. Group's Representations and Warranties.

(a) Properly Constituted . Group is a professional corporation, duly organized, existing in good standing under the laws of the State of California, has the corporate power and authority to own its property and to carry on Group's business as it is now being conducted, and to enter into and perform Group's obligations under this Agreement.

(b) No Conflicts . The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Group is a party or by which it is bound.

(c) Licenses and Permits . Group has in full force and effect all licenses, permits and certificates required to operate Group's Practice as it is being operated as of the date of this Agreement. Group shall promptly notify Manager should any of Group's shareholders become ineligible to practice medicine in the State of California. Group shall not permit any persons who have become ineligible to practice medicine in California to retain shares of Group beyond such time periods as may be permitted by law.

(d) Consents . Group has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Group to enter into this Agreement.

11. Manager's Representations and Warranties.

(a) Properly Constituted . Manager is a corporation duly organized, existing and in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to carry on its business as it is now being conducted, and to enter into and perform its obligations under this Agreement.

(b) No Conflicts . The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Manager is a party or by which it is bound.

(c) Licenses and Permits . Manager has in full force and effect all licenses, permits and certificates required to operate its business as it is being operated as of the date of this Agreement.

(d) Consents . Manager has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Manager to enter into this Agreement.

12. Insurance and Indemnity.

(a) Professional Liability . Group shall at all times during the term of the Agreement procure and maintain, and cause all licensed health care personnel associated with Group's medical practice to similarly procure and maintain, professional liability insurance with minimum coverage limits of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) annual aggregate, and in such form and substance, and underwritten by such recognized companies, authorized to do business in California, as Manager may from time to time reasonably require, and shall provide copies of all such policies and renewals thereof to Manager upon request.

(b) Indemnity . To the extent permissible under each party's respective policies of insurance, each party shall indemnify and hold harmless the other party, and its shareholders, directors, officers, employees and agents, from and against all damages, costs, expenses, liabilities, claims, demands, and judgments of whatever kind or nature, including reasonable attorneys' fees and costs, for which either party might liable, in whole or in part, arising out of or related to the acts and/or omissions of the indemnifying party and its shareholders, directors, officers employees and agents.

13. General Provisions.

(a) Assignment . Neither party shall assign any of its rights nor delegate any of its duties or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Manager may assign this Agreement to a successor in interest by providing notice to Group, which notice shall state the effective date of such assignment. Upon such assignment, the successor shall be responsible for the duties and responsibilities of Manager hereunder. Nothing contained in this Agreement shall be construed to prevent the Manager from selling or conveying substantially all of its assets used in connection with the performance of this Agreement, nor shall Group be prohibited from selling or conveying substantially all of its assets provided that the Agreement continues in full force and effect.

(b) Access to Books and Records . Manager shall make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives, this Agreement, and all books, documents and records relating to the nature and extent of the costs of services provided hereunder for a period of five (5) years after the furnishing of services pursuant hereto. In addition, if Manager's services under this Agreement are to be provided by subcontract and if that subcontract has a value or cost of Ten Thousand Dollars ($10,000.00) or more over a twelve-month period, Manager shall require in writing that the subcontractor make available to the Secretary and the Comptroller General, or their authorized representatives, for a period of five (5) years after the furnishing of such services, the subcontract and all books, documents and records relating to the nature and extent of the costs of the services provided thereunder.

(c) Amendments . This Agreement may be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by the parties. Notwithstanding the foregoing, should any provision of this Agreement be in conflict with a governing State or federal law, it shall be deemed amended accordingly.

(d) Notices . Notices required under this Agreement shall be deemed given (i) at the time of personal delivery upon the party to be served; or (ii) twenty four (24) hours following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such service, or following deposit in the U.S. Mail, Express Mail for overnight delivery; or (iii) forty eight (48) hours following deposit in the U.S. Mail, registered or certified mail; and in any case postage prepaid and addressed as follows, or to such other addresses as either party may from time to time designate to the other:

To Group: ApolloMed Hospitalists

P.O. Box 4555
Glendale, CA 91222

To Manager: Apollo Medical Management, Inc.

1010 N. Central Ave.
Glendale, CA 91201

(e) Entire Agreement . This Agreement, including all Attachments, is the entire Agreement between the parties regarding the subject matter hereof, and supersedes all other and prior agreements, whether oral or written.

(f) Successors and Assigns . This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their permitted successors and assigns.

(g) Waiver of Provisions . No waiver of any terms or conditions hereof shall be valid unless given in writing, and signed by the party giving such waiver. A waiver of any term or condition hereof shall not be construed as a future or continuing waiver of the same or any other term or condition hereof.

(h) Governing Law . This Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to conflicts of law.

(i) Severability . The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

(j) Attorneys' Fees . In the event that any action, including mediation or arbitration, is brought by either party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

(k) Captions . Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of any provision hereof.

(l) Cumulation of Remedies . The various rights, options, elections, powers, and remedies of the respective parties hereto granted by this Agreement are in addition to any others to which the parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right of priority allowed by law.

(m) No Third Party Rights . The parties do not intend the benefits of this Agreement to inure to any third person not a signatory hereto; and accordingly, this Agreement shall not be construed to create any right, claim or cause of action against either party by any person or entity not a party hereto.

(n) Construction of Agreement . The parties agree that each party and its counsel have participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Apollo Medical Management, Inc.
("MANAGER"):

By: /s/ Warren Hosseinion

Its: Chief Executive Officer

Apollo Med Hospitalists, a Medical Corporation
("GROUP"):

By: /s/ Warren Hosseinion

Its: Chief Executive Officer

Exhibit A

Real Property Leases

No lease existed at the time of entering of into Agreement

AMENDMENT TO DIRECTOR AGREEMENT

THIS AMENDMENT, dated as of July 16, 2010 (the "Amendment"), is being made to that certain Board of Directors Agreement (the "Director Agreement"), dated October 27, 2008, by and between Apollo Medical Holdings, Inc., a Delaware corporation (the "Corporation") and Suresh Nihalani ("Mr. Nihalani"). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Director Agreement.

WHEREAS, pursuant to the Director Agreement, Mr. Nihalani was to receive in exchange for his services as a director 400,000 shares of common stock ("Common Stock") of the Corporation, which was to be held in escrow until released by the Corporation in 36 equal monthly installments.

WHEREAS, in lieu of such arrangement, the Corporation has been issuing shares of Common Stock to Mr. Nihalani in an amount equal to 1/36 of 400,000 on a monthly basis, and Mr. Nihalani has agreed to such arrangement.

WHEREAS, to date, Mr. Nihalani has been issued 188,887 shares of Common Stock pursuant to these issuances.

WHEREAS, the Corporation and Mr. Nihalani wish to modify the manner in which Mr. Nihalani will be receiving shares on a going forward basis.

NOW, THEREFORE, in consideration of the premises and mutual covenants and obligations hereinafter set forth, Apollo and Mr. Nihalani hereby agree as follows:

1. **Amendment to Restricted Stock Award.** "Section B. Equity Compensation" shall be amended and restated as follows:

Issued Shares. Mr. Nihalani and the Corporation hereby acknowledge and agree that as of the date hereof, 188,887 shares of Common Stock have been issued to Mr. Nihalani pursuant to the Director Agreement.

Purchase of Shares. Mr. Nihalani hereby purchases, and the Corporation hereby sells to Mr. Nihalani, 211,113 shares of Common Stock (the "Purchased Shares") at a purchase price of $0.001 per share (the "Purchase Price"). Concurrently with the execution of this Agreement, Mr. Nihalani shall pay the Purchase Price for the Purchased Shares in cash.

Restricted Securities. Mr. Nihalani hereby confirms that he has been informed that the Purchased Shares are restricted securities under the Securities Act of 1933 (the "1933 Act") and may not be resold or transferred unless the Purchased Shares are first registered under the federal securities laws or unless an exemption from such registration is available. Accordingly, Mr. Nihalani hereby acknowledges that he is prepared to hold the Purchased Shares for an indefinite period and that Mr. Nihalani is aware that Rule 144 of the Securities and Exchange Commission issued under the 1933 Act is not presently available to exempt the sale of the Purchased Shares from the registration requirements of the 1933 Act. Prior to his acquisition of the Purchased Shares, Mr. Nihalani acquired sufficient information about the Corporation to reach an informed knowledgeable decision to acquire the Purchased Shares. Mr. Nihalani has such knowledge and experience in financial and business matters as to make Mr. Nihalani capable of utilizing said information to evaluate the risks of the prospective investment and to make an informed investment decision. Mr. Nihalani is able to bear the economic risk of Mr. Nihalani's investment in the Purchased Stock.

Disposition of Shares. Mr. Nihalani hereby agrees that he shall make no disposition of the Purchased Shares (other than a permitted transfer as described below) unless and until he shall have notified the Corporation of the proposed disposition and, if requested by the Corporation, Mr. Nihalani shall have provided the Corporation an opinion of counsel in form and substance satisfactory to the Corporation, that (i) the proposed disposition does not require registration of the Purchased Shares under the 1933 Act or (ii) all appropriate action necessary for compliance with the registration requirements of the 1933 Act or of any exemption from registration available under the 1933 Act (including Rule 144) has been taken.

The Corporation shall not be required (i) to transfer on its books any Purchased Shares that have been sold or transferred in violation of the provisions of this section or (ii) to treat as the owner of the Purchased Shares, or otherwise to accord voting or dividend rights to, any transferee to whom the Purchased Shares have been transferred in contravention of the Directors Agreement, including this Amendment.

Restrictive Legends. In order to reflect the restrictions on disposition of the Purchased Shares, the stock certificates for the Purchased Shares will be endorsed with restrictive legends, including one or both of the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SHARES MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF (I) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER SUCH ACT, OR (II) AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT REGISTRATION UNDER SUCH ACT IS NOT REQUIRED WITH RESPECT TO SUCH SALE OR OFFER.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN BOARD OF DIRECTORS AGREEMENT, AS AMENDED, INCLUDING A REPURCHASE RIGHT, AND SUCH AGREEMENT IS ON FILE AT THE CORPORTATION'S PRINCIPAL OFFICE AND MAY BE INSPECTED DURING NORMAL BUSINESS HOURS."

If required by the authorities of any state in connection with the issuance of the Purchased Shares, the legend or legends required by such state authorities shall also be endorsed on all such certificates.

Mr. Nihalani Rights. Until such time as the Corporation actually exercises its Repurchase Rights under this Amendment, Mr. Nihalani (or any successor in interest) shall have all the rights of a shareholder (including voting and dividend rights) with respect to the Purchased Shares, subject, however, to the transfer restrictions set forth below.

Section 83(b) Election. Mr. Nihalani understands that under Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"), the difference between the Purchase Price paid for the Purchased Shares and their fair market value on the date any forfeiture restrictions applicable to such shares lapse will be reportable as ordinary income at that time. For this purpose, the term "forfeiture restrictions" includes the right of the Corporation to repurchase the Purchased Shares pursuant to its Repurchase Right under this Amendment. Mr. Nihalani understands that he may elect to be taxed at the time the Purchased Shares are acquired hereunder to the extent the fair market value of the Purchased Shares exceeds the Purchase Price rather than when and as such Purchased Shares cease to be subject to such forfeiture restrictions, by filing an election under Section 83(b) of the Code with the I.R.S. within thirty (30) days after the date of purchase hereunder. If the fair market value of the Purchased Shares at the date of purchase equals (or is less than) the Purchase Price paid (and thus no tax is payable), the election must be made to avoid adverse tax consequences in the future. The form for making this election is attached as Exhibit A hereto. Mr. Nihalani understands that failure to make this filing within the thirty (30) day period will result in the recognition of ordinary income by Mr. Nihalani (in the event the fair market value of the Purchased Shares increases after the date of purchase) as the forfeiture restrictions lapse. MR. NIHALANI IS URGED TO SEEK ADVICE FROM HIS TAX ADVISOR AS TO WHETHER OR NOT TO MAKE A SECTION 83(b) ELECTION AND THE RAMIFICATIONS OF MAKING SUCH AN ELECTION. IN PROVIDING THE FORM ATTACHED AS EXHIBIT A, THE COMPANY MAKES NO REPRESENTATIONS AS TO WHETHER THE SECTION 83(b) ELECTION SHOULD BE MADE BY EMPLOYEE. MR. NIHALANI ACKNOWLEDGES THAT IT IS HIS SOLE RESPONSIBILITY, AND NOT THE CORPORATION'S, TO FILE A TIMELY ELECTION UNDER SECTION 83(b), EVEN IF HE REQUESTS THE CORPORATION OR ITS REPRESENTATIVES TO MAKE THIS FILING ON HIS BEHALF.

Transfer Restrictions. Mr. Nihalani shall not transfer, assign, encumber, or otherwise dispose of any of the Purchased Shares that are subject to the Corporation's Repurchase Right. Such restrictions on transfer, however, shall not be applicable to a transfer of title to the Purchased Shares effected pursuant to Mr. Nihalani's will or the laws of intestate succession provided that the transferee, as a condition precedent to the validity of such transfer, acknowledges in writing to the Corporation that such transferee is bound by the provisions of this Amendment and that the transferred shares are subject to the Corporation's Repurchase Right granted hereunder, to the same extent such shares would be so subject if retained by Mr. Nihalani.

Grant of Repurchase Right. The Corporation is hereby granted the right (the "Repurchase Right"), at any time during the sixty (60) day period following the first date that Mr. Nihalani is no longer a director of the Corporation (the "Repurchase Date"), to elect to repurchase all or (at the discretion of the Corporation) any portion of the Purchased Shares in which Mr. Nihalani has not acquired a vested interest in accordance with the vesting provisions set forth below (such shares to be hereinafter called the "Unvested Shares") at a purchase price of $.001 per share.

Exercise of the Repurchase Right. The Repurchase Right shall be exercisable by written notice delivered to Mr. Nihalani prior to the expiration of the sixty (60) day period following the Repurchase Date. The notice shall indicate the number of Unvested Shares to be repurchased and the date on which the repurchase is to be effected, such date to be not more than thirty (30) days after the date of notice. The Corporation shall, concurrently with the receipt of such stock certificates from Mr. Nihalani, pay to Mr. Nihalani in cash or cash equivalents, an amount equal to the Purchase Price with respect to the Unvested Shares that are to be repurchased.

Vesting of Purchased Shares; Termination of the Repurchase Right. Notwithstanding any other provision in this Agreement to the contrary, the Corporation's Repurchase Right shall terminate, and the Purchased Shares shall become fully vested, with respect to 400,000/36 of the Purchased Shares on the last day of each month (each, a "Vesting Date"), starting on July 31, 2010 and ending on November 30, 2011, provided that Mr. Nihalani continuously serves as director through that Vesting Date. If any installment includes a fraction of a share, the fraction shall be carried forward and added to subsequent installments. The Repurchase Right shall terminate with respect to any Unvested Shares for which it is not exercised within 60 days of the Repurchase Date.

Additional Shares or Substituted Securities. In the event of any stock dividend, stock split, recapitalization or other change affecting the Corporation's outstanding common stock as a class effected without receipt of consideration, then any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which is by reason of any such transaction distributed with respect to the Purchased Shares shall be immediately subject to the Repurchase Right, but only to the extent the Purchased Shares are at the time covered by such right. Appropriate adjustments to reflect the distribution of such securities or property shall be made to the number of Purchased Shares subject to the Repurchase Right hereunder and to the price per share to be paid upon the exercise of the Repurchase Right in order to reflect the effect of any such transaction upon the Corporation's capital structure; provided, however, that the aggregate purchase price to be paid by the Corporation pursuant to the Repurchase Right shall remain the same.

Cancellation of Shares. If the Corporation (or its assignees) shall make available, at the time and place and in the amount and form provided in this Amendment, the consideration for the Purchased Shares to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Amendment), and such shares shall be deemed purchased in accordance with the applicable provisions hereof and the Corporation (or its assignees) shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Amendment.

2. **Amendment to Indemnification Agreement.** Exhibit B to the Director Agreement, the Indemnification Agreement, shall be amended and restated as set forth in Exhibit B hereto.

3. **Merger Agreement in Full Force and Effect.** Except as set forth herein, the Merger Agreement shall remain in full force and effect.

4. **Counterparts.** This Amendment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original agreement, but all such counterparts together shall constitute but one agreement. Facsimile or PDF counterpart signatures to this Amendment shall be acceptable.

5. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed wholly therein.

6. **Severability.** Should any provision of this Amendment be held invalid or illegal, such provision shall not give rise to invalidate the Amendment but shall be construed as if to omit any invalid or illegal part, and all remaining rights and obligations of the parties shall be construed and enforced accordingly.

7. **California Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(*Signature Page Follows)*

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

APOLLO MEDICAL HOLDINGS, INC.
A Delaware Corporation

By: /S/ Warren Hosseinion, M.D.
Title: Chief Executive Officer

By: /S/ Suresh Nihalani
Title: Director

Exhibit A

ELECTION UNDER SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and social security number of the undersigned:

Name: Suresh Nihalani
Address: _____
_____
Social Security No. _____

2. Description of property with respect to which the election is being made:

211,113 shares of common stock of Apollo Medical Holdings, Inc. (the "Company").

3. The date on which the property was transferred is July 25, 2010.

4. The taxable year to which this election relates is calendar year 2010.

5. Nature of restrictions to which the property is subject:

The shares of stock are subject to the provisions of a Restricted Stock Agreement between the undersigned and the Company. The shares of stock are subject to forfeiture under the terms of the Agreement.

6. The fair market value of the property at the time of transfer (determined without regard to any lapse restriction) was $ .085 per share, for a total of $ 17,945.

7. The amount paid by taxpayer for the property was nothing.

8. A copy of this statement has been furnished to the Company.

Dated:

_____
Taxpayer's Signature

_____
Taxpayer's Spouse's Signature

PROCEDURES FOR MAKING ELECTION
UNDER INTERNAL REVENUE CODE SECTION 83(b)

The following procedures must be followed with respect to the attached form for making an election under Internal Revenue Code section 83(b) in order for the election to be effective:

A. You must file one copy of the completed election form with the IRS Service Center where you file your federal income tax returns within 30 days after the Date of Award of your Restricted Stock.

B. At the same time you file the election form with the IRS, you must also give a copy of the election form to the Secretary of the Company.

C . ***You must file another copy of the election form with your federal income tax return (generally, Form 1040) when it is filed for the taxable year in which the stock is transferred to you. It is suggested that a copy also be attached to your state income tax return.***

Exhibit B

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of this 16th day of July, 2010, by and between Apollo Medical Holdings, Inc., a Delaware corporation (the "Company"), and Suresh Nihalani ("Indemnitee"), with reference to the following facts:

A. Indemnitee is a director of the Company.

B. The Company recognizes that the vagaries of public policy and the interpretation of ambiguous statutes, regulations and court opinions are too uncertain to provide the Company's officers and directors with adequate or reliable advance knowledge or guidance with respect to the legal risks and potential liabilities to which they may become personally exposed as a result of performing their duties in good faith as an Agent (as defined below) for the Company Group (as defined below).

C. The Company recognizes that the cost to a director or officer of defending against lawsuits resulting from the performance of his or her duties in good faith for the Company Group, whether or not meritorious, is typically beyond the financial resources of most officers and directors of the Company.

D. The Company recognizes that the legal risks and potential liabilities, and the very threat thereof, associated with lawsuits filed against the officers and directors of the Company Group, and the resultant substantial time, expense, harassment and anxiety spent and endured in defending against such lawsuits, bears no reasonable or logical relationship to the amount of compensation received by such officers and directors, and thus poses a significant deterrent to and results in increased reluctance on the part of experienced and capable individuals to serve as an Agent of the Company Group.

E. In order to induce and encourage highly experienced and capable persons such as Indemnitee to serve as an Agent of the Company Group, secure in the knowledge that certain expenses, costs and liabilities incurred by them in their defense of such litigation will be borne by the Company and that they will receive the maximum protection against such risks and liabilities as may be afforded by law, the Board (as defined below) has determined that entering into this Agreement with Indemnitee is not only reasonable and prudent but necessary to promote and ensure the best interests of the Company and the Company's shareholders.

F. The Company and Indemnitee desire that the indemnification rights provided by this Agreement shall be supplemental to, and shall not supersede or replace, any indemnification rights which may be provided by other sources, including without limitation any indemnification which may be provided by the Company pursuant to its bylaws, by contract or by applicable law.

NOW, THEREFORE, with reference to the foregoing facts, the Company and Indemnitee hereby agree as follows:

Agreement to Serve. Indemnitee agrees to serve and/or continue to serve as a director and/or officer of one or more members of the Company Group in the same capacity or capacities in which Indemnitee is serving on the date hereof for at least 10 days from the date hereof; provided, however, that nothing contained in this Agreement is intended to or shall create any obligation of any member of the Company Group to continue to retain Indemnitee as an Agent or to maintain Indemnitee as a director during such period.

Definitions.

The following terms shall have the meanings set forth below:

"Action" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

"Agent" shall mean, with respect to Indemnitee, Indemnitee in his or her capacity as an officer, director, employee or agent of the Company Group and in his or her capacity as an officer, director, employee or agent of any other Entity for which he or she is serving in such capacity or capacities as the request of the Company. For purposes of this Agreement, if Indemnitee provides service as an officer, director, employee or agent of any Entity controlled by the Company or any employee benefit plan of the Company, then Indemnitee shall be deemed to serve at the request of the Company.

"Board" shall mean the Board of Directors of the Company.

"Company Group" shall mean the Company, each subsidiary and parent of the Company, and any successor, resulting or surviving corporation of the Company or any subsidiary or parent of such successor, resulting or surviving corporation.

For purposes of this Agreement, references to the "Company Group" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Agents, so that if Indemnitee is or was an Agent of such constituent corporation, or is or was serving at the request of such constituent corporation as an Agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

"Entity" shall mean any corporation, limited liability company, partnership, joint venture, trust or other enterprise, and employee benefit plan.

"Expenses" shall include costs and expenses, including without limitation attorneys' fees.

"Fines" shall include, in addition to fines, any excise taxes assessed on Indemnitee with respect to an employee benefit plan.

For purposes of this Agreement, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "in the best interests of the Company" as referred to in this Agreement.

Indemnification.

Third Party Proceedings. The Company shall indemnify Indemnitee if Indemnitee is or was a party or is threatened to be made a party to any Action (other than an Action by or in the right of the Company) by reason of the fact that Indemnitee is or was an Agent against Expenses, judgments, Fines, settlements and other amounts actually and reasonably incurred by Indemnitee in connection with such Action if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the Company and its shareholders and, with respect to any criminal Action, had no reasonable cause to believe Indemnitee's conduct was unlawful. The termination of any Action by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in the best interest of the Company, or with respect to any criminal Action, had reasonable cause to believe that Indemnitee's conduct was unlawful.

Proceedings By or in the Right of the Company. The Company shall indemnify Indemnitee if Indemnitee is or was a party or is threatened to be made a party to any Action by or in the right of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was an Agent against Expenses actually and reasonably incurred by Indemnitee in defense or settlement of the Action if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the Company and its shareholders.

Mandatory Payment of Expenses. To the extent that Indemnitee has been successful on the merits or otherwise in defense of any Action referred to in Section 3.1 or 3.2 or the defense of any claim, issue or matter therein, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by Indemnitee in connection therewith.

Approval for Settlements. The Company shall not be obligated to indemnify Indemnitee for any settlements entered into by Indemnitee with respect to any Action unless the Company approves such settlement or the Company unreasonably withholds such approval following not less than 10 days prior written notice of the proposed settlement.

Expenses; Indemnification Procedure.

Advancement of Expenses. The Company shall advance all Expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, or appeal of any Action referenced in Section 3 hereof. Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized hereby.

Notice to Company by Indemnitee. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which such indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the executive offices of the Company (unless Indemnitee is the Chief Executive Officer, in which the notice shall be addressed to the Board of Directors and to the next most senior officer of the Company). In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

Procedure. The Company agrees to provide any indemnification and advances required under this Agreement no later than 30 days after receipt of the written request of Indemnitee. If a claim for indemnification or advance under this Agreement is not paid in full by the Company within 30 days after a written request for payment therefor has first been received by the Company, Indemnitee may, but need not, at any time thereafter bring an action against the Company to recover the unpaid amount of the claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any Action in advance of its final disposition) that Indemnitee has not met the standards of conduct which make it permissible under the applicable law for the Company to indemnify Indemnitee, but the burden of proving such defense shall be on the Company and Indemnitee shall be entitled to receive interim payments of expenses pursuant to Section 4.1 unless and until such defense may be finally adjudicated by court order or judgment from which no further right of appeal exists. It is the intention of the parties that if the Company contests Indemnitee's right to indemnification under this Agreement or applicable law, the question of Indemnitee's right to indemnification shall be for the court to decide, and neither the failure of the Company (including its officers, Board, any committee or subgroup of its Board, independent legal counsel or its shareholders) to have made a determination that indemnification of Indemnitee is or is not proper in the circumstances because Indemnitee has or has not met the applicable standard of conduct required by this Agreement or by applicable law, nor an actual determination by the Company (including its officers, Board, any committee or subgroup of its Board, independent legal counsel or its shareholders) that Indemnitee has or has not met such applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct.

Notice to Insurers. If, at the time of the receipt of a notice of a claim pursuant to Section 4 hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

Selection of Counsel. If the Company shall be obligated under Section 3 or 4 hereof to indemnify Indemnitee or advance Expenses to Indemnitee in connection with any Action, the Company shall be entitled to assume the defense of such Action, with counsel approved by Indemnitee, upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Action, provided that (a) Indemnitee shall have the right to employ separate counsel in any such Action at Indemnitee's expense; and (b) if (i) the employment of counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Action, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

Effect of Change in Law. Notwithstanding any other provision of this Agreement, in the event of any change in any applicable law, statute or rule which narrows the right of the Company to indemnify Indemnitee, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder.

Nonexclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any other agreement, any vote of shareholders or disinterested directors, applicable law, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office. The indemnification provided under this Agreement shall continue as to Indemnitee from any action taken or not taken while serving in an indemnified capacity even though he may have ceased to serve in such capacity at the time of the Action.

Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, Fines, settlements and other amounts actually or reasonably incurred by Indemnitee in the investigation, defense, appeal or settlement of any Action, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Expenses, judgments, settlements, Fines and other amounts to which Indemnitee is entitled.

Mutual Acknowledgement re Submission of Claims to Court. Both the Company and Indemnitee acknowledge that in certain instances, Federal or state law, regulation or applicable public policy may require the Company to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under law or public policy to indemnify Indemnitee. For example, in connection with any public offering of the Company's securities, the Company will have to make such undertaking to the Securities and Exchange Commission. Indemnitee acknowledges and agrees that the Company will not be in breach of this Agreement for any such submission.

Severability. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to law, regulation or court order, to perform its obligations under this Agreement shall be severable as provided in this Section 7. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee to the full extent permitted by any applicable portion of this entire Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

Claims Initiated by Indemnitee. To indemnify or advance Expenses to Indemnitee with respect to Actions initiated or brought voluntarily by Indemnitee and not by way of defense unless the Company has approved the initiation or bringing of such Action in writing; or

Lack of Good Faith. To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any Action initiated by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such Action was not made in good faith or was frivolous; or

No Duplication of Payments. To make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise received payment (under any insurance policy, the Certificate of Incorporation or Bylaws of the Company, contract or otherwise) of the amounts otherwise indemnifiable hereunder. If the Company makes any indemnification payment to Indemnitee in connection with any claim made against Indemnitee and Indemnitee has already received or thereafter receives payments in connection with the same claim, then Indemnitee shall reimburse the Company in an amount equal to the lesser of (a) the amount of the payment otherwise received by Indemnitee and (b) the full amount of the indemnification payment made by the Company.

Violation of Law. To indemnify or advance Expenses if such indemnification would be a violation of applicable law or regulation.

Breach of Employment Agreement. To indemnify or advance Expenses in connection with any claim by any member of the Company Group for any breach by Indemnitee of any employment agreement.

Insured Claims. For expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) which have been paid directly to Indemnitee by an insurance carrier under a policy of officers' and directors' liability insurance or other policy of insurance maintained by the Company.

Unlawful Claims. In any manner which is contrary to public policy or which a court of competent jurisdiction has finally determined to be unlawful.

Failure to Settle Action. For liabilities in excess of the total amount at which settlement reasonably could have been made, or for any cost and/or expenses incurred by Indemnitee following the time such settlement reasonably could have been effected, if Indemnitee shall have unreasonably delayed, refused or failed to enter into a settlement of any Action (or investigation or appeal thereof) recommended in good faith, in writing, by the Company and which does not require the Indemnitee to admit liability or agree to any injunctive relief.

Directors and Officers Insurance. The Company shall, from time to time, make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the directors and officers of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all such policies of liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not an director of the Company but is an officer. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnitee is covered by similar insurance maintained by a subsidiary or parent of the Company.

Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Indemnitee and Indemnitee's estate, heirs, legal representatives and assigns.

Notices. All notices, requests, demands and other communications (collectively, "Notices") given pursuant to this Agreement shall be in writing, and shall be delivered by personal service, courier, facsimile transmission or by United States first class, registered or certified mail, postage prepaid, addressed to the party at the address set forth on the signature page of this Agreement. Any Notice, other than a Notice sent by registered or certified mail, shall be effective when received; a Notice sent by registered or certified mail, postage prepaid return receipt requested, shall be effective on the earlier of when received or the third day following deposit in the United States mails. Any party may from time to time change its address for further Notices hereunder by giving notice to the other party in the manner prescribed in this Section.

Attorneys' Fees. If any Action is brought to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover as an element of its costs, and not its damages, reasonable attorneys' fees to be fixed by the court. The prevailing party is the party who is entitled to recover the costs of its Action, whether or not such Action results in a final judgment. A party not entitled to recover its costs of suit may not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorneys' fees.

The following alternative should be considered

If Indemnitee institutes an Action under this Agreement to enforce or interpret any of the terms hereof, Indemnitee shall be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by Indemnitee with respect to such Action, unless as a part of such Action, the court of competent jurisdiction determines that all of the material assertions made by Indemnitee as a basis for such Action were not made in good faith or were frivolous. In the event of an Action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all court costs and expenses, including attorneys' fees, incurred by Indemnitee in defense of such Action (including with respect to Indemnitee's counterclaims and cross-claims made in such Action), unless as a part of such Action the court determines that all of Indemnitee's material defenses to such Action were made in bad faith or were frivolous.

Consent to Jurisdiction. Each of the Company and Indemnitee irrevocably consents to the jurisdiction of the court of the State of California for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agrees that any action instituted under this Agreement shall be brought only in the state courts of the State of California, or in Federal courts located in such State.

Governing Law. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

/S/ Warren Hosseinion, M.D.

Its: Chief Executive Officer

Agreed to and accepted:

INDEMNITEE:

/S/ Suresh Nihalani

EXECUTION COPY

STOCK PURCHASE AGREEMENT

by and among

APOLLO MEDICAL HOLDINGS, INC.,
on the one hand,

and

ALIGNED HEALTHCARE GROUP LLC,

ALIGNED HEALTHCARE GROUP – CALIFORNIA, INC.,

RAOUF KHALIL,

JAMIE MCREYNOLDS, M.D.,

BJ REESE & ASSOCIATES, LLC

and

BJ REESE,
on the other hand

dated

February 15, 2011

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of February 15, 2011, by and among Apollo Medical Holdings, Inc., a Delaware corporation (the "**Buyer**"), on the one hand, and Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**"), Raouf Khalil ("**Khalil**"), Jamie McReynolds, M.D. ("**McReynolds**"), BJ Reese & Associates, LLC ("**Reese LLC**") and BJ Reese ("**Reese**"). Aligned Corp., Khalil, McReynolds, Reese LLC and Reese are sometimes referred to herein collectively as the "**Sellers**" and individually as a "**Seller**." Aligned LLC and the Sellers are sometimes collectively referred to herein as the "**Aligned Parties**" and individually as an "**Aligned Party**".

A. Aligned Corp. conducts a medical practice in the Counties of Tulare, Kings, Madera, Sacramento, Stanislaus and Fresno in California (the "**Aligned Territory**"). Aligned Corp. has also developed certain expertise and know-how in connection with the management, administration and operation of its medical practice and related services.

B. Aligned LLC provides management services to Aligned Corp. and other medical practices in the Aligned Territory, which include managing and administering Aligned Corp.'s and other providers' medical clinics and providing support services to and furnishing Aligned Corp. and other practices with the necessary personnel and support staff.

C. Aligned Corp. and Aligned LLC have sold and transferred or will sell and transfer prior to the Closing (as defined below) to Aligned Healthcare, Inc., a California corporation (the "**Company**"), for fair value, certain assets (the "**Asset Sale**") used or useful in the management, administration and operation of 24-hour physician and nursing call centers described on Schedule 2.5 (the "**Assets**").

D. Khalil, McReynolds and Reese are officers, directors, employees, consultants and affiliates of Aligned LLC and Aligned Corp., and Aligned Corp., Khalil, McReynolds and Reese LLC own all of the issued and outstanding shares of capital stock in the Company (the "**Shares**").

E. The Buyer desires to acquire from the Sellers, and the Sellers desire to sell to the Buyer, all of the Shares (the "**Sale of Shares**").

F. In connection with the Sale of Shares, each of Khalil, McReynolds and Reese shall enter into a consulting agreement with the Company, pursuant to which each such person shall provide consulting services to the Company following the Closing and be entitled to receive cash compensation therefor (the "**Consulting Arrangements**").

G. As additional consideration for the Sale of Shares and as a further inducement for the Buyer to enter into the Sale of Shares and the Consulting Arrangements, Aligned LLC and its members shall enter into an agreement at Closing granting the Buyer a right of first refusal with respect to the membership interests and assets of Aligned LLC (the "**ROFR**").

H. The Asset Sale, the Sale of Shares, the Consulting Arrangements, the ROFR and each of the other transactions contemplated under this Agreement or any of the Transaction Documents (as defined below) are sometimes collectively referred to herein as the "**Transactions**".

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto, each intending to be bound hereby, agree as follows:

ARTICLE 1

PURCHASE AND SALE OF THE SHARES

1.1 **Purchase of Shares**. At the Closing (as defined in Section 1.4), subject to the terms and conditions of this Agreement, the Sellers shall sell and deliver to the Buyer, and the Buyer shall purchase from the Sellers, all of the Shares in exchange for the delivery by the Buyer to the Sellers, at the Closing, of the purchase price described in Section 1.2 (the "**Purchase Price**").

1.2 **Consideration**.

(a) Purchase Price. Subject to Sections 1.2(d) and 9.4, the Purchase Price is (i) 1,000,000 shares (the "**Initial Shares**") of the Buyer's common stock, par value $0.001 (the "**Buyer Stock**"), plus (ii) 1,000,000 shares of Buyer Stock issuable, if at all, solely as set forth in Section 1.2(b) (the "**Contingent Stock**"), plus (iii) any post-Closing issuance of Buyer Stock referred to in Section 1.2(c) (the "**Post-Closing Earnout Stock**"), which Post-Closing Earnout Stock shall be issuable, if at all, solely as set forth in Section 1.2(c). The Buyer Stock shall be issued under this Section 1.2 to the Sellers in the respective percentages set forth on Schedule 2.2. The Buyer shall have no obligation to register or qualify for resale under the Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities law, the shares of Buyer Stock issued to the Sellers pursuant to this Agreement.

(b) Contingent Stock. If, and only if, the Company and a physicians' group to be formed following the Closing and owned by affiliates of the Buyer, taken together (the "**Aligned Division**"), meet the revenue target described on Schedule 1.2(b), the Buyer shall issue the Contingent Stock to the Sellers. If such revenue target has not been met by February 1, 2012, then the Sellers' right to receive the Contingent Stock shall terminate.

(c) Post-Closing Earnout Stock.

(i) The following capitalized terms used in this Agreement shall have the following meanings:

(1) "**Actual EBITDA Amount**" means the actual EBITDA during each of the First 12-Month Earnout Period during that particular period, the Second 12-Month Earnout Period during that particular period and the Third and Final 12-Month Earnout Period during that particular period, respectively (such earnout periods sometimes being referred to individually as an "**Earnout Period**" and, collectively, as the "**Earnout Periods**").

(2) "**Baseline EBITDA Amount**" means (A) with respect to the Second 12-Month Earnout Period, the Actual EBITDA Amount of the First 12-Month Earnout Period, and (B) with respect to the Third and Final 12-Month Earnout Period, the Actual EBITDA Amount of the Second 12-Month Earnout Period; provided, however, that in no event shall the Baseline EBITDA Amount applicable to any Earnout Period be less than the highest Actual EBITDA Amount for any Earnout Period.

(3) "**EBITDA**" means the cumulative consolidated earnings generated by the Aligned Division, before interest expense, income taxes, depreciation and amortization, determined in accordance with U.S. generally accepted accounting principles.

(4) "**First 12-Month Earnout Period**" means the period commencing on the first day of the calendar month in which the Closing Date occurs and ending on the last day of the twelfth (12th) full calendar month thereafter.

(5) "**Second 12-Month Earnout Period**" means the period commencing on the first day of the calendar month immediately following the end of the First 12-Month Earnout Period and ending on the last day of the twelfth (12th) full calendar month thereafter.

(6) "**Third and Final 12-Month Earnout Period**" means the period commencing on the first day of the calendar month immediately following the end of the Second 12-Month Earnout Period and ending on the last day of the twelfth (12th) full calendar month thereafter.

(ii) Within forty-five (45) days after each of the First 12-Month Earnout Period, the Second 12-Month Earnout Period and the Third and Final 12-Month Earnout Period, the Buyer shall determine the Actual EBITDA Amount for each such period. The Buyer will provide the Aligned Parties' Representative (as defined in Section 5.4) with such determination, together with reasonable supporting documentation, within ten (10) days thereafter (the "**EBITDA Calculations**"). If the Aligned Parties' Representative accepts the EBITDA Calculations, or if the Aligned Parties' Representative fails to give notice to the Buyer of any objection within ten (10) days after receipt of the EBITDA Calculations, the EBITDA Calculations shall be the final and binding calculation of the Actual EBITDA Amount for the respective Earnout Period. If the Aligned Parties' Representative gives notice to the Buyer of an objection to the EBITDA Calculations within thirty (30) days after receipt of the EBITDA Calculations, the Buyer and the Aligned Parties' Representative shall attempt in good faith to resolve their differences. If the Buyer and the Aligned Parties' Representative are able to resolve their differences, the EBITDA Calculations, as modified to reflect the resolution of the differences between the Buyer and the Aligned Parties' Representative, shall be the final and binding calculation of the Actual EBITDA Amount for the respective Earnout Period. If, however, the Buyer and the Aligned Parties' Representative are unable to resolve their differences, the Buyer and the Aligned Parties' Representative shall submit any disputed items to a certified public accountant reasonably satisfactory to the Buyer and Aligned Parties' Representative for a resolution of the dispute. The determination of the certified public accountant shall be final and binding on the Buyer and the Aligned Parties' Representative, and the EBITDA Calculations, as modified to reflect (i) those differences, if any, that the Buyer and the Aligned Parties' Representative were able to resolve, and (ii) the certified public accountant's determination with regard to the remaining disputed items, shall be the final and binding resolution of the Actual EBITDA Amount for the applicable Earnout Period.

(iii) Once the Actual EBITDA Amount is finally determined for the First 12-Month Earnout Period pursuant to Section 1.2(c)(ii), the Buyer shall issue to the Sellers, within thirty (30) days thereafter, twelve (12) shares of Buyer Stock for each dollar of the Actual EBITDA Amount for the First 12-Month Earnout Period.

(iv) Once the Actual EBITDA Amount is finally determined for the Second 12-Month Earnout Period pursuant to Section 1.2(c)(ii), if the Actual EBITDA Amount exceeds the Baseline EBITDA Amount applicable to the Second 12-Month Earnout Period, the Buyer shall issue to the Sellers, within thirty (30) days thereafter, twelve (12) shares of Buyer Stock for each dollar of such excess.

(v) Once the Actual EBITDA Amount is finally determined for the Third and Final 12-Month Earnout Period pursuant to Section 1.2(c)(ii), if the Actual EBITDA Amount exceeds the Baseline EBITDA Amount applicable to the Third and Final 12-Month Earnout Period, the Buyer shall issue to the Sellers, within thirty (30) days thereafter, twelve (12) shares of Buyer Stock for each dollar of such excess.

(vi) Notwithstanding any provision of this Section 1.2(c) to the contrary, in no event shall the Buyer be required to issue to the Sellers more than 3,500,000 shares of Buyer Stock, in the aggregate, as Post-Closing Earnout Stock, and there shall be no earnout or other obligation to make any payment or issue any shares of Buyer Stock under this Agreement with respect to any post-Closing period other than as expressly provided in Section 1.2(b) or the Earnout Periods as expressly set forth in this Section 1.2(c).

(d) Repurchase Right. Notwithstanding anything to the contrary in this Agreement, if the Company has not entered into a Qualifying MSO Contract (as defined below) on or before the one (1) year anniversary of the Closing Date, then (i) at any time and from time to time thereafter the Buyer shall have the right, which it may exercise or decline to exercise in its sole and absolute discretion, to repurchase any or all of the shares of Buyer Stock for the price per share of $0.05 (as adjusted for any stock dividends, combinations or splits), and (ii) the obligation of the Buyer to issue any unissued Contingent Stock or any Post-Closing Earnout Stock shall immediately terminate. Any such repurchase shall be made on a pro rata basis among the Sellers based on the number of shares of Buyer Stock then held by them. If the Buyer exercises its right to repurchase the Buyer Stock, it shall provide written notice thereof to each Seller, specifying the number of shares of Buyer Stock to be repurchased from such Seller and the address to which such Seller shall send the certificate(s) representing the shares of Buyer Stock being repurchased. Each Seller shall then surrender to the Buyer such certificate(s) for cancellation and the repurchase price for such shares shall be payable to such Seller. Upon such payment to any Seller, the Buyer shall become the legal and beneficial owner of the shares of Buyer Stock being repurchased and all right, title and interest in and to such shares. For purposes of this Agreement, a "**Qualified MSO Contract**" means a bona fide, duly executed and legal, valid and binding written agreement between the Company, on the one hand, and a health plan, an Independent Physician Association or a hospital, on the other hand, providing that the Company shall (i) provide case management services or (ii) manage, administer or operate one or more 24-hour physician and nursing call centers and provide any related services and which has a term of at least one (1) years and provides aggregate net revenues to the Company of not less than $1,000,000.

1 . 3 **No Assumption of Liabilities**. Neither the Buyer nor any of its affiliates shall, by the execution or performance of this Agreement or otherwise, assume, become responsible for or incur any debt, liability or obligation of the Company or any Aligned Party, of any type or description whatsoever, whether related or unrelated to the Assets or the Transactions, incurred, accrued or arising on or before the Closing Date (as defined below), all of which shall be assumed by and become or remain the responsibility of the Aligned Parties.

1.4 **Closing**.

(a) The closing (the "**Closing**") of the Transactions will take place shall take place as promptly as practical (but in any event no later than five (5) business days) after the date on which the last of the conditions set forth in Sections 7 and 8 is fulfilled or waived or on such other date as the Buyer and the Aligned Parties' Representative shall agree (the "**Closing Date**"). At the election of the Buyer and the Sellers, the Closing may take place through an exchange of consideration and documents using overnight courier service, facsimile or electronic transmission.

(b) At the Closing, the Buyer shall make the following deliveries:

(i) the Buyer shall deliver to the Sellers certificates representing the Initial Shares;

(ii) the Buyer shall cause the Company to execute and deliver to Khalil a Consulting Agreement in substantially the form of Exhibit A hereto (the "**Khalil Consulting Agreement**");

(iii) the Buyer shall cause the Company to execute and deliver to Reese a Consulting Agreement in substantially the form of Exhibit A hereto (the "**Reese Consulting Agreement**");

(iv) the Buyer shall deliver to Aligned LLC the Right of First Refusal Agreement in substantially the form of Exhibit B hereto (the "**ROFR Agreement**"); and

(v) the Buyer shall execute and deliver to the Aligned Parties the certificate described in Section 8.2.

(c) At the Closing, the Aligned Parties shall make the following deliveries:

(i) the Aligned Parties shall deliver to the Buyer executed copies of the Transaction Documents, the Aligned Agreements and such other documents and instruments effecting the Asset Sale in form and substance reasonably satisfactory to the Buyer;

(ii) Khalil shall execute and deliver to the Buyer the Khalil Consulting Agreement and a Proprietary Information Agreement in favor of Aligned LLC;

(iii) McReynolds shall execute and deliver to the Buyer a Proprietary Information Agreement in favor of Aligned LLC;

(iv) Reese shall execute and deliver to the Buyer the Reese Consulting Agreement and a Proprietary Information Agreement in favor of Aligned LLC;

(v) Aligned LLC shall execute, shall cause its members to execute and shall deliver to the Buyer the ROFR Agreement;

(vi) the Aligned Parties shall deliver to the Buyer a certificate of good standing of each of the Company, Aligned LLC and Aligned Corp., issued not more than seven (7) business days prior to the Closing Date by the Secretary of State of the State of California;

(vii) the Company shall deliver to the Buyer a true and complete copy of the Articles of Incorporation of the Company, as in effect on the Closing Date, certified by the Secretary of State of the State of California;

(viii) the Company shall deliver to the Buyer a true and complete copy of the by-laws of the Company, as in effect on the Closing Date, certified by the Secretary of the Company;

(ix) the Company shall deliver to the Buyer a true and complete copy of the duly adopted resolutions of the Board of Directors of the Company approving the execution, delivery and performance of this Agreement and the Transaction Documents, certified by the Secretary of the Company;

(x) Aligned Corp. shall deliver to the Buyer a true and complete copy of the duly adopted resolutions of the Board of Directors and the shareholders of Aligned Corp. approving the execution, delivery and performance of this Agreement and the Transaction Documents, certified by the Secretary of the Company;

(xi) Aligned LLC shall deliver to the Buyer a true and complete copy of the duly adopted resolutions of the managers and members of Aligned LLC approving the execution, delivery and performance of this Agreement and the Transaction Documents, certified by the managers of Aligned LLC;

(xii) the Company shall deliver to the Buyer executed resignations of each director and each officer of the Company;

(xiii) each Seller shall deliver to the Buyer certificate(s) representing the Shares, accompanied by stock powers duly executed in blank by each Seller;

(xiv) the Company shall deliver to the Buyer the minute book, seal and all other books and records of the Company;

(xv) each individual Seller who is married shall deliver to the Buyer a Confirmation of Spouse, in form and substance reasonably satisfactory to the Buyer, consenting to this Agreement, the Transaction Documents to which the Seller is a party, and the Transactions to which the Seller is a party, duly executed by the spouse of the Seller;

(xvi) to the extent required, consents, approvals or regulatory actions from any public or governmental authority;

(xvii) the Aligned Parties shall execute and deliver to the Buyer the certificate described in Section 7.2; and

(xviii) the Aligned Parties shall deliver to the Buyer such other certificates and documents as the Buyer or its counsel may reasonably request.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF ALIGNED PARTIES

Each Aligned Party, jointly and severally, represents and warrants to the Buyer that the statements contained in this Article 2 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 2), except as set forth in Schedule II attached hereto. Each Aligned Party agrees that the representations and warranties made in this Article 2 shall survive the Closing as provided in Section 11.1.

2.1 **Organization, Standing and Qualification**. Aligned Corp. is a professional medical corporation duly organized, validly existing and in good standing under the laws of the State of California. Aligned LLC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California. Reese LLC is a limited liability company duly organized, validly existing and in good standing under the laws of its state of formation. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Each of Aligned Corp., Aligned LLC and the Company has full power and authority to own and lease its properties and to carry on its business as now conducted. The Company is not required to be qualified or licensed to conduct business as a foreign corporation in any other jurisdiction.

2.2 **Capitalization**. Schedule 2.2 sets forth the authorized and outstanding capital of the Company, the names and addresses of the record and beneficial owners of all of the issued and outstanding capital stock of the Company, the number of shares so owned, and the allocation of the Purchase Price among the Sellers as agreed to among themselves. All of the issued and outstanding shares of the capital stock of the Company are owned of record and beneficially by the Sellers, as set forth on Schedule 2.2, and are and as of the Closing will be free and clear of all liens, security interests, encumbrances, restrictions, pledges and claims of every kind except as set forth on Schedule 2.2. Each share of the capital stock of the Company is duly and validly authorized and issued, fully paid and nonassessable, and was not issued in violation of any preemptive rights of any past or present shareholder of the Company. No option, warrant, call, conversion or other right or commitment of any kind (including any of the foregoing created in connection with any indebtedness of the Company) exists that obligates the Company to issue any of its authorized but unissued capital stock or other equity interest or that obligates the Sellers to transfer any Shares to any person. Neither the Company nor any Seller is a party to any, and there exist no, voting trusts, stockholder agreements, pledge agreements, or other agreements relating to or restricting the transferability of any Shares or any other equity interest in the Company. The Shares have been issued in accordance with all applicable federal and state securities laws. The Shares being acquired by the Buyer hereunder constitute all of the outstanding capital stock of the Company. The Company has no subsidiaries and owns no securities or other equity interest in any other person or entity. The sole member of Mobile Doctors 24/7, LLC, a California limited liability company ("**Mobile Doctors**"), is Khalil. The sole member of Reese LLC is Reese.

2.3 **Authority; Enforceability**. Each Aligned Party has the full right, power and authority to enter into this Agreement, all other agreements and documents executed in connection with the Transactions (collectively, the "**Transaction Documents**") and the Transactions, and all documents and agreements necessary to give effect to the provisions of this Agreement and the Transaction Documents and to the Transactions, and to perform its, his or her obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transaction Documents to which it is a party by each of the Company, Reese LLC, Aligned Corp. and Aligned LLC and the consummation of the Transactions by the Company, Reese LLC, Aligned Corp. and Aligned LLC have been duly authorized by the Company's and Aligned Corp.'s Board of Directors and by Aligned LLC's and Reese LLC's managers, and all other actions and proceedings required to be taken by or on behalf of the Company, Reese LLC, Aligned Corp. and Aligned LLC to enter into this Agreement and consummate the Transactions have been duly and properly taken. This Agreement and the Transaction Documents have been duly and validly executed and delivered by the Aligned Parties who are a party thereto and, subject to the due authorization, execution and delivery by the Buyer, constitute the legal, valid and binding obligations of each Aligned Party who is a party thereto, enforceable against each such Aligned Party in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

2.4 **No Violation or Approval**. The execution and delivery by the Aligned Parties of this Agreement and the Transaction Documents to which they are a party, and the consummation by the Aligned Parties of the Transactions to which they are a party, will not, after the giving of notice or lapse of time or otherwise:

(a) violate or result in the breach of any of the terms or conditions of, or constitute a default under, or allow for the acceleration or termination of, or in any manner release any party from any obligation under, or result in any lien, claim or encumbrance on the Shares or the assets of the Company under, any mortgage, deed, lease, note, bond, indenture, agreement, license or other instrument or obligation of any kind or nature to which any Aligned Party or the Company is a party, or by which any Aligned Party or the Company, or any Aligned Party's or the Company's assets, is or may be bound or affected;

(b) violate any law, rule or regulation, or any order, writ, injunction or decree of any court, administrative agency or governmental authority, or require the approval, consent or permission of any governmental or regulatory authority; or

(c) violate the Articles of Incorporation or Bylaws of the Company or Aligned Corp., or the Articles of Organization or the Operating Agreement of Aligned LLC.

2.5 **Ownership of Assets**. The Assets are listed on Schedule 2.5. Aligned Corp. and Aligned LLC each received fair value for the Assets each sold and conveyed (directly or indirectly) to the Company in connection with the Asset Sale. The Company has good and marketable title to all of the Assets free and clear of any mortgage, security interest, defect, pledge, lien, claim, conditional sales agreement, lease, encumbrance, charge or rights of third parties whatsoever. The Company does not own nor has it ever owned any tangible or intangible properties or assets of whatever kind or nature other than the Assets. The Company does not own, lease, maintain or use, nor has it ever owned, leased, maintained or used, any real property.

2.6 **Contracts; Liabilities; Employees; Operations**.

