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6 **FESTUS DADA, M.D.**

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

OCT 31 2011

R. Devries

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8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF RIVERSIDE, RIVERSIDE HISTORIC COURTHOUSE**

10
11 **FESTUS DADA, M.D., individually,**
12 **Plaintiff,**

13 **v.**

14 **KALI P. CHAUDHURI, an individual,**
15 **TEMECULA VALLEY PHYSICIANS MEDICAL**
16 **GROUP, INC., a California Corporation,**
17 **MICHAEL BASCH, an individual,**
18 **MICHAEL FOUTZ, an individual,**
19 **KM STRATEGIC MANAGEMENT, LLC, a**
California Limited Liability Company,
WILLIAM E. THOMAS, an individual, and
DOES 1 through 100, inclusive,
20 **Defendants.**

CASE NO. RIC 1117546

COMPLAINT FOR:

1. Breach of Contract
2. Conversion
3. Breach of Fiduciary Duty
4. Fraud
5. Declaratory Relief
6. Breach of Fiduciary Duty

DEMAND FOR JURY TRIAL

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23 Plaintiff **FESTUS DADA, M.D.** ("Dr. Dada") alleges against Defendants **KALI P.**
24 **CHAUDHURI** ("Chaudhuri"), **TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.**
25 **("TVPMG")**, **MICHAEL BASCH** ("Basch"), **MICHAEL FOUTZ** ("Foutz"), and **KM STRATEGIC**
26 **MANAGEMENT, LLC** ("KM") (collectively, "Defendants"), and each of them, as follows:
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GENERAL ALLEGATIONS

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2 1. At all relevant times, Plaintiff FESTUS DADA has been and is an individual residing in
3 Corona, California.

4 2. Plaintiff is informed and believes and thereon alleges that at all relevant times
5 Defendant KALI P. CHAUDHURI has been and is an individual residing in Hemet, California.

6 3. Plaintiff is informed and believes and thereon alleges that at all relevant times
7 Defendant TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC. has been and is a
8 medical corporation duly organized and existing under the laws of the State of California, with its
9 principal place of business in Hemet, California.

10 4. Plaintiff is informed and believes and thereon alleges that at all relevant times
11 Defendant MICHAEL BASCH has been and is an individual residing in Murrieta, California.

12 5. Plaintiff is informed and believes and thereon alleges that at all relevant times
13 Defendant KM STRATEGIC MANAGEMENT, LLC has been and is a limited liability company duly
14 organized and existing under the laws of the State of California, with its principal place of business in
15 Hemet, California.

16 6. Plaintiff is informed and believes and thereon alleges that at all relevant times
17 Respondent MICHAEL FOUTZ has been and is an individual residing in Hemet, California.

18 7. Plaintiff is informed and believes and thereon alleges that at all relevant times
19 Respondent WILLIAM E. THOMAS has been and is an individual residing in Riverside, California.

20 8. Plaintiff does not know the true names of Defendants DOES 1 through 100, inclusive,
21 and therefore sues them by those fictitious names. Plaintiff is informed and believes and thereon
22 alleges that each of these Doe Defendants was in some manner responsible for the events and
23 happenings alleged in this Complaint and for Plaintiff's injuries and damages.

24 9. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned,
25 each of the Defendants herein were the agents and/or co-conspirators with each of the remaining
26 Defendants, and in acting or omitting to act as alleged were acting or omitting to act within the scope
27 of such agency and/or conspiracy with the knowledge, permission, consent and/or approval of all
28 Defendants, and each of them.

1 page numbers. On information and belief, the law firm of Hooper, Lundy and Bookman prepared the
2 Agreement and disseminated executed copies via facsimile to all the parties to the Agreement.

3 19. In reasonable reliance on the promises in the Agreement, Dr. Dada complied with all
4 terms of the Agreement, including but not limited to fulfilling his obligation to successfully recruit
5 new physicians into the TVPMG fold, sufficient to earn the additional shares reserved for him in the
6 Agreement.

7 20. TVPMG and its controlling majority shareholder, Chaudhuri, failed to provide Dr. Dada
8 with the opportunity to exercise the stock options referenced in Schedule 2.2 of the Agreement, despite
9 the fact that Dr. Dada fulfilled all prerequisites for such an offer to vest.

10 21. Since becoming a shareholder in TVPMG in December 2002, Dr. Dada has never
11 received a distribution or dividend payment from TVPMG.

12 22. On information and belief, dividends have been paid historically by TVPMG to other
13 shareholders, including but not limited to Chaudhuri.

14 23. Since becoming a shareholder in TVPMG in December 2002, Dr. Dada has never
15 received notice of any general or special shareholder meetings, or been provided with meeting minutes.

16 24. Since becoming a shareholder in TVPMG in December 2002, Dr. Dada has not been
17 provided with quarterly or annual financial information showing the performance of TVPMG.

18 25. Since becoming a shareholder in TVPMG in December 2002, Dr. Dada has not been
19 provided with a copy of TVPMG's annual federal or state tax returns.

20 26. On information and belief, Dr. Chaudhuri controls the operations of TVPMG and has
21 managed the affairs of TVPMG since the execution of the Agreement.

22 27. On information and belief, the decisions of TVPMG not to pay dividends to Dr. Dada
23 were made by Chaudhuri.

24 28. On information and belief, the decision of TVPMG not to supply Dr. Dada with
25 financial information concerning TVPMG was made by Chaudhuri.

26 29. On information and belief, the decision of TVPMG not to supply Dr. Dada with
27 TVPMG tax returns was made by Chaudhuri.

28 30. On information and belief, the decision of TVPMG not to provide Dr. Dada notice of

1 any TVPMG shareholder meetings was made by Chaudhuri.

2
3 **B. The Fraudulent Amended and Restated TVPMG Shareholder Agreement**

4 31. In July 2011, Defendant Basch provided Dr. Dada with a copy of a document entitled,
5 “Amended and Restated Shareholders’ Agreement for TVPMG,” which purports to be effective as of
6 September 1, 2008. (A true and correct copy of the Amended Agreement is attached hereto as Exhibit
7 B).

8 32. The Amended Agreement recites that “The Initial Shareholders, Dr. Kali P. Chaudhuri
9 (“Dr. Chaudhuri”) and Dr. Derrick Smith (“Dr. Smith”) are parties to the original Shareholders’
10 Agreement dated as of December 1, 2002.”

11 33. The Amended Agreement further recites that “Subsequently, Dr. Chaudhuri purchased
12 all of Dr. Smith’s shares and now owns one hundred percent (100%) of the issued and outstanding
13 voting shares being one hundred thousand (100,000) shares of common stock.”

14 34. The Amended Agreement omits mention of Dr. Dada and Dr. Lee altogether and fails to
15 identify them as Initial Shareholders under the original Shareholders’ Agreement. The Amended
16 Agreement does not state that Dr. Dada or Dr. Lee previously owned shares and sold them to TVPMG
17 or Chaudhuri (as it purports to do in the case of Dr. Smith), but simply makes no reference to Dr. Dada
18 and Dr. Lee at all. Although the Amended Agreement specifically acknowledges the existence of the
19 original December 1, 2002 Agreement, Chaudhuri intentionally omitted any reference to Dr. Dada or
20 Dr. Lee’s ownership of TVPMG.

21 35. The Amended Agreement falsely states that all the shares in TVPMG are owned by
22 Chaudhuri, such that Chaudhuri could sell 9,900 shares of TVPMG stock directly to Basch for the
23 purchase price of \$376,000.

24 36. The Amended Agreement intentionally omits any reference to the existing
25 ownership of Dr. Dada and Dr. Lee in TVPMG.

26 37. The Amended Agreement falsely represents that Chaudhuri is sole owner of 100,000
27 shares of TVPMG stock, when in fact Chaudhuri’s total ownership interest consisted of 26,000 shares
28 of Class A stock and 5,000 shares of Class B stock.

1 38. Dr. Dada was never supplied with a board resolution authorizing the sale of additional
2 shares of TVPMG to Chaudhuri, nor any resolution authorizing the sale of Dr. Smith's shares to
3 Chaudhuri. On information and belief, no such resolutions exist.

4 39. To the extent Chaudhuri purports to have purchased Dr. Smith's shares, the purchase is
5 a nullity, as the Agreement bars direct sale of TVPMG shares by any shareholder to a third party.

6 40. To the extent Chaudhuri purported to issue additional shares of TVPMG stock to
7 himself, such transfer was ultra vires and without effect.

8 41. To the extent Chaudhuri purports to have sold 9,900 of his shares in TVPMG to Basch,
9 such transfer is ultra vires, and thus a nullity, as the Agreement bars direct sale of TVPMG shares by
10 any shareholder to a third party.

11 42. To the extent Chaudhuri purports to have purchased all available authorized shares of
12 TVPMG directly from TVPMG, such sale is ultra vires and violates the terms of the Agreement, which
13 recites in pertinent part that 37,000 shares (of the authorized 100,000 shares) were specifically
14 reserved for purchase by Dr. Dada and Dr. Lee at a strike price of \$10 per share.

15 43. TVPMG never reacquired or purchased any of Dr. Dada's shares.

16 44. Dr. Dada's option to purchase 37,000 shares of TVPMG stock per the terms recited in
17 the Agreement is vested and cannot be cancelled by TVPMG or Chaudhuri.

18 45. Dr. Dada was never informed by TVPMG or Chaudhuri that Basch purported to have
19 purchased shares in TVPMG in September 2008. Such ultra vires sale was intentionally concealed
20 from Dr. Dada by TVPMG and Chaudhuri until it was discovered by Dr. Dada in July 2011.

21 46. Dr. Dada was never informed by TVPMG or Chaudhuri that Chaudhuri purported to
22 have purchased Dr. Smith's 10,000 shares of TVPMG and with TVPMG corporate funds. Such ultra
23 vires sale was concealed from Dr. Dada by TVPMG and Chaudhuri until it was discovered by Dr.
24 Dada in July 2011.

25 47. Dr. Dada was never informed by TVPMG or Chaudhuri that Chaudhuri purported to be
26 and/or held himself out as the 100% shareholder of TVPMG. This false representation was
27 intentionally concealed from Dr. Dada by TVPMG and Chaudhuri until it was discovered by Dr. Dada
28 in July 2011.

1 48. To the extent the Amended Agreement purports to have sold Dr. Dada's or Dr. Lee's
2 shares in TVPMG to Basch, such sale is void *ab initio* and an independent ultra vires act by TVPMG
3 and Chaudhuri.

4
5 **C. Acts Leading to the Creation of the Fraudulent Memorandum of Understanding**

6 49. In or about December 2010, a number of TVPMG physicians, including Defendant
7 Basch, discovered that KM and/or Chaudhuri had created letters that were sent to elderly patients of
8 TVPMG purporting to be from each of the TVPMG physicians urging the elderly patients to switch
9 their existing senior health plan (Secure Horizons) to Citizen's Choice. These letters were all in
10 violation of both Health Insurance Portability and Accountability Act ("HIPAA") and the Centers for
11 Medicare & Medicaid Services ("CMS") regulations.

12 50. In response to the backlash from the TVPMG physicians regarding these unauthorized
13 letters, Chaudhuri, through KM and Foutz, issued, for the first time in years, "bonus" payments to the
14 physicians in June 2011, in hopes of silencing the physicians' complaints. These payments totaled in
15 excess of \$250,000, including at least \$85,000 to Basch himself. Chaudhuri, through KM and Foutz,
16 further sweetened the scheme to quiet the disgruntled physicians by significantly increasing their
17 respective monthly capitation, which is a specific dollar figure received by a physician for each patient
18 who chooses the physician as their primary care provider.

19 51. On August 9, 2011, Dr. Dada came into possession of a document entitled,
20 "Memorandum of Understanding" ("MOU") that purports to commemorate an understanding between
21 Chaudhuri and thirteen physicians associated with TVPMG as to a restructuring of ownership in
22 TVPMG, such that Chaudhuri would retain 60% ownership, and the remaining 40% ownership would
23 be distributed among the physicians.

24 52. In furtherance of Chaudhuri's desire to obtain the silence of the physicians regarding
25 the unauthorized patient letters, Chaudhuri's MOU offered to the physicians a 40% ownership interest
26 in TVPMG with no payment required by the physicians for their shares.

27 53. In so doing, Chaudhuri further insulated himself and his cohorts from liability
28 associated with the unauthorized letters by requiring the physicians to issue blanket releases of

1 liability. Paragraph 12 of the MOU forever discharges HCMG, TVPMG, KM, Chaudhuri, Foutz,
2 Thomas and all shareholders, officers, directors and employees from any claims, demands, damages,
3 debts, losses or liabilities that the physicians or TVPMG might have regarding the ownership and
4 management of TVPMG.

5 54. On information and belief, this document was drafted by Thomas, or some other person
6 at Chaudhuri's direction. (A true and correct copy of the MOU is attached hereto as Exhibit C).

7 55. The MOU falsely represents that Chaudhuri owns all the outstanding stock of TVPMG,
8 and that he has authority to sell 40% of TVPMG's shares in exchange for promissory notes to be
9 signed by all the physicians in favor of Chaudhuri personally.

10 56. Chaudhuri has no right to be paid personally for any issuance of TVPMG shares.

11 57. Chaudhuri has no right to authorize the issuance of TVPMG shares to anyone.

12 58. To the extent any physician named in the MOU has purported to purchase shares of
13 TVPMG from Chaudhuri, such purchase was unauthorized, and the offer by Chaudhuri to the
14 physicians to purchase such shares was an ultra vires act.

15
16 **D. KM and Foutz's Involvement in the Fraudulent Acts**

17 59. KM is the management company for TVPMG. On information and belief, KM is
18 controlled in all material aspects by Chaudhuri and Foutz, and acts as Chaudhuri's agent.

19 60. Foutz is the President of KM, and has signatory authority over its bank accounts as well
20 as authority to manage TVPMG pursuant to the contract between TVPMG and KM.

21 61. Among other things, Foutz is charged with issuing payment of salaries, draws, bonuses,
22 and other compensation to TVPMG physicians, as well as the issuance of dividend payments to
23 shareholders of TVPMG.

24 62. KM and Foutz have a fiduciary duty to TVPMG's shareholders to issue dividend
25 payments when due, and to whom they are due.

26 63. KM and Foutz have a fiduciary duty to TVPMG's shareholders to verify the accuracy of
27 TVPMG corporate records, including shareholder records involving current ownership and transfer
28 and sale of TVPMG shares.

1 pay him dividends as required by Paragraph 2.1(A) of the Agreement.

2 75. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by failing to
3 allow him to exercise his option to purchase the 37,000 shares reserved for his purchase in Schedule
4 2.2 of the Agreement.

5 76. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by failing to
6 provide him with financial records of the corporation.

7 77. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by failing to
8 provide him with the annual tax returns of TVPMG.

9 78. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by failing to
10 provide him with advance written notice of any intent to issue or sell shares of TVPMG as required by
11 Section 2.1 of the Agreement.

12 79. On information and belief, TVPMG and Chaudhuri breached their contractual
13 obligations to Dr. Dada by issuing all remaining available shares of TVPMG to Chaudhuri without
14 consideration.

15 80. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by
16 purporting to amend the Agreement in September 2008 to delete Dr. Dada's ownership interest.

17 81. TVPMG and Chaudhuri breached their contractual obligations to Dr. Dada by
18 converting his shares in TVPMG to their own use and benefit without Dr. Dada's approval, knowledge
19 or consent, and to his detriment.

20 82. Plaintiff has performed all obligations and satisfied all responsibilities arising on his
21 behalf pursuant to the written Agreement, except those waived or excused by operation of law or as a
22 result of Defendants' breach of contract and misconduct.

23 83. The wrongful conduct by Defendants alleged herein also constitutes a breach of the
24 covenant of good faith and fair dealing, which is implied in the Agreement.

25 84. As a proximate result of Defendants' breach of the Agreement, Plaintiff has sustained
26 damages in excess of \$1 million, in an amount to be proved at trial.

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1 malfeasance described herein, including but not limited to those acts of self-dealing that were designed
2 to deprive Dr. Dada of his ownership rights in TVPMG and the fraudulent transfer of Dr. Dada's
3 ownership rights to Chaudhuri and/or others.