(a) Other than the Transaction Documents to which it is a party, the Company is not a party to nor is it bound by, nor has it ever been a party to or been bound by, any oral or written contract, agreement or any other obligations of any kind or nature whatsoever.

(b) The Company has never had, does not have, nor will it have as of the Closing Date any liabilities of any nature, whether accrued, absolute, contingent or otherwise (including tax liabilities due or to become due), other than California minimum franchise taxes which automatically accrue upon corporate formation and which have been paid in full.

(c) The Company does not have, nor has it ever had, any employees or independent contractors.

(d) Since its inception, the Company has not conducted any activities, business or operations, other than activities directly related to the formation of the Company.

2.7 **Losses and Litigation**. Neither the Company nor any Aligned Party is a party to or engaged in any action, suit, governmental proceeding or investigation or arbitration, nor is aware of any pending or threatened claim, proceeding, or investigation, or any basis therefor, involving or relating in any way to the Transactions, the Company, the Assets or the business or operations of the Company as contemplated to be conducted following the Closing. No Aligned Party knows of any facts upon which material claims may hereafter be made against the Company or any Aligned Party involving or relating in any way to the Transactions, the Assets or the business or operations of the Company as contemplated to be conducted following the Closing. Neither the Company nor the Assets are subject to any judgment, order, injunction, or decree of any court, administrative agency, or other governmental authority or arbitration award.

2.8 **Compliance with Laws: Governmental Authorizations**. Each of the Company, Aligned Corp. and Aligned LLC is in compliance with all applicable laws, statutes, orders, rules and regulations promulgated by, or judgments entered by, any federal, state, or local court or governmental authority relating to or affecting the operation, conduct or ownership of the Assets or the business or operations of the Company as contemplated to be conducted following the Closing, except where the failure to be in substantial compliance would not have a material adverse effect upon the business, operations or financial condition of either the Company or the Assets. Without limiting the generality of the foregoing, the Company, Aligned Corp. and Aligned LLC are in compliance with all applicable state and federal regulations relating to licenses, standards of testing, rebates and kickbacks, accreditation of personnel and compliance with governmental reimbursement programs. All reports and returns required by federal, state or municipal authorities with respect to the operations of the Company, Aligned Corp. and Aligned LLC have been filed, and all sums due with respect to such reports and returns have been paid. No Aligned Party has received any notice from any federal, state or other governmental authority or agency having jurisdiction over its properties or activities or any insurance or inspection body that its operations or any of their respective properties, facilities, equipment or business procedures or practices fail to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public or quasi-public authority or body.

2.9 **Fraud and Abuse**. Aligned Corp., Aligned LLC and their respective officers, directors, managers and persons or entities providing professional services for Aligned Corp. have not engaged in any activities which are prohibited under U.S.C. Section 1320a-7b, or the regulations promulgated thereunder, or under any state or local statutes or regulations, or which are prohibited by rules of professional conduct, including but not limited to, the following: (a) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment; (b) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment; (c) failure to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment; and (d) knowingly soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (i) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service or (ii) in return for purchasing, leasing or ordering or arranging for or recommending purchasing, leasing or ordering any good, facility, service or item.

2.10 **Power of Attorney**. The Company has not given any power of attorney, whether limited or general; to any person which is continuing in effect.

2.11 **Intellectual Property**. The Company owns or possesses sufficient legal rights to the Assets which constitute intellectual property rights, including without limitation patents, trademarks, service marks, tradenames, copyrights, trade secrets, licenses, information and proprietary rights and processes (the "**Company Intellectual Property**") to use such Company Intellectual Property in the Company's business as proposed to be conducted, without any known conflict with, or infringement of, the rights of others. The Company Intellectual Property has either been independently derived without any knowing violation by the Company or any Aligned Party of any rights of others or, with respect to any Company Intellectual Property that has been developed for the Aligned Parties by other third parties, the Aligned Party has instructed such other third parties to not violate any such rights of others and no Aligned Party has any knowledge that such third parties have violated any such rights. No Aligned Party has received any communications alleging that any Aligned Party has violated or, by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets or other proprietary rights or processes of any other person or entity. The Aligned Parties reasonably believe that it will not be necessary to use any inventions of any persons it intends to hire made prior to their employment by the Company, other than any business models, operational specifications, blueprints, financial models, or similar work product created by, or at the direction of any Aligned Party in contemplation of the Company and its business (all of which belong to the Company and to the Aligned Parties' knowledge were not made in infringement of any third party's rights).

2.12 **Conflicts of Interest**.

(a) Other than this Agreement, the Transaction Documents and the consulting and employment agreements attached to this Agreement as Schedule 2.12 (the "**Aligned Agreements**"), there are no agreements, understandings or proposed transactions between the Company and any of the Aligned Parties, or between Aligned Corp. or Aligned LLC, on the one hand, and any of Khalil, McReynolds or Reese, on the other hand, or their respective spouses or children or any affiliate of any of the foregoing, that could materially affect the Company, the ownership or operation of its business as presently contemplated to be conducted or the obligations of any Aligned Party under this Agreement or any Transaction Document. The Buyer acknowledges and agrees that, simultaneously with the provision of services to the Company by Khalil, McReynolds and Reese under the terms of the Transaction Documents, Khalil (acting through Mobile Doctors), McReynolds and Reese will continue to be employed by or otherwise provide services to Aligned Corp. and Aligned LLC pursuant to the Aligned Agreements.

(b) None of the Aligned Parties (i) are, directly or indirectly, indebted to the Company or (ii) have any direct or indirect ownership interest (other than ownership of less than 1% of a any firm, corporation or similar entity whose securities trade on a national securities exchange or NASDAQ) in any firm or corporation which will likely compete with the Company outside of the Aligned Territory assuming it conducts business as contemplated.

2.13 **Status of Negotiations**. The status of the Aligned Parties' negotiations relating to the Company's prospective provision of 24 hour physician and nursing call center services outside of the Aligned Territory is summarized on Schedule 2.13. The Aligned Parties have disclosed to the party or parties with whom the Aligned Parties are negotiating on the Company's behalf that the Sale of Shares is pending and would result in a change in control of the Company, and such party or parties have consented to or will consent to such change in control arising from the Sale of Shares.

2.14 **No Broker's Fees**. Neither the Company nor any Aligned Party has done anything to cause or incur any liability or obligation on its part for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the Transactions and knows of no claim by anyone for such payment.

2.15 **Full Disclosure**. Neither this Agreement nor any schedule, exhibit, list, certificate or other instrument or document delivered to the Buyer pursuant to this Agreement by or on behalf of any Aligned Party contains any untrue statement of a material fact or, to the knowledge of the Aligned Parties, omits to state any material fact required to be stated herein or therein or necessary to make the statements, representations or warranties and information contained herein, or therein not misleading. The Aligned Parties represent that they have not withheld from the Buyer disclosure of any event, condition or fact which any Aligned Party knows would materially adversely affect the Assets, or the operations or prospects of the Call Center Business or Assets.

ARTICLE 3

INVESTOR REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller, severally and not jointly, represents and warrants to the Buyer that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 3). Each Seller agrees that the representations and warranties made in this Article 3 shall survive the Closing as provided in Section 11.1.

3.1 **Buyer Stock Acquired for Own Account**. The shares of Buyer Stock are being acquired by the Seller and not by any other person, and for the account of the Seller, not as a nominee or agent and not for the account of any other person. No other person will have any interest, beneficial or otherwise, in any shares of the Buyer Stock. The Seller is not obligated to transfer any shares of Buyer Stock to any other person, nor does the Seller have any agreement or understanding to do so. The Seller is purchasing the shares of Buyer Stock for investment for an indefinite period not with a view to the sale or distribution of any part or all of the shares of Buyer Stock by public or private sale or other disposition. The Seller has no intention of selling, granting any participation in or otherwise distributing or disposing of any shares of Buyer Stock. The Seller does not intend to subdivide the Seller's acquisition of shares of Buyer Stock with any person.

3.2 **Buyer Stock Not Registered for Resale**. The Seller has been advised that the Buyer Stock has not been and will not be registered or qualified under 1933 Act, the California Corporate Securities Law of 1968, as amended (the "**California Securities Law**"), or any other securities law, on the ground, among others, that no distribution or public offering of the Buyer Stock is to be effected and the Buyer Stock will be issued by the Buyer in connection with a transaction that does not involve any public offering within the meaning of Section 4(2) of the 1933 Act or applicable provisions of the California Securities Law and other securities laws and regulations, or under the respective rules and regulations thereunder of the Securities and Exchange Commission, the California Commissioner of Corporations and the administrators of such other laws and regulations. The Seller understands that the Buyer is relying in part on the Seller's representations as set forth herein for purposes of claiming such exemptions and that the basis for such exemptions may not be present if, notwithstanding the Seller's representations, the Seller has in mind merely acquiring the Buyer Stock for resale on the occurrence or non-occurrence of some predetermined event. The Seller has no such intention.

3.3 **Sophistication or Prior Business Relationship**. The Seller, either alone or with the Seller's professional advisors who are unaffiliated with, have no equity interest in and are not compensated by the Buyer or any affiliate or selling agent of the Buyer, directly or indirectly, has such knowledge and experience in financial and business matters that the Seller is capable of evaluating the merits and risks of investment in Securities and has the capacity to protect the Seller's own interests in connection with the Seller's proposed investment in the Buyer Stock, or the Buyer has a preexisting personal or business relationship with the Buyer or any of its officers, directors or controlling persons. The Seller is an "accredited investor" as provided by Regulation D under the 1933 Act, and has so indicated such status by marking one of the categories of "accredited investor" on the Seller's Offering Questionnaire that it has furnished to the Buyer.

3.4 **Offering Questionnaire**. The Seller has previously furnished to the Buyer a completed and signed Offering Questionnaire. The information in the Seller's completed and signed Offering Questionnaire previously delivered or being delivered to the Buyer, which is incorporated herein by reference, is true and complete in all respects as of the date hereof.

3.5 **Information about Buyer**. The Seller acknowledges that the Seller has been furnished with such financial and other information concerning the Buyer, the directors and officers of the Buyer and the business and proposed business of the Buyer as the Seller considers necessary in connection with the Seller's investment in the Buyer Stock. The Seller has conducted the Seller's own thorough and comprehensive investigation and review of, and is thoroughly familiar with, the existing and proposed management, business, operations, properties and financial condition of the Buyer. The Seller has discussed with officers of the Buyer any questions the Seller may have had with respect thereto. The Seller understands:

(a) The extreme risks involved in acquiring the Buyer Stock;

(b) The financial hazards involved in acquiring the Buyer Stock, including the risk of losing the Seller's entire investment; and

(c) The lack of liquidity and restrictions on transfers of the Buyer Stock; and

The Seller has consulted with the Seller's own legal, accounting, tax, investment and other advisors with respect to the tax consequences of the Sale of Shares and the Seller's acquisition of the Buyer Stock and the merits and risks of acquiring the Buyer Stock. In making any decision regarding the acquisition of the Buyer Stock, the Seller has relied and will rely entirely on the Seller's own investigation of the Buyer and its businesses, management, operations, properties and financial condition.

3.6 **Risk of Loss**. Understanding that the acquisition of the Buyer Stock is highly speculative, the Seller is able to bear the economic risk of such investment.

3.7 **No Advertising**. The offer to issue the Buyer Stock was directly communicated to the Seller by the Buyer in a manner such that the Seller was able to ask questions of and receive answers from the officers of the Buyer concerning the terms and conditions of this transaction. At no time was the Seller presented with or solicited by any leaflet, public promotional meeting, newspaper, magazine, radio or television article or advertisement, or other form of advertising or general solicitation.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer represents and warrants to each of the Aligned Parties that the statements contained in this Article 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 4). The Buyer agrees that the representations and warranties made in this Article 4 shall survive the Closing as provided in Section 11.1.

4.1 **Due Organization and Good Standing**. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware with full corporate power and corporate authority to own and lease its properties and to carry on its business as now conducted.

4.2 **Authority; Enforceability**. The Buyer has the full right, power and authority to enter into this Agreement, the Transaction Documents to which it is a party and the Transactions to which it is a party, and all documents and agreements necessary to give effect to the provisions of this Agreement and the Transaction Documents to which it is a party and to the Transactions to which it is a party, and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transaction Documents to which it is a party by the Buyer and the consummation of the Transactions to which it is a party by the Buyer have been duly authorized by the Buyer's Board of Directors, and all other actions and proceedings required to be taken by or on behalf of the Buyer to enter into this Agreement and consummate the Transactions to which it is a party have been duly and properly taken. This Agreement and the Transaction Documents to which it is a party have been duly and validly executed and delivered by the Buyer and, subject to the due authorization, execution and delivery by the Aligned Parties, constitute the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

4.3 **No Violation or Approval**. The execution and delivery by the Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation by the Buyer of the Transactions to which it is a party, will not, after the giving of notice or lapse of time or otherwise:

(a) violate or result in the breach of any of the terms or conditions of, or constitute a default under, or allow for the acceleration or termination of, or in any manner release any party from any obligation under, or result in any lien, claim or encumbrance on the shares of Buyer Stock or the assets of the Buyer under, any mortgage, deed, lease, note, bond, indenture, agreement, license or other instrument or obligation of any kind or nature to which the Buyer is a party, or by which the Buyer, or the Buyer's assets, is or may be bound or affected;

(b) violate any law, rule or regulation, or any order, writ, injunction or decree of any court, administrative agency or governmental authority, or require the approval, consent or permission of any governmental or regulatory authority; or

(c) violate the Certificate of Incorporation or Bylaws of the Buyer.

4.4 **No Broker's Fees**. The Buyer has not done anything to cause or incur any liability or obligation on its part for investment banking, brokerage, finder's, agents or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the Transactions, and the Buyer does not know of any claim by anyone for such payment.

4.5 **SEC Reports**. To its knowledge, the Buyer has filed all reports required to be filed with the U.S. Securities and Exchange Commission (the **SEC**") pursuant to the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), since January 1, 2009 (all such reports, including those to be filed prior to the Closing Date, are collectively referred to as the "**Buyer SEC Reports**"), and has previously furnished or made available (through EDGAR) to the Sellers true and complete copies of all the Buyer SEC Reports (including any exhibits thereto) and will promptly furnish or make available (through EDGAR) to the Sellers any Buyer SEC Reports filed between the date hereof and the Closing Date. All of such Buyer SEC Reports complied at the time they were filed, in all material respects, with applicable requirements of the 1934 Act and the rules and regulations thereunder.

ARTICLE 5

COVENANTS OF THE ALIGNED PARTIES

5.1 **Aligned Parties' Restrictive Covenants**.

(a) Restrictive Covenants.

(i) The Buyer and the Aligned Parties acknowledge that (a) the Buyer, as the purchaser of the Shares, following the Closing will be engaged in the provision of services relating to patient case management or the management, administration and operation of 24-hour physician and nursing call centers and related services (the "**Call Center Business**"); (b) the Aligned Parties are intimately familiar with the Call Center Business; (c) the Call Center Business is currently conducted in the Aligned Territory and the Buyer intends to expand the Call Center Business into other geographic areas outside of the Aligned Territory; (d) the Aligned Parties have had access to trade secrets of and confidential information concerning the Assets and the Call Center Business; (e) the Buyer is currently engaged in the provision of in-patient physician services at hospitals and other acute or post-acute facilities and contracts directly with acute or post-acute facilities, medical group and health plans with other activities related thereto (the "**Hospitalist Business**") throughout the United States; (f) the agreements and covenants contained in this Section 5.1 are essential to protect the goodwill being acquired as part of the Assets; and (g) but for the agreement of the Aligned Parties to the provisions of this Section 5.1, the Buyer would not have agreed to enter into this Agreement and the Transactions to which it is a party.

(ii) Each Aligned Party covenants and agrees that, during the Restricted Period, the Aligned Parties and their affiliates shall not, anywhere in the United States outside of the Aligned Territory, directly or indirectly, acting individually or as the owner, shareholder, partner, member, employee or consultant of any entity other than the Buyer or one of its subsidiaries, directly or indirectly, (A) engage in or own or operate a business competitive with or similar to the Call Center Business; (B) whether or not for compensation, enter the employ of, or render any personal services to or for the benefit of, or assist in or facilitate the solicitation of customers for, or receive remuneration in the form of salary, commissions or otherwise from, any business competitive with or similar to the Call Center Business; (C) as owner or lessor of real estate or personal property, rent to or lease any facility, equipment or other assets to any business engaged in activities competitive with or similar to the Call Center Business; or (D) receive or purchase a financial interest in, make a loan to, or make a gift in support of, any such business in any capacity, including as a sole proprietor, partner, shareholder, member, officer, director, principal, agent, trustee or lender; provided, however, that an Aligned Party or an affiliate may own, directly or indirectly, solely as an investment, securities of any business traded on any national securities exchange or NASDAQ, provided that such Aligned Party or such affiliate is not a controlling person of, or a member of a group that controls, such business and further provided that such Aligned Party or such affiliate does not, in the aggregate, directly or indirectly, own two percent (2%) or more of any class of securities of such business.

(iii) Each Aligned Party covenants and agrees that, during the Restricted Period, the Aligned Parties and their affiliates shall not, anywhere in the United States, directly or indirectly, acting individually or as the owner, shareholder, partner, member, employee or consultant of any entity other than the Buyer or one of its subsidiaries, directly or indirectly, (A) engage in or own or operate a business competitive with or similar to the Hospitalist Business; (B) whether or not for compensation, enter the employ of, or render any personal services to or for the benefit of, or assist in or facilitate the solicitation of customers for, or receive remuneration in the form of salary, commissions or otherwise from, any business competitive with or similar to the Hospitalist Business; (C) as owner or lessor of real estate or personal property, rent to or lease any facility, equipment or other assets to any business engaged in activities competitive with or similar to the Hospitalist Business; or (D) receive or purchase a financial interest in, make a loan to, or make a gift in support of, any such business in any capacity, including as a sole proprietor, partner, shareholder, member, officer, director, principal, agent, trustee or lender; provided, however, that an Aligned Party or an affiliate may own, directly or indirectly, solely as an investment, securities of any business traded on any national securities exchange or NASDAQ, provided that such Aligned Party or such affiliate is not a controlling person of, or a member of a group that controls, such business and further provided that such Aligned Party or such affiliate does not, in the aggregate, directly or indirectly, own two percent (2%) or more of any class of securities of such business.

(iv) For purposes of this Agreement, the term "**Restricted Period**" shall mean the period beginning on the Closing Date and ending on the earliest to occur of (A) the removal or failure to re-elect Khalil as president of the Company, (B) the termination for any reason of Khalil's engagement with the Company or any of its affiliates as an employee or consultant, and (C) the exercise by the Buyer of its right under Section 1.2(d) to repurchase all of the Buyer Stock then outstanding. The Restricted Period shall be extended by the number of days in any period in which any Aligned Party or an affiliate of any Aligned Party is determined by a court of competent jurisdiction to be in default or breach of this Section 5.1(a).

(b) Rights and Remedies On Breach. If any Aligned Party or an affiliate of any Aligned Party breaches, or threatens to commit a breach of, any of the provisions of Section 5.1(a) (the "**Aligned Restrictive Covenants**"), the Buyer shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Buyer at law or in equity:

(i) Specific Performance. Each Aligned Party agrees that any breach or threatened breach of the Aligned Restrictive Covenants would cause irreparable injury to the Buyer and that money damages would not provide an adequate remedy to the Buyer. Accordingly, in addition to any other rights or remedies, the Buyer shall be entitled to exercise the remedies set forth in Sections 11.2 and 11.3.

(ii) Accounting. The right and remedy to require each Aligned Party to account for and pay over to the Buyer all compensation, profits, monies, accruals, increments or other benefits derived or received by any Aligned Party as the result of any transactions constituting a breach of the Aligned Restrictive Covenants.

(iii) Severability of Covenants. Each Aligned Party acknowledges and agrees that the Aligned Restrictive Covenants are reasonable and valid in prohibited business activity and geographical and temporal scope and in all other respects. If the business activities, period of time or geographical area covered by the Aligned Restrictive Covenants should be deemed too extensive, then the parties intend that the Aligned Restrictive Covenants be construed to cover the maximum scope of business activities, period of time and geographical area (not exceeding those specifically set forth herein), if any, as may be permissible under applicable law.

(iv) Blue-Penciling. If any court determines that any of the Aligned Restrictive Covenants, or any part thereof, is unenforceable because of the scope of the business activities covered, the duration or the geographic area, such court shall reduce the scope duration or area of such provision, as the case may be, to the minimum extent necessary to render it enforceable and, in its reduced form, such provision shall then be enforced.

(v) Enforceability in Jurisdiction. The Buyer and the Aligned Parties intend to and hereby confer jurisdiction to enforce the Aligned Restrictive Covenants on the courts of any jurisdiction within the geographic scope of the Aligned Restrictive Covenants. If the courts of any one or more of such jurisdictions hold the Aligned Restrictive Covenants unenforceable by reason of the breadth of such scope or otherwise, such determination shall not bar or in any way affect the Buyer's right to the relief provided above in the courts of any other jurisdiction within the geographic scope of the Aligned Restrictive Covenants as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

5.2 **Transfer Restrictions on Buyer Stock**. Each Seller agrees that the Seller shall in no event Transfer (as defined below) any shares of Buyer Stock, nor shall the Seller receive any consideration for any shares of Buyer Stock from any person, for a period ending on the date which is thirteen (13) months following the Closing Date. The term "**Transfer**" as used in this Section 5.2 shall include any sale, assignment, transfer, conveyance, gift, encumbrance, pledge, bequest, devise, hypothecation, or other disposition of any shares of Buyer Stock, including a levy or attachment on any shares of Buyer Stock. Any attempted or purported Transfer in violation of this Section 5.2 shall be void and of no effect whatsoever. Notwithstanding the foregoing, Aligned Corp. may Transfer all or a part of the Initial Shares it receives pursuant to Section 1.2(a)(i) to McReynolds, Ragaa Ibrahim, M.D. and any other physician who is employed by Aligned Corp. at any time following the six (6) month anniversary of the Closing Date, provided that the Buyer determines in its sole discretion that each such Transfer complies with all applicable federal and state securities laws (and the Buyer shall have to right in its sole discretion to require such transferee to provide a completed investor questionnaire and Aligned Corp. to provide a legal opinion to the Buyer that such transfer complies with applicable federal and state securities laws, in each case in form and substance satisfactory to the Buyer) and, provided further, that any such transferee executes a joinder to this Agreement under which he or she agrees to become bound by the applicable provisions hereof, including without limitation Article III and this Article V.

5.3 **Legends**. The Buyer shall endorse the following legend on the face of each certificate representing shares of Buyer Stock, or on the reverse thereof with reference thereto on the face thereof:

> **THESE SHARES MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED PLEDGED, HYPOTHECATED, GIVEN AS A GIFT OR OTHERWISE DISPOSED OF OR ALIENATED, VOLUNTARILY, BY OPERATION OF LAW, OR OTHERWISE, WHETHER OR NOT PURSUANT TO OR IN CONNECTION WITH ANY MERGER, CONSOLIDATION, RECAPITALIZATION, REORGANIZATION OR OTHER CORPORATE TRANSACTION, EXCEPT ONLY IN COMPLIANCE WITH THE STOCK PURCHASE AGREEMENT DATED FEBRUARY 15, 2011, A COPY OF WHICH IS ON FILE AT THE CORPORATION'S PRINCIPAL PLACE OF BUSINESS.**

In addition, the certificate(s) representing Buyer Stock may bear such legends as the Buyer may consider necessary or advisable to facilitate compliance with the 1933 Act, the California Securities Law and any other securities law, including, without limitation, legends stating that the shares of Buyer Stock have not been registered or qualified under the 1933 Act, the California Securities Law or any other securities law and setting forth the limitations on dispositions imposed hereby.

5.4 **Trademark License**. To the extent the Marks (as defined below) are not included in the Assets or otherwise transferred or assigned to the Company pursuant to the Transaction Documents relating to the Asset Sale, Aligned Corp. and Aligned LLC hereby grant to the Company and the Buyer an exclusive, perpetual, irrevocable, transferable, sublicensable, royalty-free, fully paid up right and license to reproduce, use and display "Aligned Healthcare" and any similar names or marks and any designs used or associated therewith (collectively, the "**Marks**") in the United States outside of the Aligned Territory. The Company and the Buyer shall have the sole discretion to determine when and how to reproduce, use and display the Marks in the United States outside of the Aligned Territory. Neither the Company nor the Buyer shall use the Marks for any purpose and under any circumstance in the Aligned Territory or outside of the United States. No Aligned Party shall use the Marks for any purpose and under any circumstance in the United States outside of the Aligned Territory. The Buyer and the Aligned Parties acknowledge and agree that the Purchase Price payable to the Sellers under this Agreement shall be the consideration for the rights and licenses granted under this Section 5.4, and that no additional fees, royalties or consideration whatsoever shall be payable in connection with any such rights and licenses granted under this Section 5.4.

5.5 **Aligned Parties' Representative**.

(a) In order to administer efficiently the rights and obligations of the Aligned Parties under this Agreement, the Aligned Parties hereby designate and appoint Khalil as the Aligned Parties' Representative (the "**Aligned Parties' Representative**") to serve as the Aligned Parties' agent and attorney-in-fact for the limited purposes set forth in this Agreement.

(b) Each of the Aligned Parties hereby appoints the Aligned Parties' Representative as such Aligned Party's agent, proxy and attorney-in-fact, with full power of substitution, for all purposes set forth in this Agreement, including the full power and authority on such Aligned Party's behalf (i) to consummate the Transactions; (ii) to disburse any Buyer Stock received hereunder to the Sellers; (iii) to execute and deliver on behalf of each Aligned Party any amendment of or waiver under this Agreement, and to agree to resolution of all Losses hereunder; (iv) to retain legal counsel and other professional services, at the expense of the Aligned Parties, in connection with the performance by the Aligned Parties' Representative of this Agreement including all actions taken on behalf of the Aligned Parties as Indemnifying Party pursuant to Article 9; and (v) to do each and every act and exercise any and all rights which such Aligned Party or Aligned Parties are permitted or required to do or exercise under this Agreement, the Transaction Documents and the other agreements, documents and certificates executed in connection herewith and therewith. Each of the Aligned Parties agrees that such agency and proxy are coupled with an interest, are therefore irrevocable without the consent of the Aligned Parties' Representative and shall survive the death, bankruptcy or other incapacity of any Aligned Party.

(c) Each of the Aligned Parties hereby agrees that any amendment or waiver under this Agreement, and any action taken on behalf of the Aligned Parties to enforce the rights of the Aligned Parties under this Agreement, and any action taken with respect to any Loss (including any action taken to object to, defend, compromise or agree to the payment of such Loss), shall be effective if approved in writing by the Aligned Parties' Representative, and that each and every action so taken shall be binding and conclusive on every Aligned Party, whether or not such Aligned Party had notice of, or approved, such amendment or waiver.

(d) Khalil shall serve as the Aligned Parties' Representative until he resigns or is otherwise unable or unwilling to serve. In the event that a Aligned Parties' Representative resigns from such position or is otherwise unable or unwilling to serve, the remaining Aligned Parties shall select, by the vote of the holders of a majority of the Shares immediately prior to the Closing, a successor representative to fill such vacancy, shall provide prompt written notice to the Buyer of such change and such substituted representative shall then be deemed to be the Aligned Parties' Representative for all purposes of this Agreement.

5.6 **Certain Waivers**.

(a) McReynolds acknowledges and agrees that she shall not have the right to receive any Contingent Stock or Post-Closing Earnout Stock under Section 1.2, and McReynolds irrevocably waives and disclaims any right to receive any Contingent Stock or Post-Closing Earnout Stock from the Buyer.

(b) Each of Aligned Corp., McReynolds, Reese LLC and Reese acknowledges and agrees that such party shall not receive any amounts under Section 6.3 and each such party irrevocably waives and disclaims any right to receive the same or any similar consideration from the Buyer.

(c) Each of Aligned Corp., McReynolds, Reese LLC and Reese acknowledges that in the event that at any time after the execution of this Agreement any of them hereafter discovers claims or facts which are not now known or suspected, or in the event that claims or facts now known have consequences or results not known or suspected, this Section 5.6 shall nevertheless constitute a full and final waiver as to each of Aligned Corp., McReynolds, Reese LLC and Reese and matters herein waived, and this waiver shall apply to and include all such unknown or unsuspected consequences or results. Each of Aligned Corp., McReynolds, Reese LLC and Reese has read and has been carefully advised by their attorneys of the contents of Section 1542 of the California Civil Code which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Aligned Corp., McReynolds, Reese LLC and Reese, and each of them, have read and have been carefully advised by their attorneys of the contents of Section 1542. Aligned Corp., McReynolds, Reese LLC and Reese, and each of them, hereby expressly, unconditionally and irrevocably waive any and all rights and benefits under Section 1542.

ARTICLE 6

COVENANTS OF BUYER

6.1 **Buyer's Restrictive Covenants**.

(a) Restrictive Covenants.

(i) The Buyer and the Aligned Parties acknowledge that (a) the Aligned Parties are and will continue to be engaged in the Call Center Business in the Aligned Territory; (b) the agreements and covenants contained in this Section 6.1 are essential to protect the goodwill of the Call Center Business being conducted by the Aligned Parties in the Aligned Territory; and (c) but for the agreement of the Buyer to the provisions of this Section 6.1, the Aligned Parties would not have agreed to enter into this Agreement and the Transactions to which they are a party.

(ii) The Buyer covenants and agrees that, during the Restricted Period, the Buyer, the Company and their respective affiliates (but excluding any non-management shareholder of the Buyer) shall not, anywhere in the Aligned Territory, directly or indirectly, acting individually or as the owner, shareholder, partner, member, employee or consultant of any entity other than Aligned LLC, Aligned Corp. or one of its subsidiaries, directly or indirectly, (A) engage in or own or operate a business competitive with or similar to the Call Center Business; (B) whether or not for compensation, enter the employ of, or render any personal services to or for the benefit of, or assist in or facilitate the solicitation of customers for, or receive remuneration in the form of salary, commissions or otherwise from, any business competitive with or similar to the Call Center Business; (C) as owner or lessor of real estate or personal property, rent to or lease any facility, equipment or other assets to any business engaged in activities competitive with or similar to the Call Center Business; or (D) receive or purchase a financial interest in, make a loan to, or make a gift in support of, any such business in any capacity, including as a sole proprietor, partner, shareholder, member, officer, director, principal, agent, trustee or lender; provided, however, that the Buyer, the Company or an affiliate may own, directly or indirectly, solely as an investment, securities of any business traded on any national securities exchange or NASDAQ, provided that such Aligned Party or such affiliate is not a controlling person of, or a member of a group that controls, such business and further provided that such Aligned Party or such affiliates does not, in the aggregate, directly or indirectly, own two percent (2%) or more of any class of securities of such business. The Restricted Period shall be extended by the number of days in any period in which the Buyer, the Company or any of their respective affiliates (but excluding any non-management shareholder of the Buyer) is determined by a court of competent jurisdiction to be in default or breach of this Section 6.1(a).

(b) Rights and Remedies On Breach. If the Buyer, the Company or an affiliate of either one (but excluding any non-management shareholder of the Buyer) breaches, or threatens to commit a breach of, any of the provisions of Section 6.1(a) (the "**Buyer Restrictive Covenants**"), Aligned Corp. and Aligned LLC shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Aligned Corp. or Aligned LLC at law or in equity:

(i) Specific Performance. The Buyer agrees that any breach or threatened breach of the Buyer Restrictive Covenants would cause irreparable injury to Aligned Corp. and Aligned LLC and that money damages would not provide an adequate remedy to Aligned Corp. and Aligned LLC. Accordingly, in addition to any other rights or remedies, Aligned Corp. and Aligned LLC shall be entitled to exercise the remedies set forth in Sections 11.2 and 11.3.

(ii) Accounting. The right and remedy to require the Buyer to account for and pay over to Aligned Corp. and Aligned LLC all compensation, profits, monies, accruals, increments or other benefits derived or received by the Buyer, the Company or any of their respective affiliates as the result of any transactions constituting a breach of the Buyer Restrictive Covenants.

(iii) Severability of Covenants. The Buyer acknowledges and agrees that the Buyer Restrictive Covenants are reasonable and valid in prohibited business activity and geographical and temporal scope and in all other respects. If the business activities, period of time or geographical area covered by the Buyer Restrictive Covenants should be deemed too extensive, then the parties intend that the Buyer Restrictive Covenants be construed to cover the maximum scope of business activities, period of time and geographical area (not exceeding those specifically set forth herein), if any, as may be permissible under applicable law.

(iv) Blue-Penciling. If any court determines that any of the Buyer Restrictive Covenants, or any part thereof, is unenforceable because of the scope of the business activities covered, the duration or the geographic area, such court shall reduce the scope duration or area of such provision, as the case may be, to the minimum extent necessary to render it enforceable and, in its reduced form, such provision shall then be enforced.

(v) Enforceability in Jurisdiction. The Buyer and Aligned Corp. and Aligned LLC intend to and hereby confer jurisdiction to enforce the Buyer Restrictive Covenants on the courts of any jurisdiction within the geographic scope of the Buyer Restrictive Covenants. If the courts of any one or more of such jurisdictions hold the Buyer Restrictive Covenants unenforceable by reason of the breadth of such scope or otherwise, such determination shall not bar or in any way affect Aligned Corp. and Aligned LLC's right to the relief provided above in the courts of any other jurisdiction within the geographic scope of the Buyer Restrictive Covenants as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

6.2 **Officer and Director Positions**. The Buyer shall cause Khalil to be elected the president of the Company and a member of the Buyer's board of directors as soon as practicable following the Closing.

6.3 **Reimbursement of Certain Tax Payments**. The Company shall reimburse Khalil for any federal or state income taxes payable by Raouf attributable to the issuance to Khalil of the Initial Shares and the Contingent Stock, if any. Any such reimbursement amounts shall be payable promptly after Khalil provides the Company with a letter indicating that his applicable tax returns are prepared and ready to file, the amount of such taxes and such taxes are due and payable. The aggregate amount of such reimbursement obligation shall in no event exceed $33,000 and Khalil shall not be entitled to any gross up with respect to any federal or state income tax payable on any amounts received under this Section 6.3.

ARTICLE 7

CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of the Buyer to consummate the Transactions to which it is a party are subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

7.1 **Representations and Warranties: Compliance with Undertakings**. All of the representations and warranties made by each of the Aligned Parties in this Agreement or any of the Transaction Documents shall be true and correct as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing and shall be true and correct at and as of the Closing. Each of the Aligned Parties shall have performed and complied with all covenants and conditions required by this Agreement to be performed or complied with by each of the Aligned Parties prior to or at the Closing.

7.2 **Officer's Certificate**. The chief executive officer of Aligned Corp. and the manager of Aligned LLC shall have delivered to the Buyer a certificate on behalf of Aligned Corp. and Aligned LLC, respectively, stating to such persons' knowledge that the representations and warranties of each of the Aligned Parties set forth in this Agreement are true and correct as of the Closing and that the covenants of each of Aligned Parties set forth in this Agreement have been complied with as of the Closing.

7.3 **Consents and Approvals**. All necessary consents and approvals by third parties or governmental authorities to the Transactions shall have been provided to the Buyer.

7.4 **No Litigation**. There shall have been no litigation or other proceeding commenced or threatened by any person or entity with respect to the Transactions or otherwise having a materially adverse effect on or concerning the business, operations or financial condition of any of the Aligned Parties, the Company or the Assets. The Transactions shall not violate any order, decree, or judgment of any court or governmental body having competent jurisdiction and the Buyer shall not have determined that the Transactions have become inadvisable or impractical by reason of any order, decree or judgment of any court of competent jurisdiction materially restraining or prohibiting the effective operation by the Company of the Call Center Business after the Closing Date.

7.5 **No Material Adverse Change**. There shall have been no material adverse change in the business, operations, financial condition or prospects of Aligned Corp. or Aligned LLC, or of their affiliates.

7.6 **Asset Sale**. The Asset Sale shall have been consummated in accordance with the terms of the applicable Transaction Documents in form and substance reasonably satisfactory to the Buyer.

7.7 **Shareholder and Member Approval**. This Agreement, the Transactions Documents and the Transactions shall have been approved in all respects by the shareholders of Aligned Corp. and the members of Aligned LLC.

ARTICLE 8

CONDITIONS TO OBLIGATIONS OF ALIGNED PARTIES

The obligation of the Aligned Parties to consummate the Transactions to which they are a party is subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

8.1 **Representations and Warranties: Compliance with Undertakings**. All of the representations and warranties made by the Buyer in this Agreement or any Transaction Documents shall be true and correct as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing and shall be true and correct at and as of the Closing. The Buyer shall have performed and complied with all covenants and conditions required by this Agreement to be performed or complied with by the Buyer prior to or at the Closing.

8.2 **Officer's Certificate**. The president of the Buyer shall have delivered to the Aligned Parties a certificate on behalf of the Buyer stating to the knowledge of such officer that the representations and warranties of the Buyer set forth in this Agreement are true and correct as of the Closing and that the covenants of the Buyer set forth in this Agreement have been complied with as of the Closing.

8.3 **No Litigation**. There shall have been no litigation or other proceeding commenced or threatened by any person or entity with respect to the Transactions or otherwise having a materially adverse effect on or concerning the business, operations or financial condition of the Buyer. The Transactions shall not violate any order, decree, or judgment of any court or governmental body having competent jurisdiction and the Aligned Parties shall not have determined that the Transactions have become inadvisable or impractical by reason of any order, decree or judgment of any court of competent jurisdiction materially restraining or prohibiting the Transactions.

8.4 **Buyer Approval**. This Agreement and the Transactions to which it is a party shall have been approved by all requisite action of the Board of Directors of the Buyer.

ARTICLE 9

INDEMNIFICATION

9.1 **Indemnification by Aligned Parties**. The Aligned Parties, jointly and severally, shall indemnify, hold harmless and reimburse the Buyer, the Company and each officer, director, controlling person, employee, affiliate and agent of the Buyer and the Company (but excluding Khalil, McReynolds and Reese) (each being a "**Buyer Indemnified Party**") from and against any and all claims, losses, damages, liabilities, diminution of value and costs and related expenses (including, without limitation, settlement costs and any legal or other fees or expenses for investigating or defending any actions or threatened actions) (all of the foregoing being referred to below as "**Losses**"), whether or not involving a third party claim, reasonably incurred by such Buyer Indemnified Party in connection with any of the following (which right of indemnification and reimbursement will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) about the accuracy or inaccuracy of or compliance with any representation, warranty or covenant contained in the Agreement):

(a) any misrepresentation or breach of any warranty made by any Aligned Party in this Agreement or any of the Transaction Documents;

(b) the nonfulfillment or breach of any covenant, agreement or obligation of any Aligned Party contained in or contemplated by this Agreement or any of the Transaction Documents;

(c) any liabilities or obligations related to or arising from the Aligned Parties' ownership, operation and/or management of the Assets on or prior to the Closing Date;

(d) any liabilities or obligations of the Company of any kind or nature whatsoever accruing on or prior to, arising out of or relating to the period ending on, the Closing Date; or

(e) any actions, suits, arbitrations, proceedings, demands, assessments, adjustments, costs and expenses (including, specifically, reasonable attorneys' fees and expenses of investigation) incident to any of the foregoing.

9.2 **Indemnification by Buyer**. The Buyer shall indemnify, defend and hold harmless each Aligned Party and each shareholder, member, officer, director, manager, controlling person, employee, affiliate and agent of Aligned Corp. and Aligned LLC (each being a "Aligned Party Indemnified Party") from and against any Losses, whether or not involving a third party claim, reasonably incurred by such Aligned Party Indemnified Party in connection with any of the following (which right of indemnification and reimbursement will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) about the accuracy or inaccuracy of or compliance with any representation, warranty or covenant contained in this Agreement):

(a) any misrepresentation or breach of any warranty made by the Buyer in this Agreement or any of the Transaction Documents;

(b) the nonfulfillment or breach of any covenant, agreement or obligation of the Buyer contained in or contemplated by this Agreement or any of the Transaction Documents; or

(c) any actions, suits, arbitrations, proceedings, demands, assessments, adjustments, costs and expenses (including, specifically, reasonable attorneys' fees and expenses of investigation) incident to any of the foregoing.

9.3 **Procedure**. The Buyer Indemnified Party or the Aligned Party Indemnified Party (each, an '**Indemnified Party**") shall promptly notify the Aligned Parties' Representative, if the Indemnified Party is a Buyer Indemnified Party, or the Buyer, if the Indemnified Party is an Aligned Party Indemnified Party (each, an " **Indemnifying Party**"), of any claim, demand, action or proceeding for which indemnification will be sought under this Article 9, and, if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the Indemnifying Party will have the right, at its expense, to assume the defense thereof using counsel reasonably acceptable to the Indemnified Party. The Indemnified Party shall have the right to participate, at its own expense, with respect to any such third party claim, demand, action or proceeding. In connection with any such third party claim, demand, action or proceeding, the parties hereto shall cooperate with each other and provide each other with access to relevant books and records in their possession. No such third party claim, demand, action or proceeding shall be settled without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

9.4 **No Exhaustion of Remedies or Subrogation; Right of Setoff** Each Aligned Party waives any right to require any Buyer Indemnified Party to (a) proceed against any Aligned Party; (b) proceed against any other person; or (c) pursue any other remedy whatsoever in the power of any Buyer Indemnified Party. The Buyer may, but shall not be obligated to, set off against any and all payments or shares of Buyer Stock due any Aligned Party, including any amounts or shares of Buyer Stock due to any Seller under this Agreement or any Transaction Document, any amount to which any Buyer Indemnified Party is entitled to be indemnified hereunder. Such right of set off shall be separate and apart from any and all other rights and remedies that the Buyer Indemnified Parties may have against the Aligned Parties. No consent of any Aligned Party shall be required for any assignment or reassignment of the rights of the Buyer under this Article 9.

ARTICLE 10

TERMINATION OF AGREEMENT

10.1 **Termination**. This Agreement and the Transactions may be terminated at any time prior to the Closing Date:

(a) By mutual consent of the Buyer and the Aligned Parties;

(b) By the Buyer or the Aligned Parties' Representative if, despite the good faith efforts of such party, the Closing Date shall not have occurred on or before March 31, 2011, or such other date, if any, as the parties shall agree upon in writing;

(c) By the Buyer, if there has been a material violation or breach by any of the Aligned Parties of any of the covenants, agreements, representations or warranties contained in this Agreement or the Transaction Documents which has not been waived in writing, or if any of the conditions set forth in Article 7 have not been satisfied by the Closing or have not been waived in writing by the Buyer;

(d) By the Aligned Parties' Representative, if there has been a material violation or breach by the Buyer of any of the covenants, agreements, representations or warranties contained in this Agreement or the Transaction Documents to which it is a party which has not been waived in writing, or if any of the conditions set forth in Article 8 have not been satisfied by Closing or have not been waived in writing by the Aligned Parties' Representative; or

(e) By the Buyer or the Aligned Parties' Representative immediately upon written notice to the other if any regulatory agency, whose approval is required for the consummation and performance of the Transactions, denies such application for approval by final order or ruling (which order or ruling shall not be considered final until expiration or waiver of all periods for review or appeal) or if the consummation or performance of the Transactions shall violate any non-appealable final order, decree or judgment of any court or governmental authority having competent jurisdiction.

10.2 **Notice and Effect of Termination**. On termination of this Agreement, the Transactions shall be abandoned and all continuing obligations of the parties under or in connection with this Agreement and the Transaction Documents shall be terminated and of no further force or effect; provided, however, that nothing herein shall relieve any party from liability for any misrepresentation, breach of warranty or breach of covenant contained in this Agreement or in any Transaction Document prior to such termination. Notwithstanding the foregoing, the confidentiality obligations set forth in Section 13.8 shall survive the termination of this Agreement for any reason. If this Agreement has terminated due to the breach of any party, such party shall remain liable for any damages arising from such breach.

ARTICLE 11

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

11.1 **Survival of Representations and Warranties**. The representations and warranties contained in this Agreement shall survive the Closing, regardless of any investigation made by the Buyer or any Aligned Party prior to the Closing Date.

11.2 **Equitable Remedies**. In addition to any other rights or remedies available at law or in equity, upon the breach or threatened breach of any of the covenants, agreements or obligations of a party under this Agreement, the non-breaching party shall be entitled to file an action for specific performance or injunctive or other equitable relief without being required to post a bond or provide any other security.

11.3 **Remedies Cumulative**. The remedies provided in this Agreement shall be cumulative and shall not preclude any party from asserting any other right, or seeking any other remedies, against any other party.

ARTICLE 12

NOTICES

12.1 **Required Notices**. Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified mail, postage prepaid, or delivered by hand or courier, addressed as follows:

To the Buyer:

450 N. Brand Blvd.
Suite 600
Glendale, California 91203
Attn.: Chief Executive Officer
Fax: (818) 291-6444

With a copy to:

Shartsis Friese LLP
One Maritime Plaza, 18th Floor
San Francisco, CA 94111-3598
Attn: P. Rupert Russell, Esq.
Fax: (415) 421-2922

To the Aligned Parties:

Raouf Khalil
860 Hampshire Road, Suite A
Westlake Village, CA 91361
Fax: (805) 379-0267

With a copy to:

Carl D. Hasting, Esq.
Attorney at Law
Certified Public Accountant
CDH Associates, Inc.
5655 Lindero Canyon Rd., Suite 226
Westlake Village, CA 91362
Fax: (818) 879-1562

or such other address as shall be furnished in writing by any party, and any such notice or communication shall be deemed to have been given as of the date so mailed or, if delivered by hand or courier, on the date received.

ARTICLE 13

MISCELLANEOUS

13.1 **Expenses**. All legal, accounting and other costs and expenses incurred by the Buyer, on the one hand, and the Aligned Parties and the Company, on the other hand, in connection with this Agreement and the Transactions, including attorneys' fees, shall be borne by the Buyer and the Aligned Parties, respectively.

13.2 **Post-Closing Cooperation**. The Buyer and Aligned LLC mutually agree that they shall cooperate with each other after the Closing as may be reasonably requested with regard to services, management, administration, support services and other matters of a like nature.

13.3 **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, personal representative, successors and assigns.

13.4 **Counterparts**. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same and shall become effective when one or more counterparts have been signed by each party and delivered to the other parties.

13.5 **Further Assurance**. The parties hereto each agree to execute and deliver such other documents, certificates, agreements, authorizations and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the Transactions.

13.6 **Entire Agreement; Amendments**. This Agreement, the Transaction Documents, and the other documents and writings referred to herein or delivered pursuant hereto contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth in such documents with respect to the subject matter of this Agreement. This Agreement supersedes all prior and contemporaneous agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. This Agreement may be amended only by a written instrument duly executed by all parties hereto. Any condition to a party's obligations hereunder may be waived but only by a written instrument signed by the party entitled to the benefits thereof

13.7 **Interpretation**. Each party has been represented by sophisticated counsel in this transaction and agrees that if any issue arises as to the meaning or construction of any word, phrase or provision hereof, that no party shall be entitled to the benefit of the principles of the construction and interpretation of contracts or written instruments which provide that any ambiguity is to be construed in favor of the party who did not draft the disputed word, phrase or provision.

13.8 **Non-Disclosure**. The parties hereby acknowledge the confidential and proprietary nature of the information set forth in this Agreement and the Transaction Documents and the confidential nature of the negotiation, preparation and execution of this Agreement and the Transaction Documents, and each party hereto, by his, her or its execution hereof, covenants and agrees to maintain strict confidentiality with respect to the negotiation, preparation, execution and existence of this Agreement and the Transaction Documents, except such disclosure as may be required in order to fulfill the obligations of any party under this Agreement or as may be required by law (including federal and state securities laws or the rules of any securities exchange) or as may be necessary to their attorneys and accountants relating to same and, as to such attorneys and accountants, to obtain similar confidentiality understandings, with such confidentiality and non-disclosure to be maintained until Closing.

13.9 **Waiver**. No delay or omission on the part of any party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement or any of the Transaction Documents.

13.10 **Exhibits**. All Exhibits, Schedules, Annexes and documents referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein and all statements appearing therein shall be deemed to be representations.

13.11 **Choice of Law**. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, without regard to the choice of law principles thereof.

13.12 **Section Headings**. The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

13.13 **Severability**. If any provision of this Agreement shall be held invalid under any applicable law, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

APOLLO MEDICAL HOLDINGS, INC.,
a Delaware corporation

By: /s/ Warren Hosseinion
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

ALIGNED HEALTHCARE GROUP – CALIFORNIA, INC.,
a California professional medical corporation

By: /s/ Hany R. Khalil
Name: Hany R. Khalil
Title: President

ALIGNED HEALTHCARE GROUP LLC,
a California limited liability company

By: /s/ Marcelle Khalil
Name: Marcelle Khalil
Title: Managing Member

/s/ Raouf Khalil
RAOUF KHALIL

/s/ Jamie McReynolds
JAMIE MCREYNOLDS, M.D.

/s/ BJ Reese
BJ REESE

BJ REESE & ASSOCIATES, LLC

By: /s/ BJ Reese
Name: BJ Reese
Title: Managing Member

INDEX OF SCHEDULES AND EXHIBITS

Schedule 1.2(b)

REVENUE TARGET FOR ISSUANCE OF CONTINGENT STOCK

The Aligned Division shall have met the revenue target for purposes of Section 1.2(b) if and when the cumulative gross revenues of the Aligned Division from and after the Closing Date exceed $1,000,000, as determined by the Buyer based on the financial statements filed by the Buyer with the SEC from time to time pursuant to the 1934 Act.

Schedule 2.5

ASSETS

1. "Aligned Healthcare" and any similar names or marks, any related rights and any designs used or associated therewith.

2. Any and all discoveries, ideas, inventions, concepts, developments, know-how, trade secrets, works of authorship, materials, software, writings, drawings, designs, processes, techniques, formulas, data, specifications, technology, patent applications (and contributions thereto), and other creations currently being utilized by any Aligned Party or otherwise useful in connection with (a) the management, administration or operation of 24-hour physician and nursing call centers and related services, and (b) patient care management.

3. Any goodwill associated with the above.

Schedule 2.12

ALIGNED AGREEMENTS

(1) Physician Employment Letter dated November 12, 2008, between Aligned Healthcare Group and Jamie McReynolds, M.D.

(2) Consulting Agreement by and between Aligned Healthcare Group, LLC and Mobile Doctors 24-7 LLC, dated January 1, 2009

(3) Employment Agreement by and between Raouf R. Khalil and Mobile Doctors 24-7 LLC, effective January 1, 2009 to December 31, 2010

(4) Consulting Agreement Letter dated January 15, 2010, between Aligned Healthcare Group and Bette Jane Reese, RN, MHA

(5) Employment Agreement between Aligned Healthcare Group California, Inc. and Bette Jane Reese, RN, MHA, dated February 17, 2011

Schedule 2.13

STATUS OF NEGOTIATIONS

Exhibit A

FORM OF CONSULTING AGREEMENT

CONSULTING AGREEMENT

This CONSULTANT AGREEMENT (this "**Agreement**") is made and entered into as of February 15, 2011 and effective on February 1, 2011 (the "**Effective Date**"), by and between Aligned Healthcare, Inc., a California corporation (the "**Company**"), and Raouf Khalil (the "**Consultant**"), on the other.

RECITALS

A. The Consultant (either directly or acting through Mobile Doctors 24/7, LLC ("Mobile Doctors")) is an employee and officer of Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), and of Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**").

B. Aligned Corp. and Aligned LLC has sold certain assets to the Company relating to the ownership and operation of a medical service organization business and specifically the provision of 24-hour physician and nurse call center services (the "**Business**").

C. Apollo Medical Holdings, Inc., a Delaware corporation ("**ApolloMed**"), has agreed to purchase the outstanding shares of the Company, pursuant to that certain Stock Purchase Agreement (the "**Purchase Agreement**"), dated as of the date hereof, by and among ApolloMed, the Consultant, as a seller, Aligned LLC, Aligned Corp. and certain other parties (the "**Acquisition**"). Capitalized terms used but not defined in this Agreement shall have the meanings ascribed thereto in the Purchase Agreement.