4 96. As a proximate result of Chaudhuri's breach of fiduciary duty, Dr. Dada has been
5 harmed as alleged herein in an amount in excess of \$1 million, in an amount to be proved at trial.

7 **FOURTH CAUSE OF ACTION**

8 **Fraud**

9 **(Against All Defendants)**

10 97. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 96 herein as if
11 fully set forth.

12 98. Defendants Chaudhuri, Foutz, KM, Basch and Thomas have suppressed and concealed
13 certain material facts which they had a duty to disclose to Plaintiff.

14 99. In particular, Defendants knew and concealed from Dr. Dada the following material
15 facts:

- 16 a. Chaudhuri caused a fraudulent "Amended and Restated Shareholders'
17 Agreement for TVPMG" to be created that purportedly divested Dr. Dada of his
18 ownership interest and rights in TVPMG;
- 19 b. Basch purportedly purchased shares in TVPMG in September 2008;
- 20 b. Chaudhuri purportedly purchased Dr. Smith's 10,000 shares of TVPMG and
21 surreptitiously did so with TVPMG corporate funds;
- 22 c. Chaudhuri purportedly purchased all of the authorized, but not issued, shares of
23 TVPMG; and
- 24 d. Chaudhuri offered to various third-party physicians a 40% ownership interest in
25 TVPMG, with no payment required from the physicians for their shares.

26 100. Defendants had a duty to disclose these material facts as a result of their fiduciary
27 relationship Plaintiff. In addition, Defendants had an independent duty to disclose these material facts
28 since they undertook to make other affirmative representations about these matters, and were thus

1 bound to make full and fair disclosure of all material facts.

2 101. Defendants suppressed or concealed material facts with the intent to induce reliance and
3 to defraud Plaintiff.

4 102. At all relevant times, Plaintiff was unaware of the material facts that were suppressed
5 and concealed by Defendants. If Plaintiff had been aware, he would have taken steps to protect his
6 ownership interest in TVPMG and to protect against Defendants' wrongful conduct.

7 103. As a proximate result of Defendants intentional and fraudulent suppression and
8 concealment of the above-described material facts, Plaintiff has suffered, and continues to suffer
9 damages, in an amount currently unascertained, but according to proof at trial.

10 104. The aforementioned conduct of Defendants constitutes fraud, suppression and/or
11 concealment of material facts known to them, with the intent on the part of Defendants of inducing
12 reliance and thereby depriving Plaintiff of property and/or legal rights or otherwise causing injury, and
13 was despicable conduct that subjected Plaintiff to cruel and unjust hardship in conscious disregard of
14 the Plaintiff's rights, so as to justify an award of exemplary and punitive damages.

15
16 **FIFTH CAUSE OF ACTION**

17 **(Declaratory Relief Against All Defendants)**

18 105. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 104 herein as if
19 fully set forth.

20 106. An actual controversy has arisen and now exists between Plaintiff and Defendants
21 concerning their respective rights and duties, in that Plaintiff contends as follows: (a) that he is the
22 owner of 2,000 shares of Class A stock of TVPMG; (b) that he has the vested right to purchase 37,000
23 of TVPMG stock (12,000 shares Class A voting stock and 25,000 shares Class B stock) at a strike
24 price of \$10/share; (c) that he is entitled to dividends and distributions payable on account of his
25 ownership of TVPMG shares from 2002 to present which have been wrongfully withheld from him;
26 and (d) that TVPMG and Chaudhuri had no right to issue shares to Chaudhuri or any third party,
27 including but not limited to defendant Basch and the other TVPMG physicians, and that such issuance
28 was ultra vires and subject to cancellation. Defendants dispute these contentions and contend that

1 Plaintiff has no ownership interest in TVPMG and no vested rights to purchase its shares, that no
2 dividends are due to Plaintiff, and that all issuance and sales of TVPMG stock was proper.

3 107. A further controversy has arisen between the parties in that Plaintiff asserts that
4 Chaudhuri's acts as complained herein disqualify him as an owner of TVPMG stock under the terms of
5 the Shareholders' Agreement, and mandate the transfer of all of Chaudhuri's shares back to the
6 company. Defendants dispute these contentions.

7 108. A further controversy has arisen between the parties in that Plaintiff asserts that KM
8 and Foutz's complicity in the wrongful acts described herein demonstrate their unfitness to manage
9 TVPMG, and require the appointment of a receiver and/or independent third party to oversee the
10 finances of TVPMG and to ensure that neither Chaudhuri, Foutz or KM can misappropriate or convert
11 the funds in TVPMG's Incurred But Not Reported ("IBNR") account.

12 109. Plaintiff desires a judicial determination of his rights and duties, a declaration as to his
13 ownership rights in TVPMG and rights to dividends flowing therefrom, and cancellation of all
14 purported transfers of TVPMG shares to Chaudhuri, Basch and other third parties made without
15 Plaintiff's knowledge or consent and in violation of the Shareholders' Agreement, as well as the
16 mandated sale of all of Chaudhuri's shares back to the company.

17 110. Plaintiff further desires a judicial declaration as to the necessity of appointment of a
18 receiver and/or independent third party to oversee the finances of TVPMG and to ensure that neither
19 Chaudhuri, Foutz or KM can misappropriate or convert the funds in TVPMG's IBNR account.

20 111. A judicial declaration is necessary and appropriate at this time under the circumstances
21 in order that Plaintiff may ascertain his rights and duties as a shareholder of TVPMG. The unsettled
22 state of affairs regarding the ownership structure of TVPMG has deprived Plaintiff of the right to
23 participate in the affairs and management of TVPMG, has wrongfully deprived him of his ownership
24 interest, and has resulted in his oppression as a minority shareholder.

25 112. Defendants actions alleged herein have deprived Plaintiff of TVPMG shares worth in
26 excess of \$1,000,000, plus an additional unknown amount in distributions to which Plaintiff was and is
27 entitled by virtue of his ownership interest in TVPMG.
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- 1 2. For prejudgment interest at the highest legal rate from the date of the
- 2 conversion; and
- 3 3. For the return of the shares owned by Plaintiff and the right to exercise the
- 4 vested options.

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6 **C. THIRD CAUSE OF ACTION (Breach of Fiduciary Duty)**

- 7 1. For compensatory damages, in an amount in excess of \$1,000,000 in an amount
- 8 to be proved at trial; and
- 9 2. For interest at the highest legal rate from the date of the breach of fiduciary
- 10 duties.

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12 **D. FOURTH CAUSE OF ACTION (Fraud)**

- 13 1. For compensatory damages, in the amount in excess of \$1,000,000 to be proved
- 14 at trial;
- 15 2. For any and all special, incidental and/or consequential damages, according to
- 16 proof; and
- 17 3. For exemplary and/or punitive damages.

18

19 **E. FIFTH CAUSE OF ACTION (Declaratory Relief)**

- 20 1. For a declaration that Plaintiff owns 2,000 shares of Class A TVPMG stock;
- 21 2. For a declaration that Plaintiff has a vested right to purchase 37,000 shares of
- 22 TVPMG stock at a strike price of \$10 per share;
- 23 3. For a declaration that Chaudhuri had no authority to issue additional shares of
- 24 TVPMG to himself or any third party, and that all such purported issuances or
- 25 sales of shares are nullities;
- 26 4. For a declaration that Chaudhuri's acts as described herein disqualify him as a
- 27 shareholder of TVPMG and require the immediate sale of all ownership
- 28 interests of Chaudhuri in TVPMG back to the company at an independently

1 appraised value;

2 5. For a declaration that Basch owns no interest in TVPMG;

3 6. For a declaration that no other third party owns any interest in TVPMG;

4 7. For a declaration that Plaintiff is and has been entitled to payment of dividends
5 from TVPMG from 2002 to present.

6 8. For a declaration that appointment of an independent auditor is necessary to
7 review the books and records of TVPMG and KM (to the extent they deal with
8 TVPMG) from 2002 to present.

9 9. For a declaration that an independent party is necessary to exercise control over
10 the bank accounts of TVPMG, including but not limited to the IBNR account,
11 based on the acts of misfeasance and malfeasance alleged herein.

12
13 **F. SIXTH CAUSE OF ACTION (Breach of Fiduciary Duty)**

14 1. For compensatory damages, in the amount in excess of \$1,000,000 to be proved
15 at trial; and

16 2. For interest at the highest legal rate from the date of the breach of fiduciary
17 duties

18
19 **G. ON ALL CAUSES OF ACTION**

20 1. For costs of suit incurred;

21 2. Attorneys' fees, as allowed by law or contract; and

22 3. For such other and further relief as the Court may deem proper.

23
24 Dated: October 31, 2011

CALLAHAN & BLAINE, APLC

25
26 By: 

Marc P. Miles
Kristy A. Schlesinger
Robert S. Lawrence
Attorneys for Plaintiff FESTUS DADA

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial by jury.

Dated: October 31, 2011

CALLAHAN & BLAINE, APLC

By: 

Marc P. Miles
Kristy A. Schlesinger
Robert S. Lawrence
Attorneys for Plaintiff FESTUS DADA

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Exhibit “A”

Exhibit “A”

SHAREHOLDERS' AGREEMENT

for

**TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.,
a California professional corporation**

Amend to Read

**SHAREHOLDERS' AGREEMENT
FOR
TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.,
a California professional corporation**

This Shareholders' Agreement ("Agreement") is made and entered into as of December 1, 2002 ("Effective Date"), by and among Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Corporation"), those persons defined as Initial Shareholders herein, and each person subsequently becoming a shareholder of the Corporation (individually, "Shareholder"; collectively, "Shareholders") that executes the counterpart signature page to this Agreement attached as Exhibit A hereto ("Signature Page"). The Initial Shareholders and Shareholders are sometimes referred to herein individually as a "Party" or "Shareholder," and collectively as the "Parties" or "Shareholders."

RECITALS

A. The Corporation was initially formed by Derrick Smith, M.D. ("Smith"). Smith and other individuals (collectively, the "Initial Shareholders"), have each been issued shares of stock, all as defined below in Section 2.2. The Parties desire to operate and develop the Corporation as an independent practice association ("IPA") to the extent consistent with applicable law, and to provide multi-specialty medical services to patients located in the cities of Temecula and Murrietta, California and within five (5) miles from the city limits of such cities (the "Service Area").

B. By this Agreement, the Parties desire to formally define their rights and obligations as to the shares of stock in the Corporation ("Shares" or "Stock").

C. The Parties also desire to provide that in the event of the death or disqualification of a Shareholder of the Corporation, the Shares which are held by such Shareholder shall be repurchased by Corporation in accordance with the terms of this Agreement.

D. The Parties acknowledge that in order to effectively operate the Corporation will be obtaining development, management, and administration services for the Corporation under a contract with one or more third party managers (as addressed Article XX of this Agreement).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the Parties hereto agree as follows:

ARTICLE I.**GENERAL OWNERSHIP QUALIFICATIONS AND RESTRICTIONS**

1.1 General Ownership Restriction. Shares may only be held by persons who satisfy, and each Shareholder hereby covenants and agrees that, unless otherwise expressly provided below or otherwise approved by the Corporation in writing, he or she shall satisfy, the following qualification requirements (in addition to any others set forth elsewhere herein) throughout the period in which he or she owns shares of stock of Corporation:

A. Shareholders shall be and remain a bona fide resident of the State of California;

B. Shareholders shall abide by all applicable provisions of this Agreement and the Articles of Incorporation of this Corporation ("Articles"), the Bylaws of this Corporation ("Bylaws?"), and the rules and regulations and any other governing documents of Corporation, all of the terms of which are incorporated into this Agreement by this reference, and any other agreements between Shareholders and Corporation, as restated or amended from time to time;

C. Each Shareholder who is a health care provider of the Corporation, , except for Kali P. Chaudhuri, M.D. ("Chaudhuri"), shall be available at all reasonable times to participate in and abide by the requirements of any quality assurance, utilization review or other committee of the Corporation;

D. Each Shareholder who is a health care provider of the Corporation, except for Chaudhuri, shall enter into and hold a contract to provide professional medical services to Corporation pursuant to the Corporation's standard form Physician Provider Agreement ("Physician Agreement"), approved by the Corporation's Board of Directors ("Board") from time to time and in conformity with any requirements under the Management Agreement, which among other terms shall require that the Physician Agreement have a term of at least five (5) years and further require that, with respect to primary care physician providers ("PCPs"):

(1) during the first twelve (12) months following the Effective Date hereof the Shareholder/PCP shall provide medical services through the Corporation on: (a) an exclusive basis for all managed care third party payors, including without limitation all health plans, IPAs (including without limitation through Hemet Community Medical Group, Inc. ("HCMG")) and preferred provider organizations and exclusive provider organizations (collectively, "Managed Care Payors") with which the Shareholder/PCP is not already, at the time of investing in the Corporation, contracted to provide services; and (b) a non-exclusive basis for all third party payors with which the Shareholder/provider is, at the time of investing in the Corporation, separately contracted to provide services; and

(2) thereafter, the Shareholder/PCP shall provide medical services through Corporation on an exclusive basis for all Managed Care Payors.

In addition, each provider shall, unless otherwise agreed by the Corporation in writing, agree to non-solicitation, confidentiality and other protective covenants consistent with those required of shareholders hereunder, and include liquidated damages and conditional management options in favor of Corporation (and assignable to the Manager) in forms acceptable to the Board.

E. Each Shareholder who is a health care provider of the Corporation, except for Chaudhuri, shall be a member in good standing (with full clinical privileges appropriate to each Shareholder's area or specialty of practice) of the medical staff at any hospitals as required by any Participating Plans, unless such requirement is waived in writing by Corporation in its sole discretion after the approval of the Corporation's Board, and shall become and remain fully credentialed and a unconditionally approved provider by all each Managed Care Payor with which the Corporation contracts to provide services ("Participating Providers"); and

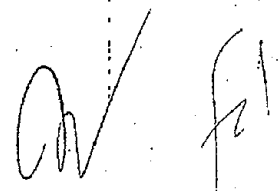
F. Each Shareholder must be a licensed person, as defined by Sections 13401 and 13401.5 of the California Corporations Code, so long as the Corporation constitutes a professional medical corporation under California law.

G. Each person subscribing for Shares must meet any other subscription requirements set forth in this Agreement or otherwise required by the Board to confirm that such subscriber will comply with the terms of this Agreement and the Articles and Bylaws, and that Corporation can be issued Shares to such subscriber without such issuance adversely affecting Corporation's ability to issue any shares to any investor without having to qualify or register any such issuance under Federal or state securities laws.

1.2 Failure to Meet Ownership Restrictions. If a Shareholder fails at any time to meet all of the qualification requirements set forth above and elsewhere herein through no fault of the Shareholder, the Corporation shall have the immediate right, but not the obligation, to repurchase all of the Shares owned by such disqualified Shareholder, pursuant to Article VI of this Agreement.

1.3 Board Determination. The Board, or a designated committee of the Board, shall be responsible for making all determinations concerning whether a proposed subscriber meets the qualification requirements set forth in this Agreement for such subscriber to become a Shareholder, and for determining whether to waive any such requirement; provided that such waiver decisions may also be put, by any Class A Shareholder, to the vote or written action by the Class A Shareholders.

1.4 Applicable Authorities. The rights and liabilities of the Parties with respect to the Corporation shall be determined pursuant to applicable law, the terms of this Agreement, and the terms of the Articles, Bylaws and other governance documents of the Corporation, which shall all be consistent with the terms of this Agreement. To the extent that the rights or obligations of any Parties are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the applicable law, control.



ARTICLE II.