D. As part of the Acquisition and as a condition to the consummation thereof, the Company and the Consultant have agreed to enter into this Agreement which sets forth the terms and conditions of the Consultant's engagement by the Company.

In consideration of the mutual covenants herein contained, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and the Consultant hereby agree as follows:

AGREEMENT

1. Services. The Company hereby engages the Consultant, and the Consultant hereby agrees to render the services described in Schedule 1 attached hereto (the "**Services**") to the Company and shall report to the Chief Executive Officer of ApolloMed. The Consultant is not the agent of the Company and is not authorized and shall not have any authority to make any representations, contracts or commitments on behalf of the Company, or otherwise bind the Company in any respect whatsoever. The Consultant may provide services to Mobile Doctors, Aligned LLC or Aligned Corp. pursuant to the applicable Aligned Agreements as long as the Consultant shall devote no less than 20 hours per week exclusively to providing the Services.

2. Payment for Services.

2.1. Compensation. In consideration of the Services to be rendered pursuant to this Agreement, subject to Section 9.4 of the Purchase Agreement, the Company shall pay to the Consultant the amounts set forth in Schedule 2.

2.2. Expenses. The Consultant shall be entitled to receive reimbursement for expenses, charges and outlays that have been authorized in writing by the Company in advance upon the presentation of invoices or other applicable documentation.

3. Independent Contractor. The Consultant shall perform the Services as an independent contractor and consultant, and nothing in this Agreement should be construed to create a partnership, joint venture, agency or employer-employee relationship between the parties. The Consultant is not the agent of Company and is not authorized nor has any authority to make any representation, contract or commitment on behalf of the Company, or otherwise bind the Company in any respect whatsoever. The Consultant shall be solely responsible for all tax returns and payments required to be filed with or made to any federal, state or local tax authority with respect to the Consultant's performance of the Services and receipt of fees under this Agreement. The Company may regularly report amounts paid to the Consultant with the Internal Revenue Service as required by law. Because the Consultant is an independent contractor, the Company shall not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on the Consultant's behalf. The Consultant shall comply with, and agree to accept exclusive liability for non-compliance with, all applicable state and federal laws, rules and regulations, including, without limitation, obligations such as payment of all taxes, social security, disability and other contributions based on fees paid to the Consultant under this Agreement. The Consultant hereby agrees to indemnify, hold harmless and defend the Company against any and all such liability, taxes or contributions, including, without limitation, penalties and interest.

4. Proprietary Information.

4.1. Proprietary Information. The Consultant understands that the Services and other work to be performed for the Company hereunder will involve access to confidential, proprietary or trade secret information or materials of the Company (or its affiliates, licensors, suppliers, vendors, clients, business partners or representatives, governmental officials or other personnel, customers or any other third party to whom the Company owes a duty of confidentiality), in whatever form, tangible or intangible, whether disclosed or provided to the Consultant before or after the execution of this Agreement (collectively, "**Proprietary Information**"). Proprietary Information further includes, without limitation, any information related to the Business or obtained by the Consultant in the course of providing Services, and any (a) information, ideas or materials of a technical or creative nature, discoveries, developments, techniques, processes, research and development plans and results, reports, designs, drawings and specifications, works of authorship, data, formulas, files, and other materials and concepts relating to the Company's business, services, or technology or that of the Company's affiliates; (b) information, ideas or materials of a business nature, such as development plans, marketing and sales plans and forecasts, budgets and financial statements, and other information regarding finances, profits, costs, marketing, purchasing, sales, operations, policies, procedures, salaries, customers, suppliers, business partners or representatives, governmental officials and other personnel and contract terms; (c) all personal property, including, without limitation, books, manuals, records, files, reports, notes, contracts, lists, blueprints and other documents or materials, or copies thereof, received by the Consultant or prepared for the Company in the course of the Consultant's performing Services (including any Work Product, as defined below); and (d) any other trade secrets, information, ideas or materials of or relating in any way to the past, present, planned or foreseeable business, technology or activities of or relating to the Company (or its affiliates, employees, licensors, suppliers, vendors, business partners or representatives, governmental officials or other personnel, clients, customers or any other third parties to whom the Company owes a duty of confidentiality).

4.2. Restrictions on Use and Disclosure. The Consultant agrees that, during the term of this Agreement and thereafter, he or she shall (a) hold Proprietary Information in strict trust and confidence; (b) use Proprietary Information only for the benefit of the Company (and not for the benefit of the Consultant, any Aligned Party (as defined below), or any other third party), it being understood that communications among the Consultant and the other Sellers or Mobile Doctors in the furtherance of their duties to the Company shall be deemed to be for the benefit of the Company; (c) not use Proprietary Information in any manner or for any purpose not expressly set forth in this Agreement; (d) reproduce Proprietary Information only to the extent reasonably required to fulfill the Consultant's obligations hereunder; and (e) not disclose, provide or otherwise make available to any third party, directly or indirectly, any Proprietary Information without first obtaining the Company's express written consent on a case-by-case basis. As used in this Agreement, the "**Aligned Parties**" means Aligned LLC, Aligned Corp. and their respective affiliates, shareholders, members, officers, directors, managers, employees and contractors, and an "**Aligned Party**" means any one of such persons.

4.3. Exclusions. The obligations in Section 4.2 shall not apply to any Proprietary Information to the extent such Proprietary Information (a) is or has become generally known or available other than by any act or omission of the Consultant; (b) was rightfully known by the Consultant prior to the time of first disclosure to the Consultant; (c) is independently developed by the Consultant without the use of Proprietary Information or in connection with the Services; or (d) is rightfully obtained without restriction from a third party who has the right to make such disclosure and without breach of any duty of confidentiality to the Company. In addition, the Consultant may use or disclose Proprietary Information to the extent (i) approved in advance in writing by the Company or (ii) the Consultant is legally compelled to disclose such Proprietary Information, provided that the Consultant shall, to the extent legally permitted, give advance notice of such compelled disclosure to the Company, and shall cooperate with the Company in connection with any efforts to prevent or limit the scope of such disclosure and/or use of the Proprietary Information.

5. Intellectual Property.

5.1. Work Product. As used in this Agreement, the term "**Work Product**" shall include, without limitation, all discoveries, ideas, inventions, concepts, developments, know-how, trade secrets, works of authorship, materials, software, writings, drawings, designs, processes, techniques, formulas, data, specifications, technology, patent applications (and contributions thereto), and other creations (and any related improvements or modifications to the foregoing or to any Proprietary Information), whether or not patentable, relating to any activities of the Company that are conceived, created or otherwise developed by or for the Consultant (alone or with others), or result from or are suggested by any work performed by or for the Consultant (alone or with others), (a) during the period of the consultancy arrangement being created hereunder, whether before or after the execution of this Agreement, and whether or not conceived of, created or otherwise developed during regular business hours, and (b) if based on Proprietary Information, after termination of the consultancy arrangement being created hereunder. Except to the extent expressly set forth in this Agreement, Work Product shall include, without limitation, all deliverables and other materials delivered to the Company in connection with the Services.

5.2. Assignment. The Consultant agrees to disclose promptly in writing to the Company all Work Product. The Consultant hereby irrevocably assigns and agrees to assign to the Company all right, title and interest worldwide in and to the Work Product (whether currently existing or conceived, created or otherwise developed later), including, without limitation, all copyrights, trademarks, trade secrets, patents, industrial rights and all other intellectual and proprietary rights related thereto (the "**Proprietary Rights**"), effective immediately upon the inception, conception, creation or development thereof. The Proprietary Rights shall include, without limitation, all rights, whether existing now or in the future, whether statutory or common law, in any jurisdiction in the world, related to the Work Product, together with all national, foreign and state registrations, applications for registration and all renewals and extensions thereof (including, without limitation, any continuations, continuations-in-part, divisionals, reissues, substitutions and reexaminations); all goodwill associated therewith; and all benefits, privileges, causes of action and remedies relating to any of the foregoing, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for and maintain all such registrations, renewals and extensions; to sue for all past, present and future infringements or other violations of any rights relating thereto; and to settle and retain proceeds from any such actions). Except as may be agreed in writing by the parties, the Consultant shall not retain any right to use the Work Product and agrees not to challenge the validity of the Company's ownership in the Work Product.

5.3. License; Waiver of Rights. To the extent, if any, that any Work Product or Proprietary Rights are not assignable or that the Consultant retains any right, title or interest in and to any Work Product or any Proprietary Rights, the Consultant (a) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against the Company with respect to such rights; (b) agrees, at the Company's request and expense, to consent to and join in any action to enforce such rights; and (c) hereby grants to the Company a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), exclusive, worldwide right and license to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of the Company) all or any portion of such Work Product, in any form or media (now known or later developed). The foregoing license includes, without limitation, the right to make any modifications to such Work Product regardless of the effect of such modifications on the integrity of such Work Product, and to identify the Consultant, or not to identify the Consultant, as one or more authors of or contributors to such Work Product or any portion thereof, whether or not such Work Product or any portion thereof have been modified. The Consultant further irrevocably waives any "moral rights" or other rights with respect to attribution of authorship or integrity of such Work Product that the Consultant may have under any applicable law under any legal theory. The Consultant hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which the Consultant now or may hereafter have for infringement of any Work Product or Proprietary Rights assigned and/or licensed hereunder to the Company.

5.4. Assistance. The Consultant agrees to cooperate with the Company or its designee(s), both during and after the term of this Agreement, in applying for, obtaining, perfecting, evidencing, sustaining and enforcing the Company's Proprietary Rights in the Work Product, including, without limitation, executing such written instruments as may be prepared by the Company and doing such other acts as may be necessary in the opinion of the Company to obtain a patent, register a copyright, or otherwise enforce the Company's rights in such Work Product (and the Consultant hereby irrevocably appoints the Company and any of their officers and agents as and attorney in fact to act for and on the Consultant's behalf and instead of the Consultant, with the same legal force and effect as if executed by the Consultant).

6. Return of Company Property. The Consultant agrees that, upon termination of this Agreement, or at any other time the Company so requests, the Consultant will immediately deliver to the Company (and will not keep in the Consultant's possession, make a copy, recreate or deliver to anyone else) all property belonging to the Company and all material containing or constituting Proprietary Information and Work Product, including any copies in the Consultant's possession or control, whether prepared by the Consultant or others.

7. Representations and Warranties of the Consultant. The Consultant represents, warrants and covenants that (a) the Consultant has the full power and authority to enter into this Agreement and to perform his or her obligations hereunder, without the need for any consents, approvals or immunities not yet obtained, including those of any Aligned Party, and this Agreement constitutes the valid and legally binding obligations of the Consultant, enforceable against the Consultant in accordance with their respective terms; (b) the Consultant's execution of and performance under this Agreement does not and shall not breach any oral or written agreement with or any other obligation (whether arising by contract, law or otherwise) to any third party, including the Aligned Parties, or any obligation owed by the Consultant to any third party, including the Aligned Parties, to keep any information or materials in confidence or in trust; (c) the Consultant has the right to grant the rights and assignments granted herein, without the need for any assignments, releases, consents, approvals, immunities or other rights not yet obtained, including those of any Aligned Party; (d) the Services and Work Product do not and shall not infringe, misappropriate or violate any patent, copyright, trademark, trade secret, publicity, privacy or other rights of any third party, including the Aligned Parties; and (e) neither the Work Product nor any element thereof shall be subject to any restrictions or to any mortgages, liens, pledges, security interests, encumbrances or encroachments.

8. Indemnification.

8.1. Consultant Indemnity. The Consultant shall indemnify and hold harmless, and at the Company's request defend, the Company and its affiliates, successors and assigns (and its and their managers, officers, directors, employees, sublicensees, customers and agents) from and against any and all claims, losses, liabilities, damages, settlements, expenses and costs (including, without limitation, attorneys' fees and court costs) which arise out of or relate to (a) any breach (or claim or threat thereof that, if true, would be a breach) of this Agreement by the Consultant; or (b) any third party claim or threat thereof (including any such claim or threat made by any Aligned Party) that the Services or Work Product (or the exercise of the rights granted herein with respect thereto) infringe, misappropriate or violate any patent, copyright, trademark, trade secret, or other rights of any third party.

8.2. Notice; Cooperation; Settlement. The Company shall notify the Consultant promptly of any claim or liability for which indemnification is sought ("**Claim**"), provided, however, that the failure to give such notice shall not relieve the Consultant of the Consultant's obligations hereunder except to the extent that the Consultant was actually and materially prejudiced by such failure. The Company may, at its option and expense, participate and appear on an equal footing with the Consultant in the defense of any Claim that is conducted by the Consultant as set forth herein. The Consultant may not settle any Claim without the prior written approval of the Company, which approval shall not be unreasonably withheld or delayed. From the date of written notice from the Company to the Consultant of any such Claim, the Company shall have the right to withhold from any payments due to the Consultant under this Agreement the amount of any defense costs, plus additional reasonable amounts as security for the Consultant's obligations under this Section 8.

9. Term and Termination.

9.1. Term. This Agreement shall commence on the Effective Date and remain in full force and effect for a period of one (1) year thereafter, following which the Company and the Consultant shall negotiate in good faith to extend this Agreement; provided, however, that the Company may, at its sole election, terminate this Agreement at any time if ApolloMed exercises its right to repurchase ApolloMed's shares pursuant to Section 1.2(d) of the Purchase Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company may terminate this Agreement immediately and without prior notice for Cause. For purposes of this Agreement, "**Cause**" means (a) the Consultant's refusal or inability to provide the Services; (b) the Consultant's or any other Aligned Party's (as defined in the Purchase Agreement) breach of any material provision of this Agreement, the Purchase Agreement or any other Transaction Document (as defined in the Purchase Agreement), which breach is not cured within ten (10) days after written notice to the Consultant from the Company; (c) the determination by ApolloMed that the Consultant or any other Aligned Party has made a material misrepresentation or materially breached a warranty contained in this Agreement, the Purchase Agreement or any other Transaction Document; (d) the Consultant's commission of a crime involving dishonesty or breach of trust to any person; or (e) the Consultant's willfully engaging in conduct that is in bad faith and materially injurious to the Company or ApolloMed, including but not limited to, misappropriation of trade secrets, fraud or embezzlement.

9.2. Effect of Termination. Upon termination of this Agreement, the Consultant shall immediately cease performing the Services. Unless this Agreement has been terminated by the Company for Cause, the Company shall pay the Consultant compensation due for Services actually rendered, in accordance with Section 2, and such amounts shall be in full satisfaction of any obligation or liability of the Company to the Consultant for payments due to the Consultant under this Agreement. Sections 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, and 17 of this Agreement shall survive the termination or expiration of this Agreement. Termination of this Agreement by any party shall not act as a waiver of any breach of this Agreement and shall not release any party from any liability for breach of such party's obligations under this Agreement. No party shall be liable to the others for damages of any kind solely as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement by a party shall be without prejudice to any other right or remedy of such party under this Agreement or applicable law.

10. Equitable Relief. The Consultant recognizes that the covenants contained in Sections 4 and 5 are reasonable and necessary to protect the legitimate interests of the Company, that the Company would not have entered into this Agreement in the absence of such covenants, and that the Consultant's breach or threatened breach of such covenants shall cause the Company irreparable harm and significant injury, the amount of which shall be extremely difficult to estimate and ascertain, thus, making any remedy at law or in damages inadequate. Therefore, the Consultant agrees that the Company shall be entitled, without the necessity of posting of any bond or security, to the issuance of injunctive relief by any court of competent jurisdiction enjoining any breach or threatened breach of such covenants and for any other relief such court deems appropriate. This right shall be in addition to any other remedy available to the Company at law or in equity.

11. Governing Law; Venue. This Agreement is to be construed in accordance with and governed by the laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the laws of the State of California to the rights and duties of the parties. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be commenced in a federal or state court in the City and County of Los Angeles, California, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding.

12. Notices. Any notice, request, demand, or other communication required or permitted hereunder shall be in writing, shall reference this Agreement and shall be deemed to be properly given: (a) when delivered personally; (b) when sent by facsimile, with written confirmation of receipt by the sending facsimile machine; (c) five business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two business days after deposit with a private industry express courier, with written confirmation of receipt. All notices shall be sent to the address set forth on the signature page of this Agreement and to the notice of the person executing this Agreement (or to such other address or person as may be designated by a party by giving written notice to the other party pursuant to this Section).

13. Legal Fees. If any legal action, including, without limitation, an action for arbitration or injunctive relief, is brought relating to this Agreement or the breach hereof, the prevailing party in any final judgment or arbitration award, or the non-dismissing party in the event of a voluntary dismissal by the party instituting the action, shall be entitled to the full amount of all reasonable expenses, including all court costs, arbitration fees and actual attorney fees paid or incurred in good faith.

14. Severability. If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.

15. Entire Agreement. The terms of this Agreement, together with the Purchase Agreement, are the final expression of the agreement of the parties with respect to the subject matter hereof. This Agreement and the Purchase Agreement supersede all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the Consultant's engagement, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements.

16. Amendment/Waivers. This Agreement can be amended or terminated only by a written agreement signed by both parties. No failure to exercise or delay by the Company in exercising any right under this Agreement shall operate as a waiver thereof.

17. Successors and Assigns. The Consultant may not subcontract or otherwise delegate its obligations under this Agreement without the Company's prior written consent. The Consultant agrees that the Company may assign any of its rights under this Agreement to any affiliate of the Company or any successor in interest to the Company or its business operations (including without limitation any purchaser of all or substantially all of the assets of the Company). This Agreement shall be binding upon the Consultant, and shall inure to the benefit of the Company's successors and assigns.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first written above.

ALIGNED HEALTHCARE, INC.,
a California corporation

By: /s/ Warren Hosseinion
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

Address: Apollo Medical Holdings, Inc.
450 N. Brand Blvd.
Suite 600
Glendale, California 91203
Attn.:Chief Executive Officer
Fax: (818) 291-6444

/s/ Raouf Khalil
Raouf Khalil

Address: 860 Hampshire Road, Suite A
Westlake Village, California 91361
Fax: (805) 379-0267

Schedule 1

Description of Services

Acting as President of the Company and undertaking all duties and activities customarily associated with such position, including marketing and business development of the Aligned Division, financial projections and budgeting, capital raising and investor relations and C-Suite introductions.

Schedule 2

Compensation

Until such time as the EBITDA (as defined in the Purchase Agreement) of the Aligned Division is positive during any one full fiscal quarter of the Buyer (a "**Fiscal Quarter**") following the Effective Date (the "**Cash Flow Benchmark**"), as determined by the Buyer based on financial information filed by the Buyer with the SEC from time to time pursuant to the 1934 Act, the Company shall pay to Consultant $22,500 per Fiscal Quarter during the term of this Agreement (prorated for any partial Fiscal Quarters), payable in arrears within three (3) business days following the date on which the Buyer files its quarterly or annual report, as the case may be, with the SEC (the "**Filing Date**") for each Fiscal Quarter following the Effective Date. If and when the Cash Flow Benchmark is met, (a) the Company shall increase the quarterly payments made to the Consultant during the term of this Agreement to $45,000, and (b) the Company shall pay the Consultant, within three (3) business days following the Filing Date for the Fiscal Quarter in which the Cash Flow Benchmark is met, a lump sum amount (the "**Lump Sum Payment**") equal to the product of $22,500 multiplied by the number of Fiscal Quarters following the Effective Date until the Cash Flow Benchmark is met (prorated for any partial Fiscal Quarters). Notwithstanding the foregoing, the Company shall not be obligated to pay any part of the Lump Sum Payment that would result in the EBITDA of the Aligned Division (which, for these purposes, shall include the amount of the Lump Sum Payment and any other payments made under this Agreement during such Fiscal Quarter) becoming negative for the Fiscal Quarter in which the Cash Flow Benchmark is met, and any amount of the Lump Sum Payment that is not so paid shall be carried forward until the end of the immediately following Fiscal Quarter and paid within three (3) business days following the Filing Date for such Fiscal Quarter up to an amount that would result in the EBITDA of the Aligned Division (as adjusted to include the amount of the Lump Sum Payment and any other payments made under this Agreement during such Fiscal Quarter) becoming negative for such Fiscal Quarter. If the remaining amount of the Lump Sum Payment has not been paid in full following such Fiscal Quarter, then such remaining amount shall be carried forward for one or more succeeding Fiscal Quarters and paid as provided in the preceding sentence until the Lump Sum Payment is paid in full.

CONSULTING AGREEMENT

This CONSULTANT AGREEMENT (this "**Agreement**") is made and entered into as of February 15, 2011 and effective on February 1, 2011 (the "**Effective Date**"), by and between Aligned Healthcare, Inc., a California corporation (the "**Company**"), and BJ Reese (the "**Consultant**"), on the other.

RECITALS

E. The Consultant is an employee and officer of Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), and of Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**").

F. Aligned Corp. and Aligned LLC has sold certain assets to the Company relating to the ownership and operation of a medical service organization business and specifically the provision of 24-hour physician and nurse call center services (the "**Business**").

G. Apollo Medical Holdings, Inc., a Delaware corporation ("**ApolloMed**"), has agreed to purchase the outstanding shares of the Company, pursuant to that certain Stock Purchase Agreement (the "**Purchase Agreement**"), dated as of the date hereof, by and among ApolloMed, the Consultant, as a seller, Aligned LLC, Aligned Corp. and certain other parties (the "**Acquisition**"). Capitalized terms used but not defined in this Agreement shall have the meanings ascribed thereto in the Purchase Agreement.

H. As part of the Acquisition and as a condition to the consummation thereof, the Company and the Consultant have agreed to enter into this Agreement which sets forth the terms and conditions of the Consultant's engagement by the Company.

In consideration of the mutual covenants herein contained, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and the Consultant hereby agree as follows:

AGREEMENT

1 8 . Services. The Company hereby engages the Consultant, and the Consultant hereby agrees to render the services described in Schedule 1 attached hereto (the "**Services**") to the Company and shall report to the President of the Company. The Consultant is not the agent of the Company and is not authorized and shall not have any authority to make any representations, contracts or commitments on behalf of the Company, or otherwise bind the Company in any respect whatsoever. The Consultant may provide services to Mobile Doctors 24/7, LLC (**"Mobile Doctors"**), Aligned LLC or Aligned Corp. pursuant to the applicable Aligned Agreements as long as the Consultant shall devote no less than 20 hours per week exclusively to providing the Services.

19. Payment for Services.

19.1. Compensation. In consideration of the Services to be rendered pursuant to this Agreement, subject to Section 9.4 of the Purchase Agreement, the Company shall pay to the Consultant the amounts set forth in Schedule 2.

19.2. Expenses. The Consultant shall be entitled to receive reimbursement for expenses, charges and outlays that have been authorized in writing by the Company in advance upon the presentation of invoices or other applicable documentation.

20. Independent Contractor. The Consultant shall perform the Services as an independent contractor and consultant, and nothing in this Agreement should be construed to create a partnership, joint venture, agency or employer-employee relationship between the parties. The Consultant is not the agent of Company and is not authorized nor has any authority to make any representation, contract or commitment on behalf of the Company, or otherwise bind the Company in any respect whatsoever. The Consultant shall be solely responsible for all tax returns and payments required to be filed with or made to any federal, state or local tax authority with respect to the Consultant's performance of the Services and receipt of fees under this Agreement. The Company may regularly report amounts paid to the Consultant with the Internal Revenue Service as required by law. Because the Consultant is an independent contractor, the Company shall not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on the Consultant's behalf. The Consultant shall comply with, and agree to accept exclusive liability for non-compliance with, all applicable state and federal laws, rules and regulations, including, without limitation, obligations such as payment of all taxes, social security, disability and other contributions based on fees paid to the Consultant under this Agreement. The Consultant hereby agrees to indemnify, hold harmless and defend the Company against any and all such liability, taxes or contributions, including, without limitation, penalties and interest.

21. Proprietary Information.

21.1. Proprietary Information. The Consultant understands that the Services and other work to be performed for the Company hereunder will involve access to confidential, proprietary or trade secret information or materials of the Company (or its affiliates, licensors, suppliers, vendors, clients, business partners or representatives, governmental officials or other personnel, customers or any other third party to whom the Company owes a duty of confidentiality), in whatever form, tangible or intangible, whether disclosed or provided to the Consultant before or after the execution of this Agreement (collectively, "**Proprietary Information**"). Proprietary Information further includes, without limitation, any information related to the Business or obtained by the Consultant in the course of providing Services, and any (a) information, ideas or materials of a technical or creative nature, discoveries, developments, techniques, processes, research and development plans and results, reports, designs, drawings and specifications, works of authorship, data, formulas, files, and other materials and concepts relating to the Company's business, services, or technology or that of the Company's affiliates; (b) information, ideas or materials of a business nature, such as development plans, marketing and sales plans and forecasts, budgets and financial statements, and other information regarding finances, profits, costs, marketing, purchasing, sales, operations, policies, procedures, salaries, customers, suppliers, business partners or representatives, governmental officials and other personnel and contract terms; (c) all personal property, including, without limitation, books, manuals, records, files, reports, notes, contracts, lists, blueprints and other documents or materials, or copies thereof, received by the Consultant or prepared for the Company in the course of the Consultant's performing Services (including any Work Product, as defined below); and (d) any other trade secrets, information, ideas or materials of or relating in any way to the past, present, planned or foreseeable business, technology or activities of or relating to the Company (or its affiliates, employees, licensors, suppliers, vendors, business partners or representatives, governmental officials or other personnel, clients, customers or any other third parties to whom the Company owes a duty of confidentiality).

2 1 . 2 . Restrictions on Use and Disclosure. The Consultant agrees that, during the term of this Agreement and thereafter, he or she shall (a) hold Proprietary Information in strict trust and confidence; (b) use Proprietary Information only for the benefit of the Company (and not for the benefit of the Consultant, any Aligned Party (as defined below), or any other third party), it being understood that communications among the Consultant and the other Sellers or Mobile Doctors in the furtherance of their duties to the Company shall be deemed to be for the benefit of the Company; (c) not use Proprietary Information in any manner or for any purpose not expressly set forth in this Agreement; (d) reproduce Proprietary Information only to the extent reasonably required to fulfill the Consultant's obligations hereunder; and (e) not disclose, provide or otherwise make available to any third party, directly or indirectly, any Proprietary Information without first obtaining the Company's express written consent on a case-by-case basis. As used in this Agreement, the "**Aligned Parties**" means Aligned LLC, Aligned Corp. and their respective affiliates, shareholders, members, officers, directors, managers, employees and contractors, and an "**Aligned Party**" means any one of such persons.

21.3. Exclusions. The obligations in Section 4.2 shall not apply to any Proprietary Information to the extent such Proprietary Information (a) is or has become generally known or available other than by any act or omission of the Consultant; (b) was rightfully known by the Consultant prior to the time of first disclosure to the Consultant; (c) is independently developed by the Consultant without the use of Proprietary Information or in connection with the Services; or (d) is rightfully obtained without restriction from a third party who has the right to make such disclosure and without breach of any duty of confidentiality to the Company. In addition, the Consultant may use or disclose Proprietary Information to the extent (i) approved in advance in writing by the Company or (ii) the Consultant is legally compelled to disclose such Proprietary Information, provided that the Consultant shall, to the extent legally permitted, give advance notice of such compelled disclosure to the Company, and shall cooperate with the Company in connection with any efforts to prevent or limit the scope of such disclosure and/or use of the Proprietary Information.

22. Intellectual Property.

22.1. Work Product. As used in this Agreement, the term "**Work Product**" shall include, without limitation, all discoveries, ideas, inventions, concepts, developments, know-how, trade secrets, works of authorship, materials, software, writings, drawings, designs, processes, techniques, formulas, data, specifications, technology, patent applications (and contributions thereto), and other creations (and any related improvements or modifications to the foregoing or to any Proprietary Information), whether or not patentable, relating to any activities of the Company that are conceived, created or otherwise developed by or for the Consultant (alone or with others), or result from or are suggested by any work performed by or for the Consultant (alone or with others), (a) during the period of the consultancy arrangement being created hereunder, whether before or after the execution of this Agreement, and whether or not conceived of, created or otherwise developed during regular business hours, and (b) if based on Proprietary Information, after termination of the consultancy arrangement being created hereunder. Except to the extent expressly set forth in this Agreement, Work Product shall include, without limitation, all deliverables and other materials delivered to the Company in connection with the Services.

22.2. Assignment. The Consultant agrees to disclose promptly in writing to the Company all Work Product. The Consultant hereby irrevocably assigns and agrees to assign to the Company all right, title and interest worldwide in and to the Work Product (whether currently existing or conceived, created or otherwise developed later), including, without limitation, all copyrights, trademarks, trade secrets, patents, industrial rights and all other intellectual and proprietary rights related thereto (the "**Proprietary Rights**"), effective immediately upon the inception, conception, creation or development thereof. The Proprietary Rights shall include, without limitation, all rights, whether existing now or in the future, whether statutory or common law, in any jurisdiction in the world, related to the Work Product, together with all national, foreign and state registrations, applications for registration and all renewals and extensions thereof (including, without limitation, any continuations, continuations-in-part, divisionals, reissues, substitutions and reexaminations); all goodwill associated therewith; and all benefits, privileges, causes of action and remedies relating to any of the foregoing, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for and maintain all such registrations, renewals and extensions; to sue for all past, present and future infringements or other violations of any rights relating thereto; and to settle and retain proceeds from any such actions). Except as may be agreed in writing by the parties, the Consultant shall not retain any right to use the Work Product and agrees not to challenge the validity of the Company's ownership in the Work Product.

22.3. License; Waiver of Rights. To the extent, if any, that any Work Product or Proprietary Rights are not assignable or that the Consultant retains any right, title or interest in and to any Work Product or any Proprietary Rights, the Consultant (a) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against the Company with respect to such rights; (b) agrees, at the Company's request and expense, to consent to and join in any action to enforce such rights; and (c) hereby grants to the Company a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), exclusive, worldwide right and license to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of the Company) all or any portion of such Work Product, in any form or media (now known or later developed). The foregoing license includes, without limitation, the right to make any modifications to such Work Product regardless of the effect of such modifications on the integrity of such Work Product, and to identify the Consultant, or not to identify the Consultant, as one or more authors of or contributors to such Work Product or any portion thereof, whether or not such Work Product or any portion thereof have been modified. The Consultant further irrevocably waives any "moral rights" or other rights with respect to attribution of authorship or integrity of such Work Product that the Consultant may have under any applicable law under any legal theory. The Consultant hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which the Consultant now or may hereafter have for infringement of any Work Product or Proprietary Rights assigned and/or licensed hereunder to the Company.

22.4. Assistance. The Consultant agrees to cooperate with the Company or its designee(s), both during and after the term of this Agreement, in applying for, obtaining, perfecting, evidencing, sustaining and enforcing the Company's Proprietary Rights in the Work Product, including, without limitation, executing such written instruments as may be prepared by the Company and doing such other acts as may be necessary in the opinion of the Company to obtain a patent, register a copyright, or otherwise enforce the Company's rights in such Work Product (and the Consultant hereby irrevocably appoints the Company and any of their officers and agents as and attorney in fact to act for and on the Consultant's behalf and instead of the Consultant, with the same legal force and effect as if executed by the Consultant).

23. Return of Company Property. The Consultant agrees that, upon termination of this Agreement, or at any other time the Company so requests, the Consultant will immediately deliver to the Company (and will not keep in the Consultant's possession, make a copy, recreate or deliver to anyone else) all property belonging to the Company and all material containing or constituting Proprietary Information and Work Product, including any copies in the Consultant's possession or control, whether prepared by the Consultant or others.

24. Representations and Warranties of the Consultant. The Consultant represents, warrants and covenants that (a) the Consultant has the full power and authority to enter into this Agreement and to perform his or her obligations hereunder, without the need for any consents, approvals or immunities not yet obtained, including those of any Aligned Party, and this Agreement constitutes the valid and legally binding obligations of the Consultant, enforceable against the Consultant in accordance with their respective terms; (b) the Consultant's execution of and performance under this Agreement does not and shall not breach any oral or written agreement with or any other obligation (whether arising by contract, law or otherwise) to any third party, including the Aligned Parties, or any obligation owed by the Consultant to any third party, including the Aligned Parties, to keep any information or materials in confidence or in trust; (c) the Consultant has the right to grant the rights and assignments granted herein, without the need for any assignments, releases, consents, approvals, immunities or other rights not yet obtained, including those of any Aligned Party; (d) the Services and Work Product do not and shall not infringe, misappropriate or violate any patent, copyright, trademark, trade secret, publicity, privacy or other rights of any third party, including the Aligned Parties; and (e) neither the Work Product nor any element thereof shall be subject to any restrictions or to any mortgages, liens, pledges, security interests, encumbrances or encroachments.

25. Indemnification.

25.1. Consultant Indemnity. The Consultant shall indemnify and hold harmless, and at the Company's request defend, the Company and its affiliates, successors and assigns (and its and their managers, officers, directors, employees, sublicensees, customers and agents) from and against any and all claims, losses, liabilities, damages, settlements, expenses and costs (including, without limitation, attorneys' fees and court costs) which arise out of or relate to (a) any breach (or claim or threat thereof that, if true, would be a breach) of this Agreement by the Consultant; or (b) any third party claim or threat thereof (including any such claim or threat made by any Aligned Party) that the Services or Work Product (or the exercise of the rights granted herein with respect thereto) infringe, misappropriate or violate any patent, copyright, trademark, trade secret, or other rights of any third party.

25.2. Notice; Cooperation; Settlement. The Company shall notify the Consultant promptly of any claim or liability for which indemnification is sought ("**Claim**"), provided, however, that the failure to give such notice shall not relieve the Consultant of the Consultant's obligations hereunder except to the extent that the Consultant was actually and materially prejudiced by such failure. The Company may, at its option and expense, participate and appear on an equal footing with the Consultant in the defense of any Claim that is conducted by the Consultant as set forth herein. The Consultant may not settle any Claim without the prior written approval of the Company, which approval shall not be unreasonably withheld or delayed. From the date of written notice from the Company to the Consultant of any such Claim, the Company shall have the right to withhold from any payments due to the Consultant under this Agreement the amount of any defense costs, plus additional reasonable amounts as security for the Consultant's obligations under this Section 8.

26. Term and Termination.

26.1. Term. This Agreement shall commence on the Effective Date and remain in full force and effect for a period of one (1) year thereafter, following which the Company and the Consultant shall negotiate in good faith to extend this Agreement; provided, however, that the Company may, at its sole election, terminate this Agreement at any time if ApolloMed exercises its right to repurchase ApolloMed's shares pursuant to Section 1.2(d) of the Purchase Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company may terminate this Agreement immediately and without prior notice for Cause. For purposes of this Agreement, "**Cause**" means (a) the Consultant's refusal or inability to provide the Services; (b) the Consultant's or any other Aligned Party's (as defined in the Purchase Agreement) breach of any material provision of this Agreement, the Purchase Agreement or any other Transaction Document (as defined in the Purchase Agreement), which breach is not cured within ten (10) days after written notice to the Consultant from the Company; (c) the determination by ApolloMed that the Consultant or any other Aligned Party has made a material misrepresentation or materially breached a warranty contained in this Agreement, the Purchase Agreement or any other Transaction Document; (d) the Consultant's commission of a crime involving dishonesty or breach of trust to any person; or (e) the Consultant's willfully engaging in conduct that is in bad faith and materially injurious to the Company or ApolloMed, including but not limited to, misappropriation of trade secrets, fraud or embezzlement.

26.2. Effect of Termination. Upon termination of this Agreement, the Consultant shall immediately cease performing the Services. Unless this Agreement has been terminated by the Company for Cause, the Company shall pay the Consultant compensation due for Services actually rendered, in accordance with Section 2, and such amounts shall be in full satisfaction of any obligation or liability of the Company to the Consultant for payments due to the Consultant under this Agreement. Sections 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, and 17 of this Agreement shall survive the termination or expiration of this Agreement. Termination of this Agreement by any party shall not act as a waiver of any breach of this Agreement and shall not release any party from any liability for breach of such party's obligations under this Agreement. No party shall be liable to the others for damages of any kind solely as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement by a party shall be without prejudice to any other right or remedy of such party under this Agreement or applicable law.

27. Equitable Relief. The Consultant recognizes that the covenants contained in Sections 4 and 5 are reasonable and necessary to protect the legitimate interests of the Company, that the Company would not have entered into this Agreement in the absence of such covenants, and that the Consultant's breach or threatened breach of such covenants shall cause the Company irreparable harm and significant injury, the amount of which shall be extremely difficult to estimate and ascertain, thus, making any remedy at law or in damages inadequate. Therefore, the Consultant agrees that the Company shall be entitled, without the necessity of posting of any bond or security, to the issuance of injunctive relief by any court of competent jurisdiction enjoining any breach or threatened breach of such covenants and for any other relief such court deems appropriate. This right shall be in addition to any other remedy available to the Company at law or in equity.

28. Governing Law; Venue. This Agreement is to be construed in accordance with and governed by the laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the laws of the State of California to the rights and duties of the parties. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be commenced in a federal or state court in the City and County of Los Angeles, California, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding.

29. Notices. Any notice, request, demand, or other communication required or permitted hereunder shall be in writing, shall reference this Agreement and shall be deemed to be properly given: (a) when delivered personally; (b) when sent by facsimile, with written confirmation of receipt by the sending facsimile machine; (c) five business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two business days after deposit with a private industry express courier, with written confirmation of receipt. All notices shall be sent to the address set forth on the signature page of this Agreement and to the notice of the person executing this Agreement (or to such other address or person as may be designated by a party by giving written notice to the other party pursuant to this Section).

30. Legal Fees. If any legal action, including, without limitation, an action for arbitration or injunctive relief, is brought relating to this Agreement or the breach hereof, the prevailing party in any final judgment or arbitration award, or the non-dismissing party in the event of a voluntary dismissal by the party instituting the action, shall be entitled to the full amount of all reasonable expenses, including all court costs, arbitration fees and actual attorney fees paid or incurred in good faith.

31. Severability. If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.

32. Entire Agreement. The terms of this Agreement, together with the Purchase Agreement, are the final expression of the agreement of the parties with respect to the subject matter hereof. This Agreement and the Purchase Agreement supersede all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the Consultant's engagement, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements.

33. Amendment/Waivers. This Agreement can be amended or terminated only by a written agreement signed by both parties. No failure to exercise or delay by the Company in exercising any right under this Agreement shall operate as a waiver thereof.

34. Successors and Assigns. The Consultant may not subcontract or otherwise delegate its obligations under this Agreement without the Company's prior written consent. The Consultant agrees that the Company may assign any of its rights under this Agreement to any affiliate of the Company or any successor in interest to the Company or its business operations (including without limitation any purchaser of all or substantially all of the assets of the Company). This Agreement shall be binding upon the Consultant, and shall inure to the benefit of the Company's successors and assigns.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first written above.

ALIGNED HEALTHCARE, INC.,
a California corporation

By: /s/ Warren Hosseinion
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

Address: Apollo Medical Holdings, Inc.
450 N. Brand Blvd.
Suite 600
Glendale, California 91203
Attn.: Chief Executive Officer
Fax: (818) 291-6444

/s/ BJ Reese
BJ Reese

Address: 860 Hampshire Road, Suite A
Westlake Village, California 91361
Fax: (805) 379-0267

Schedule 1

Description of Services

Acting as Chief Operating Officer of the Company and undertaking all duties and activities customarily associated with such position, including marketing, business development, management and oversight of the Aligned Division, including the 24 hour physician call center and care management.

Schedule 2

Compensation

Until such time as the EBITDA (as defined in the Purchase Agreement) of the Aligned Division is positive during any one full fiscal quarter of the Buyer (a "**Fiscal Quarter**") following the Effective Date (the "**Cash Flow Benchmark**"), as determined by the Buyer based on financial information filed by the Buyer with the SEC from time to time pursuant to the 1934 Act, the Company shall pay to Consultant $11,250 per Fiscal Quarter during the term of this Agreement (prorated for any partial Fiscal Quarters), payable in arrears within three (3) business days following the date on which the Buyer files its quarterly or annual report, as the case may be, with the SEC (the "**Filing Date**") for each Fiscal Quarter following the Effective Date. If and when the Cash Flow Benchmark is met, (a) the Company shall increase the quarterly payments made to the Consultant during the term of this Agreement to $22,500, and (b) the Company shall pay the Consultant, within three (3) business days following the Filing Date for the Fiscal Quarter in which the Cash Flow Benchmark is met, a lump sum amount (the "**Lump Sum Payment**") equal to the product of $11,250 multiplied by the number of Fiscal Quarters following the Effective Date until the Cash Flow Benchmark is met (prorated for any partial Fiscal Quarters). Notwithstanding the foregoing, the Company shall not be obligated to pay any part of the Lump Sum Payment that would result in the EBITDA of the Aligned Division (which, for these purposes, shall include the amount of the Lump Sum Payment and any other payments made under this Agreement during such Fiscal Quarter) becoming negative for the Fiscal Quarter in which the Cash Flow Benchmark is met, and any amount of the Lump Sum Payment that is not so paid shall be carried forward until the end of the immediately following Fiscal Quarter and paid within three (3) business days following the Filing Date for such Fiscal Quarter up to an amount that would result in the EBITDA of the Aligned Division (as adjusted to include the amount of the Lump Sum Payment and any other payments made under this Agreement during such Fiscal Quarter) becoming negative for such Fiscal Quarter. If the remaining amount of the Lump Sum Payment has not been paid in full following such Fiscal Quarter, then such remaining amount shall be carried forward for one or more succeeding Fiscal Quarters and paid as provided in the preceding sentence until the Lump Sum Payment is paid in full.

Exhibit B

RIGHT OF FIRST REFUSAL AGREEMENT

This RIGHT OF FIRST REFUSAL AGREEMENT is made as of February 15, 2011 (the "**Agreement**"), by and among Apollo Medical Holdings, Inc., a Delaware corporation ("**ApolloMed**"), on the one hand, and Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), Marcelle Khalil ("**Marcelle**") and Hany Khalil ("**Hany**" and, together with Marcelle, the "**Members**" and individually a "**Member**"), on the other hand. Aligned LLC, the Members and the Permitted Transferees (as defined below) of the Members are sometimes herein called, collectively, the "**Aligned Group**" and, individually, a "**Aligned Party**".

WHEREAS, Aligned LLC provides management services to Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**"), and other medical practices in the Counties of Tulare, Kings, Madera, Sacramento, Stanislaus and Fresno in California, which include managing and administering Aligned Corp.'s and other providers' medical clinics and providing support services to and furnishing Aligned Corp. and other practices with the necessary personnel and support staff (the "**Business**");

WHEREAS, concurrently with this Agreement, (a) Aligned LLC and Aligned Corp. are selling and transferring to Aligned Healthcare, Inc., a California corporation (the "**Company**"), certain assets used or useful in the management, administration and operation of 24-hour physician and nursing call centers, and (b) ApolloMed, Aligned LLC, Aligned Corp. and certain other parties have entered into a Stock Purchase Agreement, dated February 15, 2011 (the " **Purchase Agreement**"), pursuant to which ApolloMed will purchase all of the issued and outstanding shares of the Company's stock, on the terms and conditions therein;

WHEREAS, the Members are the record and beneficial owners of all of the membership interests of Aligned LLC (the "**Aligned LLC Interests**"); and

WHEREAS, the Aligned Group desires to grant to ApolloMed, and ApolloMed desires to acquire from the Aligned Group, an exclusive right of first refusal to purchase (a) all or a substantial part of the assets of Aligned LLC (the "**Assets**"), and (b) the Aligned LLC Interests now or hereafter owned by any Aligned Party (the "**Subject Interests**"), on the terms and conditions hereof;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements herein, the parties hereto, each intending to be bound hereby, agree as follows:

1. Prohibition on Transfers.

(a) Transfers Prohibited Generally. For purposes of this Agreement, "**Transfer**" means any sale, assignment, transfer, encumbrance, pledge, hypothecation, gift or other disposition or alienation, voluntarily, by operation of law, or otherwise, whether or not pursuant to or in connection with any merger, consolidation, recapitalization, reorganization or other corporate transaction, of (1) all or any substantial part of the Assets in a single transaction or a series of related transactions, (2) any Subject Interests or (3) any right, title or interest in or to any Subject Interests or in or to all or any substantial part of the Assets, provided that (i) liens and security interests granted to banks, commercial lenders, institutional equipment lessors and similar financial institutions in connection with lending or lease transactions by Aligned LLC that are for bona fide corporate purposes, are not intended to affect the ownership or control of Aligned LLC, and are not intended to circumvent and (in the absence of bankruptcy or insolvency proceedings) do not have the effect of circumventing this Agreement, and (ii) sales of tangible Assets in the ordinary course of business shall not constitute Transfers. Except for Transfers that are permitted by Section 1(b) or otherwise comply in all respects with this Agreement, no Aligned Party shall, without the prior consent of ApolloMed, suffer, permit or effect any Transfer or enter into any agreement or commitment for any Transfer during the term of this Agreement. Any attempted or purported Transfer or agreement or commitment therefor during the term of this Agreement that is not permitted by Section 1(b) or that does not otherwise comply in all respects with this Agreement shall be void and of no effect.

(b) Estate Planning Transfer Exception. Any provision of Section 1(a) to the contrary notwithstanding, any Member who is a natural person may make a gift of Subject Interests, *inter vivos* or testamentary, (1) to any of his or her spouse, issue or lineal descendants or to a custodianship of any of the foregoing, or (2) to a trust that at all times during such Member's lifetime is fully revocable by him or her (a "**Trust**"); provided that the instrument governing such Trust (A) shall be in writing, (B) shall provide that such Member, during his or her lifetime, shall be the sole trustee thereof with respect to Subject Interests assigned to such Trust, (C) shall provide that such Subject Interests may be distributed by such Trust (on its revocation or termination or otherwise) during such Member's lifetime only to such Member or to a subtrust of such Trust of which such Member is (during his or her lifetime) the sole beneficiary and trustee (and such Trust shall be deemed to include any such subtrust for purposes of this Agreement) and which subtrust agrees to be bound by and perform such Member's obligations under this Agreement, (D) shall provide that on such Member's death, such Trust and all trustees thereof shall pay, perform or otherwise discharge (or shall cause to be paid, performed or otherwise discharged) when due all of such Member's and such Trust's duties, obligations and liabilities under this Agreement, and (E) shall be reasonably satisfactory to ApolloMed. Persons to whom sales or gifts of Subject Interests may be made as provided in this Section 1(b) are hereinafter called "**Permitted Transferees**." A Member desiring to give any Subject Interests to a Permitted Transferee shall cause such Permitted Transferee to execute and deliver a counterpart of this Agreement or an instrument, in form and substance satisfactory to ApolloMed, agreeing to be subject to and bound by this Agreement.

2. Right of First Refusal. In consideration of the consideration received by the Aligned Group in connection with the Transactions (as defined in the Purchase Agreement), receipt of which is hereby acknowledged by the Aligned Group, and as a material inducement to ApolloMed to enter into this Agreement and the Purchase Agreement, each Aligned Party hereby grants to ApolloMed an exclusive right of first refusal to acquire the Assets, the Subject Interests, or any thereof, or any right or interest therein, on the following terms:

(a) Notice of Third Party Contract. For purposes of this Agreement, "**Third Party Contract**" means a bona fide agreement reasonably believed in good faith by each Aligned Party to be legal, valid and binding and duly executed by a third party unrelated to and unaffiliated with any Aligned Party, which agreement obligates such third party to purchase any of the Subject Interests or all or any substantial part of the Assets, subject to no conditions other than compliance with this Agreement and customary closing conditions (including, without limitation, (1) the accuracy of representations and warranties made in the Third Party Contract as of the Closing Date, (2) obtaining any necessary third party or governmental consents or permits, (3) the absence of litigation that seeks to preclude or enjoin the consummation of the transaction, (4) the absence of a material adverse effect on Aligned LLC or its business or financial condition, (5) the satisfactory performance, as of the closing date of all covenants and obligations of the Aligned Parties who are parties to the Third Party Contract required to have been performed by them prior to such closing, and (6) the delivery of all documents and instruments, duly executed, as shall be required at closing). If any Aligned Party enters into a Third Party Contract, such Aligned Party (a "**Aligned Offeree**") shall, within five (5) days thereafter, notify ApolloMed thereof (the "**Notice**") and provide ApolloMed with a true and complete copy of such Third Party Contract. Such Third Party Contract shall specify precisely and completely the Assets or Subject Interests to be Transferred, the purchase price therefor and all other material terms of such Third Party Contract. Any offer, proposal or agreement regarding the Transfer of any Subject Interests (other than to a Permitted Transferee in accordance with Section 1(b)) or any substantial part of the Assets that does not constitute a Third Party Contract shall be void and of no effect.

(b) Exercise Period. For a period (an "**Exercise Period**") from the date that ApolloMed receives a Notice to the earlier of the ninetieth (90^{th}) day thereafter and the date that ApolloMed declines in writing to exercise its rights hereunder with respect to the Third Party Contract that is the subject of such Notice, ApolloMed shall have the option to purchase the Subject Interests or the Assets specified in such Third Party Contract for the purchase price, and on the terms and conditions specified in such Third Party Contract. ApolloMed may exercise such option by notice to the Aligned Group before the end of the Exercise Period. During the Exercise Period, neither any Aligned Party nor any officer, manager, director, employee, agent or other representative or affiliate of any Aligned Party, directly or indirectly, shall encourage, solicit, initiate or respond to, or participate in any proposals, discussions, negotiations, requests for information or other similar matters regarding, the Third Party Contract or any other potential Transfer, except for discussions and negotiations with and responding to requests for information by ApolloMed or by the counterparty(ies) to the Third Party Contract, to the extent required under the Third Party Contract. During the Exercise Period, the Aligned Group shall provide ApolloMed with all cooperation, information and documents that ApolloMed reasonably requests in connection with its evaluation of the Third Party Contract.

(c) Non-Cash Consideration. If any part or all of the purchase price to be paid by the third party under a Third Party Contract is other than solely in cash, and if ApolloMed exercises its option as provided above with respect to such Third Party Contract, ApolloMed shall pay such non-cash consideration either, in ApolloMed's absolute discretion, in cash or shares of common stock ("**ApolloMed Shares**") of ApolloMed, or a combination of cash and ApolloMed Shares (valuing the ApolloMed Shares at the average of the closing prices thereof on the thirty (30) trading days ending with the fifth (5^{th}) trading day preceding the last day of the Exercise Period), in an amount that ApolloMed and the Aligned Offeree agree to be equivalent to such non-cash consideration; provided that, if ApolloMed and the Aligned Offeree do not so agree before the end of the Exercise Period, the value of such non-cash consideration shall be determined as of the date of the giving of the Notice by an appraiser acceptable to the Aligned Offeree and ApolloMed. If the Aligned Offeree and ApolloMed do not agree on an appraiser within ten (10) days after the end of the Exercise Period, the Aligned Offeree and ApolloMed shall each name an appraiser. The two (2) appraisers so named shall select a third (3^{rd}) appraiser who is not affiliated with either of them and who shall appraise such non-cash consideration. Any such appraiser shall be an independent, professional investment banker, appraiser or certified public accountant that is not related to or affiliated with ApolloMed or any Aligned Party. In determining such value, the appraiser so appointed shall consider all opinions and relevant evidence submitted to it by the Aligned Offeree and ApolloMed, or otherwise obtained by it, and shall set forth its determination in writing together with its opinion and the considerations on which such opinion is based, with a signed counterpart to be delivered to each of the Aligned Offeree and ApolloMed, within thirty (30) days after the appraiser is notified of and accepts its appointment as such. Such determination shall be final, binding and conclusive. One half of the fees and expenses of such appraisers, if any, shall be paid when due by each of the Aligned Offeree and ApolloMed; provided that each party shall bear such party's own expenses in presenting evidence to the appraiser. The ApolloMed Shares, if any, issued to any Aligned Offeree pursuant to this Section 2(c) shall be offered, issued and sold by ApolloMed in a transaction not involving any public offering within the meaning of Section 4(2) of the Securities Act of 1933, as amended, and pursuant to Rule 506 of Regulation D thereunder, and all parties to such transaction shall promptly execute and deliver such agreements, instruments and documents, including, without limitation, representations and warranties of such Aligned Offeree regarding investment intent, as are customary in connection therewith; provided that no Aligned Party shall be entitled hereunder to require the ApolloMed or ApolloMed to cause any ApolloMed Shares to be registered or qualified under the Securities Act of 1933, as amended, or any state securities law.