STOCK STRUCTURE AND ISSUANCE OF SHARES

2.1 Authorized Stock Structure. The Corporation shall be authorized to issue a total of One Hundred Thousand (100,000) shares of common stock (the "Initially Authorized Stock") until and unless additional shares are authorized as provided below. The Initially Authorized Stock shall be divided into two classes: (a) Fifty Thousand (50,000) shares to be designated as Class A Voting Common Shares ("Class A Shares"), and (b) Fifty Thousand (50,000) shares to be designated as Class B Non-Voting Common Shares ("Class B Shares"). (Class A Shares and Class B Shares are referred to collectively as "Corporation Stock"). All holders of Class A Shares are referred to herein as the "Class A Shareholders" and all holders of Class B Shares are referred to herein as the Class B Shareholders. Class A Shares and Class B Shares shall have the financial and voting rights set forth in this Agreement. The Class A Shares shall have exclusive voting rights and powers, including without limitation the exclusive right to notice of shareholders' meetings. The Class B Share have no voting rights and powers. With respect to any matters that are subject to the vote of the Class A Shares, the affirmative vote or written consent of Shareholders holding a majority of all outstanding Class A Shares, shall be the act of the shareholders, unless the vote of a greater number is required by the Code, the Articles, the Bylaws or elsewhere in this Agreement.

The Corporation, through its Board or otherwise, shall not be authorized to issue any shares of Corporation Stock in excess of the Initially Authorized Stock without the advance written approval of the Board and Shareholders holding a majority of all outstanding Class A Shares. However, notwithstanding any term herein or in the Articles or Bylaws to the contrary, the equity held collectively by the Class A Shareholders shall never be diluted to less than 50% of all outstanding equity. Without limiting the generality of the preceding principle, it is more particularly agreed:

A. The Class A Shares and Class B Shares are entitled to participate in any dividends declared by the Board out of funds legally available therefore in equal amounts per share based on all outstanding Corporation Stock; provided, however, that notwithstanding any other term in the Articles, Bylaws or herein to the contrary, the maximum portion of any dividends payable to the Class B Shareholders, in the aggregate, is fifty percent (50%) of all such dividends. If such maximum limit applies, the fifty percent 50% of dividends allocable to Class B Shareholders, in the aggregate, shall be allocated among all Class B Shareholders on a pro rata basis, in equal amounts per share based on all outstanding Class B Shares.

B. Upon the voluntary or involuntary liquidation, winding up or dissolution of the Corporation, all assets available for distribution to shareholders shall be distributed as follows:

(i) All Class B Shareholders shall be entitled to a liquidation distribution equal to, in the aggregate, the product obtained by multiplying (a) the total amount of liquidation distribution available to be made to the Shareholders times (b) a fraction, the numerator of which

is the then outstanding number of shares of all Class B Shares and the denominator of which is the then outstanding number of shares of all Corporation Stock; provided, however, that notwithstanding any other term in the Articles, Bylaws or herein to the contrary, the maximum portion of all the liquidation distribution available for distribution to Class B Shareholders, in the aggregate, is 50%. The portion of the liquidation distribution to be provided to Class B Shareholders hereunder shall be allocated among all Class B Shareholders, in the aggregate, on a pro rata basis, in equal amounts per share based on all outstanding Class B Shares.

(ii) All assets available for distribution to Shareholders not provided to the Class B Shareholders in accordance with the preceding paragraph shall be paid collectively to all Class A Shareholders, which shall be allocated among the Class A Shareholders on a pro rata basis, in equal amounts per share based on all outstanding Class A Shares.

2.2 Initial Issuance - Initial Shareholders Defined. The initial shareholders of Corporation ("Initial Shareholders"), and the number of shares, of each class of stock, initially issued to the Initial Shareholders, and the consideration paid therefore, are set forth at Schedule 2.2 to this Agreement. Schedule 2.2 also addresses the reservation of certain of the initially authorized Shares of Corporation Stock, for issuance to Drs. Dada and Lee, upon the proper conditions addressed therein.

2.3 Shareholder List. All Shareholders, including without limitation all Initial Shareholders shall be listed in Schedule 2.3 hereto, which shall be updated and maintained by the Corporation to keep such list current.

2.4 Additional Covenants. Upon the Board's determination to sell shares in the Corporation to shareholders other than any Initial Shareholder, such shares shall, except as otherwise expressly provided herein, be sold at the price to be determined by the Board and subject to the terms of this Agreement and any other terms and conditions of such subscription established by the Board. Corporation shall agree to issue, sell, transfer, convey and assign to any such Shareholder, the number of shares reflected in a Shareholders' Stock Issuance Agreement in form acceptable to the Board, only upon Corporation's acceptance of such subscription by signing the acknowledgment also contained on the applicable signature page and conditioned upon completion of any and all applicable conditions precedent to such issuance as set forth herein, including without limitation Shareholder's signing of this Agreement. In addition, each person seeking to invest in Corporation must execute and deliver to the Corporation an Investor's Certificate in form requested by the Board and must meet all other Shareholder qualification requirements set forth herein.

2.5 Future Redemption of Shares. Upon the redemption or repurchase of any outstanding Shares by the Corporation, such repurchased or redeemed Shares shall cease to exist and be treated as if they had never been issued by the Corporation for purposes of the above Initially Authorized Stock limit, and such number of repurchased or redeemed Shares may be reissued, as the same class of shares, by the Corporation as determined by the Board subject to and consistent with any and all qualifications, pre-conditions, restrictions and other terms contained in this Agreement and the Articles.

2.6 Certificates. The Corporation shall deliver to each Party, after the Shareholder's and Corporation's execution of this Agreement and the Stock Issuance Agreement, and after completion of the conditions precedent to issuance of shares contained herein, a stock certificate ("Stock Certificate") reflecting the ownership by each such Party of all of the Shares issued to him or her (the date of which delivery is referred to hereafter as the "Transfer Date").

2.7 Representations, Warranties and Agreements. Each Party by executing this Agreement, and again by accepting any Shares, represents, warrants and agrees to all of the other Parties and to the Corporation that as of the Transfer Date:

A. Such Party maintains his or her principal residence in the State of California and is a "licensed person" as defined in Section 13401(d) of the California Corporation's Code;

B. All statements contained in the Investor's Certificate executed by such Party shall be true and correct when given and as of the Transfer Date;

C. By executing this Agreement and completing and delivering the Stock Issuance Agreement, each Party acknowledges, agrees and represents that: (i) he or she has completely read this Agreement and understands its terms and consequences; (ii) he or she has had the opportunity to consult with an attorney of his or her own choosing and obtain advice from any other person or expert that he or she deems relevant; (iii) such Party or such Party's independent legal and tax counsel, have been given the opportunity to review any and all materials, books, records, financial and other desired information relating to Corporation, and such Party understands and acknowledges that investment in the Corporation involves significant economic, legal and tax risks.

D. This Section 2.6 shall survive the termination of this Agreement.

ARTICLE III.

RESTRICTION ON TRANSFER OF STOCK

3.1 Transfer Restriction. Except as other expressly provided herein to the contrary, no sale, assignment, pledge, hypothecation, gift or other transfer (each such event being referred to as a "Transfer") of any Stock, whether or not for value, may be made by any Shareholder or his or her estate, heirs or devisees, including, without limitation, any Transfer by operation of law, except for the sale and transfer of the shares to Corporation in accordance with this Agreement.

3.2 Legend On Certificates. Corporation shall endorse upon each certificate of stock of Corporation now owned or hereafter acquired by Shareholder the following legend (in addition to any other legend required by the Bylaws or applicable law):

THE SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, GIFT
OR OTHER TRANSFER OF ANY SHARES REPRESENTED BY

THIS CERTIFICATE, OR ANY INTEREST THEREIN, IS PROHIBITED BY RESTRICTIONS CONTAINED IN THE BYLAWS OF CORPORATION AND A SHAREHOLDERS' AGREEMENT. A COPY OF THE BYLAWS AND THE SHAREHOLDERS' AGREEMENT CAN BE OBTAINED FROM THE SECRETARY OF CORPORATION AND THE PROVISIONS OF SUCH RESTRICTIONS ARE INCORPORATED BY REFERENCE INTO THIS CERTIFICATE.

Corporation shall also endorse upon each certificate of Stock issued to any Shareholder any additional legend required pursuant to (a) the Securities Act of 1933, as amended, and under the State's securities laws, (b) as required to disclose restrictions applicable to professional corporations, in accordance with Section 1345 of Title 16 of the California Code of Regulations, and (c) as required by the California Corporations Code to reflect the existence of separate classes of shares.

ARTICLE IV.

MANAGEMENT OF THE CORPORATION

4.1 Board Authority. Subject to the limitations of the Articles and Bylaws of the Corporation, this Agreement, and the California General Corporation Law, all as amended from time to time, which may require certain actions to be authorized or approved by the Shareholders entitled to vote or by the outstanding shares of Stock entitled to vote, the Parties hereby agree that the business and affairs of Corporation shall be managed and all corporate power shall be exercised by or under the direction of the Board. The Board members shall be subject to selection by the designated Shareholders, and the Chairman of the Board shall be selected by Dr. Chaudhuri from the Board members, as further set forth in the Bylaws.

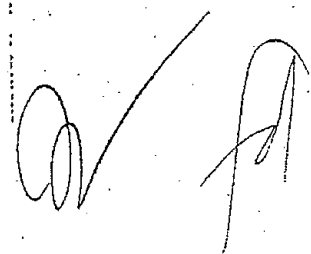
4.2 Conflicts of Interest. Notwithstanding the foregoing or any other term herein or in the Articles or Bylaws of the Corporation to the contrary, the Parties all agree that, in light of the Parties' various related activities, any action in which one or more of the Shareholders, whether acting as a director, officer or Shareholder, has or may have a personal conflict of interest will nonetheless be subject to approval by normal Board or Shareholder action, as applicable, including counting the vote of any interested Shareholders, whether acting as a director, officer or Shareholder, and all Parties hereto hereby waive any and all statutory or other obligations on the part of any interested Party to refrain from voting on any interested matter to the fullest extent permitted by law so long as the interest of any such interested Party is reasonably disclosed to all voting parties at or prior to such vote. Furthermore, the Parties all agree that any pending Board vote at which an interested Party may vote as provided herein may, at the election of a majority of the outstanding Class A Shares, be put instead to a vote of the Class A Shareholders, including counting the vote of the interested Shareholder.

ARTICLE V.**OPTION OF CORPORATION TO PURCHASE STOCK
UPON DEATH OF SHAREHOLDER**

5.1 Death Of Shareholder. Upon the death of Shareholder, except as otherwise expressly provided below, Corporation shall have the right, but not the obligation, to purchase, and, upon Corporation's election to purchase, the estate of the deceased Shareholder shall be obligated to sell ("Shareholder's Estate"), all of the Stock of Corporation owned by the deceased Shareholder (including any stock in which Shareholder's spouse may have a community property interest) at the price specified in Article VII herein and on the terms specified in Article VIII herein. Such sale shall occur on the date and at the time and place specified by Corporation, which shall in no event be later than six (6) months after the date of death of Shareholder. Neither the Shareholder's Estate or any other representative of a deceased Shareholder shall have any voting or other rights from and after the date of death of Shareholder except for the right to receive payment in accordance with this Agreement for the shares of stock which were issued to Shareholder.

5.2 Exercise of Option: Shareholder's Estate's Obligation to Market. In order to purchase the shares of a deceased Shareholder, the Corporation shall elect to purchase the same by providing notice of its purchase election at the address for such deceased Shareholder on file at the Corporation or to any other known address for the deceased Shareholder's spouse or any representative of the Shareholder's Estate, within sixty (60) days after the date of such death ("Election Period"). If the Corporation does not elect to purchase a deceased Shareholder's Shares within the required sixty (60) day period, the Shareholder's Estate shall seek a third party purchaser, who must qualify and meet all the requirements of ownership of Shares hereunder and otherwise applicable, as determined by the Board, and the Shareholder's Estate shall, consistent with applicable law, sell the deceased Shareholder's Shares to such a qualified purchaser within one hundred forty-five (145) days after the deceased Shareholder's death. The Shareholder's Estate may begin marketing such Shares even during the Election Period, but it shall have no right to commit to sell such shares during such Election Period, since the Shares will remain subject to Corporation's purchase option, as set forth above, until the end of such Election Period. If the Shareholder's Estate fails to close the sale of all of the deceased Shareholder's Shares to an qualified, approved proposed purchaser within the required one hundred forty-five (145) day period, for any reason, then the Corporation shall have the additional option to purchase the deceased Shareholder's Shares from the Shareholder's Estate at a purchase price equal to the net book value of the repurchased Shares, as reasonably determined by the Corporation, and upon the Corporation's election to exercise such secondary option, the Shareholder's Estate shall be obligated to sell such Shares, including all interests therein, to the Corporation, at such price, prior to the end of the six (6) month period following the deceased Shareholder's death.

5.3 Effect of Death Of Spouse Of Shareholder. The Parties acknowledge that the spouse of Shareholder ("Spouse") is not a record owner of any of the outstanding stock of Corporation. Nevertheless, Spouse may have an interest in the stock standing in the name of Shareholder by reason of community property laws. Without at this time determining whether or not such an



interest exists, it is agreed that if Spouse does have such an interest, and if Spouse predeceases Shareholder and such interest is transferable by the Spouse's will or pursuant to the terms of Spouse's family trust, or under the laws of the intestacy or otherwise, that:

A. If Shareholder acquires the interest of his or her deceased Spouse, either outright or as trustee or beneficial owner thereof, then Spouse's interest may be transferred to Shareholder, notwithstanding the other terms of this Agreement. Any such interest acquired by Shareholder shall be subject to the restrictions upon transfer and repurchase provisions set forth in this Agreement;

B. If Shareholder does not so acquire any such interest of Spouse, then the estate of Spouse shall be obligated to sell, and Corporation shall be obligated to purchase, all of Spouse's interest in the stock of Corporation, pursuant to the terms of this Article, at the price specified in Article VII herein and upon the payment and other terms specified in Article VIII herein.

ARTICLE VI.

OPTION OF CORPORATION TO PURCHASE STOCK UPON DISQUALIFICATION OF SHAREHOLDER

6.1 Option To Purchase. In the event Shareholder at any time fails to meet the qualification requirements set forth in Section 1.1 above, or elsewhere herein, Shareholder (except Chaudhuri) ceases rendering any services to, or on behalf of, Corporation, or Shareholder intends to or seeks or attempts to transfer the Shareholder's Shares, or any interest therein, to a third party a "Triggering Event"), Corporation shall have the right, but not the obligation, to purchase, and, upon Corporation's election to purchase Shareholder's shares pursuant to this Section 6.1, Shareholder shall be obligated to sell, all of the shares of stock in Corporation directly or beneficially owned by Shareholder, including, if any, the community property interest of his or her Spouse in such stock. The purchase and sale of the stock under this Section 6.1 shall be for the applicable purchase price specified in Article VII and on the terms specified in Article VIII herein. Such sale shall occur on the date and at the time specified by Corporation, which shall in no event occur later than ninety (90) days after the date that Shareholder fails to meet the qualification requirements. Shareholder shall have no voting or other rights from and after the date Shareholder fails to meet the qualification requirements except the right to receive payment in accordance with this Agreement for his or her shares of stock.

6.2 Notice Of Disqualifying Event. Immediately upon the occurrence of any Triggering Event, Shareholder (or Shareholder's representative) shall cause to be delivered to Corporation written notice that such event has occurred and setting forth in reasonable detail the circumstances of such event.

6.3 Interim Effect of Disqualification. The income of the Corporation attributable to medical services rendered while a shareholder is a "Disqualified Person" shall not in any manner accrue to the benefit of such shareholder or his or her shares. Section 13401(e) of the California

Corporations Code defines "Disqualified Person" to mean a licensed person who for any reason becomes legally disqualified (temporarily or permanently) to render the professional services which the particular professional corporation of which he or she is an officer, director, shareholder, or employee is or was rendering.

ARTICLE VII.

PURCHASE PRICE

7.1 Determination Of Purchase Price.

If Corporation purchases the Shares of a Shareholder pursuant to the provisions of Article V or Article VI above, except as otherwise provided at Section 5.2 (in the event the Shareholder's Estate fails to sell the deceased Shareholder's shares as required therein), the purchase price of such Shares, including the value of all goodwill associated therewith ("Purchase Price") shall be the value of the Shares to be purchased, determined in accordance with Section 7.2 below. Notwithstanding the foregoing, or any other term herein to the contrary, if Corporation purchases Shares due to, or following, an uncured default by a Shareholder of any term herein or in any other agreement between such Shareholder and the Corporation (a "Defaulting Shareholder"), the Corporation is hereby granted the express right to offset against, and deduct from, any such Purchase Price owing to the Defaulting Shareholder, the amount of any damages incurred by or otherwise owing to the Corporation as a result of the Defaulting Shareholder's defaults.