(d) Non-Exercise of Right of First Refusal. If ApolloMed does not exercise its right of first refusal with respect to any Third Party Contract during the Exercise Period, the Aligned Offeree may, within sixty (60) days thereafter, Transfer the Assets or the Subject Interests, as the case may be, specified in such Third Party Contract at the purchase price and on the terms and conditions specified in such Third Party Contract. If the Aligned Offeree does not complete such Transfer within such sixty-day period, such Third Party Contract shall be void and of no effect and the provisions of this Section 2 shall apply to any subsequent proposed Transfer of the Assets or Subject Interests subject thereto.

3. Good Faith Negotiations. During the term of this Agreement, ApolloMed and the Aligned Group shall undertake good faith negotiations regarding the potential acquisition by ApolloMed of the Subject Interests substantially all of the Assets, provided that nothing in this Section 3 shall obligate ApolloMed to enter into an agreement to acquire any of the Assets or Subject Interests.

4. Representations and Warranties.

(a) Regarding the Aligned Companies. Each Aligned Party, jointly and severally, represents and warrants that:

13.13.1 The Members own of record and beneficially all right, title and interest in and to all of the Aligned LLC Interests, as follows:

Member	Aligned LLC Percentage Interests Owned
Marcelle Khalil	51%
Hany Khalil	49%

13.13.2 Aligned LLC is the sole and exclusive owner of and has full power and authority to own the Assets and to operate the Business as now operated.

13.13.3 All of the Aligned LLC Interests are duly authorized, validly issued, fully paid and non-assessable.

13.13.4 Aligned LLC has full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

13.13.5 The execution and delivery of this Agreement by Aligned LLC and the consummation of the transactions contemplated hereby have been duly authorized by the managers and members of Aligned LLC.

13.13.6 This Agreement is the legal, valid and binding agreement of Aligned LLC, enforceable against Aligned LLC in accordance with its terms.

13.13.7 No option, warrant, call, conversion right, contract or commitment of any kind whatsoever exists, pursuant to or as a result of which Aligned LLC may be obligated to offer, issue or sell, or may offer issue or sell, any securities whatsoever or may be obligated to Transfer, or may Transfer, any Subject Interests. Except for this Agreement, Aligned LLC is not a party to any voting trust, voting agreement, shareholder agreement, buy-sell agreement, proxy, pledge or hypothecation agreement, or other agreement relating to or restricting the transferability of any Subject Interests.

13.13.8 The execution and delivery of this Agreement by Aligned LLC, and the consummation by it of the transactions contemplated hereby, does not and will not (1) result in the breach or violation of any of the terms or conditions of, or constitute a default under, any mortgage, indenture, lease, agreement, obligation or commitment to which Aligned LLC is a party or by which Aligned LLC or any of the Assets is or may be bound or affected, (2) violate the articles of organization or the operating agreement of Aligned LLC, (3) violate any law, rule or regulation or any order, writ, injunction or decree of any court, administrative agency or governmental authority applicable to Aligned LLC, or (4) require notice to or the approval, consent or permission of any person.

(b) By the Members. Each Member, severally as to himself or herself, and not jointly, represents and warrants that:

13.13.9 Such Member holds the Aligned LLC Interests that he or she owns as set forth in Section 3(a)(i), free and clear of any and all liens, claims, charges, security interests, encumbrances and restrictions.

13.13.10 Such Member has full right, power and authority to enter into this Agreement and to perform such Member's obligations hereunder.

13.13.11 This Agreement has been duly and validly executed and delivered by such Member and constitutes the legal, valid and binding agreement of such Member, enforceable against such Member in accordance with its terms.

13.13.12 No consent of any third party is required for such Member to enter into or perform this Agreement.

13.13.13 No option, warrant, call, conversion right, contract or commitment of any kind whatsoever exists, pursuant to or as a result of which such Member may be obligated to Transfer, or may Transfer, any Subject Interests. Except for this Agreement, such Member is not a party to any, and there exists no, voting trust, voting agreement, shareholder agreement, buy-sell agreement, proxy, pledge or hypothecation agreement, or other agreement relating to or restricting the transferability of any Subject Interests owned by such Member.

13.13.14 The execution and delivery of this Agreement by such Member, and the consummation by such Member of the transactions contemplated hereby, does not and will not (1) result in the breach or violation of any of the terms or conditions of, or constitute a default under, any mortgage, indenture, lease, agreement, obligation or commitment to which such Member is a party or by which such Member or any Subject Interests is or may be bound or affected, (2) violate the articles of organization or the operating agreement of Aligned LLC, (3) violate any law, rule or regulation or any order, writ, injunction or decree of any court, administrative agency or governmental authority applicable to such Member, or (4) require notice to or the approval, consent or permission of any person.

5 . No Issuance of Subject Interests. Aligned LLC shall not, and the Members shall not suffer or permit Aligned LLC to, offer, issue or sell any Aligned LLC Interests or any securities convertible into or exchangeable or exercisable for any Aligned LLC Interests to any person other than the Members and Permitted Transferees or otherwise than in accordance with this Agreement.

6. Legends. Immediately after the date hereof, each holder of Subject Interests shall surrender to the issuer of such Subject Interests all certificates, if any, for such Subject Interests, and such issuer shall endorse the following legend on the face of each such certificate, or on the reverse thereof with reference thereto on the face thereof:

THESE INTERESTS MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED PLEDGED, HYPOTHECATED, GIVEN AS A GIFT OR OTHERWISE DISPOSED OF OR ALIENATED, VOLUNTARILY, BY OPERATION OF LAW, OR OTHERWISE, WHETHER OR NOT PURSUANT TO OR IN CONNECTION WITH ANY MERGER, CONSOLIDATION, RECAPITALIZATION, REORGANIZATION OR OTHER TRANSACTION, EXCEPT ONLY IN COMPLIANCE WITH A RIGHT OF FIRST REFUSAL AGREEMENT DATED FEBRUARY 15 2011, A COPY OF WHICH IS ON FILE AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS.

At any time at which any Subject Interests are no longer subject to this Agreement, any holder of a certificate representing such Subject Interests may surrender such certificate to the issuer thereof for removal of such legend, and the issuer thereof shall duly issue a new certificate in replacement thereof without such legend.

7. Termination. This Agreement shall terminate on the later of (a) the first (1st) anniversary of the date hereof and (b) the end of an Exercise Period that begins before the first (1st) anniversary of the date hereof; provided that Section 17 shall survive any termination of this Agreement.

8. Assignment. Subject to Section 1(b), no Aligned Party shall assign this Agreement or any rights hereunder or delegate any duties hereunder without ApolloMed's prior express consent, and any such assignment or delegation that may be attempted or purported without such consent shall be void and of no effect. Subject to the preceding sentence, this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

9. Execution. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or by electronic transmission in PDF format shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile transmission or by electronic transmission in PDF format shall be deemed to be their original signatures for all purposes. At the request of any party, any facsimile or electronic document shall be re-executed in original form by the parties who executed the facsimile or electronic document.

10. Notices. Any notice, consent, demand or other communication required or permitted to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally or transmitted by facsimile, three days after being deposited as first class mail with the United States Postal Service, or one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, all charges or first class postage prepaid, properly addressed, as follows:

If to any Aligned Party:

Raouf Khalil
860 Hampshire Road, Suite A
Westlake Village, CA 91361
Fax: (805) 379-0267

With a copy to:	Carl D. Hasting, Esq. Attorney at Law Certified Public Accountant CDH Associates, Inc. 5655 Lindero Canyon Rd., Suite 226 Westlake Village, CA 91362 Fax: (818) 879-1562
If to ApolloMed:	Apollo Medical Holdings, Inc. 450 N. Brand Blvd. Suite 600 Glendale, California 91203 Attn.: Chief Executive Officer Fax: (818) 291-6444
With a copy to:	Shartsis Friese LLP One Maritime Plaza, 18th Floor San Francisco, CA 94111 Attn: P. Rupert Russell, Esq. Fax: (415) 421-2922;

provided that any party hereto may change such party's address for purposes of this Section 10 by not less than thirty (30) days' advance notice hereunder to the other party(ies).

11. Attorneys' Fees. In the event of any dispute or controversy between or among any of the parties hereto relating to the interpretation of this Agreement or to the transactions contemplated hereby, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.

12. Applicable Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California, without regard to its conflict of laws provisions.

13. Entire Agreement. This Agreement constitutes the entire agreement between ApolloMed and the Aligned Group with respect to the subject matter hereof and supersedes all prior or contemporaneous correspondence, understandings and agreements, written or oral, between them, regarding the subject matter hereof. This Agreement may be modified or amended only by a written instrument signed by the parties hereto.

14. Waiver. No waiver by either ApolloMed or any Aligned Party at any time of any breach of, or compliance with, any condition or provision of this Agreement to be performed by the other may be deemed a waiver of any similar or dissimilar provision or condition at the same time or at any prior or subsequent time.

15. Specific Enforcement; Additional Remedies. Each party hereto agrees that monetary damages would not adequately compensate the other party or parties for the breach of this Agreement by such party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be subject of a temporary or permanent injunction or restraining order. Each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach. Each party hereto agrees to waive any and all requirements that the other party or parties secure or post any bond or surety in seeking any such remedy.

16. Covenants to Run with Subject Interests. The covenants, conditions and restrictions herein shall be and constitute covenants, conditions and restrictions running with all Subject Interests now or hereafter owned by any Aligned Party at any time, directly or indirectly, whether or not the same have been issued.

17. Confidentiality.

(a) Aligned Group's Obligation. Except as otherwise required by law, without ApolloMed's prior consent, no Aligned Party shall disclose, or shall suffer or permit the disclosure of, the existence or any of the terms or conditions of this Agreement or any transaction contemplated hereby, to any person whatsoever, including, without limitation, any employee, agent or representative of any Aligned Party, except that this Section 17 shall not limit any Aligned Party's right to disclose this Agreement and its terms and conditions to such Aligned Party's accountants, attorneys and advisers who are informed in writing of such Aligned Party's confidentiality obligations hereunder and who are obligated to such Aligned Party to keep confidential the existence, terms and conditions of this Agreement and the transactions contemplated hereby.

(b) ApolloMed's Obligation. Except as otherwise required by law, without Aligned LLC's prior consent, ApolloMed shall not disclose, or suffer or permit the disclosure of, the existence or any of the terms or conditions of this Agreement or any transaction contemplated hereby, to any person whatsoever, except that this Section 17 shall not limit ApolloMed's right to disclose this Agreement and its terms and conditions to its employees who ApolloMed believes need to know of the same or to its accountants, attorneys and advisers who are informed in writing of ApolloMed's confidentiality obligations hereunder; provided that, anything herein to the contrary notwithstanding, ApolloMed may make such disclosures at such time or times as ApolloMed may determine, in ApolloMed's exclusive discretion, may be necessary or advisable for ApolloMed to comply with the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, or any other applicable state, federal, foreign or other law, rule or regulation.

18. Construction. Whenever the context requires, the use in this Agreement of the singular number shall be deemed to include the plural and vice versa, and each gender shall be deemed to include each other gender. The captions of Sections in this Agreement are for convenience of reference only and are not part of this Agreement. For purposes of this Agreement, (a) "**person**" shall be deemed to include, in addition to natural person, corporation, partnership, limited liability company, trust, association, firm or other entity or organization, (b) an "**affiliate**" of a specified person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified, and (c) "**control**" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, this Right of First Refusal Agreement has been duly executed by or on behalf of the parties hereto, thereunto duly authorized, as of the date first above written.

ALIGNED GROUP:

ALIGNED HEALTHCARE GROUP LLC

By: Raouf Khalil
Its: President

Marcelle Khalil
MARCELLE KHALIL

Hany R Khalil
HANY KHALIL

APOLLOMED:

APOLLO MEDICAL HOLDINGS, INC.

By: Warren Hosseinion, M.D.
Its: Chief Executive Officer

FIRST AMENDMENT TO
STOCK PURCHASE AGREEMENT

This FIRST AMENDMENT TO STOCK PURCHASE AGREEMENT (the "**Amendment**") is made and entered into as of July 8, 2011, by and among Apollo Medical Holdings, Inc., a Delaware corporation (the "**Buyer**"), on the one hand, and Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**"), Raouf Khalil ("**Khalil**"), Jamie McReynolds, M.D. ("**McReynolds**"), BJ Reese & Associates, LLC ("**Reese LLC**") and BJ Reese ("**Reese**"), on the other hand, and amends in certain respects that certain Stock Purchase Agreement dated as of February 15, 2011 by and among the parties (the "**Purchase Agreement**"). Capitalized terms used but not defined in this Amendment shall have the meanings given to such terms in the Purchase Agreement.

A. The Buyer and the Aligned Parties have previously entered into the Purchase Agreement and the Transaction Documents which provide, among other things, that the Aligned Parties will not engage in the Call Center Business anywhere in the United States outside of the Aligned Territory during the Restricted Period.

B. The Buyer and the Aligned Parties desire to amend the Purchase Agreement to provide, among other things, that the Call Center Business includes the "wrap around business," and that Aligned LLC and Aligned Corp. may engage in the Call Center Business within and outside of the Aligned Territory solely as and to the extent expressly provided in this Amendment and in that certain Services Agreement, dated the date hereof (the "**Services Agreement**"), among the Aligned Healthcare, Inc. (the "**Company**"), Aligned LLC and Aligned Corp., the form of which is attached hereto asExhibit A.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto, each intending to be bound hereby, agree as follows:

1. Designated Contracts. Notwithstanding anything to the contrary in the Purchase Agreement or the Transaction Documents, subject to the terms and conditions of this Amendment, the Purchase Agreement and the Services Agreement, Aligned LLC and Aligned Corp. may enter into one or more contracts with Anthem Blue Cross for the provision of services relating to the Call Center Business solely within the State of California (each such contract is referred to individually as a "**Designated Contract**" and, collectively, as the "**Designated Contracts**"). As provided in the Purchase Agreement, the Aligned Parties may also enter into contracts with any other health plan for the provision of services relating to the Call Center Business solely within the Aligned Territory, and such contracts shall not be deemed to be Designated Contracts. During the term of the Services Agreement, the Company shall not enter into any contract with (a) Anthem Blue Cross for the provision of services relating to the Call Center Business within the State of California, or (b) any other health plan for the provision of services relating to the Call Center Business within the Aligned Territory, it being acknowledged and agreed that nothing contained in this Amendment, the Purchase Agreement or the Services Agreement shall in any way whatsoever prevent the Company or any of its affiliates from engaging in the Call Center Business with Anthem Blue Cross outside of the State of California or with any other health plan outside of the Aligned Territory. Each Designated Contract shall be deemed to be a written agreement between the Company, on the one hand, and a health plan, an Independent Physician Association or a hospital, on the other hand, for the purpose of determining whether the Company has entered into a Qualified MSO Contract under Section 1.2(d) of the Original Purchase Agreement, it being expressly understood that no Designated Contract shall be a Qualified MSO Contract unless it meets all of the conditions stated in Section 1.2(d) of the Original Purchase Agreement.

2 . Other Call Center Contracts. The Company, Buyer or their affiliates may, in their sole and exclusive discretion, enter into one or more contracts with third parties for the provision of services relating to the Call Center Business and which are not Designated Contracts (each such contract, an "**Other Call Center Contract**"). By way of example, the Company may enter into an Other Call Center Contract with a third party other than Anthem Blue Cross for the provision of services relating to the Call Center Business within the State of California or with any third party for the provision of services relating to the Call Center Business outside of the State of California. In connection with each such Other Call Center Contract, subject to the written consent of the counterparty to such Other Call Center Contract, the Company, the Buyer or the affiliate thereof that enters into such Other Call Center Contract shall enter into a License Agreement with an Aligned Party in form and substance mutually agreeable to the Company and the Aligned Parties (each, a "**License Agreement**"). Each License Agreement shall provide, among other things, that (a) so long as no Aligned Party is in default under any Transaction Document, the Aligned Party shall have exclusive operational authority relating to the services to be provided under the applicable Other Call Center Contract, (b) the Aligned Party shall be entitled to payment for its services under the License Agreement in accordance with terms of that agreement, including an apportionment of costs similar to that set forth in this Agreement, (c) the Aligned Parties shall indemnify, defend and hold harmless the Company, the Buyer and their respective affiliates for any claims or damages arising out of or related to the Aligned Parties' services under the License Agreement, (d) the Aligned Parties shall make customary representations and warranties and be bound by customary covenants relating to their performance of the License Agreement, including those relating to HIPAA compliance, (e) the Company shall license to the applicable Aligned Party the rights necessary to perform its services under the License Agreement, and (f) the Company or its designee shall be the exclusive owner of any and all work product or other intellectual property created by the Aligned Parties in connection with their engagement under the License Agreement.

3. Amendment to Aligned Parties' Restrictive Covenants.

(a) Clause (a) of Section 5.1(a)(i) of the Purchase Agreement is hereby amended and restated in full as follows:

(a) the Buyer, as the purchaser of the Shares, following the Closing will be engaged in the provision of services relating to (I) patient case management or the management, administration and operation of 24-hour physician and nursing call centers and related services (the "**Call Center Services**") and (II) post-discharge management services, including but not limited to coordination of patient discharge from acute care facilities to skilled nursing facilities, long term acute care facilities or home, repatriation to personal care physicians, post-discharge outbound calls to members and providers, telephonic transition management for high risk members to assure compliance, access and early identification of complication, medication compliance, and patient monitoring to limit readmission to acute care facilities (the "**Wrap Around Business**" and, together with the Call Center Services, the "**Call Center Business**");

(b) Section 5.1(a)(iv) of the Purchase Agreement is hereby amended and restated in full as follows:

(iv) The term "**Restricted Period**" shall mean the period beginning on the Closing Date and ending on the later of (A) the earliest to occur of (x) the removal or failure to re-elect Khalil as president of the Company, (y) the termination for any reason of Khalil's engagement with the Company or any of its affiliates as an employee or consultant, and (z) the exercise by the Buyer of its right under Section 1.2(d) to repurchase all of the Buyer Stock then outstanding, and (B) the latest termination date of (x) any of the Designated Contracts entered into by Aligned Corp. or Aligned LLC under that certain Services Agreement dated as of July 8, 2011 among the Company, Aligned LLC and Aligned Corp. and (y) any Other Call Center Agreement. The Restricted Period shall be extended by the number of days in any period in which any Aligned Party or an affiliate of any Aligned Party is determined by a court of competent jurisdiction to be in default or breach of this Section 5.1(a).

4 . Services Agreement; License Agreements. As a condition to the Company's execution and delivery of this Amendment, Aligned LLC and Aligned Corp. shall concurrently enter into the Services Agreement and the HIPAA Business Associate Agreement attached thereto, and the Services Agreement and such HIPAA Business Associate Agreement shall each be deemed to be a Transaction Document under the Purchase Agreement. Each License Agreement, if any, shall be deemed to be a Transaction Document under the Purchase Agreement.

5 . Consulting Arrangements. Khalil and Reese shall continue to provide consulting services to the Company pursuant to their Consulting Agreements in accordance with the terms thereof.

6 . Consent of Anthem Blue Cross. The Aligned Parties represent and warrant that they have obtained the consent of Anthem Blue Cross to the terms of this Amendment and the Services Agreement.

7. Restatement of Schedule 2.2. Schedule 2.2 to the Purchase Agreement is hereby amended and restated in its entirety as attached hereto.

8 . Effect of Amendment. Except as expressly amended by this Amendment, all of the terms of the Purchase Agreement and the Transaction Documents shall remain unchanged and in full force and effect, including without limitation (a) Buyer's and the Company's rights to and ownership of revenues and profits associated with the Designated Contracts outside of the Aligned Territories and (b) the terms of Section 5.1 of the Purchase Agreement, including as they relate to the Hospitalist Business. In the event of any inconsistency or conflict between the provisions of the Purchase Agreement and this Amendment, the provisions of this Amendment will prevail and govern.

9 . Counterparts. The parties may execute this Amendment in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all of the parties, even though all of the parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

APOLLO MEDICAL HOLDINGS, INC.,
a Delaware corporation

By : /s/ Warren Hosseinion
Name: Warren Hosseinion
Title: Chief Executive Officer and Director

ALIGNED HEALTHCARE GROUP – CALIFORNIA, INC.,
a California professional medical corporation

By: /s/ Hany Khalil
Name: Hany Khalil
Title: President

ALIGNED HEALTHCARE GROUP LLC,
a California limited liability company

By: /s/ Marcelle Khalil
Name: Marcelle Khalil
Title: Managing Member

By: /s/ Raouf Khalil
RAOUF KHALIL

By: /s/ Jamie McReynolds
JAMIE MCREYNOLDS, M.D.

By: /s/ BJ Reese
BJ REESE

BJ REESE & ASSOCIATES, LLC

By: /s/ BJ Reese
Name: BJ Reese
Title: Managing Member

Exhibit A

SERVICES AGREEMENT

This SERVICES AGREEMENT (this "Agreement") is made and entered into as of July 8, 2011 (the "Effective Date"), by and between Aligned Healthcare, Inc., a California corporation (the "**Company**"), Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), and Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**"). Aligned LLC and Aligned Corp are sometimes collectively referred to herein as the "**Aligned Parties**" and individually as an "**Aligned Party**". All parties hereto are sometimes collectively referred to herein as the "**Parties**" or individually as a "**Party**."

A. Apollo Medical Holdings, Inc., a Delaware corporation ("**ApolloMed**"), purchased the outstanding shares of the Company, pursuant to that certain Stock Purchase Agreement, dated as of February 14, 2011 (the "**Original Purchase Agreement**"), by and among ApolloMed, the Company, Aligned LLC, Aligned Corp. and certain other parties named therein, as amended by the First Amendment to Purchase Agreement dated July 8, 2011 ("**First Amendment**" and, together with the Original Purchase Agreement, the "**Purchase Agreement**"). Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Purchase Agreement.

B. The Parties agreed in the First Amendment that the Aligned Parties may engage in the Call Center Business outside of the Aligned Territory solely as and to the extent expressly provided in this Agreement and the First Amendment.

C. The Parties desire enter into this Agreement to further define their rights and obligations with respect to the Designated Contracts and the Call Center Business (which, as defined in the Purchase Agreement, includes the Wrap Around Business).

D. But for Aligned Corp. and Aligned LLC executing and delivering this Agreement, the Company and ApolloMed would not have entered into the First Amendment.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto, each intending to be bound hereby, agree as follows:

1 . Designated Contracts. As provided in the Purchase Agreement, subject to the terms and conditions of this Agreement and the Purchase Agreement, Aligned LLC and Aligned Corp. may enter into one or more contracts with Anthem Blue Cross for the provision of services relating to the Call Center Business solely within the State of California (each such contract is referred to individually as a "**Designated Contract**" and, collectively, as the "**Designated Contracts**"). The Aligned Parties shall provide the Company with a copy of each draft of each proposed Designated Contract prior to the execution of such proposed Designated Contract (or any amendments, modifications, extensions or renewals thereof) within ten (10) days following receipt by any Aligned Party, and consult with the Company and ApolloMed as to any comments either party may have to such drafts. The Aligned Parties shall further provide the Company with a true and complete copy of each executed Designated Contract (and any amendments, modifications, extensions or renewals thereof) and all exhibits, schedules and attachments thereto within ten (10) days following the execution and delivery of such Designated Contract (or any amendments, modifications, extensions or renewals thereof). No Aligned Party shall enter into any Designated Contract or any amendments, modification, extensions or renewals thereof without the prior written consent of the Company. As provided in the Purchase Agreement, the Aligned Parties may also enter into contracts with any other health plan for the provision of services relating to the Call Center Business solely within the Aligned Territory, and such contracts shall not be deemed to be Designated Contracts.

2. License of Rights.

10. Grant of License. Subject to the terms and conditions of this Agreement, the Company grants each Aligned Party that is a party to an Designated Contract a nonexclusive, nontransferable license to use the Marks and the Assets during the term of this Agreement solely in connection with the performance of such Designated Contract. The Aligned Parties may not use the Marks or the Assets for any other purpose and shall not have any right to sublicense or authorize others to use the Marks or the Assets in any manner. The Company expressly reserves all rights in the Marks and the Assets not expressly granted herein.

11. Restrictions on Use of Marks and Assets. Other than the express rights licensed under this Agreement, each Aligned Party acknowledges that it is not acquiring any right, title or interest in or to the Marks or the Assets. No Aligned Party shall, whether during or after the term of this Agreement, adopt or apply for registration of any Mark, or any trade name or copyright that includes, refers to or uses, directly or indirectly, the Marks, or any design or logo of the Company or its affiliates, or any confusingly similar marks, names or designs. Specifically, the Aligned Parties shall not use the words or names, Aligned Healthcare, or any abbreviation, acronym or derivative thereof, or any confusingly similar word, name or abbreviation in its business name or in connection with any business operations in the United States outside of the Aligned Territory other than in connection with the performance of the Designated Contracts.

12. Ownership of Rights. Each Aligned Party acknowledges and agrees that the Company is the sole owner of the Assets and has the exclusive right to use the Marks in the United States outside of the Aligned Territory, and is also the sole owner of all copyrights and other intellectual property rights to all of the foregoing, including all rights to register and apply for registration of such intellectual property rights. Each Aligned Party agrees that the license rights granted herein with respect to logos, unregistered marks and slogans exist only to the extent that the Company has such rights, and that no warranty, express or implied, is made by the Company with respect thereto or with respect to the absence of any rights of any third party that may conflict with the rights granted herein. Each Aligned Party agrees that it shall not, directly or indirectly, during or after the term of this Agreement, challenge or interfere with, or assist others to challenge or interfere with, the ownership and use of the Assets and the Marks by the Company.

3. Payments to the Company.

Gross Revenues. The Aligned Parties shall pay to the Company all of the gross revenues paid to the Aligned Parties or any of their affiliates under the Designated Contracts ("**Gross Revenues**"), less the costs with respect to such Gross Revenues expressly described on Schedule A hereto (the "**Allowable Costs**"). The amount of Gross Revenues for any period less Allowable Costs for such period shall be the "**Net Revenues**" for such period, and the amount of Net Revenues for any period as adjusted as described on Schedule A hereto shall be the "**Adjusted Net Revenues**" for such period. Except as otherwise stated on Schedule A, no adjustments to or deductions of any kind or nature whatsoever shall be made from Gross Revenues. No Aligned Party shall take any credit or offset against Gross Revenues in the event of any uncollected or bad debt arising out of any Designated Contract or any penalty, fee, deduction, rebate or discount assessed or incurred in connection with any Designated Contract. Gross Revenues shall include, in addition to payments on invoiced billings received by the Aligned Parties, any and all other payments or amounts received by the Aligned Parties or any of their affiliates with respect to the Designated Contracts, and in no event shall the Gross Revenues reported by the Aligned Parties be less than the amounts actually received by the Aligned Parties from the Designated Contracts.

Manner of Payment; Monthly Statements. The Aligned Parties shall pay to the Company within ten (10) days after receipt of any payment under or relating to any Designated Contract the Adjusted Net Revenues for the period covered by such payment. The Aligned Parties shall deliver to the Company with each payment of Adjusted Net Revenues a statement showing, at a minimum: (i) the amount of Gross Revenues for such period (with supporting computations), (ii) a detailed statement of all Allowable Costs deducted by the Aligned Parties from Gross Revenues for that period for the purposes of calculating Net Revenues (with supporting computations), (iii) the Net Revenues for that period and the calculations thereof and (iv) the Adjusted Net Revenues for that period and the calculations thereof (collectively, the "**Adjusted Net Revenue Calculations**"). Time is of the essence with respect to all payments under this Agreement. If payment is not received by the Company on the due date, a late charge of one-and-one-half percent (1-½%) per month, or the maximum legal rate, whichever is less, shall be added to the unpaid balance until said balance (plus all accrued interest) is paid in full.

Resolution of Disputes. If the Company accepts the Adjusted Net Revenue Calculations for any period, or if the Company fails to give notice to the Aligned Parties of any objection within thirty (30) days after receipt of the Adjusted Net Revenue Calculations for any period, the Adjusted Net Revenue Calculations shall be the final and binding calculation of the Adjusted Net Revenues for the applicable period. If the Company gives notice to the Aligned Parties of an objection to such Adjusted Net Revenue Calculations within thirty (30) days after receipt of such Adjusted Net Revenue Calculations, the Company and the Aligned Parties shall attempt in good faith to resolve their differences. If the Company and the Aligned Parties are able to resolve their differences, the Adjusted Net Revenue Calculations, as modified to reflect the resolution of the differences between the Company and the Aligned Parties, shall be the final and binding calculation of the Adjusted Net Revenues for the applicable period. If, however, the Company and the Aligned Parties are unable to resolve their differences, the Company and the Aligned Parties shall submit any disputed items to a certified public accountant reasonably satisfactory to the Company and the Aligned Parties for a resolution of the dispute. The determination of the certified public accountant shall be final and binding on the Company and the Aligned Parties, and the Adjusted Net Revenue Calculations, as modified to reflect (i) those differences, if any, that the Company and the Aligned Parties were able to resolve, and (ii) the certified public accountant's determination with regard to the remaining disputed items, shall be the final and binding resolution of the Adjusted Net Revenues for the applicable period.

4. Certain Covenants and Obligations of the Aligned Parties.

The Aligned Party that enters into each Designated Contract shall be solely responsible for the performance of its obligations under such Designated Contract, and, so long as no Aligned Party is in default under any Transaction Document, shall have exclusive operational authority relating to the services to be provided under each such Designated Contract. Each such Aligned Party shall, to the best of its ability, render the services under such Designated Contract in a timely and professional manner consistent with the highest professional and industry standards and all applicable legal requirements. In no event shall the Company or any of its affiliates have any obligation or liability whatsoever with respect to any of the duties or obligations of any Aligned Party under any Designated Contract, including without limitation the payment of any amounts to any party to a Designated Contract (including the Aligned Parties) in respect thereof.

13. Within ten (10) days after receipt, the Aligned Parties shall provide the Company with copies of any and all notices, statements or other correspondence received from any counterparty to a Designated Contract or any of such counterparty's affiliates or representatives relating to any Designated Contract, including without limitation notices of default or breach or of such counterparty's termination or election to not renew any such Designated Contract.

14. The Aligned Parties shall use their best efforts to collect promptly after they become due any and all amounts due and payable under the Designated Contracts, and shall hold any amounts received from any Person under the Designated Contracts in trust for the benefit of the Company until such amounts are allocated among the Aligned Parties and the Company and paid to the Company in accordance with the terms of this Agreement.

15. If ApolloMed determines in its sole and absolute discretion that it is necessary or would be advisable to consolidate for financial reporting purposes the revenues received under the Designated Contracts pursuant to this Agreement, then the Aligned Parties shall reasonably cooperate ApolloMed and its auditors in facilitating such consolidation, and any costs associated therewith shall be split between ApolloMed and the Aligned Parties.

16. No Aligned Party shall pledge, hypothecate, mortgage, grant liens in or upon, or grant security interests in, any of its assets, or otherwise use any such assets as collateral without the Company's prior written consent, which may be withheld by the Company in its sole discretion.

17. No Aligned Party shall, without the Company's prior written consent, incur any indebtedness, unless any such indebtedness is incurred in the ordinary course or business or is explicitly subordinated to the amounts payable to the Company under this Agreement, which subordination shall be in a form reasonably acceptable to the Company, or loan any amounts to any directors, managers, officers, employees or affiliates of any Aligned Party.

18. No Aligned Party shall redeem or otherwise repurchase, or pay any dividends or make any distributions in respect of, any of its shares, membership interests or other equity interests.

19. The Aligned Parties shall maintain true and accurate books of account and records with respect to all transactions involving the Designated Contracts, in accordance with their historical accounting practices, consistently applied.

5. HIPAA Matters. As a condition to the Company's execution and delivery of this Agreement, Aligned LLC and Aligned Corp. shall concurrently enter into the HIPAA Business Associate Agreement attached thereto as Exhibit A.

6. Representations and Warranties of the Aligned Parties. The Aligned Parties represent, warrant and covenant that:

Each Aligned Party has the full power and authority to enter into this Agreement and to perform its obligations hereunder and under each Designated Contract, without the need for any consents, approvals or immunities not yet obtained.

This Agreement has been duly authorized, executed and delivered by each Aligned Party which is a party hereto and is the legal, valid and binding agreement of each such Aligned Party, enforceable against each such Aligned Party in accordance with its terms.

Each Aligned Party and each of its professional employees shall comply with all statutes, laws, codes, standards, ordinances, rules, regulations, specifications, standards of care, judgments, orders and decrees (collectively, "**Laws**") applicable to such Aligned Party or any of such persons in the performance of such Aligned Party's obligations under this Agreement and the Designated Contracts, including, without limitation, any Laws relating to the practice of medicine.

7. Other Call Center Contracts. The Company, ApolloMed or their affiliates may, in their sole and exclusive discretion, enter into one or more contracts with third parties for the provision of services relating to the Call Center Business and which are not Designated Contracts (each such contract, an "**Other Call Center Contract**"). By way of example, the Company may enter into an Other Call Center Contract with a third party other than Anthem Blue Cross for the provision of services relating to the Call Center Business within the State of California or with any third party for the provision of services relating to the Call Center Business outside of the State of California. In connection with each such Other Call Center Contract, subject to the written consent of the counterparty to such Other Call Center Contract, the Company, ApolloMed or the affiliate thereof that enters into such Other Call Center Contract shall enter into a License Agreement with an Aligned Party in form and substance mutually agreeable to the Company and the Aligned Parties (each, a "**License Agreement**"). Each License Agreement shall provide, among other things, that (a) so long as no Aligned Party is in default under any Transaction Document, the Aligned Party shall have exclusive operational authority relating to the services to be provided under the applicable Other Call Center Contract, (b) the Aligned Party shall be entitled to payment for its services under the License Agreement in accordance with terms of that agreement, including an apportionment of costs similar to that set forth in this Agreement, (c) the Aligned Parties shall indemnify, defend and hold harmless the Company, ApolloMed and their respective affiliates for any claims or damages arising out of or related to the Aligned Parties' services under the License Agreement, (d) the Aligned Parties shall make customary representations and warranties and be bound by customary covenants relating to their performance of the License Agreement, including those relating to HIPAA compliance, (e) the Company shall license to the applicable Aligned Party the rights necessary to perform its services under the License Agreement, and (f) the Company shall be the exclusive owner of any and all work product or other intellectual property created by the Aligned Parties in connection with their engagement under the License Agreement.

8. Right to Examine Books and Records. The Company shall have the right, exercisable at its sole discretion at any time upon reasonable notice to the Aligned Parties, to audit the Aligned Parties' books and records to determine the accuracy of the Aligned Parties' statements and reports and the calculation of the amounts and payments due the Company hereunder, provided that the Company may not exercise this right more than once in any calendar quarter. The Company shall pay the cost of any such audit; provided, however, that if any audit reveals that the Aligned Parties have underpaid any amount due under this Agreement (an "**Underpayment**") by five percent (5%) or more, the Aligned Parties shall be required to and shall pay for the cost of such audit. Any Underpayment shall accrue a late charge at the rate of one-and-one-half percent (1 ½%) per month, or the maximum legal rate, whichever is less, from the date of the Underpayment until paid in full. If the audit reveals an Underpayment, the Aligned Parties shall pay the Company the amount of the Underpayment, all late charges thereon and the cost of the audit within thirty (30) days after the date the Company notifies Aligned Parties in writing of such Underpayment.

9. Insurance. Each Aligned Party shall maintain, at its own expense, the following insurance coverage with a financially sound insurance company acceptable to the Company throughout the term of this Agreement and for a period of three (3) years thereafter: (a) worker's compensation, occupational disease, employer's liability (with limits of not less than $1,000,000 for bodily injury), disability benefit and other similar insurance required under the laws of the State of California; (b) commercial general liability insurance including blanket contractual liability and personal injury coverage with a combined single limit of at least $5,000,000; and (c) professional liability insurance of not less than $1,000,000 per claim and $3,000,000 annual aggregate coverage limits. The Aligned Parties shall, upon execution of this Agreement and annually thereafter, deliver to the Company a certificate of such insurance from the insurance carriers setting forth the scope of coverage and the limits of liability required by this Section 9.

10. Indemnification. Each Aligned Party shall, jointly and severally, defend, indemnify and hold the Company, its affiliates and their respective officers, directors, employees, agents, affiliates, successors and assigns harmless from any and all suits, actions, claims, liabilities, losses, costs, expenses (including reasonable attorneys' fees and costs) and damages that the Company or any of such persons may incur or suffer as a result of, arising out of or in connection with, the Designated Contracts or the performance or failure by any Aligned Party to perform its duties under this Agreement or under any Designated Contract, or any breach by any Aligned Party of its obligations under this Agreement or under any Designated Contract or otherwise resulting from any act or omission of any Aligned Party in connection with its activities under or related to this Agreement or any Designated Contract. The Aligned Parties shall give the Company prompt notice in writing of all such suits, claims, complaints or other actions (including but not limited to any notice of default or breach from any counterparty under a Designated Contract), and the Aligned Parties shall assume and direct the defense thereof at their own cost, although the Company shall thereafter have the right to be represented by its own counsel in any such claim or proceeding.

11. Effect of Agreement. Except as expressly provided by this Agreement, all of the terms of the Purchase Agreement and the Transaction Documents shall remain unchanged and in full force and effect, including without limitation (a) ApolloMed's and the Company's rights to and ownership of revenues and profits associated with the Designated Contracts outside of the Aligned Territories and (b) the terms of Section 5.1 of the Purchase Agreement, including as they relate to the Hospitalist Business.

12. Termination. This Agreement may be terminated only as follows:

by the Company upon (i) the determination of a court of competent jurisdiction that an Aligned Party has engaged in fraudulent conduct in connection with this Agreement or the performance of its obligations under any Designated Contract; (ii) the filing of a petition by or against any Aligned Party under any provision of the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, or under any similar law relating to bankruptcy, insolvency or other relief for debtors and such proceeding shall not be dismissed or discharged within 30 days of commencement; or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of any Aligned Party; or the insolvency of any Aligned Party; or the making of a general assignment for the benefit of creditors by any Aligned Party or the dissolution or liquidation of any Aligned Party; or the taking of any action for the purpose of effecting any of the foregoing or any analogous action in any other jurisdiction; or any Aligned Party ceases to carry on its business or substantially the whole of its business or substantially changes the nature of its business; or (iii) the material breach by any Aligned Party under this Agreement or under any Designated Contract.

by the Aligned Parties upon (i) the determination of a court of competent jurisdiction that the Company has engaged in fraudulent conduct in connection with this Agreement; or (ii) the filing of a petition by or against the Company under any provision of the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, or under any similar law relating to bankruptcy, insolvency or other relief for debtors and such proceeding shall not be dismissed or discharged within 30 days of commencement; or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of the Company; or the insolvency of the Company; or the making of a general assignment for the benefit of creditors by the Company or the dissolution or liquidation of the Company; or the taking of any action for the purpose of effecting any of the foregoing or any analogous action in any other jurisdiction; or the Company ceases to carry on its business or substantially the whole of its business or substantially changes the nature of its business; or

by mutual written agreement of the Parties;

provided, however, that the termination of this Agreement shall not terminate the Parties' rights and obligations with respect to any Designated Contract then in effect, and this Agreement shall remain in effect as a binding obligation of the Parties with respect to any such Designated Contract until such Designated Contract terminates.

13. Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified mail, postage prepaid, or delivered by hand or courier, addressed as follows:

To the Company:

450 N. Brand Blvd.
Suite 600
Glendale, California 91203
Attn.: Chief Executive Officer
Fax: (818) 291-6444

With a copy to:
Shartsis Friese LLP
One Maritime Plaza, 18th Floor
San Francisco, CA 94111-3598
Attn: P. Rupert Russell, Esq.
Fax: (415) 421-2922

To the Aligned Parties:

Aligned Healthcare Group LLC
Aligned Healthcare Group – California, Inc.
860 Hampshire Road, Suite A
Westlake Village, CA 91361
Attn: Raouf Khalil
Fax: (805) 379-0267

With a copy to:
Carl D. Hasting, Esq.
Attorney at Law
Certified Public Accountant
CDH Associates, Inc.
5655 Lindero Canyon Rd., Suite 226
Westlake Village, CA 91362
Fax: (818) 879-1562

or such other address as shall be furnished in writing by any party, and any such notice or communication shall be deemed to have been given as of the date so mailed or, if delivered by hand or courier, on the date received.

14. Non-Agency of Parties. This Agreement does not constitute and shall not be construed as constituting an agency, a partnership or joint venture between the Company and any of the Aligned Parties. No Aligned Party shall have any right to obligate or bind the Company or any of its affiliates in any matter whatsoever.

15. Expenses. All legal and other costs and expenses incurred by the Company, on the one hand, and the Aligned Parties, on the other hand, in connection with the preparation and negotiation of this Agreement, shall be borne by the Company and the Aligned Parties, respectively.

16. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representative, successors and assigns.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same and shall become effective when one or more counterparts have been signed by each party and delivered to the other Parties.

18. Interpretation. Each Party has been represented by sophisticated counsel in this transaction and agrees that if any issue arises as to the meaning or construction of any word, phrase or provision hereof, that no Party shall be entitled to the benefit of the principles of the construction and interpretation of contracts or written instruments which provide that any ambiguity is to be construed in favor of the Party who did not draft the disputed word, phrase or provision.

19. Choice of Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, without regard to the choice of law principles thereof.

20. Section Headings. The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

21. Severability. If any provision of this Agreement shall be held invalid under any applicable law, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

22. Third Party Beneficiary. ApolloMed is an intended third party beneficiary of this Agreement and shall be entitled to enforce the terms of this Agreement as if it were a signatory hereto.

23. Nonassignability.

No Assignment. Neither this Agreement nor any of the Aligned Parties' rights hereunder are assignable or transferable by any Aligned Party, without the Company's prior written consent, which may be withheld in the Company's sole discretion. Each of the following shall be deemed to be an assignment of this Agreement for purposes of this Section 23(a): (i) any merger or reorganization involving an Aligned Party, (ii) the sale, exclusive license or other transfer of all or substantially all of the assets of an Aligned Party, or (iii) the transfer of more than twenty-five percent (25%) in the aggregate of the shares of stock or other evidence of beneficial ownership (or other beneficial interests) of an Aligned Party. The Company may assign its rights under this Agreement without the Aligned Parties' consent.

No Sublicense. No Aligned Party may grant any sublicenses of any of its rights under this Agreement without the Company's prior written consent, which may be withheld in the Company's sole discretion. No Aligned Party may subcontract any Designated Contract or the performance of any Designated Contract without the Company's prior written consent, which may be withheld in the Company's sole discretion.

24. No Implied Waivers. The failure of any Party at any time to require performance by any other Party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter. The waiver by any Party of a breach of any provision hereof shall not be construed or held to be a waiver of the provision itself.

25. Time. Time is of the essence of this Agreement.

26. Equitable Remedies. In addition to any other rights or remedies available at Law or in equity, upon the breach or threatened breach of any of the covenants, agreements or obligations of any Party, the non-breaching Party shall be entitled to file an action for specific performance or injunctive or other equitable relief without being required to post a bond or provide any other security.

27. Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude any Party from asserting any other right, or seeking any other remedies, against any other Party.

28. Further Action. Each Party agrees to act in good faith and to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

ALIGNED HEALTHCARE, INC.,
a California corporation

By: /s/ Warren Hosseinion
Name: Warren Hosseinion
Title: Chief Executive Officer

ALIGNED HEALTHCARE GROUP – CALIFORNIA, INC.,
a California professional medical corporation

By: /s/ Hany R. Khalil
Name: Hany R. Khalil
Title: President

ALIGNED HEALTHCARE GROUP LLC,
a California limited liability company

By: /s/ Marcelle Khalil
Name: Marcelle Khalil
Title: Managing Member

SERVICES AGREEMENT

This SERVICES AGREEMENT (this "Agreement") is made and entered into as of July 8, 2011 (the "Effective Date"), by and between Aligned Healthcare, Inc., a California corporation (the "**Company**"), Aligned Healthcare Group LLC, a California limited liability company ("**Aligned LLC**"), and Aligned Healthcare Group – California, Inc., a California professional medical corporation ("**Aligned Corp.**"). Aligned LLC and Aligned Corp are sometimes collectively referred to herein as the "**Aligned Parties**" and individually as an "**Aligned Party**". All parties hereto are sometimes collectively referred to herein as the "**Parties**" or individually as a "**Party**."

A. Apollo Medical Holdings, Inc., a Delaware corporation ("**ApolloMed**"), purchased the outstanding shares of the Company, pursuant to that certain Stock Purchase Agreement, dated as of February 14, 2011 (the "**Original Purchase Agreement**"), by and among ApolloMed, the Company, Aligned LLC, Aligned Corp. and certain other parties named therein, as amended by the First Amendment to Purchase Agreement dated July 8, 2011 ("**First Amendment**" and, together with the Original Purchase Agreement, the "**Purchase Agreement**"). Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Purchase Agreement.

B. The Parties agreed in the First Amendment that the Aligned Parties may engage in the Call Center Business outside of the Aligned Territory solely as and to the extent expressly provided in this Agreement and the First Amendment.

C. The Parties desire enter into this Agreement to further define their rights and obligations with respect to the Designated Contracts and the Call Center Business (which, as defined in the Purchase Agreement, includes the Wrap Around Business).

D. But for Aligned Corp. and Aligned LLC executing and delivering this Agreement, the Company and ApolloMed would not have entered into the First Amendment.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto, each intending to be bound hereby, agree as follows:

1 . Designated Contracts. As provided in the Purchase Agreement, subject to the terms and conditions of this Agreement and the Purchase Agreement, Aligned LLC and Aligned Corp. may enter into one or more contracts with Anthem Blue Cross for the provision of services relating to the Call Center Business solely within the State of California (each such contract is referred to individually as a "**Designated Contract**" and, collectively, as the "**Designated Contracts**"). The Aligned Parties shall provide the Company with a copy of each draft of each proposed Designated Contract prior to the execution of such proposed Designated Contract (or any amendments, modifications, extensions or renewals thereof) within ten (10) days following receipt by any Aligned Party, and consult with the Company and ApolloMed as to any comments either party may have to such drafts. The Aligned Parties shall further provide the Company with a true and complete copy of each executed Designated Contract (and any amendments, modifications, extensions or renewals thereof) and all exhibits, schedules and attachments thereto within ten (10) days following the execution and delivery of such Designated Contract (or any amendments, modifications, extensions or renewals thereof). No Aligned Party shall enter into any Designated Contract or any amendments, modification, extensions or renewals thereof without the prior written consent of the Company. As provided in the Purchase Agreement, the Aligned Parties may also enter into contracts with any other health plan for the provision of services relating to the Call Center Business solely within the Aligned Territory, and such contracts shall not be deemed to be Designated Contracts.

2. License of Rights.

1. Grant of License. Subject to the terms and conditions of this Agreement, the Company grants each Aligned Party that is a party to an Designated Contract a nonexclusive, nontransferable license to use the Marks and the Assets during the term of this Agreement solely in connection with the performance of such Designated Contract. The Aligned Parties may not use the Marks or the Assets for any other purpose and shall not have any right to sublicense or authorize others to use the Marks or the Assets in any manner. The Company expressly reserves all rights in the Marks and the Assets not expressly granted herein.

2. Restrictions on Use of Marks and Assets. Other than the express rights licensed under this Agreement, each Aligned Party acknowledges that it is not acquiring any right, title or interest in or to the Marks or the Assets. No Aligned Party shall, whether during or after the term of this Agreement, adopt or apply for registration of any Mark, or any trade name or copyright that includes, refers to or uses, directly or indirectly, the Marks, or any design or logo of the Company or its affiliates, or any confusingly similar marks, names or designs. Specifically, the Aligned Parties shall not use the words or names, Aligned Healthcare, or any abbreviation, acronym or derivative thereof, or any confusingly similar word, name or abbreviation in its business name or in connection with any business operations in the United States outside of the Aligned Territory other than in connection with the performance of the Designated Contracts.

3. Ownership of Rights. Each Aligned Party acknowledges and agrees that the Company is the sole owner of the Assets and has the exclusive right to use the Marks in the United States outside of the Aligned Territory, and is also the sole owner of all copyrights and other intellectual property rights to all of the foregoing, including all rights to register and apply for registration of such intellectual property rights. Each Aligned Party agrees that the license rights granted herein with respect to logos, unregistered marks and slogans exist only to the extent that the Company has such rights, and that no warranty, express or implied, is made by the Company with respect thereto or with respect to the absence of any rights of any third party that may conflict with the rights granted herein. Each Aligned Party agrees that it shall not, directly or indirectly, during or after the term of this Agreement, challenge or interfere with, or assist others to challenge or interfere with, the ownership and use of the Assets and the Marks by the Company.

3. Payments to the Company.

Gross Revenues. The Aligned Parties shall pay to the Company all of the gross revenues paid to the Aligned Parties or any of their affiliates under the Designated Contracts ("**Gross Revenues**"), less the costs with respect to such Gross Revenues expressly described on Schedule A hereto (the "**Allowable Costs**"). The amount of Gross Revenues for any period less Allowable Costs for such period shall be the "**Net Revenues**" for such period, and the amount of Net Revenues for any period as adjusted as described on Schedule A hereto shall be the "**Adjusted Net Revenues**" for such period. Except as otherwise stated on Schedule A, no adjustments to or deductions of any kind or nature whatsoever shall be made from Gross Revenues. No Aligned Party shall take any credit or offset against Gross Revenues in the event of any uncollected or bad debt arising out of any Designated Contract or any penalty, fee, deduction, rebate or discount assessed or incurred in connection with any Designated Contract. Gross Revenues shall include, in addition to payments on invoiced billings received by the Aligned Parties, any and all other payments or amounts received by the Aligned Parties or any of their affiliates with respect to the Designated Contracts, and in no event shall the Gross Revenues reported by the Aligned Parties be less than the amounts actually received by the Aligned Parties from the Designated Contracts.

Manner of Payment; Monthly Statements. The Aligned Parties shall pay to the Company within ten (10) days after receipt of any payment under or relating to any Designated Contract the Adjusted Net Revenues for the period covered by such payment. The Aligned Parties shall deliver to the Company with each payment of Adjusted Net Revenues a statement showing, at a minimum: (i) the amount of Gross Revenues for such period (with supporting computations), (ii) a detailed statement of all Allowable Costs deducted by the Aligned Parties from Gross Revenues for that period for the purposes of calculating Net Revenues (with supporting computations), (iii) the Net Revenues for that period and the calculations thereof and (iv) the Adjusted Net Revenues for that period and the calculations thereof (collectively, the "**Adjusted Net Revenue Calculations**"). Time is of the essence with respect to all payments under this Agreement. If payment is not received by the Company on the due date, a late charge of one-and-one-half percent (1-½%) per month, or the maximum legal rate, whichever is less, shall be added to the unpaid balance until said balance (plus all accrued interest) is paid in full.

Resolution of Disputes. If the Company accepts the Adjusted Net Revenue Calculations for any period, or if the Company fails to give notice to the Aligned Parties of any objection within thirty (30) days after receipt of the Adjusted Net Revenue Calculations for any period, the Adjusted Net Revenue Calculations shall be the final and binding calculation of the Adjusted Net Revenues for the applicable period. If the Company gives notice to the Aligned Parties of an objection to such Adjusted Net Revenue Calculations within thirty (30) days after receipt of such Adjusted Net Revenue Calculations, the Company and the Aligned Parties shall attempt in good faith to resolve their differences. If the Company and the Aligned Parties are able to resolve their differences, the Adjusted Net Revenue Calculations, as modified to reflect the resolution of the differences between the Company and the Aligned Parties, shall be the final and binding calculation of the Adjusted Net Revenues for the applicable period. If, however, the Company and the Aligned Parties are unable to resolve their differences, the Company and the Aligned Parties shall submit any disputed items to a certified public accountant reasonably satisfactory to the Company and the Aligned Parties for a resolution of the dispute. The determination of the certified public accountant shall be final and binding on the Company and the Aligned Parties, and the Adjusted Net Revenue Calculations, as modified to reflect (i) those differences, if any, that the Company and the Aligned Parties were able to resolve, and (ii) the certified public accountant's determination with regard to the remaining disputed items, shall be the final and binding resolution of the Adjusted Net Revenues for the applicable period.

4. Certain Covenants and Obligations of the Aligned Parties.

The Aligned Party that enters into each Designated Contract shall be solely responsible for the performance of its obligations under such Designated Contract, and, so long as no Aligned Party is in default under any Transaction Document, shall have exclusive operational authority relating to the services to be provided under each such Designated Contract. Each such Aligned Party shall, to the best of its ability, render the services under such Designated Contract in a timely and professional manner consistent with the highest professional and industry standards and all applicable legal requirements. In no event shall the Company or any of its affiliates have any obligation or liability whatsoever with respect to any of the duties or obligations of any Aligned Party under any Designated Contract, including without limitation the payment of any amounts to any party to a Designated Contract (including the Aligned Parties) in respect thereof.

4. Within ten (10) days after receipt, the Aligned Parties shall provide the Company with copies of any and all notices, statements or other correspondence received from any counterparty to a Designated Contract or any of such counterparty's affiliates or representatives relating to any Designated Contract, including without limitation notices of default or breach or of such counterparty's termination or election to not renew any such Designated Contract.

5. The Aligned Parties shall use their best efforts to collect promptly after they become due any andall amounts due and payable under the Designated Contracts, and shall hold any amounts received from any Person under the Designated Contracts in trust for the benefit of the Company until such amounts are allocated among the Aligned Parties and the Company and paid to the Company in accordance with the terms of this Agreement.

6. If ApolloMed determines in its sole and absolute discretion that it is necessary or would be advisable to consolidate for financial reporting purposes the revenues received under the Designated Contracts pursuant to this Agreement, then the Aligned Parties shall reasonably cooperate ApolloMed and its auditors in facilitating such consolidation, and any costs associated therewith shall be split between ApolloMed and the Aligned Parties.

7 . No Aligned Party shall pledge, hypothecate, mortgage, grant liens in or upon, or grant security interests in, any of its assets, or otherwise use any such assets as collateral without the Company's prior written consent, which may be withheld by the Company in its sole discretion.

8. No Aligned Party shall, without the Company's prior written consent, incur any indebtedness, unless any such indebtedness is incurred in the ordinary course or business or is explicitly subordinated to the amounts payable to the Company under this Agreement, which subordination shall be in a form reasonably acceptable to the Company, or loan any amounts to any directors, managers, officers, employees or affiliates of any Aligned Party.

9. No Aligned Party shall redeem or otherwise repurchase, or pay any dividends or make any distributions in respect of, any of its shares, membership interests or other equity interests.

10. The Aligned Parties shall maintain true and accurate books of account and records with respect to all transactions involving the Designated Contracts, in accordance with their historical accounting practices, consistently applied.

5. HIPAA Matters. As a condition to the Company's execution and delivery of this Agreement, Aligned LLC and Aligned Corp. shall concurrently enter into the HIPAA Business Associate Agreement attached thereto as Exhibit A.

6. Representations and Warranties of the Aligned Parties. The Aligned Parties represent, warrant and covenant that:

Each Aligned Party has the full power and authority to enter into this Agreement and to perform its obligations hereunder and under each Designated Contract, without the need for any consents, approvals or immunities not yet obtained.

This Agreement has been duly authorized, executed and delivered by each Aligned Party which is a party hereto and is the legal, valid and binding agreement of each such Aligned Party, enforceable against each such Aligned Party in accordance with its terms.

Each Aligned Party and each of its professional employees shall comply with all statutes, laws, codes, standards, ordinances, rules, regulations, specifications, standards of care, judgments, orders and decrees (collectively, "**Laws**") applicable to such Aligned Party or any of such persons in the performance of such Aligned Party's obligations under this Agreement and the Designated Contracts, including, without limitation, any Laws relating to the practice of medicine.

7. Other Call Center Contracts. The Company, ApolloMed or their affiliates may, in their sole and exclusive discretion, enter into one or more contracts with third parties for the provision of services relating to the Call Center Business and which are not Designated Contracts (each such contract, an "**Other Call Center Contract**"). By way of example, the Company may enter into an Other Call Center Contract with a third party other than Anthem Blue Cross for the provision of services relating to the Call Center Business within the State of California or with any third party for the provision of services relating to the Call Center Business outside of the State of California. In connection with each such Other Call Center Contract, subject to the written consent of the counterparty to such Other Call Center Contract, the Company, ApolloMed or the affiliate thereof that enters into such Other Call Center Contract shall enter into a License Agreement with an Aligned Party in form and substance mutually agreeable to the Company and the Aligned Parties (each, a "**License Agreement**"). Each License Agreement shall provide, among other things, that (a) so long as no Aligned Party is in default under any Transaction Document, the Aligned Party shall have exclusive operational authority relating to the services to be provided under the applicable Other Call Center Contract, (b) the Aligned Party shall be entitled to payment for its services under the License Agreement in accordance with terms of that agreement, including an apportionment of costs similar to that set forth in this Agreement, (c) the Aligned Parties shall indemnify, defend and hold harmless the Company, ApolloMed and their respective affiliates for any claims or damages arising out of or related to the Aligned Parties' services under the License Agreement, (d) the Aligned Parties shall make customary representations and warranties and be bound by customary covenants relating to their performance of the License Agreement, including those relating to HIPAA compliance, (e) the Company shall license to the applicable Aligned Party the rights necessary to perform its services under the License Agreement, and (f) the Company shall be the exclusive owner of any and all work product or other intellectual property created by the Aligned Parties in connection with their engagement under the License Agreement.

8. Right to Examine Books and Records. The Company shall have the right, exercisable at its sole discretion at any time upon reasonable notice to the Aligned Parties, to audit the Aligned Parties' books and records to determine the accuracy of the Aligned Parties' statements and reports and the calculation of the amounts and payments due the Company hereunder, provided that the Company may not exercise this right more than once in any calendar quarter. The Company shall pay the cost of any such audit; provided, however, that if any audit reveals that the Aligned Parties have underpaid any amount due under this Agreement (an "**Underpayment**") by five percent (5%) or more, the Aligned Parties shall be required to and shall pay for the cost of such audit. Any Underpayment shall accrue a late charge at the rate of one-and-one-half percent (1 ½%) per month, or the maximum legal rate, whichever is less, from the date of the Underpayment until paid in full. If the audit reveals an Underpayment, the Aligned Parties shall pay the Company the amount of the Underpayment, all late charges thereon and the cost of the audit within thirty (30) days after the date the Company notifies Aligned Parties in writing of such Underpayment.

9. Insurance. Each Aligned Party shall maintain, at its own expense, the following insurance coverage with a financially sound insurance company acceptable to the Company throughout the term of this Agreement and for a period of three (3) years thereafter: (a) worker's compensation, occupational disease, employer's liability (with limits of not less than $1,000,000 for bodily injury), disability benefit and other similar insurance required under the laws of the State of California; (b) commercial general liability insurance including blanket contractual liability and personal injury coverage with a combined single limit of at least $5,000,000; and (c) professional liability insurance of not less than $1,000,000 per claim and $3,000,000 annual aggregate coverage limits. The Aligned Parties shall, upon execution of this Agreement and annually thereafter, deliver to the Company a certificate of such insurance from the insurance carriers setting forth the scope of coverage and the limits of liability required by this Section 9.

10. Indemnification. Each Aligned Party shall, jointly and severally, defend, indemnify and hold the Company, its affiliates and their respective officers, directors, employees, agents, affiliates, successors and assigns harmless from any and all suits, actions, claims, liabilities, losses, costs, expenses (including reasonable attorneys' fees and costs) and damages that the Company or any of such persons may incur or suffer as a result of, arising out of or in connection with, the Designated Contracts or the performance or failure by any Aligned Party to perform its duties under this Agreement or under any Designated Contract, or any breach by any Aligned Party of its obligations under this Agreement or under any Designated Contract or otherwise resulting from any act or omission of any Aligned Party in connection with its activities under or related to this Agreement or any Designated Contract. The Aligned Parties shall give the Company prompt notice in writing of all such suits, claims, complaints or other actions (including but not limited to any notice of default or breach from any counterparty under a Designated Contract), and the Aligned Parties shall assume and direct the defense thereof at their own cost, although the Company shall thereafter have the right to be represented by its own counsel in any such claim or proceeding.

11. Effect of Agreement. Except as expressly provided by this Agreement, all of the terms of the Purchase Agreement and the Transaction Documents shall remain unchanged and in full force and effect, including without limitation (a) ApolloMed's and the Company's rights to and ownership of revenues and profits associated with the Designated Contracts outside of the Aligned Territories and (b) the terms of Section 5.1 of the Purchase Agreement, including as they relate to the Hospitalist Business.

12. Termination. This Agreement may be terminated only as follows:

by the Company upon (i) the determination of a court of competent jurisdiction that an Aligned Party has engaged in fraudulent conduct in connection with this Agreement or the performance of its obligations under any Designated Contract; (ii) the filing of a petition by or against any Aligned Party under any provision of the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, or under any similar law relating to bankruptcy, insolvency or other relief for debtors and such proceeding shall not be dismissed or discharged within 30 days of commencement; or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of any Aligned Party; or the insolvency of any Aligned Party; or the making of a general assignment for the benefit of creditors by any Aligned Party or the dissolution or liquidation of any Aligned Party; or the taking of any action for the purpose of effecting any of the foregoing or any analogous action in any other jurisdiction; or any Aligned Party ceases to carry on its business or substantially the whole of its business or substantially changes the nature of its business; or (iii) the material breach by any Aligned Party under this Agreement or under any Designated Contract.

by the Aligned Parties upon (i) the determination of a court of competent jurisdiction that the Company has engaged in fraudulent conduct in connection with this Agreement; or (ii) the filing of a petition by or against the Company under any provision of the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, or under any similar law relating to bankruptcy, insolvency or other relief for debtors and such proceeding shall not be dismissed or discharged within 30 days of commencement; or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of the Company; or the insolvency of the Company; or the making of a general assignment for the benefit of creditors by the Company or the dissolution or liquidation of the Company; or the taking of any action for the purpose of effecting any of the foregoing or any analogous action in any other jurisdiction; or the Company ceases to carry on its business or substantially the whole of its business or substantially changes the nature of its business; or

by mutual written agreement of the Parties;

provided, however, that the termination of this Agreement shall not terminate the Parties' rights and obligations with respect to any Designated Contract then in effect, and this Agreement shall remain in effect as a binding obligation of the Parties with respect to any such Designated Contract until such Designated Contract terminates.

13. Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified mail, postage prepaid, or delivered by hand or courier, addressed as follows:

To the Company:

450 N. Brand Blvd.
Suite 600
Glendale, California 91203
Attn.: Chief Executive Officer
Fax: (818) 291-6444

With a copy to:
Shartsis Friese LLP
One Maritime Plaza, 18th Floor
San Francisco, CA 94111-3598
Attn: P. Rupert Russell, Esq.
Fax: (415) 421-2922

To the Aligned Parties:

Aligned Healthcare Group LLC
Aligned Healthcare Group – California, Inc.
860 Hampshire Road, Suite A
Westlake Village, CA 91361
Attn: Raouf Khalil
Fax: (805) 379-0267

With a copy to:
Carl D. Hasting, Esq.
Attorney at Law
Certified Public Accountant
CDH Associates, Inc.
5655 Lindero Canyon Rd., Suite 226
Westlake Village, CA 91362
Fax: (818) 879-1562

or such other address as shall be furnished in writing by any party, and any such notice or communication shall be deemed to have been given as of the date so mailed or, if delivered by hand or courier, on the date received.

14. Non-Agency of Parties. This Agreement does not constitute and shall not be construed as constituting an agency, a partnership or joint venture between the Company and any of the Aligned Parties. No Aligned Party shall have any right to obligate or bind the Company or any of its affiliates in any matter whatsoever.

15. Expenses. All legal and other costs and expenses incurred by the Company, on the one hand, and the Aligned Parties, on the other hand, in connection with the preparation and negotiation of this Agreement, shall be borne by the Company and the Aligned Parties, respectively.

16. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representative, successors and assigns.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same and shall become effective when one or more counterparts have been signed by each party and delivered to the other Parties.

18. Interpretation. Each Party has been represented by sophisticated counsel in this transaction and agrees that if any issue arises as to the meaning or construction of any word, phrase or provision hereof, that no Party shall be entitled to the benefit of the principles of the construction and interpretation of contracts or written instruments which provide that any ambiguity is to be construed in favor of the Party who did not draft the disputed word, phrase or provision.

19. Choice of Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, without regard to the choice of law principles thereof.

20. Section Headings. The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

21. Severability. If any provision of this Agreement shall be held invalid under any applicable law, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

22. Third Party Beneficiary. ApolloMed is an intended third party beneficiary of this Agreement and shall be entitled to enforce the terms of this Agreement as if it were a signatory hereto.

23. Nonassignability.

No Assignment. Neither this Agreement nor any of the Aligned Parties' rights hereunder are assignable or transferable by any Aligned Party, without the Company's prior written consent, which may be withheld in the Company's sole discretion. Each of the following shall be deemed to be an assignment of this Agreement for purposes of this Section 23(a): (i) any merger or reorganization involving an Aligned Party, (ii) the sale, exclusive license or other transfer of all or substantially all of the assets of an Aligned Party, or (iii) the transfer of more than twenty-five percent (25%) in the aggregate of the shares of stock or other evidence of beneficial ownership (or other beneficial interests) of an Aligned Party. The Company may assign its rights under this Agreement without the Aligned Parties' consent.

No Sublicense. No Aligned Party may grant any sublicenses of any of its rights under this Agreement without the Company's prior written consent, which may be withheld in the Company's sole discretion. No Aligned Party may subcontract any Designated Contract or the performance of any Designated Contract without the Company's prior written consent, which may be withheld in the Company's sole discretion.

24. No Implied Waivers. The failure of any Party at any time to require performance by any other Party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter. The waiver by any Party of a breach of any provision hereof shall not be construed or held to be a waiver of the provision itself.

25. Time. Time is of the essence of this Agreement.

26. Equitable Remedies. In addition to any other rights or remedies available at Law or in equity, upon the breach or threatened breach of any of the covenants, agreements or obligations of any Party, the non-breaching Party shall be entitled to file an action for specific performance or injunctive or other equitable relief without being required to post a bond or provide any other security.

27. Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude any Party from asserting any other right, or seeking any other remedies, against any other Party.

28. Further Action. Each Party agrees to act in good faith and to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

ALIGNED HEALTHCARE, INC.,
a California corporation

By: /s/ Warren Hosseinion
Name: Warren Hosseinion
Title: Chief Executive Officer

ALIGNED HEALTHCARE GROUP –
CALIFORNIA, INC.,
a California professional medical corporation

By: /s/ Hany R. Khalil
Name: Hany R. Khalil
Title: President

ALIGNED HEALTHCARE GROUP LLC,
a California limited liability company

By: /s/ Marcelle Khalil
Name: Marcelle Khalil
Title: Managing Member

SCHEDULE A

Allocation of Revenues and Costs

Allowable Costs

Allowable Costs are those that are consistent with and do not exceed on a cumulative basis 105% of the applicable line item of the annual budget for the Call Center Business prepared by the Aligned Parties and that is attached to this Schedule A (the " **Approved Budget**"), unless the Company has given its prior written consent. Once the total expenditures for any line item on the Approved Budget reach 105% of such line item, no additional expenditures pertaining to that line item shall be Allowable Costs until the next budget year, unless the Company has given its prior written consent.

Notwithstanding the foregoing, Allowable Costs shall not include the following: (i) depreciation on any assets; (ii) financing or refinancing costs, including all interest, principal, points and other fees or expenses incurred in the application for or obtaining any loan; (iii) rental under any lease; (iv) interest; (v) taxes, interest or penalties; (vi) attorneys', auditors' and other professional fees and expenses; (vii) any capital expenditures, including those for software or computer equipment; (viii) the cost (including architectural, engineering and permit costs) of decorating, improving for tenant occupancy, painting or redecorating portions of any real property occupied by the Aligned Parties; (ix) wages, salaries, benefits or other similar compensation paid to the Aligned Parties' employees or consultants; (x) advertising and promotional expenditures; (xi) penalties or other costs incurred and actually paid by any Aligned Party due to a violation of any of the terms and conditions of any Designated Contract; (xii) overhead and profit increments paid to affiliates of the Aligned Parties for management or other services on or relating to the Designated Contracts or for equipment, supplies or other materials; (xiii) charitable and political contributions; (xiv) the general corporate overhead and administrative expenses of the Aligned Parties or any affiliate; (xv) any uncollectible accounts receivable or reserves for same; (xvi) costs, penalties or fines arising from any violation by the Aligned Parties or any of their affiliates of any Law; or (xvii) any costs, fees or expenses of the Aligned Parties to the extent incurred in connection with any business or activity other than the performance of the Designated Contracts.

Adjusted Net Revenues

Adjusted Net Revenues, during any period under any Designated Contract as it relates to Call Center Services, shall be the product of Net Revenues for such period multiplied by a fraction, the numerator of which is the number of patients served under such Designated Contract during such period who are located outside of the Aligned Territory and the denominator of which is the total number of patients served under the applicable Designated Contract during that period.

Adjusted Net Revenues, during any period under any Designated Contract as it relates to the Wrap Around Business, shall be the product of Net Revenues for such period multiplied by a fraction, the numerator of which is the number of admissions under such Designated Contract during such period which occurred outside of the Aligned Territory and the denominator of which is the total number of admissions which occurred under the applicable Designated Contract during that period.

EXHIBIT A

HIPAA Business Associate Agreement

Apollo Medical Management, Inc.

HIPAA BUSINESS ASSOCIATE AGREEMENT

The Parties wish to enter into a HIPAA Business Associate Agreement ("Business Associate Agreement") in conjunction with the Services Agreement among the Aligned Healthcare, Inc., Aligned Healthcare Group LLC and Aligned Healthcare Group – California, Inc. This Business Associate Agreement shall remain fully enforceable regardless of any termination of the Services Agreement.

I. Definitions (alternative approaches)

General Definitions Default to Privacy Rule if Not Otherwise Provided:

Terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the Privacy Rule.

Specific definitions:

a. Business Associate. "Business Associate" shall mean Aligned Healthcare Group LLC, Aligned Healthcare Group – California, Inc. and their respective affiliates.
b. Covered Entity. "Covered Entity" shall mean Apollo Medical Management Inc. and its affiliates (hereinafter, "Group").
c. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
d. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
e. Protected Health Information. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
f. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
g. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

II. Obligations and Activities of Business Associate

a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Business Associate Agreement.
c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement.
d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Business Associate Agreement of which it becomes aware.

e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Business Associate Agreement to Business Associate with respect to such information.
f. Business Associate agrees to provide access, at the request of Covered Entity, as soon as practicable and in the manner prescribed by the Covered Entity to the extent practicable, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.
g. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner prescribed by the Covered Entity to the extent practicable.
h. Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by Covered Entity to the extent practicable or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
i. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
j. Business Associate agrees to provide to Covered Entity or an Individual, in the time and manner prescribed by the Covered Entity to the extent practicable, information collected in accordance with Section II.i. of this Business Associate Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Business Associate Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Services Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

IV. Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except as necessary for Business Associate’s data aggregation, management and administrative activities of pursuant to the Services Agreement.

VI. Term and Termination

a. Term. The Term of this Business Associate Agreement shall be effective as of the effective date of the Services Agreement, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may either:
    1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Business Associate Agreement and Services Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
    2. Immediately terminate this Business Associate Agreement and Services Agreement if Business Associate has breached a material term of this Business Associate Agreement; or
    3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
c. Effect of Termination.
    1. Except as provided in paragraph (2) of this section, upon termination of this Business Associate Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
    2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's determination that return or destruction of Protected Health Information is infeasible pursuant to Business Associate's notification, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VII. Indemnification

Business Associate shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmlessCovered Entity and its respective employees, directors, and agents ("Indemnitees") from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys fees, including at trial and on appeal) asserted or imposed against any Indemnitees arising out of the acts or omissions of Business Associate or any of Business Associate's employees, directors, or agents related to the performance or nonperformance of this Agreement.

VIII. Miscellaneous

a. Regulatory References. A reference in this Business Associate Agreement to a section in the Privacy Rule means the section as in effect or as amended.
b. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
c. Survival. The respective rights and obligations of Business Associate under Section VI.c. of this Business Associate Agreement shall survive the termination of this Business Associate Agreement.
d. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the respective dates written below

GROUP (COVERED ENTITY):		**BUSINESS ASSOCIATE (PROVIDER):**	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into and effective as of the 4th day of September, 2008 by and between APOLLO MEDICAL MANAGEMENT, INC. and Jilbert Issai, M.D. ("Employee").

1. Employment, Duties and Acceptance

1.1 Employee is hereby employed for the Term (as defined in Section 2 hereof) to render services as Vice President of Business Development of Apollo Medical Management, Inc. and its affiliates (collectively, "Company"). Except for illness and permitted time off, and other than any employment or other responsibilities Employee may have with Apollo Medical Associates, Inc. ("AMA") or an affiliate of AMA, which employment and responsibilities are expressly permitted, during the Term of this Agreement Employee shall: (i) devote his full time, energy, skill and attention during normal business hours to the business of Company; (ii) use his best efforts to promote the interests of Company; and (iii) discharge such duties as may be reasonably assigned to him by the Chief Executive Officer, President or other senior officers of Company. Employee may also be asked to serve, without additional compensation, as a director of Company or as a director or officer of an affiliate of Company. Employee shall report to the President and Chief Executive Officer of Company. The Employee acknowledges and agrees that, as an employee and officer of the Company he shall be acting as and in the capacity of a fiduciary of the Company and the Group in the performance of his duties hereunder.

1.2 Employee hereby accepts such employment and agrees to render such services. Employee agrees to render such services at Company's offices located in the Southern California area, but Employee will travel on temporary trips to such other place or places as may be required from time to time to perform his duties hereunder. During the Term hereof, Employee will not render any services to any supplier or significant customer of Company, except with the prior approval of Company.

2. Term of Employment

2.1 The term of Employee's employment pursuant to this Agreement (the "Term") shall begin on the date hereof (the "Effective Date"), and shall continue thereafter for successive one year periods unless terminated by either party giving written notice at least 90 days prior to the end of the then-current one year period, subject to the provisions of Section 4 of this Agreement providing for an earlier termination of Employee's employment in certain circumstances.

3. Compensation

3.1 As compensation for all services to be rendered pursuant to this Agreement to or at the request of Company, Company agrees to pay Employee a salary at the rate of $1.00 per annum (the "Base Salary"). The Base Salary is subject to review and modification from time to time, in the sole discretion of Company. The Base Salary shall be payable in accordance with the regular payroll practices of the Company for executives. All payments hereunder shall be subject to the provisions of Section 4.

3.2 Company shall pay or reimburse Employee for all necessary and reasonable expenses incurred or paid by Employee in connection with the performance of services under this Agreement upon presentation of expense statements or vouchers or such other supporting information as it from time to time requests evidencing the nature of such expense, and, if appropriate, the payment thereof by Employee, and otherwise in accordance with Company procedures from time to time in effect.

3.3 During the Term, Employee shall be entitled to the same benefits as those provided to Company employees generally, but Company shall be under no obligation to provide any specific benefits to Employee.

3.4 Employee understands and agrees that he will not be entitled to vacation time under this Agreement.

3.5 At such time as Company shall adopt, and its shareholders shall approve the adoption of, a stock option or similar plan, Employee shall be entitled to receive an initial grant of options to purchase an aggregate 300,000 shares of the common stock of Company, at an exercise price of $0.10 per share (the "Options"). To the maximum extent permitted by then current law, the Options shall be granted as incentive stock options, shall vest in four equal annual installments commencing on the first anniversary of the date of grant and shall be subject to such other terms and conditions as shall be imposed on other grants of incentive stock options to other executive employees of Company generally.

4. Termination

4.1 The Term of this Agreement shall terminate, and Employee's employment under this Agreement shall cease, effective upon the earliest to occur of: (i) a termination pursuant to Section 2.1 above; (i) the termination of Employee by Company; or (iii) Employee voluntarily terminates his employment (the "Termination Date"). Except as otherwise provided in this Section 5 and except for Sections 6 through 10 hereof (which shall survive the Termination Date), upon the Termination Date all rights and obligations of the parties under this Agreement shall immediately and automatically terminate and be of no further force or effect.

5. Severance Payment Upon Termination. In the event that Employee's employment is terminated, the following provisions hereby apply:

5.1 Termination for Cause or Termination by Employee. In the event that Employee's employment is terminated for Cause (as defined below in Section 5.5) or by Employee other than in the event of Constructive Termination Without Cause (as defined below in Section 5.6), Company shall pay Employee the sum of the following items that were earned and accrued but unpaid as of the Termination Date: (i) Base Salary; (ii) a cash payment for all accrued, unused vacation calculated at the then Base Salary rate; (iii) reimbursement for any unpaid business expenses; and (iv) such other benefits and payments to which Employee may be entitled by law or pursuant to the benefit plans of the Company then in effect.

5.2 Disability. Company may terminate the Term if Employee is unable substantially to perform his duties and responsibilities hereunder to the full extent required by Company by reason of illness, injury or incapacity for two consecutive months, or for more than three months in the aggregate during any period of 12 calendar months. In the event of such termination, Company shall pay Employee his Base Salary through the Termination Date. In addition to all other payments pursuant to Section 5.1, Employee shall be entitled to the following: (i) continued participation for the remaining Term in those benefit coverages in which Employee was participating on the Termination Date which, by their terms, permit a former employee to participate; and (ii) any other benefits in accordance with applicable plans and programs of the Company then in effect. In such event, the Company shall have no further liability or obligation to Employee for compensation under this Agreement except as otherwise specifically provided in this Agreement. Employee agrees, in the event of a dispute under this Section 5.2 regarding his status as having a disability, to submit to a physical examination by a licensed physician selected by Company. Company agrees that Employee shall have the right to have his personal physician present at any examination conducted by the physician selected by Company.

5.3 Death. The Term shall terminate in the event of Employee's death. In such event, Company shall pay to Employee's executors, legal representatives or administrators, as applicable, Employee's Base Salary through the Termination Date. In addition to all other payments pursuant to Section 5.1, Employee's estate shall be entitled to: (i) any other benefits in accordance with applicable plans and programs of the Company then in effect. Company shall have no further liability or obligation under this Agreement to Employee's executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through Employee except as otherwise specifically provided in this Agreement.

5.4 Any Other Termination By Company. In addition to the payments provided for in Section 5.1, in the event that Company terminates Employee's employment other than for Cause (as defined below in Section 5.5), Company will pay Employee twelve (12) months of severance pay (calculated at Employee's then current Base Salary rate). The severance shall be paid in equal installments over the severance period (calculated in accordance with the two previous sentences) in accordance with Company's usual payroll schedule (together, the "Severance Package").

5.5 Cause Definition. For purposes hereof the term "Cause" shall mean (A) any material breach by Employee of any provision of this Agreement, which breach is not cured, if such breach is able to be cured, by Employee within 15 business days after receiving written notice of such breach; (B) following the determination of the Board or the senior officers of Company, in good faith, that Employee has engaged in reckless conduct, fraud, intentional misconduct or intentional misappropriation of Company assets; (C) conviction of, or entering a plea of *nolo contendere* by, Employee to a charge of a felony or a misdemeanor involving moral turpitude; (D) any act or omission by Employee involving malfeasance, misfeasance, nonfeasance, gross negligence or recklessness in connection with the performance of Employee's duties; (E) any willful or intentional act having the effect of injuring the reputation, business, business relationships of Company or its affiliates; or (F) repeated failure by Employee to follow the lawful written (including e-mail) instructions of the Chief Executive Officer or President of Company and/or the Board.

5.6 Constructive Termination Without Cause. For purposes hereof "Constructive Termination Without Cause" shall mean a termination of Employee's employment at Employee's initiative following the occurrence, without Employee's written consent, of one or more of the following events:

5.6.1 a reduction in Employee's then current Base Salary; or

5.6.2 a material diminution in Employee's duties, title, responsibilities, and authority as provided in Section 1.1. In the event of a Constructive Termination Without Cause, Employee shall be entitled to receive the Severance Package in addition to the payments provided for in Section 5.1.

6. Nonsolicitation

6.1 During the period from the Effective Date through the second (2nd) anniversary of the Termination Date (the "Subject Period"(provided, however, that the Subject Period shall be automatically extended an additional six (6) months for each one (1) year period that Employee is employed by the Company), Employee shall not, directly or indirectly on behalf of any business, firm, corporation, partnership, person, proprietorship or other entity, incorporated or otherwise, and shall use his best efforts to cause each business, firm, corporation, partnership, person, proprietorship and other entity with which he is or shall become associated in any capacity not to, (i) solicit for employment, employ or otherwise engage any person who is then, or who was at any time prior to the date of such individual's separation from Company, employed or engaged (as an employee, consultant, sales representative or otherwise) in any position by Company, or (ii) except in connection with the performance of his duties hereunder and in accordance herewith, solicit, interfere with, endeavor to entice away from Company or communicate with regarding the business of Company any individual or entity which is a customer, supplier or client of Company at any time or from time to time during the Subject Period. Employee acknowledges and agrees in connection with the foregoing that the identities of Company's employees, customers, suppliers and clients and other information gained during his period of employment with Company with respect thereto is Confidential Information (as more fully defined in paragraph (b) below) of Company.

7. Confidentiality

7.1 During the Subject Period and at all times thereafter, Employee agrees and acknowledges that the Confidential Information (as defined below) of Company is valuable, special and unique to its business; that such business depends on such Confidential Information; and that Company wishes to protect such Confidential Information by keeping it confidential for the exclusive use and benefit of Company. Employee further acknowledges that any use by him of the Confidential Information other than in strict accordance with the terms of this Agreement would be wrongful and would cause the Company and the Group irreparable injury. Based upon the foregoing, with respect to such Confidential Information, Employee agrees:

7.1.1 to keep any and all Confidential Information in trust for the sole use and benefit of Company;

7.1.2 except as required by applicable law, regulation or court order or as required in furtherance of the business of Company in accordance with the terms hereof, not to use or disclose or reproduce, directly or indirectly, any Confidential Information of Company;

7.1.3 to take all reasonably appropriate steps in the context of Company's systems and activities to ensure that all Confidential Information is kept confidential for the sole use and benefit of Company, including such specific steps as are reasonably requested by the Board or the senior officers of Company; and

7.1.4 in the event Employee's employment with Company terminates for any reason whatsoever or at any time that Company may in writing request, to deliver promptly to Company all materials constituting Confidential Information (including all written, graphic, facsimile, encoded or recorded copies or duplicates thereof or notes regarding the same) of Company that are in his possession or under his control without making or retaining any written graphic, facsimile, encoded or recorded copy or extract from such materials.

7.2 For purposes of this Agreement, "Confidential Information" means any and all information developed by or for or possessed by Company that is (A) not generally known in any industry in which Company does business as of the date hereof or during the Term or (B) not known to Employee prior to his involvement with Company (including for this purpose information that is publicly available because of a breach by Employee of the provisions hereof). Confidential Information includes, but is not limited to, the information identified in Section 7.1 above (including, without limitation, personnel records and applications, employment and other employee agreements, medical records, employee appraisals, reviews and evaluations, general wage and salary rates and individual salaries and bonuses and plans and records relating thereto, numbers of employees in departments and divisions, employee benefit plans and incentive plans), and any and all other information developed by or for or possessed by Company concerning information technology, marketing and sales methods, concepts, materials, products, processes, procedures, formulae, innovations, discoveries, improvements, inventions, protocols, computer programs, records, data, know-how, techniques, designs, research and development projects, data, business forms, strategies, plans for development of products, services or expansion into new areas or markets, internal operations, product price lists, forecasts, projections, financial information (including the revenues, costs or profits associated with the products and services of the Company) and any other trade secrets and proprietary information of any type owned by or pertaining to Company, together with all written, graphic, facsimile, encoded, recorded and other materials relating to all or any part of the same.

7.3 In furtherance of the foregoing and as a further inducement for being employed by Company under this Agreement, Employee agrees to execute a confidentiality and assignment of inventions agreement if requested by Company.

8. Compliance With Laws

8.1 In performing his duties hereunder, Employee agrees to comply with all applicable governmental laws, rules and regulations and all applicable policies and procedures of Company in written form or not reduced to writing if known to Employee.

9. Notices

9.1 All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by prepaid telegram, or mailed first-class, postage prepaid, as follows:

If to Company: Apollo Medical Management, Inc.
P.O. Box 4555
Glendale, CA 91222

If to Employee: Jilbert Issai, M.D.
10050 La Canada Way
Sunland, CA 91040

or as such other addresses as either party may specify by written notice to the other as provided in this Section 9.1.

10. General

10.1 It is acknowledged that the rights of Company under this Agreement are of a special, unique, and intellectual character which gives them a peculiar value, and that a breach of any provision of this Agreement (particularly, but not limited to, the provisions of Sections 6 and 7 hereof), will cause Company irreparable injury and damage which cannot be reasonably or adequately compensated in damages in an action at law. Accordingly, without limiting any right or remedy which Company may have in the premises, Employee specifically agrees that Company shall be entitled to seek injunctive relief to enforce and protect its rights under this Agreement.

10.2 This Agreement sets forth the entire agreement and understanding of the parties hereto, and supersedes all prior agreements, arrangements, and understandings. Nothing herein contained shall be construed so as to require the commission of any act contrary to law and wherever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation, the latter shall prevail, but in such event the provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within legal requirements. Without limiting the generality of the foregoing, in the event that any compensation or other monies payable hereunder shall be in excess of the amount permitted by any such statute, law, ordinance, or regulation, payment of the maximum amount allowed thereby shall constitute full compliance by Company with the payment requirements of this Agreement.

10.3 No representation, promise, or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise, or inducement not so set forth. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

10.4 The provisions of this Agreement shall inure to the benefit of the parties hereto, their heirs, legal representatives, successors, and assigns. This Agreement, and Employee's rights and obligations hereunder, may not be assigned by Employee. Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its business and assets. Company may also assign this Agreement to any affiliate of Company; provided, however, that no such assignment shall (unless Employee shall so agree in writing) release Company of liability directly to Employee for the due performance of all of the terms, covenants, and conditions of this Agreement to be complied with and performed by Company. The term "affiliate", as used in this agreement, shall mean any corporation, firm, partnership, or other entity controlling, controlled by or under common control with Company. The term "control" (including "controlling", "controlled by", and "under common control with"), as used in the preceding sentence, shall be deemed to mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, firm, partnership, or other entity, whether through ownership of voting securities or by contract or otherwise.

10.5 This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by both of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provisions hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

10.6 This Agreement shall be governed by and construed according to the laws of the State of California applicable to agreements to be wholly performed therein without regard to conflict of laws principles.

10.7 During the Term and for period of 12 months thereafter, Employee shall not, whether on his own behalf or on behalf of any other individual or business entity, solicit, endeavor to entice away from Company, a Subsidiary or any affiliated company, or otherwise interfere with the relationship of Company, a Subsidiary or any affiliated company with any person who is, or was within the then most recent 12 month period, an employee or associate thereof.

10.8 To the extent permitted by applicable law, any controversy or dispute arising out of or relating to this Agreement, or any alleged breach hereof, shall be settled by arbitration in Los Angeles, California in accordance with the commercial rules of the American Arbitration Association then in existence (to the extent such rules are not inconsistent with the provisions of this Agreement), it being understood and agreed that the arbitration panel shall consist of three individuals acceptable to the parties hereto. In the event that the parties cannot agree on three arbitrators within 20 days following receipt by one party of a demand for arbitration from another party, then Company and Employee shall each designate one arbitrator and the two arbitrators selected shall select the third arbitrator. The arbitration panel so selected shall convene a hearing no later than 90 days following the selection of the panel. The arbitration award shall be final and
binding upon the parties, and judgment may be entered thereon in the California Superior Court or in any other court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

APOLLO MEDICAL MANAGEMENT, INC. (“COMPANY”)

By: /s/ Warren Hosseinion

Its: Chief Executive Officer

“EMPLOYEE”

/s/ Jilbert Issai
Jilbert Issai, M.D.

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered into effective as of the 15th day of March 2009 (the “Effective Date”), by and among Apollo Medical Management, Inc., a Delaware corporation (the "Company"); Kaneohe Advisors LLC, a California Limited Liability Company (“Kaneohe”).

WITNESSETH:

WHEREAS, the Company is a medical management company focused on managing the provision of hospital-based medicine through its affiliated medical groups (the “Business”), which currently consist of ApolloMed Hospitalists and Apollo Medical Associates; and

WHEREAS, the Board of Directors of the Company (the “Board”) desires to engage Kyle Francis (“Francis”), sole member of Kaneohe, as the Company’s Executive Vice President, Business Development & Strategy and compensate him therefor; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter stated, it is agreed as follows:

1. SCOPE OF WORK. The Company hereby engages Kaneohe and Kaneohe hereby agrees to make available its services and the services of its sole member, Francis, on a part-time basis, to the Company upon the terms and conditions hereinafter set forth. The Company shall upon the signing a copy of this Agreement and agreeing to be bound by the terms hereof. At such time as the Company shall obtain directors and officers liability insurance, Kaneohe and Francis shall be covered by such insurance policy, which shall contain appropriate and customary limits. In connection with the performance of its responsibilities Francis, as sole member of Kaneohe, shall perform those functions generally associated with the position of a Business Development and Strategy during the term of this Agreement, including without limitation:

(a) Provide financial advisory and consulting services, including but not limited to mergers and acquisitions, equity financing, and debt financing

2. TERM. The term of this Agreement shall be for no specific period of time. As a result, either Kaneohe or the Company can terminate this Agreement at any time for any reason or for no reason, with or without cause, by giving written notice to the other party. The provisions of Sections 3(b), 3(c), 3(d), 4(c), 5(e), 5(f), 5(g), 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, and 18 shall survive the termination of this Agreement.

3. COMPENSATION. For all Services provided by Kaneohe:

(a) Cash Compensation. The Company shall pay Kaneohe Eight thousand dollars per month ($8,000) ("Cash Compensation"), $2,000 of the Cash Compensation to be paid on the 15th of each month (the "Monthly Payment"). The remaining $6,000 of the Cash Compensation shall accrue each month on the Company's balance sheet ("Deferred Cash Compensation") and be paid to Kaneohe at such time that cash is available on the Company's balance sheet. For the avoidance of doubt, at such time the Company has cash on its balance sheet to pay any portion of the Deferred Cash Compensation accrued until that time, it shall make such payment immediately to Kaneohe. However, Kaneohe may agree that any such payment of Deferred Cash Compensation by the Company may be delayed for a reasonable period of time, to be determined at Kaneohe's sole discretion. Increases in the Monthly Payment to be paid and the corresponding decrease in the Deferred Cash Compensation to be accrued on a monthly basis may be made by the Chief Executive Officer at his reasonable discretion, provided that in no event shall the aggregate amount to be paid and accrued be less than the Cash Compensation amount.

(b) Equity Compensation. Upon the execution and delivery of this Agreement, the Company shall issue to Kaneohe a restricted stock award of 350,000 shares of the Company's common stock. An additional restricted stock award of 350,000 shares will be issued on the 1st and 2nd anniversary of this Agreement. If this Agreement is terminated prior to the end of 3 years, any additional restricted share awards will be adjusted on a pro rata basis for length of agreement. All certificates representing the Shares shall bear a legend substantially in the form provided in Section 5(f) herein below regarding the fact that the Shares are not registered under the Securities Act of 1933, as amended (the "Securities Act"), and none of the Shares may be sold, pledged, hypothecated or otherwise transferred without compliance with Federal and applicable state securities laws.

(c) Escrow of Shares. Certificates evidencing all Shares shall be placed in escrow maintained at all times by the Company ("Escrow"). Notwithstanding anything contained herein to the contrary, the Shares shall be issued and released from Escrow only in full compliance with Federal and all applicable state securities laws and Kaneohe shall cooperate with all requests of the Company in order to comply with all such laws as may be requested by the Company or its counsel. The Shares do not carry registration rights and Kaneohe has no right to compel the registration of any of the Shares, either before or after they are released from Escrow. Additionally, Kaneohe, covenants and agrees to be bound by all standard policies and guidelines with respect to transaction in the Shares, including without limitation the terms and conditions of any insider trading policy, code of ethics, corporate governance guidelines, or similar policies, codes and guidelines adopted by the Board of Directors of the Company from time to time.

(d) Business Expense Reimbursement. The Company shall reimburse Kaneohe for reasonable travel and other expenses actually and properly incurred by Kaneohe in carrying out the obligations hereunder, provided that such expenses are approved by the Chief Executive Officer or President of the Company and are supported by proper receipts, invoices or vouchers supplied to Company within 30 days of the day any such expenses were incurred. Expenses to be incurred in an amount to exceed $500.00 shall require prior written approval of the Chief Executive Officer or President of the Company.

4. REPRESENTATIONS AND WARRANTIES. Kaneohe, for and on behalf of itself, and each represent, warrant and covenant to the Company that:

(a) It will devote sufficient business time, energy, interest, ability, and skill to the provision of the services to the Company provided for hereunder.

(b) It will not, for as long as such person is providing services to the Company hereunder, directly or indirectly, promote, participate, or engage in any business activity that is competitive with the Company's Business, including, without limitation, any involvement as a shareholder, director, officer, employee, partner, party to a joint venture, consultant, advisor, individual proprietor, lender, or agent of any business, without the prior written consent of the Company.

(c) During the term of this Agreement and for a period of one year after the termination of this Agreement, each such person will not solicit, attempt to solicit, or cause to be solicited any customers of the Company for purposes of promoting or selling products or services which are competitive with those of the Company, nor will such person solicit, attempt to solicit, or cause to be solicited any employees, agents, or other independent contractors of the Company to cease their relationship with the Company.

5. SPECIAL SECURITIES REPRESENTATIONS. As a material inducement to the Company to issue to Kaneohe the Shares, Kaneohe represents and warrants to the Company as follows:

(a) It has, by reason of his business and financial experience, such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type and that it is capable of (i) evaluating the merits and risks of an investment in the Shares and making an informed investment decision; (ii) protecting its own interest; and (iii) bearing the economic risk of such investment for an indefinite period of time.

(b) It is an "accredited purchaser" as that term is defined in Rule 501(a) of Regulation D of the Securities Act, a copy of which is attached hereto as Appendix A and incorporated herein by this reference.

(c) It is acquiring the Shares for investment for its own account, and not with a view toward distribution thereof, and with no present intention of dividing his interest with others or reselling or otherwise disposing of all or any portion of the Shares. It has not offered or sold a participation in the Shares and will not offer or sell any interest therein. It further acknowledges that it does not have in mind any sale of the Shares currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined events or consequence; and that it has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for or which is likely to compel a disposition of the Shares and is not aware of any circumstances presently in existence that are likely in the future to prompt a disposition thereof.

(d) It acknowledges that the Shares have been offered to it in direct negotiation between the Company and Kaneohe and not through any advertisement of any kind or through any intermediary, finder or broker.

(e) It acknowledges that the Company has given it access to all information relating to the Company's business that it has requested. It acknowledges that it has sufficient knowledge, financial and business experience concerning the affairs and conditions of the Company so that it can make a reasoned decision as to this investment in the Company and is capable of evaluating the merits and risks of this investment. Based on the foregoing, it hereby agrees to indemnify the Company and the officers, directors and employees thereof harmless against all liability, costs or expenses (including attorneys' fees) arising by reason of or in connection with any misrepresentation or any breach of his warranties in this Section 5, or arising as a result of its acquisition, sale or other distribution of the Shares in violation of federal and applicable state securities or other laws. The representations and warranties contained herein shall be binding upon Kaneohe's legal representatives, successors and assigns.

(f) It is aware of the restrictions of transferability of the Shares and further understands and acknowledges that any certificates evidencing the Shares will bear a legend substantially in the following form:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED FOR SALE UNDER ANY STATE SECURITIES LAWS (COLLECTIVELY, "SECURITIES LAWS") AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS REGISTERED OR QUALIFIED FOR SALE UNDER ALL APPLICABLE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, ANY SUCH OFFER, SALE OR OTHER TRANSFER IS EXEMPT FROM THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH SECURITIES LAWS.

(g) It understands that the Shares may only be disposed of pursuant to either (i) an effective registration statement under the Securities Act, or (ii) an exemption from the registration requirements of the Securities Act. The Company has neither filed such a registration statement with the SEC or any state authorities nor agreed to do so.

6. INDEPENDENT CONTRACTOR. Kaneohe is an independent contractor Kaneohe has no right to serve as a consultant to the Company for any specific period of time. This Agreement may be terminated by either the Company or Kaneohe for any reason or for no reason at any time. Both the Company and Kaneohe may enter into a separate agreement for additional services provided by Kaneohe to the Company regarding a potential capital raise.

7. REMEDIES. Remedies at law shall be deemed to be inadequate for any breach of any of the covenants of this Agreement, and the Company shall be entitled to injunctive relief in addition to any other remedies it may have in the event of such breach.

8. TAXES. Kaneohe will be solely responsible for any and all income and other taxes that may be due to any state, local or federal governmental authorities in respect of any sums paid to it hereunder. Each such person acknowledges that the Company shall not make any withholdings from payments to it hereunder. Kaneohe shall indemnify, save and hold the Company harmless from and against all loss, cost or expense of any kind or nature in connection with its obligations pursuant to this Section 11.

9. NOTICES. Any notices required or permitted to be given in writing will be deemed received when personally delivered, delivered by email or delivered by facsimile transmission or, if earlier, three (3) days after mailing by United States mail, postage prepaid. Notice to the Company is valid if sent to the Company's principal place of business and notice to Kaneohe is valid if sent to such person at the address in the Company's records. Each party may change its respective address only by notice given to the other parties in the manner set forth herein.

10. WAVIER OF BREACH. The waiver by a party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of this Agreement.

11. ASSIGNMENT. Neither party may sell, assign, transfer or otherwise convey any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other, except to a corporation which has substantially all the business and assets of the assignor and assumed in writing its obligations under this Agreement.

12. COMPLIANCE WITH LAW. During the term of this Agreement, Kaneohe shall comply with all laws and regulations applicable to Kaneohe in the conduct of its business. During the term of this Agreement, the Company shall comply with all laws and regulations applicable to the Company in the conduct of its business.

13. EQUITABLE RELIEF. It is agreed and understood that monetary damages would not adequately compensate an injured party for the breach of this Agreement by any other party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach.

14. ATTORNEYS' FEES. In the event that an action at law or in equity is brought to enforce the provisions of this Agreement or to prevent a breach thereof, the successful party in such action or arbitration proceedings shall be entitled to any award of attorneys' fees and other costs as shall be established by the court or pursuant to a binding arbitration.

15. APPLICABLE LAW. This Agreement shall be construed as a whole and in accordance with its fair meaning. This Agreement shall be interpreted in accordance with the laws of the State of California without regard to conflict of laws principles.

16. ENTIRE AGREEMENT; AMENDMENTS. This Agreement embodies the entire understanding among the parties and merges all prior discussions or communications among them, and no party shall be bound by any definitions, conditions, warranties, or representations other than as expressly stated in this Agreement or as subsequently set forth in writing, and signed by the duly authorized representative of all the parties hereto. This Agreement, when executed shall supersede and render null and void any and all preceding or written understandings and agreements. This Agreement may only be changed, modified, or amended in writing by mutual consent of the parties hereto.

17. CONFLICTS OF INTEREST The parties acknowledge that, in the course of Kaneohe's non-exclusive services, Kaneohe may now or in the future have certain potential or actual conflicts of interest. Without the Company's written consent, Kaneohe shall not engage in any transaction with any medical management company focused on managing the provision of hospital-based medicine.

18. SEVERABILITY. In the event that any part of this Agreement shall be found to be unenforceable, all other parts of this Agreement shall remain in full force and effect.

19. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and may be validly executed by facsimile signature.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

APOLLO MEDICAL MANAGEMENT, INC.
("Company")

By: /s/ Warren Hosseinion M.D.
Warren Hosseinion
Chief Executive Officer

Kaneohe Advisors LLC ("Kaneohe")

By: /s/ Kyle Francis
Kyle Francis
Manager and Sole Member

DEFINITION OF "ACCREDITED INVESTOR"

An "accredited investor" is defined by Rule 501(a) of Regulation D as:

1. Any bank as defined in section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity; insurance company as defined in section 2(13) of the Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000;

2. Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

3. Any organization described in Section 501(c)(3) of the Internal Revenue Code with total assets in excess of $5,000,000;

4. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

5. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds $1,000,000;

6. Any natural person who had an individual income in excess of $200,000 in each of the two most recent years and who reasonably expects an income in excess of $200,000 in the current year or joint income with that person's spouse in excess of $300,000 in each of those years and who reasonably expects reaching the same income level in the current year; and

7. Any entity in which all of the equity owners are Accredited Investors under paragraph (a) (1), (2), (3), (4), (6), or (7) of Rule 501.

A Medical Corporation

HOSPITALIST PARTICIPATION SERVICE AGREEMENT

This HOSPITALIST PARTICIPATION SERVICE AGREEMENT ("Agreement") is made and entered into this 1st day of May, 2009 by and between ApolloMed Hospitalists, A Medical Corporation (Group), a California professional corporation located at P.O. Box 4555, Glendale, CA 91222 and Warren Hosseinion, a physician (Provider), having its principal place of business at 1420 S. Central Ave, Glendale, CA 91202.

RECITALS

WHEREAS, Group intends to enter into agreements with, but not limited to, Independent Physician Associations (IPA's), private community physicians (Physicians) and contracted hospitals (Hospital(s)) for the provision of inpatient medical services to persons enrolled as Enrollees (Enrollees) of IPA's or patients assigned to group as attending physician or consultant by Physician(s) or Hospital(s).

WHEREAS, Group and Provider desire to enter into a contract whereby Provider agrees to provide Covered Inpatient Intensive Medicine Services on behalf of Group to Enrollees of IPA's or patients assigned to group as a locum tenens attending physician or consultant by, but not limited to, Hospital(s) and Physician(s) which contract with Group.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

RETENTION OF PROVIDER

1. Provider shall, at all times, be deemed an, employee. It is the express intention of the parties that Provider is an employee, agent, owner, joint venturer and partner of Group. Both parties acknowledge that Provider is an employee for any and all purposes, including state and federal tax withholdings and that: (1) Provider will not incur business expenses that are not reimbursed by the Group except as otherwise expressly stated in this Agreement, (3) Provider will exercise independent discretion in and control the performance of services that Provider renders pursuant to this Agreement, and (4) Group may supply Provider with the tools and instrumentalities used in the performance of such services at Group's discretion. This Agreement is primarily to achieve the result of the service Provider will render, not the means by which the service will be accomplished.

2. Provider will devote high professional standards and very good effort and attention to the performance of services pursuant to this Agreement. Provider will use good judgment, adhere to high ethical standards, and avoid situations that create an actual or perceived conflict between Provider's interests and the interests of Group. While providing services to Group, Provider will respect Group's procedures and policies so as not to create unsafe situations, hinder Group's patient, employee or vendor relations, expose Group to undue risks or losses or cause dissension among the Group's employees.

3. Provider agrees to indemnify Group and all of its officers, directors, employees, shareholders, and agents and hold them all harmless for any injuries, damages, or losses (including reasonable attorney's fees and legal costs) to Provider or to Provider's agents or employees arising from or relating to this Agreement. Provider further agrees to indemnify Group, and all of its officers, directors, employees, shareholders and agents, free and hold them all harmless from and against any and all claims, demands, damages or liabilities (including reasonable attorney's fees and legal costs) of Group arising from or relating to the performance by Provider and Provider's agents and employees of Provider's obligations and duties pursuant to this Agreement.

ARTICLE I
SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to be available to provide and/or arrange coverage for Covered Inpatient Intensive Medicine Services to Enrollees of IPA's, or patients assigned to group as attending physician by Hospital(s) or Physician(s) on an as-needed basis. Said Covered Inpatient Intensive Medicine Services as referenced in Exhibit "A" shall be provided to Enrollees of each and every IPA which has (1) contracted with the Group and (2) has accepted Group to provide Covered Inpatient Intensive Medicine Services to its Enrollees and to patients assigned to Group as attending physician by Hospital(s) or Physician(s). Provider agrees to provide said Covered Inpatient Intensive Medicine Services at Group's Participating Hospitals as referenced in Exhibit "B". IPA's contracted with Group are listed in Exhibit "C."