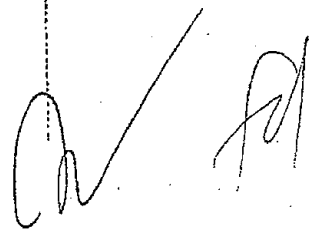
7.2 Value To Be Determined By Appraisal.

The per share value of outstanding stock of Corporation shall be determined based on the portion of the Corporation's total value allocable to each outstanding Share of the applicable class of shares. The Corporation's total value, and the allocable per Share value, shall be determined on an as needed basis, in the event of a pending purchase of Shares hereunder, by an appraisal or valuation report ("Appraisal") prepared by a qualified, independent appraiser or valuation consultant ("Appraiser") selected by the Board. Such Appraisal shall utilize customary and reasonable methodologies, as recommended by the Appraiser and reasonably approved by the Board, and shall develop a valuation which takes into account, in addition to other customary value characteristics and components, the full goodwill associated with the Corporation and the resulting goodwill proportionately associated with each outstanding Share, of the applicable class of Shares.

ARTICLE VIII.

PAYMENT OF PURCHASE PRICE

8.1 Timing Of Payment. If Corporation purchases Shares pursuant to the terms of Article V or Article VI hereof or has the right to repurchase Shares of a Defaulting Shareholder as provided herein, then Corporation shall pay or cause to be paid to the selling Shareholder (or, in the event of



Shareholder's death, to Shareholder's legal representative) either the total amount of the Purchase Price in cash or, at the sole discretion of Corporation, a portion of the Purchase Price determined by the Board of Corporation in its sole discretion in cash and the balance of the Purchase Price by delivery of a promissory note executed by Corporation having the terms set forth in Section 8.2.

8.2 Promissory Notes. Unless otherwise determined by the Board, the promissory note to be delivered to Shareholder, if any, pursuant to Section 8.1 hereof shall be payable in twenty-four (24) equal monthly installments of principal and interest, with interest to commence accruing as of the date such Shares are transferred back to the Corporation (the "Repurchase Date"), and shall be applicable on the unpaid balance at the minimum applicable federal rate, established under Internal Revenue Code Section 1274(d) (or successor provision thereof), for an obligation having a twenty-four (24) month term. The first installment shall be due and payable on the first day of the month immediately following the Repurchase Date. Corporation shall have the right to prepay the promissory note, in whole or in part, at any time and from time to time, without penalty or premium.

ARTICLE IX.

TRANSFER OF CERTIFICATES

Shareholder agrees that upon receipt of the Purchase Price, whether represented by cash or by cash and delivery of a promissory note, Shareholder shall deliver to Corporation the certificates representing the stock held by Shareholder and being sold hereunder, duly endorsed for transfer or with stock powers attached, executed in blank. Shareholder hereby irrevocably authorizes Corporation and any officer or other representative thereof, upon payment of the Purchase Price for the shares, whether represented by cash or by cash and delivery of a promissory note, to complete the terms of any stock power or endorsement delivered hereunder in order to effect the sale and transfer of such shares of stock to Corporation in accordance with this Agreement.

ARTICLE X.

PURCHASE OBLIGATION CONDITIONED ON LEGALITY

The obligation of Corporation to make any of the purchases provided for herein shall be conditioned upon such purchase being legally permissible under the laws of the State of California. The Parties shall cooperate to cause Corporation to make such purchase or purchases as may from time to time be required hereunder.

ARTICLE XI.

SHAREHOLDER WILLS

Shareholder agrees to include in his or her will a direction and authorization to his or her executor to comply with the provisions of this Agreement and to sell Corporation's shares in

accordance with the requirements of this Agreement. However, the failure of Shareholder to so provide shall not affect the validity or enforceability of this Agreement.

ARTICLE XII.

SPOUSAL CONSENT

If a Shareholder is a married person, the Shareholder must, as one of the conditions to investing in the Corporation, either (i) have the Spousal Consent attached hereto Exhibit C executed by his or her present spouse and delivered to Corporation or (ii) provide evidence and representations acceptable to the Board in its sole discretion that the Shares to be purchased by such Shareholder will be purchased with consideration that constitutes separate (non-community) property. Each Shareholder also agrees to deliver to Corporation an executed Spousal Consent from any spouse married by such Shareholder in the future. It is acknowledged and agreed by the parties hereto that the execution and content of the Spousal Consent is an integral part of this Agreement and is supported by full and adequate consideration, and that none of the parties hereto would enter into this Agreement in the absence of the execution of such consent or provision of other evidence acceptable to the Board, as set forth above.

ARTICLE XIII.

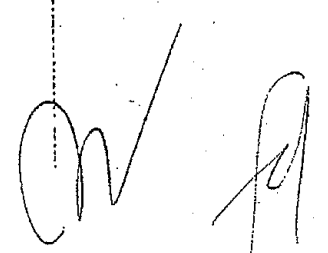
NOTICES

Except as may be otherwise specified herein, all notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or within seventy-two (72) hours after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and addressed to the last known address of the party to whom such notice is given.

ARTICLE XIV.

TERM AND TERMINATION OF AGREEMENT

This Agreement shall continue in full force and effect unless and until it is terminated either upon dissolution of the Corporation, or upon the written agreement of Corporation and Shareholders who hold at least a majority of all outstanding Class A Shares entitled to vote. Termination of this Agreement shall not relieve any party of the obligation to perform any act required to be performed as of, or prior to, the date of termination.

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ARTICLE XV.**AMENDMENTS**

This Agreement, the Articles and the Bylaws may be amended only by a written instrument approved by Class A Shareholders holding at least a majority of all outstanding Class A Shares, as set forth above. Any amendment so approved shall be binding upon each Shareholder regardless of whether any such Shareholder shall have approved such amendment. Notwithstanding the foregoing, all the Shareholders and the Corporation agree that if any amendments to the Articles, Bylaws or this Agreement are deemed necessary by the Board to enable any of the terms herein to be fully enforceable, the Shareholders and the Corporation hereby agree to pre-approve and authorize any such changes, and authorize the Board and Officers to cause such changes to be immediately completed, and agree to execute and deliver any amendments, resolutions, ratification or other documents deemed by Board to be necessary to effect such amendments or changes.

ARTICLE XVI.**CHANGES IN LAW OR REIMBURSEMENT PRINCIPLES**

The Parties to this Agreement agree that if, in the opinion of the Board, any changes in federal or state law (including state or federal antikickback law), governmental agency's interpretation of or enforcement policies related to any such law, or Medicare or Medicaid reimbursement policies are likely to result in payment or reimbursement being unavailable to the Corporation, or from the Corporation to a Shareholder, for services provided to patients by any Shareholder, or makes the continuation of Corporation in its present structure or of its business illegal, subject to prosecution or non payment by third party payors, Corporation shall have the option to restructure Corporation and the business of Corporation in a manner, if possible, to allow Corporation to operate without being subject to the constraints imposed by such changes in law or reimbursement principles. Any such reorganization plan shall be subject to the approval of the Board and a majority of the Class A Shareholders. Corporation may purchase the Shares of any Shareholder not wishing to approve such reorganization plan for the net book value of such shares in accordance with payment terms contained in Article VIII of this Agreement. In addition, if Corporation determines not to develop a plan of reorganization or if the Class A Shareholders do not approve the reorganization plan, Corporation may elect to dissolve Corporation, liquidate Corporation assets and distribute the liquidation proceeds (net of amounts necessary to satisfy Corporation liabilities) in accordance with and to the full extent permitted under applicable law.

ARTICLE XVII.

RESTRICTIVE COVENANTS

17.1 General Covenant Not to Compete. The Parties all acknowledge that the Shareholders may, by becoming Shareholders of Corporation and providing services to Corporation, be exposed to and otherwise gain access to trade secrets and other confidential and proprietary materials and information of Corporation, possibly including, without limitation, customer and payor lists and contracts, patient identifying information and medical records, business policies and procedures and payment and other contractual terms that Corporation has been able to obtain from its customers (collectively "Confidential Information"), which information is or will be regularly used in the operation of Corporation's business.