ARTICLE II
REPRESENTATIONS

GROUP hereby warrants and represents that it is a California medical professional corporation that is in good standing with the California Secretary of State.

PROVIDER hereby warrants and represents that he or she is duly licensed to practice medicine in the State of California and is in good standing with the Medical Board of California. Provider further warrants and represents that he or she is currently either Board Certified or Board Eligible, and that for the duration of this Agreement shall remain in good standing with the Medical Board of California and with the medical staff of the Primary Hospital(s) with privileges in Inpatient Intensive Medicine.

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ARTICLE III
COMPENSATION

Group shall compensate Provider for Covered Inpatient Intensive Medicine Services as referenced in Exhibit A at an annualized rate of four hundred fiftteen thousand Dollars ($415,000.00) per year, where three hundred sixty thousand Dollars ($360,000.00) are payable as a taxable and direct salary in bimonthly installments and prorated on a daily basis for any portion of a month in which the terms of this Agreement do not apply or have been suspended by agreement of the Parties or terminated pursuant to the termination provisions of this Agreement and the remaining fifty five thousand Dollars ($55,000.00) as nontaxable benefits, paid either directly from Group or remitted to Group by Provider for costs incurred on a monthly basis, for the purpose of carrying out and performing duties related to employment with Group which include the following: (1) automobile expenses including (a) automobile lease (b) gasoline and (c) automobile repairs and maintenance, (2) meals, (3) travel expenses including (a) automobile rental (b) airline fees and (c) hotels, (4) communication expenses including (a) cellular phone and accessories and (b) cellular phone fees. In the event the amount of nontaxable benefits incurred by Provider is less than the fifty five thousand Dollars ($55,000.00) allocated to Provider by Group, Group shall pay the difference to Provider as a taxable salary at the end of the calendar year and prorated on a daily basis for any portion of the year in which the terms of this Agreement do not apply or have been suspended by agreement of the Parties or terminated pursuant to the termination provisions of this Agreement. In the event the amount of nontaxable benefits incurred by Provider is greater than the fifty five thousand Dollars ($55,000.00) allocated to Provider by Group, Group shall convert said amount to a loan against Provider which shall be repaid by Provider to Group within the following quarter in the form of bimonthly deductions from Provider's expected salary. In addition to the aforementioned compensation, Group shall compensate Provider fifty percent (80%) of collections for revenues generated by Provider in excess of the aforementioned annualized compensation of Four Hundred Fifteen Thousand Dollars ($415,000.00) in the twelve (12) month period corresponding with Group's fiscal year. Provider shall be paid this additional compensation within sixty days after such collections are reasonably calculable after the end of the Group's fiscal year. As Provider is an employee, agent, owner, joint venturer and partner of Group, it is understood that Provider may at times be required to perform additional services, due to acquisition of new contracts or modifications of existing contracts, which may not be part of or in excess of those services agreed upon in current Agreement; changes to current Agreement describing said changes in Groups current contracts and method of compensation to Provider for additional services provided may be amended or modified only by a written document signed by both parties hereto.

ARTICLE IV
OBLIGATIONS OF GROUP

1. Group will secure throughout the entire term of this Agreement a policy of professional malpractice liability insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage amount must be One Million Dollars ($1,000,000) per claim and Three Million Dollars ($3,000,000) in the annual aggregate. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

2. Group also agrees to maintain or purchase a tail policy for a period of not less than five (5) years following the effective termination date of the foregoing policy. Said tail policy shall have the same policy limits as the primary professional liability policy. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group shall fully reimburse Provider for the cost of said tail policy.

3. Group will secure throughout the entire term of this Agreement a policy of health insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. Said insurance policy shall provide coverage for Provider and all his dependents at no additional cost to Provider. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

4. Group will secure throughout the entire term of this Agreement a policy of disability insurance and on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage shall be in the amount equal to Provider's current salary. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

5. Group will secure throughout the entire term of this Agreement a policy of term life insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage shall be in the amount of one million dollars ($1,000,000). Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

ARTICLE V
OBLIGATIONS OF PROVIDER

1. During the entire term of this Agreement, Provider shall remain in good standing of the medical staff of the Primary Hospital(s) as referenced in Exhibit "B" with privileges in Inpatient Intensive Medicine. Loss of such medical staff membership or loss, impairment, suspension or reduction in privileges shall result in immediate termination of this Agreement.

2. Provider shall advise Group of each malpractice claim filed against Provider and each settlement or judgment of malpractice within fifteen (15) days following said filing, settlement, or judgment. Provider represents and warrants that no claims of malpractice have been made against Provider except as previously indicated in writing to the Group.

3. Provider has agreed to provide Covered Inpatient Intensive Medical Services as referenced in Exhibit "A," Exhibit "B," and Exhibit "C."

4. Provider shall maintain active licenses and DEA numbers in the State of California. Group shall pay all associated licensing fees and expenses. Provider may also maintain active or inactive licenses in other states at Provider's sole expense.

5. Provider shall cooperate with independent quality review and improvement organization activities pertaining to provision of services. Provider shall comply with M+CO medical policies, quality assurance programs and medical management programs. Provider shall fully cooperate with and adhere to Medicare's appeals, expedited appeals and expedited review procedures for M+CO Members, including gathering and forwarding information on appeals to M+CO as necessary.

6. Provider shall abide by all standards specified by the Healthcare Facilities Accreditation Program (the "HFAP") or the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") (whichever is applicable), or any comparable deemed status organization in the current accreditation manual for hospitals and all regulations set forth in Title 22, Division 5 of the California Code of Regulations, with respect to the provision of the Services.

7. As to those patients assigned to Provider, Provider shall:

   (a) Timely assess all newly admitted patients in accordance with the following timelines:

(1) Admissions to Units Other Than ICU – In accordance with existing hospital policy, unless the clinical status of the patient warrants an earlier assessment;

(2) Admission to ICU - In accordance with existing hospital policy, unless the clinical status of the patient warrants an earlier assessment; and

(3) Emergency Department – Within thirty (30) minutes of request from Emergency Department.

(b) Communicate with the patient's Primary Care Physician, where applicable, regarding the patient's medical condition and treatment plan within twenty-four (24) hours of admission, at least every forty-eight (48) hours during the patient's inpatient stay, and within twenty-four (24) hours of discharge.

(c) Provide encounter data on all services rendered at Hospital as requested by Hospital;

(d) Communicate with Hospital's Case Management Staff on a daily basis regarding the patient's medical condition, treatment plan, and discharge status;

(e) Obtain consultations with specialists and other members of the Medical Staff as may be required by the patient's medical condition.

(f) Cooperate in promptly transitioning care back to the Patient's primary care physician upon discharge, by, among other things:

(1) Preparing discharge instructions (i.e., the discharge sheet) to be faxed or submitted to the primary care physician on the day of discharge; and

(2) Timely completing the discharge summary, as required by hospital rules.

8. Provide consultations to those staff physicians who have elected to admit patients to the Hospital.

9. In the event a patient requests his/her own primary care physician, Provider will provide such care as may be immediately required under the circumstances, and shall promptly call and inform the primary care physician of the patient's request.

ARTICLE VI
CONFIDENTIALITY/NONDISCLOSURE

1. Provider understands that, in connection with his or her engagement with Group, he or she may receive, produce, or otherwise be exposed to trade secrets, Group Information and/or Confidential Information, in addition to all information Group receives from others under an obligation of confidentiality.

2. Provider acknowledges that trade secrets, Group Information and Confidential Information are the sole, exclusive and extremely valuable property of Group. Accordingly, Provider agrees to segregate all trade secrets, Group Information and/or Confidential Information from information of other companies and agrees not to reproduce any trade secrets, Group Information and/or Confidential Information without Group's prior written consent, not to use trade secrets, Group Information and/or Confidential Information except in the performance of this Agreement, and not to divulge all or any part of any trade secrets, Group Information and/or Confidential Information in any form to any third party, either during or after the term of this Agreement. Upon termination or expiration of this Agreement for any reason, Provider agrees to cease using and to return to Group all whole and partial copies and derivatives of any trade secrets, Group Information and/or Confidential Information, whether in Provider's possession or under Provider's direct or indirect control, including any computer access codes and/or nodes.

3. Provider shall not disclose or otherwise make available to Group in any manner any confidential and proprietary information received by Provider from third parties. Provider warrants that his or her performance of all the terms of this Agreement does not and will not breach any agreement entered into by Provider with any other party, and Provider agrees not to enter into any agreement, oral or written, in conflict with this Agreement. In addition, Provider recognizes that Group has proprietary information subject to a duty on Group's part to maintain the confidentiality of such information and to use such information only for certain limited purposes. Provider agrees that he or she owes to Group and such third parties, during the term of the Provider's relationship with Group and thereafter, regardless for the reason of termination of the relationship, a duty to hold all such confidential or proprietary information in the strictest of confidence and not to disclose such information to any person, Group or corporation (except as necessary in carrying our his or her work for Group consistent with Group's agreement with such third party) or to use such information for the benefit of anyone other than for Group or such third party (consistent with Group's agreement with such third party).

4. Provider shall comply with all state, federal and other government requirements regarding medical records, including requirements regarding completion of records, retention of records, access to records, confidentiality of records, and submission of reports, including but not limited to HIPAA. Attached as Exhibit "D" and incorporated herein by reference, is Group's HIPAA privacy policy. As a condition of and in consideration for this Agreement, Provider shall execute and be subject to Group's HIPAA Business Associate Agreement, attached as Exhibit "E."

5. The provisions of this Article shall remain enforceable regardless of any termination of the Agreement.

ARTICLE VII
RESTRICTION ON SOLICITATION

Provider shall not, for as long as Provider is providing services to Hospital hereunder and for a period of six months after the termination of this Agreement, directly or indirectly, promote, participate, or engage in any business activity that would interfere with the performance of Group's business. By way of example only and not by way of limitation, Provider shall not solicit, attempt to solicit, or cause to be solicited any customers or clients of Group, nor will Provider solicit, attempt to solicit, or cause to be solicited any employees, agents or independent contractors of Group to cease their relationship with Group. The parties expressly acknowledge that remedies at law shall be deemed to be inadequate for any breach of any of the covenants of this section, and Group shall be entitled to injunctive relief in addition to any other remedies it may have in law or in equity in the event of such breach. This section shall remain enforceable regardless of any termination of the Agreement.

ARTICLE VIII
INDEMNIFICATION

Provider hereby indemnifies and holds harmless Group and its directors, officers, employees, shareholders and agents from and against any claim, loss, damage, cost, expense (including reasonable attorney's fees) or liability arising out of or related to the performance or non-performance by Provider of any services to be performed or provided by Provider under this Agreement, as well as all other acts or omissions of Provider. This and all other indemnification provisions in the Agreement shall remain enforceable regardless of any termination of the Agreement.

ARTICLE IX
MISCELLANEOUS

1. This Agreement reflects the entirety of the Agreement of the Parties and may be amended or modified only by a written document signed by both parties hereto.

2. All notices required by this Agreement shall be sufficient if delivered in writing by United States mail, postage prepaid and return receipt requested, addressed to the party at the addresses set forth above.

3. The rights and benefits of Group under this Agreement shall be fully assignable and transferable, and all provisions herein shall inure to the benefit of and be enforceable by or against its successors and assigns.

4. Nothing contained in this Agreement shall be construed to permit assignment by Provider of any rights under this Agreement and any such assignment is expressly prohibited. Group may assign its rights and obligations under this Agreement.

5. If any provision in this Agreement is held by a court or arbitrator of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6. In case of enforcement action arising under or related to this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which he or she may be entitled. This provision shall be construed as applicable to the entire Agreement.

7. This Agreement will be governed by and construed in accordance with the laws of the State of California.

8. Provider acknowledges that he or she had the opportunity to consult an attorney regarding the terms of this Agreement and has either received or waived such advice.

9. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same Agreement.

ARTICLE X
VOLUNTARY AND OPTIONAL AGREEMENT TO ARBITRATE DISPUTES

Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled by binding arbitration pursuant to the following terms and conditions, which shall remain enforceable regardless of any termination of the Agreement:

1. Voluntary Agreement.

The purpose of arbitration is to resolve any disputes in a timely, fair and individualized manner. Provider's agreement to Arbitrate is not a mandatory condition of this Agreement, and if Provider rescinds his or her acceptance of the agreement to Arbitrate within the time specified below, this Article shall not be enforceable. At the written request of either Party, the Parties agree to consider, in good faith, any reasonable proposal to modify or amend the terms proposed by the other Party, or previously agreed upon in writing by the Parties. Provider is free to consult an attorney of his or her choice in connection with this process. If the Provider wishes to rescind his or her acceptance of the agreement to Arbitrate, he or she may do so at any time within 30 days of signing the Agreement by delivering and maintaining proof of delivery (such as a return receipt of certified mailing) of a signed written notice to the Group that Provider's acceptance of the agreement to arbitrate pursuant to this Article has been rescinded. In the absence of a written, mutually executed amendment, this Article shall set forth the full and complete agreement between the Parties concerning the matters addressed within the scope of this Article and shall supersede all prior oral or written agreements concerning these matters.

2. Covered Disputes.

These arbitration provisions shall apply to any claim or dispute alleging liability that arises from or relates to this Agreement, including, but not limited to, claims of wrongful employment termination, breach of contract, respondeat superior or vicarious liability, harassment or discrimination in employment, disputes concerning wage laws that are applicable only to employees, and all other similar employment relationship, contract, and principle-agent claims. The Arbitrator selected by the Parties shall be solely responsible for resolving any disputes over the interpretation or application of this Arbitration Agreement. Any arbitrable claims that, standing alone, would not be subject to these arbitration provisions shall be included within the scope of these standards if they arise from the same transaction or occurrence as claims that are independently subject to these arbitration provisions.

3. Dispute Resolution Procedures.

The parties agree that each of them shall attempt to provide timely notice to the other party of any actual or perceived claim against the other and that they shall attempt to informally resolve any dispute that arises between them.

If a dispute cannot be resolved informally, the parties agree that it shall be submitted to final and binding arbitration before a single neutral arbitrator (the "Arbitrator"), selected from the then-current panel of the American Arbitration Association ("AAA") that is most appropriate for the nature of the dispute as determined by mutual agreement of the parties or, if such agreement cannot be reached, by AAA. Except as otherwise expressly provided in this Agreement, the arbitration shall be conducted in accordance with the AAA Rules corresponding to the nature of the dispute. Should the nature of the dispute be deemed to fall within the Employment Rules, the Employment Rules of the AAA shall apply except as otherwise expressly provided by this Agreement. The AAA Employment Rules are attached as Exhibit "D." Other than in conjunction with a properly instituted arbitration, the parties shall not be required to adhere to mediation procedures prescribed by any AAA Rules except upon mutual agreement.

Except as otherwise expressly provided in this Agreement, the interpretation, scope and enforcement of these arbitration provisions and all procedural issues shall be governed by the procedural and substantive provisions of the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* (the "FAA"), the federal decisional law construing the FAA, and the AAA Rules, provided the AAA Rules do not conflict with the FAA. In the event of a conflict, the terms of this Article and the FAA will prevail over the AAA Rules.

The arbitration fees incurred pursuant to these arbitration provisions will be borne as determined by the AAA Rules, unless the Employment Rules apply, in which case they shall be paid exclusively by the Group. Except as otherwise permitted by law and awarded by the arbitrator, each party shall bear her, his, or its own attorney fees and costs. In submitting their disputes to final and binding resolution by the Arbitrator, **THE PARTIES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT THEY HAVE TO A JURY TRIAL OR COURT TRIAL.**

4. Small Claims Procedures.

If either Party asserts that a dispute involves an amount in controversy that is too small to warrant resolution by standard arbitration procedures, the claim may be resolved by a summary small claims procedure (the "Small Claims Procedure"). The Parties shall meet and confer to agree on whether the use of a Small Claims Procedure is appropriate in light of the nature and amount of the claim and, if so, what dispute resolution procedures are most appropriate. To the extent the Parties are unable to agree, the Arbitrator shall decide whether and to what extent a Small Claims Procedure shall apply. The Small Claims Procedure may involve relaxed rules of evidence, the use of broad principles of equity in place of strict application of law, telephonic hearings, and such other economic procedures as the Arbitrator deems appropriate under the circumstances of the dispute and consistent with due process. In no event, however, shall the Arbitrator utilize a Small Claims Procedure for a dispute involving a claim in excess of $50,000.

5. Claims of Non-Parties Excluded From Arbitration.

The Parties wish to resolve any disputes between them in an individualized, informal, timely, and inexpensive manner and to eliminate, to the maximum extent possible, any resort to litigation in a court of law. Consequently, the Arbitrator shall not consolidate or combine the resolution of any claim or dispute between the Parties pursuant to these arbitration provisions with the resolution of any claim by any other party or parties, including but not limited to any other actual or claimed employee of the Group. Nor shall the Arbitrator have the authority to certify a class under Federal Rule of Civil Procedure Rule 23, analogous state rules, or AAA rules pertaining to class arbitration, and the Arbitrator shall not decide claims on behalf of any other party or parties.

ARTICLE XI
TERM OF AGREEMENT

This Agreement will become effective on the 1st day of January, 2009, and shall be effective for a period of twelve (12) months thereafter, unless sooner terminated pursuant to the terms of this Agreement. This Agreement shall automatically be renewed for successive periods of twelve (12) months, each on the same terms and conditions contained herein, unless sooner terminated pursuant to the terms of the Agreement.

ARTICLE XII
TERMINATION OF THE AGREEMENT

Notwithstanding any other provision of this Agreement to the contrary, Group shall have the right to terminate this Agreement for cause. In the event Provider is terminated by the Group for cause, termination shall be effective immediately following the giving of notice of termination by Group. For purposes of this section, cause shall include, but shall not be limited to, the following:

1. Provider repeatedly denies Covered Medical Services to Enrollees inappropriately, as determined by the Group.

2. Provider repeatedly fails to comply with Group's quality improvement and utilization management policies and accessibility and availability standards.

3. Provider fails to comply with Obligations as referenced in Article IV.

4. Provider breaches any other term of this Agreement.

5. Loss, restriction or suspension of Provider's professional license to practice medicine in the State of California.

6. Provider's suspension or exclusion from the Medicare program.

7. Provider violates the State Medical Practice Act.

8. Provider's services place the safety of patients in imminent jeopardy.

9. Provider is convicted of a felony or crime or moral turpitude under State or Federal law.

10. Provider violates ethical and professional codes of conduct of the workplace as specified under State and Federal law.

11. Provider's medical staff privileges at any Primary Hospital are revoked, cancelled, suspended or limited.

12. Provider work product is unsatisfactory as measured by criteria set in the discretion of the Group.

Notwithstanding any other provision in this Agreement to the contrary, this Agreement may be terminated by Group, at any time, without cause, by the giving of ninety (90) days prior written notice to Provider.

Notwithstanding any other provision in this Agreement to the contrary, this Agreement may be terminated by Provider, at any time, without cause, by the giving of ninety (90) days prior written notice to Group.

Notwithstanding anything to the contrary contained in this Agreement, this Agreement may be terminated at any time by mutual written consent of the parties to this Agreement.

Notwithstanding any other provision of this Agreement, in the event that any IPA contracting with Group notifies Group that said IPA wishes to remove Group from the IPA's roster of participating physicians, Group shall have the right to terminate this Agreement by the giving of ninety (90) days prior written notice to Provider.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Group and Provider with respect to matters relating to Provider's retention, and it supersedes all previous oral or written communications, representations, or agreements between the parties.

THIS AGREEMENT CONTAINS PROVISIONS FOR THE ARBITRATION OF DISPUTES AND WAIVER OF THE RIGHT TO TRIAL BY JURY OR COURT.

Executed at Glendale, California on May 1, 2009.

GROUP:

By:/s/ Adrian Vazquez, M.D.
(Signature)

Adrian C. Vazquez, M.D.
President
ApolloMed Hospitalists

PROVIDER:

By:/s/ Warren Hosseinion, M.D.
(Signature)

Warren Hosseinion, M.D

EXHIBIT A

Provider shall be responsible for the following duties:

1. Medical Admissions (elective, urgent, emergent)

2. Surgical Admissions (elective, urgent, emergent)

3. Transfers: Out-of-Area and Out-of-Network (medical or surgical)

4. The Provider will need to communicate verbally with every patient's primary care physician within 24 hours of admission and on the day of discharge.

5. Visit all patients daily, including TCU (transitional care unit) patients.

6. Provider will need to dictate all H&P's within 24 hours of admission and all discharge summaries on the day of discharge.

7. Discussion of cases with families.

8. Conferring with discharge planner, UR nurse, UR coordinator, medical directors, case managers, or UR directors.

9. The Medical Director and/or designee reserves the right to request involvement of Provider on any patient for which the Group is contracted to provide inpatient services to.

10. Provider must be available, telephonically or by pager, at all times to Medical Director and/or designee, and to all other Group physicians, even when Provider is not on-call.

12. Provider will completely enter all patient information and Encounter Data, including but not limited to, Daily Visit Codes and Billing Codes, into the ApolloMed web-based database on a daily basis. Provider may enter this data either on a desktop computer or via a PDA phone. Provider shall be responsible for providing these duties to all patients for which Group is contracted to provide inpatient services to, at the Participating Hospitals as referenced in Exhibit B and Exhibit C.

EXHIBIT B

PARTICIPATING HOSPITALS

As determined by ApolloMed Hospitalists, Inc.

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EXHIBIT C

IPA's/Groups Contracted with ApolloMed Hospitalists

As determined by ApolloMed Hospitalists, Inc.

EXHIBIT D
AMERICAN ARBITRATION ASSOCIATION EMPLOYMENT RULES

Employment Arbitration Rules and Mediation Procedures

1. Applicable Rules of Arbitration

The parties shall be deemed to have made these rules a part of their arbitration agreement whenever they have provided for arbitration by the American Arbitration Association (hereinafter "AAA") or under its Employment Arbitration Rules and Mediation Procedures or for arbitration by the AAA of an employment dispute without specifying particular rules*. If a party establishes that an adverse material inconsistency exists between the arbitration agreement and these rules, the arbitrator shall apply these rules.

If, within 30 days after the AAA's commencement of administration, a party seeks judicial intervention with respect to a pending arbitration and provides the AAA with documentation that judicial intervention has been sought, the AAA will suspend administration for 60 days to permit the party to obtain a stay of arbitration from the court. These rules, and any amendment of them, shall apply in the form in effect at the time the demand for arbitration or submission is received by the AAA.

* *The National Rules for the Resolution of Employment Disputes* have been re-named the *Employment Arbitration Rules and Mediation Procedures.* Any arbitration agreements providing for arbitration under its *National Rules for the Resolution of Employment Disputes* shall be administered pursuant to these *Employment Arbitration Rules and Mediation Procedures.*

2. Notification

An employer intending to incorporate these rules or to refer to the dispute resolution services of the AAA in an employment ADR plan, shall, at least 30 days prior to the planned effective date of the program:

i. notify the Association of its intention to do so and,
ii. provide the Association with a copy of the employment dispute resolution plan.

Compliance with this requirement shall not preclude an arbitrator from entertaining challenges as provided in Section 1. If an employer does not comply with this requirement, the Association reserves the right to decline its administrative services.

3. AAA as Administrator of the Arbitration

When parties agree to arbitrate under these rules, or when they provide for arbitration by the AAA and an arbitration is initiated under these rules, they thereby authorize the AAA to administer the arbitration. The authority and duties of the AAA are prescribed in these rules, and may be carried out through such of the AAA's representatives as it may direct. The AAA may, in its discretion, assign the administration of an arbitration to any of its offices.

4. Initiation of Arbitration

Arbitration shall be initiated in the following manner.

a. The parties may submit a joint request for arbitration.
b. In the absence of a joint request for arbitration:
    i. The initiating party (hereinafter "Claimant[s]") shall:
        1. File a written notice (hereinafter "Demand") of its intention to arbitrate at any office of the AAA, within the time limit established by the applicable statute of limitations. Any dispute over the timeliness of the demand shall be referred to the arbitrator. The filing shall be made in duplicate, and each copy shall include the applicable arbitration agreement. The Demand shall set forth the names, addresses, and telephone numbers of the parties; a brief statement of the nature of the dispute; the amount in controversy, if any; the remedy sought; and requested hearing location.
        2. Simultaneously provide a copy of the Demand to the other party (hereinafter "Respondent[s]").
        3. Include with its Demand the applicable filing fee, unless the parties agree to some other method of fee advancement.
    ii. The Respondent(s) may file an Answer with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the Demand. The Answer shall provide the Respondent's brief response to the claim and the issues presented. The Respondent(s) shall make its filing in duplicate with the AAA, and simultaneously shall send a copy of the Answer to the Claimant. If no answering statement is filed within the stated time, Respondent will be deemed to deny the claim. Failure to file an answering statement shall not operate to delay the arbitration.
    iii. The Respondent(s):
        1. May file a counterclaim with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the Demand. The filing shall be made in duplicate. The counterclaim shall set forth the nature of the claim, the amount in controversy, if any, and the remedy sought.
        2. Simultaneously shall send a copy of any counterclaim to the Claimant.
        3. Shall include with its filing the applicable filing fee provided for by these rules.
    iv. The Claimant may file an Answer to the counterclaim with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the counterclaim. The Answer shall provide Claimant's brief response to the counterclaim and the issues presented. The Claimant shall make its filing in duplicate with the AAA, and simultaneously shall send a copy of the Answer to the Respondent(s). If no answering statement is filed within the stated time, Claimant will be deemed to deny the counterclaim. Failure to file an answering statement shall not operate to delay the arbitration.

c. The form of any filing in these rules shall not be subject to technical pleading requirements.

5. Changes of Claim

Before the appointment of the arbitrator, if either party desires to offer a new or different claim or counterclaim, such party must do so in writing by filing a written statement with the AAA and simultaneously provide a copy to the other party(s), who shall have 15 days from the date of such transmittal within which to file an answer with the AAA. After the appointment of the arbitrator, a party may offer a new or different claim or counterclaim only at the discretion of the arbitrator.

6. Jurisdiction

a. The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement.
b. The arbitrator shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.
c. A party must object to the jurisdiction of the arbitrator or to the arbitrability of a claim or counterclaim no later than the filing of the answering statement to the claim or counterclaim that gives rise to the objection. The arbitrator may rule on such objections as a preliminary matter or as part of the final award.

7. Administrative and Mediation Conferences

Before the appointment of the arbitrator, any party may request, or the AAA, in its discretion, may schedule an administrative conference with a representative of the AAA and the parties and/or their representatives. The purpose of the administrative conference is to organize and expedite the arbitration, explore its administrative aspects, establish the most efficient means of selecting an arbitrator, and to consider mediation as a dispute resolution option. There is no administrative fee for this service.

At any time after the filing of the Demand, with the consent of the parties, the AAA will arrange a mediation conference under its Mediation Procedures to facilitate settlement. The mediator shall not be any arbitrator appointed to the case, except by mutual written agreement of the parties. There is no administrative fee for initiating a mediation under AAA Mediation Procedures for parties to a pending arbitration.

8. Arbitration Management Conference

As promptly as practicable after the selection of the arbitrator(s), but not later than 60 days thereafter, an arbitration management conference shall be held among the parties and/or their attorneys or other representatives and the arbitrator(s). Unless the parties agree otherwise, the Arbitration Management Conference will be conducted by telephone conference call rather than in person. At the Arbitration Management Conference the matters to be considered shall include, without limitation

i. the issues to be arbitrated;
ii. the date, time, place, and estimated duration of the hearing;
iii. the resolution of outstanding discovery issues and establishment of discovery parameters;
iv. the law, standards, rules of evidence, and burdens of proof that are to apply to the proceeding;
v. the exchange of stipulations and declarations regarding facts, exhibits, witnesses, and other issues;
vi. the names of witnesses (including expert witnesses), the scope of witness testimony, and witness exclusion;
vii. the value of bifurcating the arbitration into a liability phase and damages phase;
viii. the need for a stenographic record;
ix. whether the parties will summarize their arguments orally or in writing;
x. the form of the award;
xi. any other issues relating to the subject or conduct of the arbitration;
xii. the allocation of attorney's fees and costs;
xiii. the specification of undisclosed claims;
xiv. the extent to which documentary evidence may be submitted at the hearing;
xv. the extent to which testimony may be admitted at the hearing telephonically, over the internet, by written or video-taped deposition, by affidavit, or by any other means;
xvi. any disputes over the AAA's determination regarding whether the dispute arose from an individually-negotiated employment agreement or contract, or from an employer-promulgated plan (see Costs of Arbitration section).

The arbitrator shall issue oral or written orders reflecting his or her decisions on the above matters and may conduct additional conferences when the need arises.

There is no AAA administrative fee for an Arbitration Management Conference.

9. Discovery

The arbitrator shall have the authority to order such discovery, by way of deposition, interrogatory, document production, or otherwise, as the arbitrator considers necessary to a full and fair exploration of the issues in dispute, consistent with the expedited nature of arbitration.

The AAA does not require notice of discovery related matters and communications unless a dispute arises. At that time, the parties should notify the AAA of the dispute so that it may be presented to the arbitrator for determination.

10. Fixing of Locale (the city, county, state, territory, and/or country of the arbitration)

If the parties disagree as to the locale, the AAA may initially determine the place of arbitration, subject to the power of the arbitrator(s), after their appointment to make a final determination on the locale. All such determinations shall be made having regard for the contentions of the parties and the circumstances of the arbitration.

11. Date, Time, and Place (the physical site of the hearing within the designated locale) of Hearing

The arbitrator shall set the date, time, and place for each hearing. The parties shall respond to requests for hearing dates in a timely manner, be cooperative in scheduling the earliest practicable date, and adhere to the established hearing schedule. The AAA shall send a notice of hearing to the parties at least 10 days in advance of the hearing date, unless otherwise agreed by the parties.

12. Number, Qualifications, and Appointment of Neutral Arbitrators

a. If the arbitration agreement does not specify the number of arbitrators or the parties do not agree otherwise, the dispute shall be heard and determined by one arbitrator.
b. Qualifications
    i. Neutral arbitrators serving under these rules shall be experienced in the field of employment law.
    ii. Neutral arbitrators serving under these rules shall have no personal or financial interest in the results of the proceeding in which they are appointed and shall have no relation to the underlying dispute or to the parties or their counsel that may create an appearance of bias.
    iii. The roster of available arbitrators will be established on a non-discriminatory basis, diverse by gender, ethnicity, background, and qualifications.
    iv. The AAA may, upon request of a party within the time set to return their list or upon its own initiative, supplement the list of proposed arbitrators in disputes arising out of individually-negotiated employment contracts with persons from the Commercial Roster, to allow the AAA to respond to the particular need of the dispute. In multi-arbitrator disputes, at least one of the arbitrators shall be experienced in the field of employment law.
c. If the parties have not appointed an arbitrator and have not provided any method of appointment, the arbitrator shall be appointed in the following manner:
    i. Shortly after it receives the Demand, the AAA shall send simultaneously to each party a letter containing an identical list of names of persons chosen from the Employment Dispute Resolution Roster. The parties are encouraged to agree to an arbitrator from the submitted list and to advise the AAA of their agreement.
    ii. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable.

iii. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment from among other members of the panel without the submission of additional lists.

13. Party Appointed Arbitrators

a. If the agreement of the parties names an arbitrator or specifies a method of appointing an arbitrator, that designation or method shall be followed.
b. Where the parties have agreed that each party is to name one arbitrator, the arbitrators so named must meet the standards of Section R-16 with respect to impartiality and independence unless the parties have specifically agreed pursuant to Section R-16(a) that the party-appointed arbitrators are to be non-neutral and need not meet those standards. The notice of appointment, with the name, address, and contact information of the arbitrator, shall be filed with the AAA by the appointing party. Upon the request of any appointing party, the AAA shall submit a list of members of the National Roster from which the party may, if it so desires, make the appointment.
c. If the agreement specifies a period of time within which an arbitrator shall be appointed and any party fails to make the appointment within that period, the AAA shall make the appointment.
d. If no period of time is specified in the agreement, the AAA shall notify the party to make the appointment. If within 15 days after such notice has been sent, an arbitrator has not been appointed by a party, the AAA shall make the appointment.

14. Appointment of Chairperson by Party-Appointed Arbitrators or Parties

a. If, pursuant to Section R-13, either the parties have directly appointed arbitrators, or the arbitrators have been appointed by the AAA, and the parties have authorized them to appoint a chairperson within a specified time and no appointment is made within that time or any agreed extension, the AAA may appoint the chairperson.
b. If no period of time is specified for appointment of the chairperson and the party-appointed arbitrators or the parties do not make the appointment within 15 days from the date of the appointment of the last party-appointed arbitrator, the AAA may appoint the chairperson.
c. If the parties have agreed that their party-appointed arbitrators shall appoint the chairperson from the National Roster, the AAA shall furnish to the party-appointed arbitrators, in the manner provided in Section R-12, a list selected from the National Roster, and the appointment of the chairperson shall be made as provided in that Section.

15. Disclosure

a. Any person appointed or to be appointed as an arbitrator shall disclose to the AAA any circumstance likely to give rise to justifiable doubt as to the arbitrator's impartiality or independence, including any bias or any financial or personal interest in the result of the arbitration or any past or present relationship with the parties or their representatives. Such obligation shall remain in effect throughout the arbitration.
b. Upon receipt of such information from the arbitrator or another source, the AAA shall communicate the information to the parties and, if it deems it appropriate to do so, to the arbitrator and others.
c. In order to encourage disclosure by arbitrators, disclosure of information pursuant to this Section R-15 is not to be construed as an indication that the arbitrator considers that the disclosed circumstance is likely to affect impartiality or independence.

16. Disqualification of Arbitrator

a. Any arbitrator shall be impartial and independent and shall perform his or her duties with diligence and in good faith, and shall be subject to disqualification for:
    i. partiality or lack of independence,
    ii. inability or refusal to perform his or her duties with diligence and in good faith, and
    iii. any grounds for disqualification provided by applicable law. The parties may agree in writing, however, that arbitrators directly appointed by a party pursuant to Section R-13 shall be nonneutral, in which case such arbitrators need not be impartial or independent and shall not be subject to disqualification for partiality or lack of independence.
b. Upon objection of a party to the continued service of an arbitrator, or on its own initiative, the AAA shall determine whether the arbitrator should be disqualified under the grounds set out above, and shall inform the parties of its decision, which decision shall be conclusive.

17. Communication with Arbitrator

a. No party and no one acting on behalf of any party shall communicate ex parte with an arbitrator or a candidate for arbitrator concerning the arbitration, except that a party, or someone acting on behalf of a party, may communicate ex parte with a candidate for direct appointment pursuant to Section R-13 in order to advise the candidate of the general nature of the controversy and of the anticipated proceedings and to discuss the candidate's qualifications, availability, or independence in relation to the parties or to discuss the suitability of candidates for selection as a third arbitrator where the parties or party-designated arbitrators are to participate in that selection.
b. Section R-17(a) does not apply to arbitrators directly appointed by the parties who, pursuant to Section R-16(a), the parties have agreed in writing are non-neutral. Where the parties have so agreed under Section R-16(a), the AAA shall as an administrative practice suggest to the parties that they agree further that Section R-17(a) should nonetheless apply prospectively.

18. Vacancies

a. If for any reason an arbitrator is unable to perform the duties of the office, the AAA may, on proof satisfactory to it, declare the office vacant. Vacancies shall be filled in accordance with applicable provisions of these Rules.
b. In the event of a vacancy in a panel of neutral arbitrators after the hearings have commenced, the remaining arbitrator or arbitrators may continue with the hearing and determination of the controversy, unless the parties agree otherwise.
c. In the event of the appointment of a substitute arbitrator, the panel of arbitrators shall determine in its sole discretion whether it is necessary to repeat all or part of any prior hearings.

19. Representation

Any party may be represented by counsel or other authorized representatives. For parties without representation, the AAA will, upon request, provide reference to institutions which might offer assistance. A party who intends to be represented shall notify the other party and the AAA of the name and address of the representative at least 10 days prior to the date set for the hearing or conference at which that person is first to appear. If a representative files a Demand or an Answer, the obligation to give notice of representative status is deemed satisfied.

20. Stenographic Record

Any party desiring a stenographic record shall make arrangements directly with a stenographer and shall notify the other parties of these arrangements at least three days in advance of the hearing. The requesting party or parties shall pay the cost of the record. If the transcript is agreed by the parties, or determined by the arbitrator to be the official record of the proceeding, it must be provided to the arbitrator and made available to the other parties for inspection, at a date, time, and place determined by the arbitrator.

21. Interpreters

Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume the costs of the service.

22. Attendance at Hearings

The arbitrator shall have the authority to exclude witnesses, other than a party, from the hearing during the testimony of any other witness. The arbitrator also shall have the authority to decide whether any person who is not a witness may attend the hearing.

23. Confidentiality

The arbitrator shall maintain the confidentiality of the arbitration and shall have the authority to make appropriate rulings to safeguard that confidentiality, unless the parties agree otherwise or the law provides to the contrary.

24. Postponements

The arbitrator: (1) may postpone any hearing upon the request of a party for good cause shown; (2) must postpone any hearing upon the mutual agreement of the parties; and (3) may postpone any hearing on his or her own initiative.

25. Oaths

Before proceeding with the first hearing, each arbitrator shall take an oath of office. The oath shall be provided to the parties prior to the first hearing. The arbitrator may require witnesses to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

26. Majority Decision

All decisions and awards of the arbitrators must be by a majority, unless the unanimous decision of all arbitrators is expressly required by the arbitration agreement or by law.

27. Dispositive Motions

The arbitrator may allow the filing of a dispositive motion if the arbitrator determines that the moving party has shown substantial cause that the motion is likely to succeed and dispose of or narrow the issues in the case.

28. Order of Proceedings

A hearing may be opened by: (1) recording the date, time, and place of the hearing; (2) recording the presence of the arbitrator, the parties, and their representatives, if any; and (3) receiving into the record the Demand and the Answer, if any. The arbitrator may, at the beginning of the hearing, ask for statements clarifying the issues involved.

The parties shall bear the same burdens of proof and burdens of producing evidence as would apply if their claims and counterclaims had been brought in court.

Witnesses for each party shall submit to direct and cross examination.

With the exception of the rules regarding the allocation of the burdens of proof and going forward with the evidence, the arbitrator has the authority to set the rules for the conduct of the proceedings and shall exercise that authority to afford a full and equal opportunity to all parties to present any evidence that the arbitrator deems material and relevant to the resolution of the dispute. When deemed appropriate, the arbitrator may also allow for the presentation of evidence by alternative means including web conferencing, internet communication, telephonic conferences and means other than an in-person presentation of evidence. Such alternative means must still afford a full and equal opportunity to all parties to present any evidence that the arbitrator deems material and relevant to the resolution of the dispute and when involving witnesses, provide that such witness submit to direct and cross-examination.

The arbitrator, in exercising his or her discretion, shall conduct the proceedings with a view toward expediting the resolution of the dispute, may direct the order of proof, bifurcate proceedings, and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case.

Documentary and other forms of physical evidence, when offered by either party, may be received in evidence by the arbitrator.

The names and addresses of all witnesses and a description of the exhibits in the order received shall be made a part of the record.

29. Arbitration in the Absence of a Party or Representative

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement. An award shall not be based solely on the default of a party. The arbitrator shall require the party who is in attendance to present such evidence as the arbitrator may require for the making of the award.

30. Evidence

The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence as the arbitrator deems necessary to an understanding and determination of the dispute. All evidence shall be taken in the presence of all of the arbitrators and all of the parties, except where any party or arbitrator is absent, in default, or has waived the right to be present, however "presence" should not be construed to mandate that the parties and arbitrators must be physically present in the same location.

An arbitrator or other person authorized by law to subpoena witnesses or documents may do so upon the request of any party or independently. The arbitrator shall be the judge of the relevance and materiality of the evidence offered, and conformity to legal rules of evidence shall not be necessary. The arbitrator may in his or her discretion direct the order of proof, bifurcate proceedings, exclude cumulative or irrelevant testimony or other evidence, and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case. All evidence shall be taken in the presence of all of the arbitrators and all of the parties, except where any party is absent, in default, or has waived the right to be present.

If the parties agree or the arbitrator directs that documents or other evidence may be submitted to the arbitrator after the hearing, the documents or other evidence shall be filed with the AAA for transmission to the arbitrator, unless the parties agree to a different method of distribution. All parties shall be afforded an opportunity to examine such documents or other evidence and to lodge appropriate objections, if any.

31. Inspection

Upon the request of a party, the arbitrator may make an inspection in connection with the arbitration. The arbitrator shall set the date and time, and the AAA shall notify the parties. In the event that one or all parties are not present during the inspection, the arbitrator shall make an oral or written report to the parties and afford them an opportunity to comment.

32. Interim Measures

At the request of any party, the arbitrator may grant any remedy or relief that would have been available to the parties had the matter been heard in court, as stated in Rule 39(d), Award.

A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.

33. Closing of Hearing

The arbitrator shall specifically inquire of all parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies or if satisfied that the record is complete, the arbitrator shall declare the hearing closed.

If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as provided in Rule 30 and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the date of closing the hearing. The time limit within which the arbitrator is required to make the award shall commence to run, in the absence of other agreements by the parties, upon closing of the hearing.

34. Reopening of Hearing

The hearing may be reopened by the arbitrator upon the arbitrator's initiative, or upon application of a party for good cause shown, at any time before the award is made. If reopening the hearing would prevent the making of the award within the specific time agreed on by the parties in the contract(s) out of which the controversy has arisen, the matter may not be reopened unless the parties agree on an extension of time. When no specific date is fixed in the contract, the arbitrator may reopen the hearing and shall have 30 days from the closing of the reopened hearing within which to make an award.

35. Waiver of Oral Hearing

The parties may provide, by written agreement, for the waiver of oral hearings. If the parties are unable to agree as to the procedure, upon the appointment of the arbitrator, the arbitrator shall specify a fair and equitable procedure.

36. Waiver of Objection/Lack of Compliance with These Rules

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with, and who fails to state objections thereto in writing or in a transcribed record, shall be deemed to have waived the right to object.

37. Extensions of Time

The parties may modify any period of time by mutual agreement. The AAA or the arbitrator may for good cause extend any period of time established by these Rules, except the time for making the award. The AAA shall notify the parties of any extension.

38. Serving of Notice

a. Any papers, notices, or process necessary or proper for the initiation or continuation of an arbitration under these rules, for any court action in connection therewith, or for the entry of judgment on any award made under these rules may be served on a party by mail addressed to the party, or its representative at the last known address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard to the dispute is or has been granted to the party.
b. The AAA, the arbitrator, and the parties may also use overnight delivery or electronic facsimile transmission (fax), to give the notices required by these rules. Where all parties and the arbitrator agree, notices may be transmitted by electronic mail (e-mail), or other methods of communication.
c. Unless otherwise instructed by the AAA or by the arbitrator, any documents submitted by any party to the AAA or to the arbitrator shall simultaneously be provided to the other party or parties to the arbitration.

39. The Award

a. The award shall be made promptly by the arbitrator and, unless otherwise agreed by the parties or specified by law, no later than 30 days from the date of closing of the hearing or, if oral hearings have been waived, from the date of the AAA's transmittal of the final statements and proofs to the arbitrator. Three additional days are provided if briefs are to be filed or other documents are to be transmitted pursuant to Rule 30.
b. An award issued under these rules shall be publicly available, on a cost basis. The names of the parties and witnesses will not be publicly available, unless a party expressly agrees to have its name made public in the award.
c. The award shall be in writing and shall be signed by a majority of the arbitrators and shall provide the written reasons for the award unless the parties agree otherwise. It shall be executed in the manner required by law.

d. The arbitrator may grant any remedy or relief that would have been available to the parties had the matter been heard in court including awards of attorney's fees and costs, in accordance with applicable law. The arbitrator shall, in the award, assess arbitration fees, expenses, and compensation as provided in Rules 43, 44, and 45 in favor of any party and, in the event any administrative fees or expenses are due the AAA, in favor of the AAA, subject to the provisions contained in the Costs of Arbitration section.
e. If the parties settle their dispute during the course of the arbitration and mutually request, the arbitrator may set forth the terms of the settlement in a consent award.
f. The parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail, addressed to a party or its representative at the last known address, personal service of the award, or the filing of the award in any manner that may be required by law.
g. The arbitrator's award shall be final and binding.

40. Modification of Award

Within 20 days after the transmittal of an award, any party, upon notice to the other parties, may request the arbitrator to correct any clerical, typographical, technical, or computational errors in the award. The arbitrator is not empowered to redetermine the merits of any claim already decided. The other parties shall be given 10 days to respond to the request. The arbitrator shall dispose of the request within 20 days after transmittal by the AAA to the arbitrator of the request and any response thereto. If applicable law requires a different procedural time frame, that procedure shall be followed.

41. Release of Documents for Judicial Proceedings

The AAA shall, upon the written request of a party, furnish to the party, at that party's expense, certified copies of any papers in the AAA's case file that may be required in judicial proceedings relating to the arbitration.

42. Applications to Court

a. No judicial proceeding by a party relating to the subject matter of the arbitration shall be deemed a waiver of the party's right to arbitrate.
b. Neither the AAA nor any arbitrator in a proceeding under these rules is or shall be considered a necessary or proper party in judicial proceedings relating to the arbitration.
c. Parties to these procedures shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction.
d. Parties to an arbitration under these rules shall be deemed to have consented that neither the AAA nor any arbitrator shall be liable to any party in any action for damages or injunctive relief for any act or omission in connection with any arbitration under these rules.

43. Administrative Fees

As a not-for-profit organization, the AAA shall prescribe filing and other administrative fees to compensate it for the cost of providing administrative services. The AAA administrative fee schedule in effect at the time the demand for arbitration or submission agreement is received shall be applicable.

AAA fees shall be paid in accordance with the Costs of Arbitration Section (see pages 45-53).

The AAA may, in the event of extreme hardship on any party, defer or reduce the administrative fees. (To ensure that you have the most current information, see our website at www.adr.org).

44. Neutral Arbitrator's Compensation

Arbitrators shall charge a rate consistent with the arbitrator's stated rate of compensation. If there is disagreement concerning the terms of compensation, an appropriate rate shall be established with the arbitrator by the AAA and confirmed to the parties.

Any arrangement for the compensation of a neutral arbitrator shall be made through the AAA and not directly between the parties and the arbitrator. Payment of the arbitrator's fees and expenses shall be made by the AAA from the fees and moneys collected by the AAA for this purpose.

Arbitrator compensation shall be borne in accordance with the Costs of Arbitration section.

45. Expenses

Unless otherwise agreed by the parties or as provided under applicable law, the expenses of witnesses for either side shall be borne by the party producing such witnesses.

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator shall be borne in accordance with the Costs of Arbitration section.

46. Deposits

The AAA may require deposits in advance of any hearings such sums of money as it deems necessary to cover the expenses of the arbitration, including the arbitrator's fee, if any, and shall render an accounting and return any unexpended balance at the conclusion of the case.

47. Suspension for Non-Payment

If arbitrator compensation or administrative charges have not been paid in full, the AAA may so inform the parties in order that one of them may advance the required payment. If such payments are not made, the arbitrator may order the suspension or termination of the proceedings. If no arbitrator has yet been appointed, the AAA may suspend or terminate the proceedings.

48. Interpretation and Application of Rules

The arbitrator shall interpret and apply these rules as they relate to the arbitrator's powers and duties. When there is more than one arbitrator and a difference arises among them concerning the meaning or application of these Rules, it shall be resolved by a majority vote. If that is not possible, either an arbitrator or a party may refer the question to the AAA for final decision. All other procedures shall be interpreted and applied by the AAA.

Costs of Arbitration (including AAA Administrative Fees)

This Costs of Arbitration section contains two separate and distinct sections. Initially, the AAA shall make an administrative determination as to whether the dispute arises from an employer-promulgated plan or an individually-negotiated employment agreement or contract.

If a party disagrees with the AAA's determination, the parties may bring the issue to the attention of the arbitrator for a final determination. The arbitrator's determination will be made on documents only, unless the arbitrator deems a hearing is necessary.

For Disputes Arising Out of Employer-Promulgated Plans*:

Arbitrator compensation is not included as part of the administrative fees charged by the AAA. Arbitrator compensation is based on the most recent biography sent to the parties prior to appointment. The employer shall pay the arbitrator's compensation unless the employee, post dispute, voluntarily elects to pay a portion of the arbitrator's compensation. Arbitrator compensation, expenses as defined in section (iv) below, and administrative fees are not subject to reallocation by the arbitrator(s) except upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.

*Pursuant to Section 1284.3 of the California Code of Civil Procedure, consumers with a gross monthly income of less than 300% of the federal poverty guidelines are entitled to a waiver of arbitration fees and costs, exclusive of arbitrator fees. This law applies to all consumer agreements subject to the California Arbitration Act, and to all consumer arbitrations conducted in California. Only those disputes arising out of employer promulgated plans are included in the consumer definition. If you believe that you meet these requirements, you must submit to the AAA a declaration under oath regarding your monthly income and the number of persons in your household. Please contact the AAA's Western Case Management Center at 877.528.0880 if you have any questions regarding the waiver of administrative fees. (Effective January 1, 2003.)

(i) Filing Fees

In cases before a single arbitrator, a nonrefundable filing fee capped in the amount of $150, is payable in full by the employee when a claim is filed, unless the plan provides that the employee pay less. A nonrefundable fee in the amount of $900 is payable in full by the employer, unless the plan provides that the employer pay more.

In cases before three or more arbitrators, a nonrefundable filing fee capped in the amount of $150, is payable in full by the employee when a claim is filed, unless the plan provides that the employee pay less. A nonrefundable fee in the amount of $1,775 is payable in full by the employer, unless the plan provides that the employer pay more.

There shall be no filing fee charged for a counterclaim.

(ii) Hearing Fees

For each day of hearing held before a single arbitrator, an administrative fee of $300 is payable by the employer.

For each day of hearing held before a multi-arbitrator panel, an administrative fee of $500 is payable by the employer.

There is no AAA hearing fee for the initial Arbitration Management Conference.

(iii) Postponement/Cancellation Fees

A fee of $150 is payable by a party causing a postponement of any hearing scheduled before a single arbitrator.

A fee of $250 is payable by a party causing a postponement of any hearing scheduled before a multi-arbitrator panel.

(iv) Hearing Room Rental

The hearing fees described above do not cover the rental of hearing rooms. The AAA maintains hearing rooms in most offices for the convenience of the parties. Check with the administrator for availability and rates. Hearing room rental fees will be borne by the employer.

(v) Abeyance Fee

Parties on cases held in abeyance for one year will be assessed an annual abeyance fee of $300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed.

(vi) Expenses

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne by the employer.

For Disputes Arising Out of Individually-Negotiated Employment Agreements and Contracts:

The AAA's Commercial Fee Schedule, below, will apply to disputes arising out of individually-negotiable employment agreements and contracts, even if such agreements and contracts reference or incorporate an employer-promulgated plan.

The administrative fees of the AAA are based on the amount of the claim or counterclaim. Arbitrator compensation is not included as part of the administrative fees charged by the AAA. Arbitrator compensation is based on the most recent biography sent to the parties prior to appointment. Unless the parties agree otherwise, arbitrator compensation, and expenses as defined in section (v) below, shall be borne equally by the parties and are subject to reallocation by the arbitrator in the award.

(i) Filing Fees and Case Service Fees

An initial filing fee is payable in full by the filing party when a claim, counterclaim, or additional claim is filed. A case service fee will be incurred for all cases that proceed to their first hearing. This fee will be payable in advance at the time that the first hearing is scheduled. This fee will be refunded at the conclusion of the case if no hearings have occurred. However, if the Association is not notified at least 24 hours before the time of the scheduled hearing, the case service fee will remain due and will not be refunded.

These fees will be billed in accordance with the following schedule:

Amount of Claim	Initial Filing Fee	Case Service Fee
Above $0 to $10,000	$ 750	$ 200
Above $10,000 to $75,000	$ 950	$ 300
Above $75,000 to $150,000	$ 1,800	$ 750
Above $150,000 to $300,000	$ 2,750	$ 1,250
Above $300,000 to $500,000	$ 4,250	$ 1,750
Above $500,000 to $1,000,000	$ 6,000	$ 2,500
Above $1,000,000 to $5,000,000	$ 8,000	$ 3,250
Above $5,000,000 to $10,000,000	$ 10,000	$ 4,000
Above $10,000,000	*	*
Nonmonetary Claims**	$ 3,250	$ 1,250

*** This fee is applicable only when a claim or counterclaim is not for a monetary amount. Where a monetary claim amount is not known, parties will be required to state a range of claims or be subject to the highest possible filing fee.Fee Schedule for Claims in Excess of $10 MillionThe following is the fee schedule for use in disputes involving claims in excess of $10 million. If you have any questions, please consult your local AAA office or case management center.*

Fee Schedule for Claims in Excess of $10 Million

The following is the fee schedule for use in disputes involving claims in excess of $10 million. If you have any questions, please consult your local AAA office or case management center.

Claim Size	Fee	Case Service Fee
$10 million and above	Base fee of $ 12,500 plus .01% of the amount of claim above $ 10 million. Filing fees capped at $65,000	$ 6,000

Fees are subject to increase if the amount of a claim or counterclaim is modified after the initial filing date. Fees are subject to decrease if the amount of a claim or counterclaim is modified before the first hearing.

The minimum fees for any case having three or more arbitrators are $2,750 for the filing fee, plus a $1,250 case service fee.

(ii) Refund Schedule

The AAA offers a refund schedule on filing fees. For cases with claims up to $75,000, a minimum filing fee of $300 will not be refunded. For all cases, a minimum fee of $500 will not be refunded. Subject to the minimum fee requirements, refunds will be calculated as follows:

»100% of the filing fee, above the minimum fee, will be refunded if the case is settled or withdrawn within five calendar days of filing.

»50% of the filing fee, in any case with filing fees in excess of $500, will be refunded if the case is settled or withdrawn between six and 30 calendar days of filing. Where the filing fee is $500, the refund will be $200.

»25% of the filing fee will be refunded if the case is settled or withdrawn between 31 and 60 calendar days of filing.

No refund will be made once an arbitrator has been appointed (this includes one arbitrator on a three-arbitrator panel). No refunds will be granted on awarded cases.

Note: The date of receipt of the demand for arbitration with the AAA will be used to calculate refunds of filing fees for both claims and counterclaims.

(iii) Hearing Room Rental

The fees described above do not cover the rental of hearing rooms. The AAA maintains hearing rooms in most offices for the convenience of the parties. Check with the AAA for availability and rates.

(iv) Abeyance Fee

Parties on cases held in abeyance for one year will be assessed an annual abeyance fee of $300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed.

(v) Expenses

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne equally by the parties.

For Disputes Proceeding Under the Supplementary Rules for Class Action Arbitration ("Supplementary Rules"):

The AAA's Administered Fee Schedule, as listed in Section 11 of the Supplementary Rules for Class Action Arbitration, shall apply to disputes proceeding under the Supplementary Rules.

Optional Rules for Emergency Measures of Protection

O-1. Applicability

Where parties by special agreement or in their arbitration clause have adopted these rules for emergency measures of protection, a party in need of emergency relief prior to the constitution of the panel shall notify the AAA and all other parties in writing of the nature of the relief sought and the reasons why such relief is required on an emergency basis. The application shall also set forth the reasons why the party is entitled to such relief. Such notice may be given by facsimile transmission, or other reliable means, but must include a statement certifying that all other parties have been notified or an explanation of the steps taken in good faith to notify other parties.

O-2. Appointment of Emergency Arbitrator

Within one business day of receipt of notice as provided in Section O-1, the AAA shall appoint a single emergency arbitrator from a special AAA panel of emergency arbitrators designated to rule on emergency applications. The emergency arbitrator shall immediately disclose any circumstance likely, on the basis of the facts disclosed in the application, to affect such arbitrator's impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within one business day of the communication by the AAA to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.

O-3. Schedule

The emergency arbitrator shall as soon as possible, but in any event within two business days of appointment, establish a schedule for consideration of the application for emergency relief. Such schedule shall provide a reasonable opportunity to all parties to be heard, but may provide for proceeding by telephone conference or on written submissions as alternatives to a formal hearing.

O-4. Interim Award If after consideration the emergency arbitrator is satisfied that the party seeking the emergency relief has shown that immediate and irreparable loss or damage will result in the absence of emergency relief, and that such party is entitled to such relief, the emergency arbitrator may enter an interim award granting the relief and stating the reasons therefore.

O-5. Constitution of the Panel

Any application to modify an interim award of emergency relief must be based on changed circumstances and may be made to the emergency arbitrator until the panel is constituted; thereafter such a request shall be addressed to the panel. The emergency arbitrator shall have no further power to act after the panel is constituted unless the parties agree that the emergency arbitrator is named as a member of the panel.

O-6. Security

Any interim award of emergency relief may be conditioned on provision by the party seeking such relief of appropriate security.

O-7. Special Master

A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. If the AAA is directed by a judicial authority to nominate a special master to consider and report on an application for emergency relief, the AAA shall proceed as provided in Section O-1 of this article and the references to the emergency arbitrator shall be read to mean the special master, except that the special master shall issue a report rather than an interim award.

O-8. Costs

The costs associated with applications for emergency relief shall be apportioned in the same manner as set forth in the Costs of Arbitration section.

Employment Mediation Procedures

1. Agreement of Parties

Whenever, by provision in an employment dispute resolution program, or by separate submission, the parties have provided for mediation or conciliation of existing or future disputes under the auspices of the American Arbitration Association (hereinafter "AAA") or under these procedures, they shall be deemed to have made these procedures, as amended and in effect as of the date of the submission of the dispute, a part of their agreement.

2. Initiation of Mediation

Any party to an employment dispute may initiate mediation by filing with the AAA a submission to mediation or a written request for mediation pursuant to these procedures, together with the applicable administrative fee.

3. Request for Mediation

A request for mediation shall contain a brief statement of the nature of the dispute and the names, addresses, and telephone numbers of all parties to the dispute and those who will represent them, if any, in the mediation. The initiating party shall simultaneously file two copies of the request with the AAA and one copy with every other party to the dispute.

4. Appointment of Mediator

Upon receipt of a request for mediation, the AAA shall send simultaneously to each party to the dispute an identical list of five (unless the AAA decides that a different number is appropriate) names of qualified mediators. The parties are encouraged to agree to a mediator from the submitted list and to advise the AAA of their agreement. If the parties are unable to agree upon a mediator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of a mediator to serve. If the parties fail to agree on any of the persons named, or if acceptable mediators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the AAA shall have the power to appoint a qualified mediator to serve.

If the agreement of the parties names a mediator or specifies a method of appointing a mediator, that designation or method shall be followed.

5. Qualifications of Mediator

No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting an appointment, the prospective mediator shall disclose any circumstance likely to create a presumption of bias or prevent a prompt meeting with the parties. Upon receipt of such information, the AAA shall either replace the mediator or immediately communicate the information to the parties for their comments. In the event that the parties disagree as to whether the mediator shall serve, the AAA will appoint another mediator. The AAA is authorized to appoint another mediator if the appointed mediator is unable to serve promptly.

6. Vacancies

If any mediator shall become unwilling or unable to serve, the AAA will appoint another mediator, unless the parties agree otherwise.

7. Representation

Any party may be represented by a person of the party's choice. The names and addresses of such persons shall be communicated in writing to all parties and to the AAA.

8. Date, Time, and Place of Mediation

The mediator shall fix the date, time, and place of each mediation session. The mediation shall be held at the appropriate regional office of the AAA, or at any other convenient location agreeable to the mediator and the parties, as the mediator shall determine.

9. Identification of Matters in Dispute

At least 10 days prior to the first scheduled mediation session, each party shall provide the mediator with a brief memorandum setting forth its position with regard to the issues that need to be resolved. At the discretion of the mediator, such memoranda may be mutually exchanged by the parties.

At the first session, the parties will be expected to produce all information reasonably required for the mediator to understand the issues presented. The mediator may require any party to supplement such information.

10. Authority of Mediator

The mediator does not have the authority to impose a settlement on the parties but will attempt to help them reach a satisfactory resolution of their dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided that the parties agree and assume the expenses of obtaining such advice.

Arrangements for obtaining such advice shall be made by the mediator or the parties, as the mediator shall determine.

The mediator is authorized to end the mediation whenever, in the judgment of the mediator, further efforts at mediation would not contribute to a resolution of the dispute between the parties.

11. Privacy

Mediation sessions are private. The parties and their representatives may attend mediation sessions. Other persons may attend only with the permission of the parties and with the consent of the mediator.

12. Confidentiality

Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by a mediator while serving in that capacity shall be confidential. The mediator shall not be compelled to divulge such records or to testify in regard to the mediation in any adversary proceeding or judicial forum.

The parties shall maintain the confidentiality of the mediation and shall not rely on, or introduce as evidence in any arbitral, judicial, or other proceeding:

a. views expressed or suggestions made by another party with respect to a possible settlement of the dispute;
b. admissions made by another party in the course of the mediation proceedings;
c. proposals made or views expressed by the mediator; or
d. the fact that another party had or had not indicated willingness to accept a proposal for settlement made by the mediator.

13. No Stenographic Record

There shall be no stenographic record of the mediation process.

14. Termination of Mediation

The mediation shall be terminated:

a. by the execution of a settlement agreement by the parties;
b. by a written declaration of the mediator to the effect that further efforts at mediation are no longer worthwhile; or
c. by a written declaration of a party or parties to the effect that the mediation proceedings are terminated.

15. Exclusion of Liability

Neither the AAA nor any mediator is a necessary party in judicial proceedings relating to the mediation.

Neither the AAA nor any mediator shall be liable to any party for any act or omission in connection with any mediation conducted under these procedures.

16. Interpretation and Application of Procedures

The mediator shall interpret and apply these procedures insofar as they relate to the mediator's duties and responsibilities. All other procedures shall be interpreted and applied by the AAA.

17. Expenses

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator and representatives of the AAA, and the expenses of any witness and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

Mediation Fee Schedule

The nonrefundable case set-up fee is $325 per party. In addition, the parties are responsible for compensating the mediator at his or her published rate, for conference and study time (hourly or per diem).

All expenses are generally borne equally by the parties. The parties may adjust this arrangement by agreement.

Before the commencement of the mediation, the AAA shall estimate anticipated total expenses. Each party shall pay its portion of that amount as per the agreed upon arrangement. When the mediation has terminated, the AAA shall render an accounting and return any unexpendable balance to the parties.

EXHIBIT E
HIPAA BUSINESS ASSOCIATE AGREEMENT

The Parties wish to enter into a HIPAA Business Associate Agreement ("Business Associate Agreement") in conjunction with the HOSPITALIST PARTICIPATION ALL INCLUSIVE SERVICE AGREEMENT. This Business Associate Agreement shall remain fully enforceable regardless of any termination of the HOSPITALIST PARTICIPATION ALL INCLUSIVE SERVICE AGREEMENT.

I. Definitions (alternative approaches)

General Definitions Default to Privacy Rule if Not Otherwise Provided:

Terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the Privacy Rule.

Specific definitions:

a. Business Associate. "Business Associate" shall mean Provider as defined in the Independent Contractor Hospitalist Agreement.
b. Covered Entity. "Covered Entity" shall mean ApolloMed Hospitalists (herinafter, "Group").
c. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
d. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
e. Protected Health Information. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
f. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
g. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

II. Obligations and Activities of Business Associate

a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Business Associate Agreement.

c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement.
d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Business Associate Agreement of which it becomes aware.
e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Business Associate Agreement to Business Associate with respect to such information.
f. Business Associate agrees to provide access, at the request of Covered Entity, as soon as practicable and in the manner prescribed by the Covered Entity to the extent practicable, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.
g. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner prescribed by the Covered Entity to the extent practicable.
h. Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by Covered Entity to the extent practicable or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
i. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
j. Business Associate agrees to provide to Covered Entity or an Individual, in the time and manner prescribed by the Covered Entity to the extent practicable, information collected in accordance with Section II.i. of this Business Associate Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Business Associate Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Independent Contractor Hospitalist Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

IV. Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except as necessary for Business Associate's data aggregation, management and administrative activities of pursuant to the Independent Contractor Hospitalist Agreement.

VI. Term and Termination

a. Term. The Term of this Business Associate Agreement shall be effective as of the effective date of the Independent Contractor Hospitalist Agreement, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may either:
    1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Business Associate Agreement and Independent Contractor Hospitalist Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
    2. Immediately terminate this Business Associate Agreement and Independent Contractor Hospitalist Agreement if Business Associate has breached a material term of this Business Associate Agreement; or
    3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

c. Effect of Termination.
    1. Except as provided in paragraph (2) of this section, upon termination of this Business Associate Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
    2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's determination that return or destruction of Protected Health Information is infeasible pursuant to Business Associate's notification, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VII. Indemnification

Business Associate shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmlessCovered Entity and its respective employees, directors, and agents ("Indemnitees") from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys fees, including at trial and on appeal) asserted or imposed against any Indemnitees arising out of the acts or omissions of Business Associate or any of Business Associate's employees, directors, or agents related to the performance or nonperformance of this Agreement.

VIII. Miscellaneous

a. Regulatory References. A reference in this Business Associate Agreement to a section in the Privacy Rule means the section as in effect or as amended.
b. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
c. Survival. The respective rights and obligations of Business Associate under Section VI.c. of this Business Associate Agreement shall survive the termination of this Business Associate Agreement.

d. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the respective dates written below

GROUP (COVERED ENTITY):	**BUSINESS ASSOCIATE (PROVIDER):**
By: /s/ Adrian Vazquez	By: /s/ Warren Hosseinion
Title: President	Title: Warren Hosseinion, M.D.
Date: May 1, 2009	Date: May 1, 2009

EXHIBIT F
GROUP'S HIPAA PRIVACY POLICY

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY.

IF YOU HAVE ANY QUESTIONS CONCERNING THIS NOTICE, PLEASE CONTACT OUR PRIVACY MANAGER AT (818) 507-4617.

In this Notice, "we," "us," and "our" mean ApolloMed Hospitalists, a medical corporation. The policies of this Notice will be followed by us, our employees, our independent contractor physicians, and other non-employees who have a need to use your medical information to perform their job, including our business associates.

PROTECTED HEALTH INFORMATION

Protected Health Information, or "PHI," is health information that contains identifiers, such as your name, Social Security number, or other information that reveals who you are.

We may use or disclose PHI without your authorization for the purposes stated in this Notice. You may revoke your authorization for other disclosures of your PHI that require your written authorization at any time by sending your written revocation to:

Privacy Manager

AppolloMed Hospitalists
P.O. Box 4555
Glendale, CA 91222

YOUR RIGHTS

Your Right to Access your PHI

You have the right to see and copy most of your PHI maintained by us. We may charge you a fee for copies, mailing, and other costs associated with your request. Please contact our Privacy Manager to make arrangements. In the event your request to inspect or copy medical information is denied, we will inform in writing you of the denial and your right, if any, to have the decision reviewed.

You have the right request inspection, copying, or delivery to you of your PHI in a manner or place that may protect your privacy. To ask for this special service, call the Privacy Manager.

Your Right to Request Individual Changes to Your PHI

You have a right to ask for changes to your PHI records if they are not complete or correct, for as long as the records are kept by us or for us. Your request must be in writing and must include a reason that supports your request. However, if we do not agree to your requested changes, we may deny your request and inform you of the reason(s) for the denial. You then have the right to submit a statement of disagreement with the content of your records, not to exceed 250 words. We will include your statement of disagreement with any disclosures of the records disputed by your statement of disagreement.

Your Right to an Accounting of Our Disclosures of PHI

You have the right to request a list of our disclosures of your PHI (other than our own uses for treatment, payment, and health care operations, and certain other disclosures we are not required to track or report to you), and the reason why the PHI was disclosed, for the six-year period prior to your request, but not earlier than April 14, 2003. You have a right to receive a free copy of this list once a year. If you request an updated list within one year, you will have to pay the costs of providing the list. We will notify you of the cost in advance, and you may change or cancel your request before you become responsible for the costs.

Your Right to a Paper Copy of This Notice

If you receive this notice by electronic mail, you have a right to a get paper copy of this notice. Please contact our Privacy Manager with your request.

Your Right to Request Additional Limitations on Disclosures of Your PHI
You have the right to request additional limitations on how we use or disclose your PHI. However, we do not have to agree to the limitations you request.

OUR DUTIES

We Must Protect Your PHI

We are required by law to protect your PHI from access by others who are not allowed to see or get copies of your information. We must keep your PHI private as required by law. We must give you notice about how we keep your information private. We must use and disclose your information only as provided in this notice.

We May Make Changes to This Notice

We have the right to change this notice. If we change this notice, how we use your PHI or give it to others will change. Any changes in the notice will be made available on our website: www.apollomed.net

Uses and Disclosures of Your Records
We will protect the confidentiality of your PHI as required by law. Sometimes, we may use or disclose your PHI without your authorization, in the circumstances briefly discussed below.

Treatment

We may use or give your PHI to other physicians and health care workers and trainees in the course of providing treatment, such as obtaining a second opinion from another physician. We may use and disclose your PHI to coordinate the care you receive, including, for example, ordering prescriptions, diagnostic tests, etc.

Health Care Options

We may use or give you your PHI to you to inform you about your health care options We may use or give you your PHI to provide information about different health benefits or services that may be of interest to you.

Payment

We create bills for services we provide to you and we may use or share your related PHI with agencies such as insurance providers and to others when the disclosures may be necessary to obtain payment of your bills.

Health Care Operations

We may use or give your PHI to agencies that monitor, supervise, and regulate the delivery of health care.

Secretary of DHHS - Required Disclosure

We may give your PHI to the federal government when it is checking on how we are meeting the privacy laws.

Personal Representatives

We may give your personal representative access to your PHI at his or her request, upon that person's verification of his or her status as your personal representative.

Named Insured

If you are enrolled in health benefit program as a dependent, we may release medical information about you to the person under whose name your health benefits are carried.

Hospital Directories

If you are hospitalized, we may use or give your name and location in the respective hospital directories of hospitals where we perform services for you while you are a patient in the hospital, as well as your general condition (good, fair, etc.) to persons who ask about you by name, and to clergy members of your religious affiliation even if they do not ask for you by name. This information is provided so your friends, family, and clergy can visit you and find out how you are doing generally.

Persons Involved in Your Care or Payment for Your Care

We may give information about you to a friend or family member who is involved in your medical care, include someone involved in arranging payment for your medical care, or to others you tell us are involved in your care. Unless you request otherwise in writing, if you are hospitalized, we may also tell your friends and family that you are in the hospital and your general condition. We may also disclose medical information about you to disaster relief efforts to assist them in providing notices about the condition, status, and location of affected individuals.

Appointments
We may use or give your PHI to you to provide reminders of your appointments.

Uses and Disclosures Required by Law
We may use or give out information about you to others when required by federal or state law. The information we give will be limited to the information the law requires us to disclose.

Public Health Activities

We may use or disclose your PHI to public health authorities to the extent permitted or required by law. This may include sharing your information:

- To prevent or control disease, injury or disability,
- For reports of child abuse or neglect;
- To the Food and Drug Administration about food, nutritional supplements, products, or product recalls,
- To a person who may have been exposed to a disease, or
- To an employer for health care in their facility.

Victims of Abuse, Neglect or Domestic Violence

We may share your PHI with government agencies, including social services or protective service agencies, to report if we suspect you are a victim of abuse, neglect or domestic violence when the law requires it.

Health Care Oversight

We may use or share your PHI with agencies that review how we do business or oversee the health care system, such as for audits or investigations.

Judicial and Administrative

We may disclose your PHI in response to subpoenas, warrants, discoveries, or other legal processes, but only if appropriate efforts have been made to inform you about the request or obtain a court order protecting your PHI.

Law Enforcement
We may give your PHI for police activities, such as providing information to locate a missing person.

Decedents
We may use or give your PHI to the coroner or medical examiner to determine the cause of your death. We may give your PHI to a funeral director to enable him/her to carry out his/her duties.

Organ Donations

If you are an organ or tissue donor, we may use or give your PHI to organizations that coordinate, obtain, bank, or transplant organs or tissues as allowed by law.

Research

We may use or give your PHI for research studies that meet all privacy law rules

Health and Safety

We may use or give your PHI when necessary to persons who are able to prevent or lessen a serious threat to the health or safety of you, another person or the public.

Specialized Government Functions

We may use or disclose your PHI to the appropriate government agency:

- If you are a member of the armed forces, as required by military command authorities,
- If your are a veteran, to the Department of Veterans Affairs,
- To federal officials to conduct national security activities,
- To federal officials to protect the President and others,
- If you are a member of the Department of the State, to authorities seeking information about your medical suitability or for security clearances,
- If you are an inmate of a correctional institution or under the custody of a law enforcement official, to a correctional institution about your health care and safety and to ensure the health and safety of others,
- To federal, state or local government agencies when you apply for a benefit program to verify your eligibility, enrollment or to provide data about the programs.

Workers' Compensation

We may give your PHI to agencies and entities that provide workers' compensation benefits for work-related injuries and illnesses.

Fundraising

We may use or give your PHI to our business partners to contact you to raise funds for organizations associated with our delivery of health care services. If we do so, we will only use or disclose your name, address, other contact information, age, gender and insurance status.

Underwriting

We may use or give your PHI to insurance companies to get insurance coverage for you, for us, and for the facilities and organizations, such as hospitals, that are associated with the health care we provide to you.

Group Health Plan Sponsors

We may use or disclose your PHI to agencies that sponsor your group health insurance. For example, we may use and give your information to confirm your eligibility to enroll you in a participating health plan that you select.

De-Identified Information

We may give out information about you that cannot be traced back to you. This data is called “de-identified” data. Data is considered de-identified only after information that is sufficient to identify you has been removed.

Business Associates

There are some services provided to our organization through contracts with other organizations, such as a copy service we use to make copies of your records. We may disclose your PHI to these organizations so they can perform the job we have asked them to do. We require all these organizations to sign an agreement to protect the privacy of your PHI.

How to Contact Us or File Complaints

You have the right to file a complaint if you think your privacy rights have been violated or you think this Notice is not correct. You may make your complaint with our Privacy Manager. To make a complaint, you may telephone or send a written letter to our Privacy Manager. The telephone number to contact our privacy manager is (818) 507-4617. The address to send a written letter is:

Privacy Manager

AppolloMed Hospitalists
P.O. Box 4555
Glendale, CA 91222

You also have the right to file a complaint about how your records are protected or about our Notice with the Secretary of the United States Department of Health and Human Services. To file a complaint with that agency you may:

Send your written complaint to:
Region IX,
Office for Civil Rights,
U.S. Department of Health and Human Services,
50 United Nations Plaza—Room 322
San Francisco, CA 94102.

Or fax it to: (415) 437–8329

You may call this agency at: (415) 437–8310 or for TDD (415) 437–8311.

You may send your complaint by electronic email to*OCRComplaint@hhs.gov.*

No Retaliation

No action may be taken against you for filing a complaint. If you believe that an action has been taken against you by one of our employees, please call our Privacy Manager at (818) 507-4617.

Effective Date

This notice is in effect on and after August 1, 2008.

ApolloMed Hospitalists

A Medical Corporation

HOSPITALIST PARTICIPATION SERVICE AGREEMENT

This HOSPITALIST PARTICIPATION SERVICE AGREEMENT ("Agreement") is made and entered into this 1st day of May, 2009 by and between ApolloMed Hospitalists, A Medical Corporation (Group), a California professional corporation located at P.O. Box 4555, Glendale, CA 91222 and Adrian C. Vazquez, a physician (Provider), having its principal place of business at 1420 S. Central Ave, Glendale, CA 91202.

RECITALS

WHEREAS, Group intends to enter into agreements with, but not limited to, Independent Physician Associations (IPA's), private community physicians (Physicians) and contracted hospitals (Hospital(s)) for the provision of inpatient medical services to persons enrolled as Enrollees (Enrollees) of IPA's or patients assigned to group as attending physician or consultant by Physician(s) or Hospital(s).

WHEREAS, Group and Provider desire to enter into a contract whereby Provider agrees to provide Covered Inpatient Intensive Medicine Services on behalf of Group to Enrollees of IPA's or patients assigned to group as a locum tenens attending physician or consultant by, but not limited to, Hospital(s) and Physician(s) which contract with Group.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

RETENTION OF PROVIDER

1. Provider shall, at all times, be deemed an, employee. It is the express intention of the parties that Provider is an employee, agent, owner, joint venturer and partner of Group. Both parties acknowledge that Provider is an employee for any and all purposes, including state and federal tax withholdings and that: (1) Provider will not incur business expenses that are not reimbursed by the Group except as otherwise expressly stated in this Agreement, (3) Provider will exercise independent discretion in and control the performance of services that Provider renders pursuant to this Agreement, and (4) Group may supply Provider with the tools and instrumentalities used in the performance of such services at Group's discretion. This Agreement is primarily to achieve the result of the service Provider will render, not the means by which the service will be accomplished.

2. Provider will devote high professional standards and very good effort and attention to the performance of services pursuant to this Agreement. Provider will use good judgment, adhere to high ethical standards, and avoid situations that create an actual or perceived conflict between Provider's interests and the interests of Group. While providing services to Group, Provider will respect Group's procedures and policies so as not to create unsafe situations, hinder Group's patient, employee or vendor relations, expose Group to undue risks or losses or cause dissension among the Group's employees.

3. Provider agrees to indemnify Group and all of its officers, directors, employees, shareholders, and agents and hold them all harmless for any injuries, damages, or losses (including reasonable attorney's fees and legal costs) to Provider or to Provider's agents or employees arising from or relating to this Agreement. Provider further agrees to indemnify Group, and all of its officers, directors, employees, shareholders and agents, free and hold them all harmless from and against any and all claims, demands, damages or liabilities (including reasonable attorney's fees and legal costs) of Group arising from or relating to the performance by Provider and Provider's agents and employees of Provider's obligations and duties pursuant to this Agreement.

ARTICLE I
SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to be available to provide and/or arrange coverage for Covered
Inpatient Intensive Medicine Services to Enrollees of IPA's, or patients assigned to group as attending physician by Hospital(s) or Physician(s) on an as-needed basis. Said Covered Inpatient Intensive Medicine Services as referenced in Exhibit "A" shall be provided to Enrollees of each and every IPA which has (1) contracted with the Group and (2) has accepted Group to provide Covered Inpatient Intensive Medicine Services to its Enrollees and to patients assigned to Group as attending physician by Hospital(s) or Physician(s). Provider agrees to provide said Covered Inpatient Intensive Medicine Services at Group's Participating Hospitals as referenced in Exhibit "B". IPA's contracted with Group are listed in Exhibit "C."

ARTICLE II
REPRESENTATIONS

GROUP hereby warrants and represents that it is a California medical professional corporation that is in good standing with the California Secretary of State.

PROVIDER hereby warrants and represents that he or she is duly licensed to practice medicine in the State of California and is in good standing with the Medical Board of California. Provider further warrants and represents that he or she is currently either Board Certified or Board Eligible, and that for the duration of this Agreement shall remain in good standing with the Medical Board of California and with the medical staff of the Primary Hospital(s) with privileges in Inpatient Intensive Medicine.

ARTICLE III
COMPENSATION

Group shall compensate Provider for Covered Inpatient Intensive Medicine Services as referenced in Exhibit A at an annualized rate of four hundred fiftteen thousand Dollars ($415,000.00) per year, where three hundred sixty thousand Dollars ($360,000.00) are payable as a taxable and direct salary in bimonthly installments and prorated on a daily basis for any portion of a month in which the terms of this Agreement do not apply or have been suspended by agreement of the Parties or terminated pursuant to the termination provisions of this Agreement and the remaining fifty five thousand Dollars ($55,000.00) as nontaxable benefits, paid either directly from Group or remitted to Group by Provider for costs incurred on a monthly basis, for the purpose of carrying out and performing duties related to employment with Group which include the following: (1) automobile expenses including (a) automobile lease (b) gasoline and (c) automobile repairs and maintenance, (2) meals, (3) travel expenses including (a) automobile rental (b) airline fees and (c) hotels, (4) communication expenses including (a) cellular phone and accessories and (b) cellular phone fees. In the event the amount of nontaxable benefits incurred by Provider is less than the fifty five thousand Dollars ($55,000.00) allocated to Provider by Group, Group shall pay the difference to Provider as a taxable salary at the end of the calendar year and prorated on a daily basis for any portion of the year in which the terms of this Agreement do not apply or have been suspended by agreement of the Parties or terminated pursuant to the termination provisions of this Agreement. In the event the amount of nontaxable benefits incurred by Provider is greater than the fifty five thousand Dollars ($55,000.00) allocated to Provider by Group, Group shall convert said amount to a loan against Provider which shall be repaid by Provider to Group within the following quarter in the form of bimonthly deductions from Provider's expected salary. In addition to the aforementioned compensation, Group shall compensate Provider fifty percent (80%) of collections for revenues generated by Provider in excess of the aforementioned annualized compensation of Four Hundred Fifteen Thousand Dollars ($415,000.00) in the twelve (12) month period corresponding with Group's fiscal year. Provider shall be paid this additional compensation within sixty days after such collections are reasonably calculable after the end of the Group's fiscal year. As Provider is an employee, agent, owner, joint venturer and partner of Group, it is understood that Provider may at times be required to perform additional services, due to acquisition of new contracts or modifications of existing contracts, which may not be part of or in excess of those services agreed upon in current Agreement; changes to current Agreement describing said changes in Groups current contracts and method of compensation to Provider for additional services provided may be amended or modified only by a written document signed by both parties hereto.

ARTICLE IV
OBLIGATIONS OF GROUP

1. Group will secure throughout the entire term of this Agreement a policy of professional malpractice liability insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage amount must be One Million Dollars ($1,000,000) per claim and Three Million Dollars ($3,000,000) in the annual aggregate. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

2. Group also agrees to maintain or purchase a tail policy for a period of not less than five (5) years following the effective termination date of the foregoing policy. Said tail policy shall have the same policy limits as the primary professional liability policy. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group shall fully reimburse Provider for the cost of said tail policy.

3. Group will secure throughout the entire term of this Agreement a policy of health insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. Said insurance policy shall provide coverage for Provider and all his dependents at no additional cost to Provider. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

4. Group will secure throughout the entire term of this Agreement a policy of disability insurance and on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage shall be in the amount equal to Provider's current salary. Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

5. Group will secure throughout the entire term of this Agreement a policy of term life insurance on behalf of Provider with an insurance company admitted and licensed in the State of California. The minimum coverage shall be in the amount of one million dollars ($1,000,000). Group shall supply evidence of current insurance upon the Provider's demand at any time. Should Provider elect to obtain such coverage through an insurance other than that arranged by the Group, Group will remit the costs of the premiums on a monthly basis to the Provider as invoiced to Group by the Provider.

ARTICLE V
OBLIGATIONS OF PROVIDER

1. During the entire term of this Agreement, Provider shall remain in good standing of the medical staff of the Primary Hospital(s) as referenced in Exhibit "B" with privileges in Inpatient Intensive Medicine. Loss of such medical staff membership or loss, impairment, suspension or reduction in privileges shall result in immediate termination of this Agreement.

2. Provider shall advise Group of each malpractice claim filed against Provider and each settlement or judgment of malpractice within fifteen (15) days following said filing, settlement, or judgment. Provider represents and warrants that no claims of malpractice have been made against Provider except as previously indicated in writing to the Group.

3. Provider has agreed to provide Covered Inpatient Intensive Medical Services as referenced in Exhibit "A," Exhibit "B," and Exhibit "C."

4. Provider shall maintain active licenses and DEA numbers in the State of California. Group shall pay all associated licensing fees and expenses. Provider may also maintain active or inactive licenses in other states at Provider's sole expense.

5. Provider shall cooperate with independent quality review and improvement organization activities pertaining to provision of services. Provider shall comply with M+CO medical policies, quality assurance programs and medical management programs. Provider shall fully cooperate with and adhere to Medicare's appeals, expedited appeals and expedited review procedures for M+CO Members, including gathering and forwarding information on appeals to M+CO as necessary.

6. Provider shall abide by all standards specified by the Healthcare Facilities Accreditation Program (the "HFAP") or the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") (whichever is applicable), or any comparable deemed status organization in the current accreditation manual for hospitals and all regulations set forth in Title 22, Division 5 of the California Code of Regulations, with respect to the provision of the Services.

7. As to those patients assigned to Provider, Provider shall:

   (a) Timely assess all newly admitted patients in accordance with the following timelines:

(1) Admissions to Units Other Than ICU – In accordance with existing hospital policy, unless the clinical status of the patient warrants an earlier assessment;

(2) Admission to ICU - In accordance with existing hospital policy, unless the clinical status of the patient warrants an earlier assessment; and

(3) Emergency Department – Within thirty (30) minutes of request from Emergency Department.

(b) Communicate with the patient's Primary Care Physician, where applicable, regarding the patient's medical condition and treatment plan within twenty-four (24) hours of admission, at least every forty-eight (48) hours during the patient's inpatient stay, and within twenty-four (24) hours of discharge.

(c) Provide encounter data on all services rendered at Hospital as requested by Hospital;

(d) Communicate with Hospital's Case Management Staff on a daily basis regarding the patient's medical condition, treatment plan, and discharge status;

(e) Obtain consultations with specialists and other members of the Medical Staff as may be required by the patient's medical condition.

(f) Cooperate in promptly transitioning care back to the Patient's primary care physician upon discharge, by, among other things:

(1) Preparing discharge instructions (i.e., the discharge sheet) to be faxed or submitted to the primary care physician on the day of discharge; and

(2) Timely completing the discharge summary, as required by hospital rules.

8. Provide consultations to those staff physicians who have elected to admit patients to the Hospital.

9. In the event a patient requests his/her own primary care physician, Provider will provide such care as may be immediately required under the circumstances, and shall promptly call and inform the primary care physician of the patient's request.

ARTICLE VI
CONFIDENTIALITY/NONDISCLOSURE

1. Provider understands that, in connection with his or her engagement with Group, he or she may receive, produce, or otherwise be exposed to trade secrets, Group Information and/or Confidential Information, in addition to all information Group receives from others under an obligation of confidentiality.

2. Provider acknowledges that trade secrets, Group Information and Confidential Information are the sole, exclusive and extremely valuable property of Group. Accordingly, Provider agrees to segregate all trade secrets, Group Information and/or Confidential Information from information of other companies and agrees not to reproduce any trade secrets, Group Information and/or Confidential Information without Group's prior written consent, not to use trade secrets, Group Information and/or Confidential Information except in the performance of this Agreement, and not to divulge all or any part of any trade secrets, Group Information and/or Confidential Information in any form to any third party, either during or after the term of this Agreement. Upon termination or expiration of this Agreement for any reason, Provider agrees to cease using and to return to Group all whole and partial copies and derivatives of any trade secrets, Group Information and/or Confidential Information, whether in Provider's possession or under Provider's direct or indirect control, including any computer access codes and/or nodes.

3. Provider shall not disclose or otherwise make available to Group in any manner any confidential and proprietary information received by Provider from third parties. Provider warrants that his or her performance of all the terms of this Agreement does not and will not breach any agreement entered into by Provider with any other party, and Provider agrees not to enter into any agreement, oral or written, in conflict with this Agreement. In addition, Provider recognizes that Group has proprietary information subject to a duty on Group's part to maintain the confidentiality of such information and to use such information only for certain limited purposes. Provider agrees that he or she owes to Group and such third parties, during the term of the Provider's relationship with Group and thereafter, regardless for the reason of termination of the relationship, a duty to hold all such confidential or proprietary information in the strictest of confidence and not to disclose such information to any person, Group or corporation (except as necessary in carrying our his or her work for Group consistent with Group's agreement with such third party) or to use such information for the benefit of anyone other than for Group or such third party (consistent with Group's agreement with such third party).

4. Provider shall comply with all state, federal and other government requirements regarding medical records, including requirements regarding completion of records, retention of records, access to records, confidentiality of records, and submission of reports, including but not limited to HIPAA. Attached as Exhibit "D" and incorporated herein by reference, is Group's HIPAA privacy policy. As a condition of and in consideration for this Agreement, Provider shall execute and be subject to Group's HIPAA Business Associate Agreement, attached as Exhibit "E."

5. The provisions of this Article shall remain enforceable regardless of any termination of the Agreement.

ARTICLE VII
RESTRICTION ON SOLICITATION

Provider shall not, for as long as Provider is providing services to Hospital hereunder and for a period of six months after the termination of this Agreement, directly or indirectly, promote, participate, or engage in any business activity that would interfere with the performance of Group's business. By way of example only and not by way of limitation, Provider shall not solicit, attempt to solicit, or cause to be solicited any customers or clients of Group, nor will Provider solicit, attempt to solicit, or cause to be solicited any employees, agents or independent contractors of Group to cease their relationship with Group. The parties expressly acknowledge that remedies at law shall be deemed to be inadequate for any breach of any of the covenants of this section, and Group shall be entitled to injunctive relief in addition to any other remedies it may have in law or in equity in the event of such breach. This section shall remain enforceable regardless of any termination of the Agreement.

ARTICLE VIII
INDEMNIFICATION

Provider hereby indemnifies and holds harmless Group and its directors, officers, employees, shareholders and agents from and against any claim, loss, damage, cost, expense (including reasonable attorney's fees) or liability arising out of or related to the performance or non-performance by Provider of any services to be performed or provided by Provider under this Agreement, as well as all other acts or omissions of Provider. This and all other indemnification provisions in the Agreement shall remain enforceable regardless of any termination of the Agreement.

ARTICLE IX
MISCELLANEOUS

1. This Agreement reflects the entirety of the Agreement of the Parties and may be amended or modified only by a written document signed by both parties hereto.

2. All notices required by this Agreement shall be sufficient if delivered in writing by United States mail, postage prepaid and return receipt requested, addressed to the party at the addresses set forth above.

3. The rights and benefits of Group under this Agreement shall be fully assignable and transferable, and all provisions herein shall inure to the benefit of and be enforceable by or against its successors and assigns.

4. Nothing contained in this Agreement shall be construed to permit assignment by Provider of any rights under this Agreement and any such assignment is expressly prohibited. Group may assign its rights and obligations under this Agreement.

5. If any provision in this Agreement is held by a court or arbitrator of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6. In case of enforcement action arising under or related to this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which he or she may be entitled. This provision shall be construed as applicable to the entire Agreement.

7. This Agreement will be governed by and construed in accordance with the laws of the State of California.

8. Provider acknowledges that he or she had the opportunity to consult an attorney regarding the terms of this Agreement and has either received or waived such advice.

9. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same Agreement.

ARTICLE X
VOLUNTARY AND OPTIONAL AGREEMENT TO ARBITRATE DISPUTES

Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled by binding arbitration pursuant to the following terms and conditions, which shall remain enforceable regardless of any termination of the Agreement:

1. Voluntary Agreement.

The purpose of arbitration is to resolve any disputes in a timely, fair and individualized manner. Provider's agreement to Arbitrate is not a mandatory condition of this Agreement, and if Provider rescinds his or her acceptance of the agreement to Arbitrate within the time specified below, this Article shall not be enforceable. At the written request of either Party, the Parties agree to consider, in good faith, any reasonable proposal to modify or amend the terms proposed by the other Party, or previously agreed upon in writing by the Parties. Provider is free to consult an attorney of his or her choice in connection with this process. If the Provider wishes to rescind his or her acceptance of the agreement to Arbitrate, he or she may do so at any time within 30 days of signing the Agreement by delivering and maintaining proof of delivery (such as a return receipt of certified mailing) of a signed written notice to the Group that Provider's acceptance of the agreement to arbitrate pursuant to this Article has been rescinded. In the absence of a written, mutually executed amendment, this Article shall set forth the full and complete agreement between the Parties concerning the matters addressed within the scope of this Article and shall supersede all prior oral or written agreements concerning these matters.

2. Covered Disputes.

These arbitration provisions shall apply to any claim or dispute alleging liability that arises from or relates to this Agreement, including, but not limited to, claims of wrongful employment termination, breach of contract, respondeat superior or vicarious liability, harassment or discrimination in employment, disputes concerning wage laws that are applicable only to employees, and all other similar employment relationship, contract, and principle-agent claims. The Arbitrator selected by the Parties shall be solely responsible for resolving any disputes over the interpretation or application of this Arbitration Agreement. Any arbitrable claims that, standing alone, would not be subject to these arbitration provisions shall be included within the scope of these standards if they arise from the same transaction or occurrence as claims that are independently subject to these arbitration provisions.

3. Dispute Resolution Procedures.

The parties agree that each of them shall attempt to provide timely notice to the other party of any actual or perceived claim against the other and that they shall attempt to informally resolve any dispute that arises between them.

If a dispute cannot be resolved informally, the parties agree that it shall be submitted to final and binding arbitration before a single neutral arbitrator (the "Arbitrator"), selected from the then-current panel of the American Arbitration Association ("AAA") that is most appropriate for the nature of the dispute as determined by mutual agreement of the parties or, if such agreement cannot be reached, by AAA. Except as otherwise expressly provided in this Agreement, the arbitration shall be conducted in accordance with the AAA Rules corresponding to the nature of the dispute. Should the nature of the dispute be deemed to fall within the Employment Rules, the Employment Rules of the AAA shall apply except as otherwise expressly provided by this Agreement. The AAA Employment Rules are attached as Exhibit "D." Other than in conjunction with a properly instituted arbitration, the parties shall not be required to adhere to mediation procedures prescribed by any AAA Rules except upon mutual agreement.

Except as otherwise expressly provided in this Agreement, the interpretation, scope and enforcement of these arbitration provisions and all procedural issues shall be governed by the procedural and substantive provisions of the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* (the "FAA"), the federal decisional law construing the FAA, and the AAA Rules, provided the AAA Rules do not conflict with the FAA. In the event of a conflict, the terms of this Article and the FAA will prevail over the AAA Rules.

The arbitration fees incurred pursuant to these arbitration provisions will be borne as determined by the AAA Rules, unless the Employment Rules apply, in which case they shall be paid exclusively by the Group. Except as otherwise permitted by law and awarded by the arbitrator, each party shall bear her, his, or its own attorney fees and costs. In submitting their disputes to final and binding resolution by the Arbitrator, **THE PARTIES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT THEY HAVE TO A JURY TRIAL OR COURT TRIAL.**

4. Small Claims Procedures.

If either Party asserts that a dispute involves an amount in controversy that is too small to warrant resolution by standard arbitration procedures, the claim may be resolved by a summary small claims procedure (the "Small Claims Procedure"). The Parties shall meet and confer to agree on whether the use of a Small Claims Procedure is appropriate in light of the nature and amount of the claim and, if so, what dispute resolution procedures are most appropriate. To the extent the Parties are unable to agree, the Arbitrator shall decide whether and to what extent a Small Claims Procedure shall apply. The Small Claims Procedure may involve relaxed rules of evidence, the use of broad principles of equity in place of strict application of law, telephonic hearings, and such other economic procedures as the Arbitrator deems appropriate under the circumstances of the dispute and consistent with due process. In no event, however, shall the Arbitrator utilize a Small Claims Procedure for a dispute involving a claim in excess of $50,000.

5. Claims of Non-Parties Excluded From Arbitration.

The Parties wish to resolve any disputes between them in an individualized, informal, timely, and inexpensive manner and to eliminate, to the maximum extent possible, any resort to litigation in a court of law. Consequently, the Arbitrator shall not consolidate or combine the resolution of any claim or dispute between the Parties pursuant to these arbitration provisions with the resolution of any claim by any other party or parties, including but not limited to any other actual or claimed employee of the Group. Nor shall the Arbitrator have the authority to certify a class under Federal Rule of Civil Procedure Rule 23, analogous state rules, or AAA rules pertaining to class arbitration, and the Arbitrator shall not decide claims on behalf of any other party or parties.

ARTICLE XI
TERM OF AGREEMENT

This Agreement will become effective on the 1st day of January, 2009, and shall be effective for a period of twelve (12) months thereafter, unless sooner terminated pursuant to the terms of this Agreement. This Agreement shall automatically be renewed for successive periods of twelve (12) months, each on the same terms and conditions contained herein, unless sooner terminated pursuant to the terms of the Agreement.

ARTICLE XII
TERMINATION OF THE AGREEMENT

Notwithstanding any other provision of this Agreement to the contrary, Group shall have the right to terminate this Agreement for cause. In the event Provider is terminated by the Group for cause, termination shall be effective immediately following the giving of notice of termination by Group. For purposes of this section, cause shall include, but shall not be limited to, the following:

1. Provider repeatedly denies Covered Medical Services to Enrollees inappropriately, as determined by the Group.

2. Provider repeatedly fails to comply with Group's quality improvement and utilization management policies and accessibility and availability standards.

3. Provider fails to comply with Obligations as referenced in Article IV.

4. Provider breaches any other term of this Agreement.

5. Loss, restriction or suspension of Provider's professional license to practice medicine in the State of California.

6. Provider's suspension or exclusion from the Medicare program.

7. Provider violates the State Medical Practice Act.

8. Provider's services place the safety of patients in imminent jeopardy.

9. Provider is convicted of a felony or crime or moral turpitude under State or Federal law.

10. Provider violates ethical and professional codes of conduct of the workplace as specified under State and Federal law.

11. Provider's medical staff privileges at any Primary Hospital are revoked, cancelled, suspended or limited.

12. Provider work product is unsatisfactory as measured by criteria set in the discretion of the Group.

Notwithstanding any other provision in this Agreement to the contrary, this Agreement may be terminated by Group, at any time, without cause, by the giving of ninety (90) days prior written notice to Provider.

Notwithstanding any other provision in this Agreement to the contrary, this Agreement may be terminated by Provider, at any time, without cause, by the giving of ninety (90) days prior written notice to Group.

Notwithstanding anything to the contrary contained in this Agreement, this Agreement may be terminated at any time by mutual written consent of the parties to this Agreement.

Notwithstanding any other provision of this Agreement, in the event that any IPA contracting with Group notifies Group that said IPA wishes to remove Group from the IPA's roster of participating physicians, Group shall have the right to terminate this Agreement by the giving of ninety (90) days prior written notice to Provider.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Group and Provider with respect to matters relating to Provider's retention, and it supersedes all previous oral or written communications, representations, or agreements between the parties.

THIS AGREEMENT CONTAINS PROVISIONS FOR THE ARBITRATION OF DISPUTES AND WAIVER OF THE RIGHT TO TRIAL BY JURY OR COURT.

Executed at Glendale, California on May 1, 2009.

GROUP:

By: /s/ Warren Hosseinion, M.D.
(Signature)

Warren Hosseinion, M.D.
Chief Executive Officer
ApolloMed Hospitalists

PROVIDER:

By: /s/ Adrian Vazquez
(Signature)

Adrian C. Vazquez, M.D.

EXHIBIT A

Provider shall be responsible for the following duties:

1. Medical Admissions (elective, urgent, emergent)

2. Surgical Admissions (elective, urgent, emergent)

3. Transfers: Out-of-Area and Out-of-Network (medical or surgical)

4. The Provider will need to communicate verbally with every patient's primary care physician within 24 hours of admission and on the day of discharge.

5. Visit all patients daily, including TCU (transitional care unit) patients.

6. Provider will need to dictate all H&P's within 24 hours of admission and all discharge summaries on the day of discharge.

7. Discussion of cases with families.

8. Conferring with discharge planner, UR nurse, UR coordinator, medical directors, case managers, or UR directors.

9. The Medical Director and/or designee reserves the right to request involvement of Provider on any patient for which the Group is contracted to provide inpatient services to.

10. Provider must be available, telephonically or by pager, at all times to Medical Director and/or designee, and to all other Group physicians, even when Provider is not on-call.

12. Provider will completely enter all patient information and Encounter Data, including but not limited to, Daily Visit Codes and Billing Codes, into the ApolloMed web-based database on a daily basis. Provider may enter this data either on a desktop computer or via a PDA phone. Provider shall be responsible for providing these duties to all patients for which Group is contracted to provide inpatient services to, at the Participating Hospitals as referenced in Exhibit B and Exhibit C.

EXHIBIT B

PARTICIPATING HOSPITALS

As determined by ApolloMed Hospitalists, Inc.

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EXHIBIT C

IPA's/Groups Contracted with ApolloMed Hospitalists

As determined by ApolloMed Hospitalists, Inc.

EXHIBIT D
AMERICAN ARBITRATION ASSOCIATION EMPLOYMENT RULES

Employment Arbitration Rules and Mediation Procedures

1. Applicable Rules of Arbitration

The parties shall be deemed to have made these rules a part of their arbitration agreement whenever they have provided for arbitration by the American Arbitration Association (hereinafter "AAA") or under its Employment Arbitration Rules and Mediation Procedures or for arbitration by the AAA of an employment dispute without specifying particular rules*. If a party establishes that an adverse material inconsistency exists between the arbitration agreement and these rules, the arbitrator shall apply these rules.

If, within 30 days after the AAA's commencement of administration, a party seeks judicial intervention with respect to a pending arbitration and provides the AAA with documentation that judicial intervention has been sought, the AAA will suspend administration for 60 days to permit the party to obtain a stay of arbitration from the court. These rules, and any amendment of them, shall apply in the form in effect at the time the demand for arbitration or submission is received by the AAA.

* *The National Rules for the Resolution of Employment Disputes* have been re-named the *Employment Arbitration Rules and Mediation Procedures.* Any arbitration agreements providing for arbitration under its *National Rules for the Resolution of Employment Disputes* shall be administered pursuant to these *Employment Arbitration Rules and Mediation Procedures.*

2. Notification

An employer intending to incorporate these rules or to refer to the dispute resolution services of the AAA in an employment ADR plan, shall, at least 30 days prior to the planned effective date of the program:

i. notify the Association of its intention to do so and,
ii. provide the Association with a copy of the employment dispute resolution plan.

Compliance with this requirement shall not preclude an arbitrator from entertaining challenges as provided in Section 1. If an employer does not comply with this requirement, the Association reserves the right to decline its administrative services.

3. AAA as Administrator of the Arbitration

When parties agree to arbitrate under these rules, or when they provide for arbitration by the AAA and an arbitration is initiated under these rules, they thereby authorize the AAA to administer the arbitration. The authority and duties of the AAA are prescribed in these rules, and may be carried out through such of the AAA's representatives as it may direct. The AAA may, in its discretion, assign the administration of an arbitration to any of its offices.

4. Initiation of Arbitration

Arbitration shall be initiated in the following manner.

a. The parties may submit a joint request for arbitration.
b. In the absence of a joint request for arbitration:
    i. The initiating party (hereinafter "Claimant[s]") shall:
        1. File a written notice (hereinafter "Demand") of its intention to arbitrate at any office of the AAA, within the time limit established by the applicable statute of limitations. Any dispute over the timeliness of the demand shall be referred to the arbitrator. The filing shall be made in duplicate, and each copy shall include the applicable arbitration agreement. The Demand shall set forth the names, addresses, and telephone numbers of the parties; a brief statement of the nature of the dispute; the amount in controversy, if any; the remedy sought; and requested hearing location.
        2. Simultaneously provide a copy of the Demand to the other party (hereinafter "Respondent[s]").
        3. Include with its Demand the applicable filing fee, unless the parties agree to some other method of fee advancement.
    ii. The Respondent(s) may file an Answer with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the Demand. The Answer shall provide the Respondent's brief response to the claim and the issues presented. The Respondent(s) shall make its filing in duplicate with the AAA, and simultaneously shall send a copy of the Answer to the Claimant. If no answering statement is filed within the stated time, Respondent will be deemed to deny the claim. Failure to file an answering statement shall not operate to delay the arbitration.
    iii. The Respondent(s):
        1. May file a counterclaim with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the Demand. The filing shall be made in duplicate. The counterclaim shall set forth the nature of the claim, the amount in controversy, if any, and the remedy sought.
        2. Simultaneously shall send a copy of any counterclaim to the Claimant.
        3. Shall include with its filing the applicable filing fee provided for by these rules.
    iv. The Claimant may file an Answer to the counterclaim with the AAA within 15 days after the date of the letter from the AAA acknowledging receipt of the counterclaim. The Answer shall provide Claimant's brief response to the counterclaim and the issues presented. The Claimant shall make its filing in duplicate with the AAA, and simultaneously shall send a copy of the Answer to the Respondent(s). If no answering statement is filed within the stated time, Claimant will be deemed to deny the counterclaim. Failure to file an answering statement shall not operate to delay the arbitration.

c. The form of any filing in these rules shall not be subject to technical pleading requirements.

5. Changes of Claim

Before the appointment of the arbitrator, if either party desires to offer a new or different claim or counterclaim, such party must do so in writing by filing a written statement with the AAA and simultaneously provide a copy to the other party(s), who shall have 15 days from the date of such transmittal within which to file an answer with the AAA. After the appointment of the arbitrator, a party may offer a new or different claim or counterclaim only at the discretion of the arbitrator.

6. Jurisdiction

a. The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement.
b. The arbitrator shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.
c. A party must object to the jurisdiction of the arbitrator or to the arbitrability of a claim or counterclaim no later than the filing of the answering statement to the claim or counterclaim that gives rise to the objection. The arbitrator may rule on such objections as a preliminary matter or as part of the final award.

7. Administrative and Mediation Conferences

Before the appointment of the arbitrator, any party may request, or the AAA, in its discretion, may schedule an administrative conference with a representative of the AAA and the parties and/or their representatives. The purpose of the administrative conference is to organize and expedite the arbitration, explore its administrative aspects, establish the most efficient means of selecting an arbitrator, and to consider mediation as a dispute resolution option. There is no administrative fee for this service.

At any time after the filing of the Demand, with the consent of the parties, the AAA will arrange a mediation conference under its Mediation Procedures to facilitate settlement. The mediator shall not be any arbitrator appointed to the case, except by mutual written agreement of the parties. There is no administrative fee for initiating a mediation under AAA Mediation Procedures for parties to a pending arbitration.

8. Arbitration Management Conference

As promptly as practicable after the selection of the arbitrator(s), but not later than 60 days thereafter, an arbitration management conference shall be held among the parties and/or their attorneys or other representatives and the arbitrator(s). Unless the parties agree otherwise, the Arbitration Management Conference will be conducted by telephone conference call rather than in person. At the Arbitration Management Conference the matters to be considered shall include, without limitation

i. the issues to be arbitrated;
ii. the date, time, place, and estimated duration of the hearing;
iii. the resolution of outstanding discovery issues and establishment of discovery parameters;
iv. the law, standards, rules of evidence, and burdens of proof that are to apply to the proceeding;
v. the exchange of stipulations and declarations regarding facts, exhibits, witnesses, and other issues;
vi. the names of witnesses (including expert witnesses), the scope of witness testimony, and witness exclusion;
vii. the value of bifurcating the arbitration into a liability phase and damages phase;
viii. the need for a stenographic record;
ix. whether the parties will summarize their arguments orally or in writing;
x. the form of the award;
xi. any other issues relating to the subject or conduct of the arbitration;
xii. the allocation of attorney's fees and costs;
xiii. the specification of undisclosed claims;
xiv. the extent to which documentary evidence may be submitted at the hearing;
xv. the extent to which testimony may be admitted at the hearing telephonically, over the internet, by written or video-taped deposition, by affidavit, or by any other means;
xvi. any disputes over the AAA's determination regarding whether the dispute arose from an individually-negotiated employment agreement or contract, or from an employer-promulgated plan (see Costs of Arbitration section).

The arbitrator shall issue oral or written orders reflecting his or her decisions on the above matters and may conduct additional conferences when the need arises.

There is no AAA administrative fee for an Arbitration Management Conference.

9. Discovery

The arbitrator shall have the authority to order such discovery, by way of deposition, interrogatory, document production, or otherwise, as the arbitrator considers necessary to a full and fair exploration of the issues in dispute, consistent with the expedited nature of arbitration.

The AAA does not require notice of discovery related matters and communications unless a dispute arises. At that time, the parties should notify the AAA of the dispute so that it may be presented to the arbitrator for determination.

10. Fixing of Locale (the city, county, state, territory, and/or country of the arbitration)

If the parties disagree as to the locale, the AAA may initially determine the place of arbitration, subject to the power of the arbitrator(s), after their appointment to make a final determination on the locale. All such determinations shall be made having regard for the contentions of the parties and the circumstances of the arbitration.

11. Date, Time, and Place (the physical site of the hearing within the designated locale) of Hearing

The arbitrator shall set the date, time, and place for each hearing. The parties shall respond to requests for hearing dates in a timely manner, be cooperative in scheduling the earliest practicable date, and adhere to the established hearing schedule. The AAA shall send a notice of hearing to the parties at least 10 days in advance of the hearing date, unless otherwise agreed by the parties.

12. Number, Qualifications, and Appointment of Neutral Arbitrators

a. If the arbitration agreement does not specify the number of arbitrators or the parties do not agree otherwise, the dispute shall be heard and determined by one arbitrator.
b. Qualifications
    i. Neutral arbitrators serving under these rules shall be experienced in the field of employment law.
    ii. Neutral arbitrators serving under these rules shall have no personal or financial interest in the results of the proceeding in which they are appointed and shall have no relation to the underlying dispute or to the parties or their counsel that may create an appearance of bias.
    iii. The roster of available arbitrators will be established on a non-discriminatory basis, diverse by gender, ethnicity, background, and qualifications.
    iv. The AAA may, upon request of a party within the time set to return their list or upon its own initiative, supplement the list of proposed arbitrators in disputes arising out of individually-negotiated employment contracts with persons from the Commercial Roster, to allow the AAA to respond to the particular need of the dispute. In multi-arbitrator disputes, at least one of the arbitrators shall be experienced in the field of employment law.
c. If the parties have not appointed an arbitrator and have not provided any method of appointment, the arbitrator shall be appointed in the following manner:
    i. Shortly after it receives the Demand, the AAA shall send simultaneously to each party a letter containing an identical list of names of persons chosen from the Employment Dispute Resolution Roster. The parties are encouraged to agree to an arbitrator from the submitted list and to advise the AAA of their agreement.
    ii. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable.

iii. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment from among other members of the panel without the submission of additional lists.

13. Party Appointed Arbitrators

a. If the agreement of the parties names an arbitrator or specifies a method of appointing an arbitrator, that designation or method shall be followed.
b. Where the parties have agreed that each party is to name one arbitrator, the arbitrators so named must meet the standards of Section R-16 with respect to impartiality and independence unless the parties have specifically agreed pursuant to Section R-16(a) that the party-appointed arbitrators are to be non-neutral and need not meet those standards. The notice of appointment, with the name, address, and contact information of the arbitrator, shall be filed with the AAA by the appointing party. Upon the request of any appointing party, the AAA shall submit a list of members of the National Roster from which the party may, if it so desires, make the appointment.
c. If the agreement specifies a period of time within which an arbitrator shall be appointed and any party fails to make the appointment within that period, the AAA shall make the appointment.
d. If no period of time is specified in the agreement, the AAA shall notify the party to make the appointment. If within 15 days after such notice has been sent, an arbitrator has not been appointed by a party, the AAA shall make the appointment.

14. Appointment of Chairperson by Party-Appointed Arbitrators or Parties

a. If, pursuant to Section R-13, either the parties have directly appointed arbitrators, or the arbitrators have been appointed by the AAA, and the parties have authorized them to appoint a chairperson within a specified time and no appointment is made within that time or any agreed extension, the AAA may appoint the chairperson.
b. If no period of time is specified for appointment of the chairperson and the party-appointed arbitrators or the parties do not make the appointment within 15 days from the date of the appointment of the last party-appointed arbitrator, the AAA may appoint the chairperson.
c. If the parties have agreed that their party-appointed arbitrators shall appoint the chairperson from the National Roster, the AAA shall furnish to the party-appointed arbitrators, in the manner provided in Section R-12, a list selected from the National Roster, and the appointment of the chairperson shall be made as provided in that Section.

15. Disclosure

a. Any person appointed or to be appointed as an arbitrator shall disclose to the AAA any circumstance likely to give rise to justifiable doubt as to the arbitrator's impartiality or independence, including any bias or any financial or personal interest in the result of the arbitration or any past or present relationship with the parties or their representatives. Such obligation shall remain in effect throughout the arbitration.
b. Upon receipt of such information from the arbitrator or another source, the AAA shall communicate the information to the parties and, if it deems it appropriate to do so, to the arbitrator and others.
c. In order to encourage disclosure by arbitrators, disclosure of information pursuant to this Section R-15 is not to be construed as an indication that the arbitrator considers that the disclosed circumstance is likely to affect impartiality or independence.

16. Disqualification of Arbitrator

a. Any arbitrator shall be impartial and independent and shall perform his or her duties with diligence and in good faith, and shall be subject to disqualification for:
    i. partiality or lack of independence,
    ii. inability or refusal to perform his or her duties with diligence and in good faith, and
    iii. any grounds for disqualification provided by applicable law. The parties may agree in writing, however, that arbitrators directly appointed by a party pursuant to Section R-13 shall be nonneutral, in which case such arbitrators need not be impartial or independent and shall not be subject to disqualification for partiality or lack of independence.
b. Upon objection of a party to the continued service of an arbitrator, or on its own initiative, the AAA shall determine whether the arbitrator should be disqualified under the grounds set out above, and shall inform the parties of its decision, which decision shall be conclusive.

17. Communication with Arbitrator

a. No party and no one acting on behalf of any party shall communicate ex parte with an arbitrator or a candidate for arbitrator concerning the arbitration, except that a party, or someone acting on behalf of a party, may communicate ex parte with a candidate for direct appointment pursuant to Section R-13 in order to advise the candidate of the general nature of the controversy and of the anticipated proceedings and to discuss the candidate's qualifications, availability, or independence in relation to the parties or to discuss the suitability of candidates for selection as a third arbitrator where the parties or party-designated arbitrators are to participate in that selection.
b. Section R-17(a) does not apply to arbitrators directly appointed by the parties who, pursuant to Section R-16(a), the parties have agreed in writing are non-neutral. Where the parties have so agreed under Section R-16(a), the AAA shall as an administrative practice suggest to the parties that they agree further that Section R-17(a) should nonetheless apply prospectively.

18. Vacancies

a. If for any reason an arbitrator is unable to perform the duties of the office, the AAA may, on proof satisfactory to it, declare the office vacant. Vacancies shall be filled in accordance with applicable provisions of these Rules.
b. In the event of a vacancy in a panel of neutral arbitrators after the hearings have commenced, the remaining arbitrator or arbitrators may continue with the hearing and determination of the controversy, unless the parties agree otherwise.
c. In the event of the appointment of a substitute arbitrator, the panel of arbitrators shall determine in its sole discretion whether it is necessary to repeat all or part of any prior hearings.

19. Representation

Any party may be represented by counsel or other authorized representatives. For parties without representation, the AAA will, upon request, provide reference to institutions which might offer assistance. A party who intends to be represented shall notify the other party and the AAA of the name and address of the representative at least 10 days prior to the date set for the hearing or conference at which that person is first to appear. If a representative files a Demand or an Answer, the obligation to give notice of representative status is deemed satisfied.

20. Stenographic Record

Any party desiring a stenographic record shall make arrangements directly with a stenographer and shall notify the other parties of these arrangements at least three days in advance of the hearing. The requesting party or parties shall pay the cost of the record. If the transcript is agreed by the parties, or determined by the arbitrator to be the official record of the proceeding, it must be provided to the arbitrator and made available to the other parties for inspection, at a date, time, and place determined by the arbitrator.

21. Interpreters

Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume the costs of the service.

22. Attendance at Hearings

The arbitrator shall have the authority to exclude witnesses, other than a party, from the hearing during the testimony of any other witness. The arbitrator also shall have the authority to decide whether any person who is not a witness may attend the hearing.

23. Confidentiality

The arbitrator shall maintain the confidentiality of the arbitration and shall have the authority to make appropriate rulings to safeguard that confidentiality, unless the parties agree otherwise or the law provides to the contrary.

24. Postponements

The arbitrator: (1) may postpone any hearing upon the request of a party for good cause shown; (2) must postpone any hearing upon the mutual agreement of the parties; and (3) may postpone any hearing on his or her own initiative.

25. Oaths

Before proceeding with the first hearing, each arbitrator shall take an oath of office. The oath shall be provided to the parties prior to the first hearing. The arbitrator may require witnesses to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

26. Majority Decision

All decisions and awards of the arbitrators must be by a majority, unless the unanimous decision of all arbitrators is expressly required by the arbitration agreement or by law.

27. Dispositive Motions

The arbitrator may allow the filing of a dispositive motion if the arbitrator determines that the moving party has shown substantial cause that the motion is likely to succeed and dispose of or narrow the issues in the case.

28. Order of Proceedings

A hearing may be opened by: (1) recording the date, time, and place of the hearing; (2) recording the presence of the arbitrator, the parties, and their representatives, if any; and (3) receiving into the record the Demand and the Answer, if any. The arbitrator may, at the beginning of the hearing, ask for statements clarifying the issues involved.

The parties shall bear the same burdens of proof and burdens of producing evidence as would apply if their claims and counterclaims had been brought in court.

Witnesses for each party shall submit to direct and cross examination.

With the exception of the rules regarding the allocation of the burdens of proof and going forward with the evidence, the arbitrator has the authority to set the rules for the conduct of the proceedings and shall exercise that authority to afford a full and equal opportunity to all parties to present any evidence that the arbitrator deems material and relevant to the resolution of the dispute. When deemed appropriate, the arbitrator may also allow for the presentation of evidence by alternative means including web conferencing, internet communication, telephonic conferences and means other than an in-person presentation of evidence. Such alternative means must still afford a full and equal opportunity to all parties to present any evidence that the arbitrator deems material and relevant to the resolution of the dispute and when involving witnesses, provide that such witness submit to direct and cross-examination.

The arbitrator, in exercising his or her discretion, shall conduct the proceedings with a view toward expediting the resolution of the dispute, may direct the order of proof, bifurcate proceedings, and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case.

Documentary and other forms of physical evidence, when offered by either party, may be received in evidence by the arbitrator.

The names and addresses of all witnesses and a description of the exhibits in the order received shall be made a part of the record.

29. Arbitration in the Absence of a Party or Representative

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement. An award shall not be based solely on the default of a party. The arbitrator shall require the party who is in attendance to present such evidence as the arbitrator may require for the making of the award.

30. Evidence

The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence as the arbitrator deems necessary to an understanding and determination of the dispute. All evidence shall be taken in the presence of all of the arbitrators and all of the parties, except where any party or arbitrator is absent, in default, or has waived the right to be present, however "presence" should not be construed to mandate that the parties and arbitrators must be physically present in the same location.

An arbitrator or other person authorized by law to subpoena witnesses or documents may do so upon the request of any party or independently. The arbitrator shall be the judge of the relevance and materiality of the evidence offered, and conformity to legal rules of evidence shall not be necessary. The arbitrator may in his or her discretion direct the order of proof, bifurcate proceedings, exclude cumulative or irrelevant testimony or other evidence, and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case. All evidence shall be taken in the presence of all of the arbitrators and all of the parties, except where any party is absent, in default, or has waived the right to be present.

If the parties agree or the arbitrator directs that documents or other evidence may be submitted to the arbitrator after the hearing, the documents or other evidence shall be filed with the AAA for transmission to the arbitrator, unless the parties agree to a different method of distribution. All parties shall be afforded an opportunity to examine such documents or other evidence and to lodge appropriate objections, if any.

31. Inspection

Upon the request of a party, the arbitrator may make an inspection in connection with the arbitration. The arbitrator shall set the date and time, and the AAA shall notify the parties. In the event that one or all parties are not present during the inspection, the arbitrator shall make an oral or written report to the parties and afford them an opportunity to comment.

32. Interim Measures

At the request of any party, the arbitrator may grant any remedy or relief that would have been available to the parties had the matter been heard in court, as stated in Rule 39(d), Award.

A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.

33. Closing of Hearing

The arbitrator shall specifically inquire of all parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies or if satisfied that the record is complete, the arbitrator shall declare the hearing closed.

If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as provided in Rule 30 and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the date of closing the hearing. The time limit within which the arbitrator is required to make the award shall commence to run, in the absence of other agreements by the parties, upon closing of the hearing.

34. Reopening of Hearing

The hearing may be reopened by the arbitrator upon the arbitrator's initiative, or upon application of a party for good cause shown, at any time before the award is made. If reopening the hearing would prevent the making of the award within the specific time agreed on by the parties in the contract(s) out of which the controversy has arisen, the matter may not be reopened unless the parties agree on an extension of time. When no specific date is fixed in the contract, the arbitrator may reopen the hearing and shall have 30 days from the closing of the reopened hearing within which to make an award.

35. Waiver of Oral Hearing

The parties may provide, by written agreement, for the waiver of oral hearings. If the parties are unable to agree as to the procedure, upon the appointment of the arbitrator, the arbitrator shall specify a fair and equitable procedure.

36. Waiver of Objection/Lack of Compliance with These Rules

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with, and who fails to state objections thereto in writing or in a transcribed record, shall be deemed to have waived the right to object.

37. Extensions of Time

The parties may modify any period of time by mutual agreement. The AAA or the arbitrator may for good cause extend any period of time established by these Rules, except the time for making the award. The AAA shall notify the parties of any extension.

38. Serving of Notice

a. Any papers, notices, or process necessary or proper for the initiation or continuation of an arbitration under these rules, for any court action in connection therewith, or for the entry of judgment on any award made under these rules may be served on a party by mail addressed to the party, or its representative at the last known address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard to the dispute is or has been granted to the party.
b. The AAA, the arbitrator, and the parties may also use overnight delivery or electronic facsimile transmission (fax), to give the notices required by these rules. Where all parties and the arbitrator agree, notices may be transmitted by electronic mail (e-mail), or other methods of communication.
c. Unless otherwise instructed by the AAA or by the arbitrator, any documents submitted by any party to the AAA or to the arbitrator shall simultaneously be provided to the other party or parties to the arbitration.

39. The Award

a. The award shall be made promptly by the arbitrator and, unless otherwise agreed by the parties or specified by law, no later than 30 days from the date of closing of the hearing or, if oral hearings have been waived, from the date of the AAA's transmittal of the final statements and proofs to the arbitrator. Three additional days are provided if briefs are to be filed or other documents are to be transmitted pursuant to Rule 30.
b. An award issued under these rules shall be publicly available, on a cost basis. The names of the parties and witnesses will not be publicly available, unless a party expressly agrees to have its name made public in the award.
c. The award shall be in writing and shall be signed by a majority of the arbitrators and shall provide the written reasons for the award unless the parties agree otherwise. It shall be executed in the manner required by law.

d. The arbitrator may grant any remedy or relief that would have been available to the parties had the matter been heard in court including awards of attorney's fees and costs, in accordance with applicable law. The arbitrator shall, in the award, assess arbitration fees, expenses, and compensation as provided in Rules 43, 44, and 45 in favor of any party and, in the event any administrative fees or expenses are due the AAA, in favor of the AAA, subject to the provisions contained in the Costs of Arbitration section.
e. If the parties settle their dispute during the course of the arbitration and mutually request, the arbitrator may set forth the terms of the settlement in a consent award.
f. The parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail, addressed to a party or its representative at the last known address, personal service of the award, or the filing of the award in any manner that may be required by law.
g. The arbitrator's award shall be final and binding.

40. Modification of Award

Within 20 days after the transmittal of an award, any party, upon notice to the other parties, may request the arbitrator to correct any clerical, typographical, technical, or computational errors in the award. The arbitrator is not empowered to redetermine the merits of any claim already decided. The other parties shall be given 10 days to respond to the request. The arbitrator shall dispose of the request within 20 days after transmittal by the AAA to the arbitrator of the request and any response thereto. If applicable law requires a different procedural time frame, that procedure shall be followed.

41. Release of Documents for Judicial Proceedings

The AAA shall, upon the written request of a party, furnish to the party, at that party's expense, certified copies of any papers in the AAA's case file that may be required in judicial proceedings relating to the arbitration.

42. Applications to Court

a. No judicial proceeding by a party relating to the subject matter of the arbitration shall be deemed a waiver of the party's right to arbitrate.
b. Neither the AAA nor any arbitrator in a proceeding under these rules is or shall be considered a necessary or proper party in judicial proceedings relating to the arbitration.
c. Parties to these procedures shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction.
d. Parties to an arbitration under these rules shall be deemed to have consented that neither the AAA nor any arbitrator shall be liable to any party in any action for damages or injunctive relief for any act or omission in connection with any arbitration under these rules.

43. Administrative Fees

As a not-for-profit organization, the AAA shall prescribe filing and other administrative fees to compensate it for the cost of providing administrative services. The AAA administrative fee schedule in effect at the time the demand for arbitration or submission agreement is received shall be applicable.

AAA fees shall be paid in accordance with the Costs of Arbitration Section (see pages 45-53).

The AAA may, in the event of extreme hardship on any party, defer or reduce the administrative fees. (To ensure that you have the most current information, see our website at www.adr.org).

44. Neutral Arbitrator's Compensation

Arbitrators shall charge a rate consistent with the arbitrator's stated rate of compensation. If there is disagreement concerning the terms of compensation, an appropriate rate shall be established with the arbitrator by the AAA and confirmed to the parties.

Any arrangement for the compensation of a neutral arbitrator shall be made through the AAA and not directly between the parties and the arbitrator. Payment of the arbitrator's fees and expenses shall be made by the AAA from the fees and moneys collected by the AAA for this purpose.

Arbitrator compensation shall be borne in accordance with the Costs of Arbitration section.

45. Expenses

Unless otherwise agreed by the parties or as provided under applicable law, the expenses of witnesses for either side shall be borne by the party producing such witnesses.

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator shall be borne in accordance with the Costs of Arbitration section.

46. Deposits

The AAA may require deposits in advance of any hearings such sums of money as it deems necessary to cover the expenses of the arbitration, including the arbitrator's fee, if any, and shall render an accounting and return any unexpended balance at the conclusion of the case.

47. Suspension for Non-Payment

If arbitrator compensation or administrative charges have not been paid in full, the AAA may so inform the parties in order that one of them may advance the required payment. If such payments are not made, the arbitrator may order the suspension or termination of the proceedings. If no arbitrator has yet been appointed, the AAA may suspend or terminate the proceedings.

48. Interpretation and Application of Rules

The arbitrator shall interpret and apply these rules as they relate to the arbitrator's powers and duties. When there is more than one arbitrator and a difference arises among them concerning the meaning or application of these Rules, it shall be resolved by a majority vote. If that is not possible, either an arbitrator or a party may refer the question to the AAA for final decision. All other procedures shall be interpreted and applied by the AAA.

Costs of Arbitration (including AAA Administrative Fees)

This Costs of Arbitration section contains two separate and distinct sections. Initially, the AAA shall make an administrative determination as to whether the dispute arises from an employer-promulgated plan or an individually-negotiated employment agreement or contract.

If a party disagrees with the AAA's determination, the parties may bring the issue to the attention of the arbitrator for a final determination. The arbitrator's determination will be made on documents only, unless the arbitrator deems a hearing is necessary.

For Disputes Arising Out of Employer-Promulgated Plans*:

Arbitrator compensation is not included as part of the administrative fees charged by the AAA. Arbitrator compensation is based on the most recent biography sent to the parties prior to appointment. The employer shall pay the arbitrator's compensation unless the employee, post dispute, voluntarily elects to pay a portion of the arbitrator's compensation. Arbitrator compensation, expenses as defined in section (iv) below, and administrative fees are not subject to reallocation by the arbitrator(s) except upon the arbitrator's determination that a claim or counterclaim was filed for purposes of harassment or is patently frivolous.

*Pursuant to Section 1284.3 of the California Code of Civil Procedure, consumers with a gross monthly income of less than 300% of the federal poverty guidelines are entitled to a waiver of arbitration fees and costs, exclusive of arbitrator fees. This law applies to all consumer agreements subject to the California Arbitration Act, and to all consumer arbitrations conducted in California. Only those disputes arising out of employer promulgated plans are included in the consumer definition. If you believe that you meet these requirements, you must submit to the AAA a declaration under oath regarding your monthly income and the number of persons in your household. Please contact the AAA's Western Case Management Center at 877.528.0880 if you have any questions regarding the waiver of administrative fees. (Effective January 1, 2003.)

(i) Filing Fees

In cases before a single arbitrator, a nonrefundable filing fee capped in the amount of $150, is payable in full by the employee when a claim is filed, unless the plan provides that the employee pay less. A nonrefundable fee in the amount of $900 is payable in full by the employer, unless the plan provides that the employer pay more.

In cases before three or more arbitrators, a nonrefundable filing fee capped in the amount of $150, is payable in full by the employee when a claim is filed, unless the plan provides that the employee pay less. A nonrefundable fee in the amount of $1,775 is payable in full by the employer, unless the plan provides that the employer pay more.

There shall be no filing fee charged for a counterclaim.

(ii) Hearing Fees

For each day of hearing held before a single arbitrator, an administrative fee of $300 is payable by the employer.

For each day of hearing held before a multi-arbitrator panel, an administrative fee of $500 is payable by the employer.

There is no AAA hearing fee for the initial Arbitration Management Conference.

(iii) Postponement/Cancellation Fees

A fee of $150 is payable by a party causing a postponement of any hearing scheduled before a single arbitrator.

A fee of $250 is payable by a party causing a postponement of any hearing scheduled before a multi-arbitrator panel.

(iv) Hearing Room Rental

The hearing fees described above do not cover the rental of hearing rooms. The AAA maintains hearing rooms in most offices for the convenience of the parties. Check with the administrator for availability and rates. Hearing room rental fees will be borne by the employer.

(v) Abeyance Fee

Parties on cases held in abeyance for one year will be assessed an annual abeyance fee of $300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed.

(vi) Expenses

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne by the employer.

For Disputes Arising Out of Individually-Negotiated Employment Agreements and Contracts:

The AAA's Commercial Fee Schedule, below, will apply to disputes arising out of individually-negotiable employment agreements and contracts, even if such agreements and contracts reference or incorporate an employer-promulgated plan.

The administrative fees of the AAA are based on the amount of the claim or counterclaim. Arbitrator compensation is not included as part of the administrative fees charged by the AAA. Arbitrator compensation is based on the most recent biography sent to the parties prior to appointment. Unless the parties agree otherwise, arbitrator compensation, and expenses as defined in section (v) below, shall be borne equally by the parties and are subject to reallocation by the arbitrator in the award.

(i) Filing Fees and Case Service Fees

An initial filing fee is payable in full by the filing party when a claim, counterclaim, or additional claim is filed. A case service fee will be incurred for all cases that proceed to their first hearing. This fee will be payable in advance at the time that the first hearing is scheduled. This fee will be refunded at the conclusion of the case if no hearings have occurred. However, if the Association is not notified at least 24 hours before the time of the scheduled hearing, the case service fee will remain due and will not be refunded.

These fees will be billed in accordance with the following schedule:

Amount of Claim	Initial Filing Fee	Case Service Fee
Above $0 to $10,000	$ 750	$ 200
Above $10,000 to $75,000	$ 950	$ 300
Above $75,000 to $150,000	$ 1,800	$ 750
Above $150,000 to $300,000	$ 2,750	$ 1,250
Above $300,000 to $500,000	$ 4,250	$ 1,750
Above $500,000 to $1,000,000	$ 6,000	$ 2,500
Above $1,000,000 to $5,000,000	$ 8,000	$ 3,250
Above $5,000,000 to $10,000,000	$ 10,000	$ 4,000
Above $10,000,000	*	*
Nonmonetary Claims**	$ 3,250	$ 1,250

*** This fee is applicable only when a claim or counterclaim is not for a monetary amount. Where a monetary claim amount is not known, parties will be required to state a range of claims or be subject to the highest possible filing fee.Fee Schedule for Claims in Excess of $10 MillionThe following is the fee schedule for use in disputes involving claims in excess of $10 million. If you have any questions, please consult your local AAA office or case management center.*

Fee Schedule for Claims in Excess of $10 Million

The following is the fee schedule for use in disputes involving claims in excess of $10 million. If you have any questions, please consult your local AAA office or case management center.

Claim Size	Fee	Case Service Fee
$10 million and above	Base fee of $ 12,500 plus .01% of the amount of claim above $ 10 million. Filing fees capped at $65,000	$ 6,000

Fees are subject to increase if the amount of a claim or counterclaim is modified after the initial filing date. Fees are subject to decrease if the amount of a claim or counterclaim is modified before the first hearing.

The minimum fees for any case having three or more arbitrators are $2,750 for the filing fee, plus a $1,250 case service fee.

(ii) Refund Schedule

The AAA offers a refund schedule on filing fees. For cases with claims up to $75,000, a minimum filing fee of $300 will not be refunded. For all cases, a minimum fee of $500 will not be refunded. Subject to the minimum fee requirements, refunds will be calculated as follows:

»100% of the filing fee, above the minimum fee, will be refunded if the case is settled or withdrawn within five calendar days of filing.

»50% of the filing fee, in any case with filing fees in excess of $500, will be refunded if the case is settled or withdrawn between six and 30 calendar days of filing. Where the filing fee is $500, the refund will be $200.

»25% of the filing fee will be refunded if the case is settled or withdrawn between 31 and 60 calendar days of filing.

No refund will be made once an arbitrator has been appointed (this includes one arbitrator on a three-arbitrator panel). No refunds will be granted on awarded cases.

Note: The date of receipt of the demand for arbitration with the AAA will be used to calculate refunds of filing fees for both claims and counterclaims.

(iii) Hearing Room Rental

The fees described above do not cover the rental of hearing rooms. The AAA maintains hearing rooms in most offices for the convenience of the parties. Check with the AAA for availability and rates.

(iv) Abeyance Fee

Parties on cases held in abeyance for one year will be assessed an annual abeyance fee of $300. If a party refuses to pay the assessed fee, the other party or parties may pay the entire fee on behalf of all parties, otherwise the matter will be administratively closed.

(v) Expenses

All expenses of the arbitrator, including required travel and other expenses, and any AAA expenses, as well as the costs relating to proof and witnesses produced at the direction of the arbitrator, shall be borne equally by the parties.

For Disputes Proceeding Under the Supplementary Rules for Class Action Arbitration ("Supplementary Rules"):

The AAA's Administered Fee Schedule, as listed in Section 11 of the Supplementary Rules for Class Action Arbitration, shall apply to disputes proceeding under the Supplementary Rules.

Optional Rules for Emergency Measures of Protection

O-1. Applicability

Where parties by special agreement or in their arbitration clause have adopted these rules for emergency measures of protection, a party in need of emergency relief prior to the constitution of the panel shall notify the AAA and all other parties in writing of the nature of the relief sought and the reasons why such relief is required on an emergency basis. The application shall also set forth the reasons why the party is entitled to such relief. Such notice may be given by facsimile transmission, or other reliable means, but must include a statement certifying that all other parties have been notified or an explanation of the steps taken in good faith to notify other parties.

O-2. Appointment of Emergency Arbitrator

Within one business day of receipt of notice as provided in Section O-1, the AAA shall appoint a single emergency arbitrator from a special AAA panel of emergency arbitrators designated to rule on emergency applications. The emergency arbitrator shall immediately disclose any circumstance likely, on the basis of the facts disclosed in the application, to affect such arbitrator's impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within one business day of the communication by the AAA to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.

O-3. Schedule

The emergency arbitrator shall as soon as possible, but in any event within two business days of appointment, establish a schedule for consideration of the application for emergency relief. Such schedule shall provide a reasonable opportunity to all parties to be heard, but may provide for proceeding by telephone conference or on written submissions as alternatives to a formal hearing.

O-4. Interim Award If after consideration the emergency arbitrator is satisfied that the party seeking the emergency relief has shown that immediate and irreparable loss or damage will result in the absence of emergency relief, and that such party is entitled to such relief, the emergency arbitrator may enter an interim award granting the relief and stating the reasons therefore.

O-5. Constitution of the Panel

Any application to modify an interim award of emergency relief must be based on changed circumstances and may be made to the emergency arbitrator until the panel is constituted; thereafter such a request shall be addressed to the panel. The emergency arbitrator shall have no further power to act after the panel is constituted unless the parties agree that the emergency arbitrator is named as a member of the panel.

O-6. Security

Any interim award of emergency relief may be conditioned on provision by the party seeking such relief of appropriate security.

O-7. Special Master

A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. If the AAA is directed by a judicial authority to nominate a special master to consider and report on an application for emergency relief, the AAA shall proceed as provided in Section O-1 of this article and the references to the emergency arbitrator shall be read to mean the special master, except that the special master shall issue a report rather than an interim award.

O-8. Costs

The costs associated with applications for emergency relief shall be apportioned in the same manner as set forth in the Costs of Arbitration section.

Employment Mediation Procedures

1. Agreement of Parties

Whenever, by provision in an employment dispute resolution program, or by separate submission, the parties have provided for mediation or conciliation of existing or future disputes under the auspices of the American Arbitration Association (hereinafter "AAA") or under these procedures, they shall be deemed to have made these procedures, as amended and in effect as of the date of the submission of the dispute, a part of their agreement.

2. Initiation of Mediation

Any party to an employment dispute may initiate mediation by filing with the AAA a submission to mediation or a written request for mediation pursuant to these procedures, together with the applicable administrative fee.

3. Request for Mediation

A request for mediation shall contain a brief statement of the nature of the dispute and the names, addresses, and telephone numbers of all parties to the dispute and those who will represent them, if any, in the mediation. The initiating party shall simultaneously file two copies of the request with the AAA and one copy with every other party to the dispute.

4. Appointment of Mediator

Upon receipt of a request for mediation, the AAA shall send simultaneously to each party to the dispute an identical list of five (unless the AAA decides that a different number is appropriate) names of qualified mediators. The parties are encouraged to agree to a mediator from the submitted list and to advise the AAA of their agreement. If the parties are unable to agree upon a mediator, each party to the dispute shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of a mediator to serve. If the parties fail to agree on any of the persons named, or if acceptable mediators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the AAA shall have the power to appoint a qualified mediator to serve.

If the agreement of the parties names a mediator or specifies a method of appointing a mediator, that designation or method shall be followed.

5. Qualifications of Mediator

No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting an appointment, the prospective mediator shall disclose any circumstance likely to create a presumption of bias or prevent a prompt meeting with the parties. Upon receipt of such information, the AAA shall either replace the mediator or immediately communicate the information to the parties for their comments. In the event that the parties disagree as to whether the mediator shall serve, the AAA will appoint another mediator. The AAA is authorized to appoint another mediator if the appointed mediator is unable to serve promptly.

6. Vacancies

If any mediator shall become unwilling or unable to serve, the AAA will appoint another mediator, unless the parties agree otherwise.

7. Representation

Any party may be represented by a person of the party's choice. The names and addresses of such persons shall be communicated in writing to all parties and to the AAA.

8. Date, Time, and Place of Mediation

The mediator shall fix the date, time, and place of each mediation session. The mediation shall be held at the appropriate regional office of the AAA, or at any other convenient location agreeable to the mediator and the parties, as the mediator shall determine.

9. Identification of Matters in Dispute

At least 10 days prior to the first scheduled mediation session, each party shall provide the mediator with a brief memorandum setting forth its position with regard to the issues that need to be resolved. At the discretion of the mediator, such memoranda may be mutually exchanged by the parties.

At the first session, the parties will be expected to produce all information reasonably required for the mediator to understand the issues presented. The mediator may require any party to supplement such information.

10. Authority of Mediator

The mediator does not have the authority to impose a settlement on the parties but will attempt to help them reach a satisfactory resolution of their dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided that the parties agree and assume the expenses of obtaining such advice.

Arrangements for obtaining such advice shall be made by the mediator or the parties, as the mediator shall determine.

The mediator is authorized to end the mediation whenever, in the judgment of the mediator, further efforts at mediation would not contribute to a resolution of the dispute between the parties.

11. Privacy

Mediation sessions are private. The parties and their representatives may attend mediation sessions. Other persons may attend only with the permission of the parties and with the consent of the mediator.

12. Confidentiality

Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by a mediator while serving in that capacity shall be confidential. The mediator shall not be compelled to divulge such records or to testify in regard to the mediation in any adversary proceeding or judicial forum.

The parties shall maintain the confidentiality of the mediation and shall not rely on, or introduce as evidence in any arbitral, judicial, or other proceeding:

a. views expressed or suggestions made by another party with respect to a possible settlement of the dispute;
b. admissions made by another party in the course of the mediation proceedings;
c. proposals made or views expressed by the mediator; or
d. the fact that another party had or had not indicated willingness to accept a proposal for settlement made by the mediator.

13. No Stenographic Record

There shall be no stenographic record of the mediation process.

14. Termination of Mediation

The mediation shall be terminated:

a. by the execution of a settlement agreement by the parties;
b. by a written declaration of the mediator to the effect that further efforts at mediation are no longer worthwhile; or
c. by a written declaration of a party or parties to the effect that the mediation proceedings are terminated.

15. Exclusion of Liability

Neither the AAA nor any mediator is a necessary party in judicial proceedings relating to the mediation.

Neither the AAA nor any mediator shall be liable to any party for any act or omission in connection with any mediation conducted under these procedures.

16. Interpretation and Application of Procedures

The mediator shall interpret and apply these procedures insofar as they relate to the mediator's duties and responsibilities. All other procedures shall be interpreted and applied by the AAA.

17. Expenses

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator and representatives of the AAA, and the expenses of any witness and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

Mediation Fee Schedule

The nonrefundable case set-up fee is $325 per party. In addition, the parties are responsible for compensating the mediator at his or her published rate, for conference and study time (hourly or per diem).

All expenses are generally borne equally by the parties. The parties may adjust this arrangement by agreement.

Before the commencement of the mediation, the AAA shall estimate anticipated total expenses. Each party shall pay its portion of that amount as per the agreed upon arrangement. When the mediation has terminated, the AAA shall render an accounting and return any unexpendable balance to the parties.

EXHIBIT E
HIPAA BUSINESS ASSOCIATE AGREEMENT

The Parties wish to enter into a HIPAA Business Associate Agreement ("Business Associate Agreement") in conjunction with the HOSPITALIST PARTICIPATION ALL INCLUSIVE SERVICE AGREEMENT. This Business Associate Agreement shall remain fully enforceable regardless of any termination of the HOSPITALIST PARTICIPATION ALL INCLUSIVE SERVICE AGREEMENT.

I. Definitions (alternative approaches)

General Definitions Default to Privacy Rule if Not Otherwise Provided:

Terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the Privacy Rule.

Specific definitions:

a. Business Associate. "Business Associate" shall mean Provider as defined in the Independent Contractor Hospitalist Agreement.
b. Covered Entity. "Covered Entity" shall mean ApolloMed Hospitalists (herinafter, "Group").
c. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
d. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
e. Protected Health Information. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
f. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
g. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

II. Obligations and Activities of Business Associate

a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Business Associate Agreement.

c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement.
d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Business Associate Agreement of which it becomes aware.
e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Business Associate Agreement to Business Associate with respect to such information.
f. Business Associate agrees to provide access, at the request of Covered Entity, as soon as practicable and in the manner prescribed by the Covered Entity to the extent practicable, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.
g. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner prescribed by the Covered Entity to the extent practicable.
h. Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by Covered Entity to the extent practicable or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
i. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
j. Business Associate agrees to provide to Covered Entity or an Individual, in the time and manner prescribed by the Covered Entity to the extent practicable, information collected in accordance with Section II.i. of this Business Associate Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Business Associate Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Independent Contractor Hospitalist Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

IV. Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except as necessary for Business Associate's data aggregation, management and administrative activities of pursuant to the Independent Contractor Hospitalist Agreement.

VI. Term and Termination

a. Term. The Term of this Business Associate Agreement shall be effective as of the effective date of the Independent Contractor Hospitalist Agreement, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may either:
    1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Business Associate Agreement and Independent Contractor Hospitalist Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
    2. Immediately terminate this Business Associate Agreement and Independent Contractor Hospitalist Agreement if Business Associate has breached a material term of this Business Associate Agreement; or
    3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

c. Effect of Termination.
    1. Except as provided in paragraph (2) of this section, upon termination of this Business Associate Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
    2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's determination that return or destruction of Protected Health Information is infeasible pursuant to Business Associate's notification, Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VII. Indemnification

Business Associate shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmlessCovered Entity and its respective employees, directors, and agents ("Indemnitees") from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys fees, including at trial and on appeal) asserted or imposed against any Indemnitees arising out of the acts or omissions of Business Associate or any of Business Associate's employees, directors, or agents related to the performance or nonperformance of this Agreement.

VIII. Miscellaneous

a. Regulatory References. A reference in this Business Associate Agreement to a section in the Privacy Rule means the section as in effect or as amended.
b. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
c. Survival. The respective rights and obligations of Business Associate under Section VI.c. of this Business Associate Agreement shall survive the termination of this Business Associate Agreement.

d. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the respective dates written below

GROUP (COVERED ENTITY):	**BUSINESS ASSOCIATE (PROVIDER):**
By: /s/ Warren Hosseinion	By: /s/ Adrian Vazquez
Title: Chief Executive Officer	Title: Adrian Vazquez, M.D.
Date: May 1, 2009	Date: May 1, 2009

EXHIBIT F
GROUP'S HIPAA PRIVACY POLICY

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY.

IF YOU HAVE ANY QUESTIONS CONCERNING THIS NOTICE, PLEASE CONTACT OUR PRIVACY MANAGER AT (818) 507-4617.

In this Notice, "we," "us," and "our" mean ApolloMed Hospitalists, a medical corporation. The policies of this Notice will be followed by us, our employees, our independent contractor physicians, and other non-employees who have a need to use your medical information to perform their job, including our business associates.

PROTECTED HEALTH INFORMATION

Protected Health Information, or "PHI," is health information that contains identifiers, such as your name, Social Security number, or other information that reveals who you are.

We may use or disclose PHI without your authorization for the purposes stated in this Notice. You may revoke your authorization for other disclosures of your PHI that require your written authorization at any time by sending your written revocation to:

Privacy Manager

AppolloMed Hospitalists
P.O. Box 4555
Glendale, CA 91222

YOUR RIGHTS

Your Right to Access your PHI

You have the right to see and copy most of your PHI maintained by us. We may charge you a fee for copies, mailing, and other costs associated with your request. Please contact our Privacy Manager to make arrangements. In the event your request to inspect or copy medical information is denied, we will inform in writing you of the denial and your right, if any, to have the decision reviewed.

You have the right request inspection, copying, or delivery to you of your PHI in a manner or place that may protect your privacy. To ask for this special service, call the Privacy Manager.

Your Right to Request Individual Changes to Your PHI

You have a right to ask for changes to your PHI records if they are not complete or correct, for as long as the records are kept by us or for us. Your request must be in writing and must include a reason that supports your request. However, if we do not agree to your requested changes, we may deny your request and inform you of the reason(s) for the denial. You then have the right to submit a statement of disagreement with the content of your records, not to exceed 250 words. We will include your statement of disagreement with any disclosures of the records disputed by your statement of disagreement.

Your Right to an Accounting of Our Disclosures of PHI

You have the right to request a list of our disclosures of your PHI (other than our own uses for treatment, payment, and health care operations, and certain other disclosures we are not required to track or report to you), and the reason why the PHI was disclosed, for the six-year period prior to your request, but not earlier than April 14, 2003. You have a right to receive a free copy of this list once a year. If you request an updated list within one year, you will have to pay the costs of providing the list. We will notify you of the cost in advance, and you may change or cancel your request before you become responsible for the costs.

Your Right to a Paper Copy of This Notice

If you receive this notice by electronic mail, you have a right to a get paper copy of this notice. Please contact our Privacy Manager with your request.

Your Right to Request Additional Limitations on Disclosures of Your PHI
You have the right to request additional limitations on how we use or disclose your PHI. However, we do not have to agree to the limitations you request.

OUR DUTIES

We Must Protect Your PHI

We are required by law to protect your PHI from access by others who are not allowed to see or get copies of your information. We must keep your PHI private as required by law. We must give you notice about how we keep your information private. We must use and disclose your information only as provided in this notice.

We May Make Changes to This Notice

We have the right to change this notice. If we change this notice, how we use your PHI or give it to others will change. Any changes in the notice will be made available on our website: www.apollomed.net

Uses and Disclosures of Your Records
We will protect the confidentiality of your PHI as required by law. Sometimes, we may use or disclose your PHI without your authorization, in the circumstances briefly discussed below.

Treatment

We may use or give your PHI to other physicians and health care workers and trainees in the course of providing treatment, such as obtaining a second opinion from another physician. We may use and disclose your PHI to coordinate the care you receive, including, for example, ordering prescriptions, diagnostic tests, etc.

Health Care Options

We may use or give you your PHI to you to inform you about your health care options We may use or give you your PHI to provide information about different health benefits or services that may be of interest to you.

Payment

We create bills for services we provide to you and we may use or share your related PHI with agencies such as insurance providers and to others when the disclosures may be necessary to obtain payment of your bills.

Health Care Operations

We may use or give your PHI to agencies that monitor, supervise, and regulate the delivery of health care.

Secretary of DHHS - Required Disclosure

We may give your PHI to the federal government when it is checking on how we are meeting the privacy laws.

Personal Representatives

We may give your personal representative access to your PHI at his or her request, upon that person's verification of his or her status as your personal representative.

Named Insured

If you are enrolled in health benefit program as a dependent, we may release medical information about you to the person under whose name your health benefits are carried.

Hospital Directories

If you are hospitalized, we may use or give your name and location in the respective hospital directories of hospitals where we perform services for you while you are a patient in the hospital, as well as your general condition (good, fair, etc.) to persons who ask about you by name, and to clergy members of your religious affiliation even if they do not ask for you by name. This information is provided so your friends, family, and clergy can visit you and find out how you are doing generally.

Persons Involved in Your Care or Payment for Your Care

We may give information about you to a friend or family member who is involved in your medical care, include someone involved in arranging payment for your medical care, or to others you tell us are involved in your care. Unless you request otherwise in writing, if you are hospitalized, we may also tell your friends and family that you are in the hospital and your general condition. We may also disclose medical information about you to disaster relief efforts to assist them in providing notices about the condition, status, and location of affected individuals.

Appointments
We may use or give your PHI to you to provide reminders of your appointments.

Uses and Disclosures Required by Law
We may use or give out information about you to others when required by federal or state law. The information we give will be limited to the information the law requires us to disclose.

Public Health Activities

We may use or disclose your PHI to public health authorities to the extent permitted or required by law. This may include sharing your information:

- To prevent or control disease, injury or disability,
- For reports of child abuse or neglect;
- To the Food and Drug Administration about food, nutritional supplements, products, or product recalls,
- To a person who may have been exposed to a disease, or
- To an employer for health care in their facility.

Victims of Abuse, Neglect or Domestic Violence

We may share your PHI with government agencies, including social services or protective service agencies, to report if we suspect you are a victim of abuse, neglect or domestic violence when the law requires it.

Health Care Oversight

We may use or share your PHI with agencies that review how we do business or oversee the health care system, such as for audits or investigations.

Judicial and Administrative

We may disclose your PHI in response to subpoenas, warrants, discoveries, or other legal processes, but only if appropriate efforts have been made to inform you about the request or obtain a court order protecting your PHI.

Law Enforcement
We may give your PHI for police activities, such as providing information to locate a missing person.

Decedents
We may use or give your PHI to the coroner or medical examiner to determine the cause of your death. We may give your PHI to a funeral director to enable him/her to carry out his/her duties.

Organ Donations

If you are an organ or tissue donor, we may use or give your PHI to organizations that coordinate, obtain, bank, or transplant organs or tissues as allowed by law.

Research

We may use or give your PHI for research studies that meet all privacy law rules

Health and Safety

We may use or give your PHI when necessary to persons who are able to prevent or lessen a serious threat to the health or safety of you, another person or the public.

Specialized Government Functions

We may use or disclose your PHI to the appropriate government agency:

- If you are a member of the armed forces, as required by military command authorities,
- If your are a veteran, to the Department of Veterans Affairs,
- To federal officials to conduct national security activities,
- To federal officials to protect the President and others,
- If you are a member of the Department of the State, to authorities seeking information about your medical suitability or for security clearances,
- If you are an inmate of a correctional institution or under the custody of a law enforcement official, to a correctional institution about your health care and safety and to ensure the health and safety of others,
- To federal, state or local government agencies when you apply for a benefit program to verify your eligibility, enrollment or to provide data about the programs.

Workers' Compensation

We may give your PHI to agencies and entities that provide workers' compensation benefits for work-related injuries and illnesses.

Fundraising

We may use or give your PHI to our business partners to contact you to raise funds for organizations associated with our delivery of health care services. If we do so, we will only use or disclose your name, address, other contact information, age, gender and insurance status.

Underwriting

We may use or give your PHI to insurance companies to get insurance coverage for you, for us, and for the facilities and organizations, such as hospitals, that are associated with the health care we provide to you.

Group Health Plan Sponsors

We may use or disclose your PHI to agencies that sponsor your group health insurance. For example, we may use and give your information to confirm your eligibility to enroll you in a participating health plan that you select.

De-Identified Information

We may give out information about you that cannot be traced back to you. This data is called “de-identified” data. Data is considered de-identified only after information that is sufficient to identify you has been removed.

Business Associates

There are some services provided to our organization through contracts with other organizations, such as a copy service we use to make copies of your records. We may disclose your PHI to these organizations so they can perform the job we have asked them to do. We require all these organizations to sign an agreement to protect the privacy of your PHI.

How to Contact Us or File Complaints

You have the right to file a complaint if you think your privacy rights have been violated or you think this Notice is not correct. You may make your complaint with our Privacy Manager. To make a complaint, you may telephone or send a written letter to our Privacy Manager. The telephone number to contact our privacy manager is (818) 507-4617. The address to send a written letter is:

Privacy Manager

AppolloMed Hospitalists
P.O. Box 4555
Glendale, CA 91222

You also have the right to file a complaint about how your records are protected or about our Notice with the Secretary of the United States Department of Health and Human Services. To file a complaint with that agency you may:

Send your written complaint to:

Region IX,
Office for Civil Rights,
U.S. Department of Health and Human Services,
50 United Nations Plaza—Room 322
San Francisco, CA 94102.

Or fax it to: (415) 437–8329

You may call this agency at: (415) 437–8310 or for TDD (415) 437–8311.

You may send your complaint by electronic email to*OCRComplaint@hhs.gov.*

No Retaliation

No action may be taken against you for filing a complaint. If you believe that an action has been taken against you by one of our employees, please call our Privacy Manager at (818) 507-4617.

Effective Date

This notice is in effect on and after August 1, 2008.

Exhibit 21.1 Subsidiaries of Apollo Medical Holdings, Inc

Name	Jurisdiction of Operations
Apollo Medical Management, Inc	California
Aligned Healthcare, Inc	California

CERTIFICATION PURSUANT TO
FORM OF RULE 13A-14(A)
AS ADOPTED PURSUANT TO
SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings, Inc., certify that:

1. I have reviewed this annual report on Form 10-K/A of Apollo Medical Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 9, 2012

/s/ WARREN HOSSEINION, M.D.

WARREN HOSSEINION, M.D.
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
FORM OF RULE 13A-14(A)
AS ADOPTED PURSUANT TO
SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, Kyle Francis, Chief Financial Officer of Apollo Medical Holdings, Inc., certify that:

1. I have reviewed this annual report on Form 10-K/A of Apollo Medical Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or reasonably likely to materially affect, registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 9, 2012

/s/ KYLE FRANCIS
KYLE FRANCIS
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Apollo Medical Holdings, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) The Annual Report on Form 10-K/A of the Company for the year ended January 31, 2011 (the "Report "), fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 9, 2012

/s/ WARREN HOSSEINION, M.D.
WARREN HOSSEINION, M.D.
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Apollo Medical Holdings, Inc.(the "Company") hereby certifies, to such officer's knowledge, that:

(i) The Annual Report on Form 10-K/A of the Company for the year ended January 31, 2011 (the "Report "), fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 9, 2012

/s/ KYLE FRANCIS
KYLE FRANCIS
Chief Financial Officer