Accordingly, to ensure such Confidential Information cannot be used by Shareholders to unfairly compete with Corporation and to generally protect the goodwill of Corporation's business, each Shareholder hereby covenants that, except as otherwise expressly permitted below, without the consent of the Corporation acting through its Board:

A. No Shareholder shall, except as otherwise expressly permitted below, own either directly or indirectly any interest in or hold any position as a manager, officer or other controlling or similar position with, or provide any management, administrative or similar services to or for, or medical, ancillary health care or similar services to or for, any person, sole proprietorship, corporation, partnership, firm, association or other entity which engages in the same or a similar business as that of Corporation (or any successor or assign thereof) or which otherwise competes with or can reasonably be expected to compete with Corporation (or any successor or assign thereof), including, without limitation, the business of operating a specialty independent practice association ("IPA"), health maintenance organization ("HMO"), preferred provider organization ("PPO"), exclusive provider organization ("EPO") or other medical group or network (collectively, "Competitors") operating within the Corporation's Service Area (as defined in Recital A of this Agreement), so long as each Shareholder is a Shareholder of the Corporation and for two (2) years after Shareholder ceases to be a Shareholder

Notwithstanding any of the foregoing, nothing contained herein is intended to, nor shall, prohibit any of the activities expressly listed on Schedule 17.1 to this Agreement.

B. For purposes of this section, an indirect interest shall include, but shall not be limited to, any interest held by a member of the Shareholder's family or by a corporation, partnership, trust, pension or profit-sharing plan or other entity in which one or more Shareholders and/or one of more of the Shareholder's family members holds a financial or beneficial interest or serves as a trustee.

C. Corporation and Shareholders further acknowledge and agree that, in order to further the purposes of the agreement not to compete contained in this Article XVII, no third party may be transferred any shares whether or not in compliance with the provisions herein, unless and

until (i) such transferee has executed and agrees to be bound by this Agreement; and (ii) such transferor executes and agrees to be bound by, and such transferee obtains from the transferor and agrees to enforce, on behalf of transferee, Corporation and the other Shareholders, an agreement by the transferring Shareholder (a) not to compete with Corporation for two (2) years from the date of transfer, which agreement shall be in the form of the covenant set forth above in this Article XVII and subject to Corporation's reasonable advance written approval; (b) a secrecy agreement containing the same covenants as forth in Section 18.1, below; and (c) an agreement not to solicit containing the same covenants set forth in Section 18.2, below (collectively, the "Restrictive Covenants"). The Shareholders agree that as an express condition to their right to receive any purchase price for the transfer of any shares of stock of Corporation, each transferring shareholder shall, in addition to complying with any other applicable conditions set forth in this Agreement (i) acknowledge and agree that sale of shares includes all goodwill associated with the sold shares and that the purchase price therefore includes full consideration for such transferred goodwill, and (ii) execute such new Restrictive Covenants in favor of their transferee and the Corporation and the Shareholders. Furthermore, each Party agrees and covenants that if any such Party should ever become a Defaulting Shareholder (as defined below), such Party (as the Defaulting Shareholder) hereby grants in advance, without the requirement for any further writing, to the Corporation all of the Restrictive Covenants, in the form addressed above effective concurrent with the completion by the Corporation of the Corporate Repurchase Steps (as also defined below).

ARTICLE XVIII

CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT

18.1 Confidentiality. During the term of this Agreement and thereafter, each Shareholder agrees to treat all of the Confidential Information as confidential and proprietary to Corporation, and agrees that the Shareholder will not: (a) disclose the Confidential Information, in whole or in part, to any third parties without the advance written consent of Corporation; (b) permit the use or appropriation of the Confidential Information by any third party; (c) personally use or appropriate the Confidential Information for any purpose other than the furtherance of the Shareholder's responsibilities as a Shareholder, officer or other agent of Corporation; or (d) commercially or otherwise exploit the Confidential Information or use the Confidential Information in any way to compete with Corporation or allow any third party to do so.

18.2 No Solicitation. Each Shareholder agrees that he or she will not, directly or indirectly, by sole action or in concert with others, solicit, induce or influence, or seek to solicit, induce or influence: (a) any person or entity who is engaged by the Corporation or Manager (or successor or assignee thereof) (collectively, the "Restricted Entities"), as an officer, employee, physician or other provider, director, manager (or agent thereof), agent or representative of the Restricted Entities, to leave such person's or entity's employ or other engagement of the Restricted Entities including without limitation patients, payors and enrollees of payors; or (b) any customer or client of the Restricted Entities to terminate or modify any existing business or commercial

relationship with Corporation or to otherwise enter into a business, commercial or professional relationship with any other Person affecting Corporation's Restricted Area.

ARTICLE XIX.

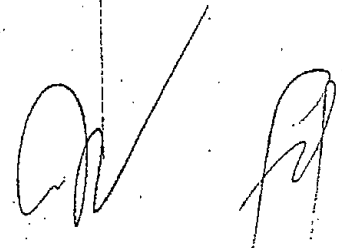
APPLICATION OF RESTRICTIONS; REMEDIES

19.1 Application of Restrictions. Although the Shareholders and Corporation consider the restrictions contained in Article XVII and Article XVIII in this Agreement to be reasonable for purposes of preserving for Shareholders and Corporation the goodwill, proprietary rights and ongoing business value of Corporation's business, and protecting the proprietary Confidential Information of Corporation, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in Article XVII or Article XVIII is unreasonable or otherwise unenforceable against any Shareholder, the provisions of Article XVII and Article XVIII of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such other extent that the court may judicially determine or indicate to be reasonable.

19.2 Remedies.

A. Corporation and Shareholders further acknowledge and agree that Corporation's remedy at law for a breach of any provisions set forth in Article XVII or Article XVIII of this Agreement would be inadequate, and in recognition of that fact, in the event of the breach or threatened breach by any Shareholder of the provisions of Article XVII Article XVIII, it is agreed that, in addition to Corporation's remedies at law, Corporation shall be entitled to, without posting any bond, and the Shareholders agree not to oppose Corporation's request for, equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. Nothing contained herein shall be construed as prohibiting Corporation from pursuing any other remedies as may be available to Corporation for such breach or threatened breach until any such injunction is granted.

B. Notwithstanding anything herein to the contrary, the Parties all agree that in the event that a Shareholder becomes a Defaulting Shareholder (as defined above), such Defaulting Shareholder shall be required to sell, immediately upon Corporation's demand, all of his or her stock held in Corporation back to the Corporation, at the Purchase Price calculated in accordance with Section 7.1B of this Agreement, which remedy for Corporation shall be in addition to any other remedies available to Corporation hereunder or under applicable law, and each Party hereby agrees to abide by the terms of this Section 19.2 and not to contest any repurchase authorized hereunder. For purposes of this Agreement, immediately upon the demand by the Corporation to the Defaulting Shareholder to sell back the Defaulting Shareholder's Shares and delivery by the Corporation to the Defaulting Shareholder of the Purchase Price for the Defaulting Shareholder's Shares (calculated pursuant to Section 7.1B and payable pursuant to Article VIII) (the "Corporate Repurchase Steps"), all Shares owned by such Defaulting Shareholder shall be immediately deemed to be repurchased by the Corporation for purposes of its books and all other purposes, whether or not, or whenever,



the Defaulting Shareholder chooses to negotiate the check and/or note tendered as the Purchase Price and whether or not the Defaulting Shareholder contests or recognizes such repurchase. Furthermore, upon completion of the Corporate Repurchase Steps as addressed above, the Defaulting Shareholder shall be deemed to have granted ongoing covenants consisting of the Restrictive Covenants, as addressed in Article XVII of this Agreement.

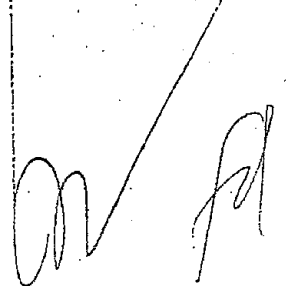
ARTICLE XX.

MANAGEMENT RELATIONSHIP

2011 Management Relationship. The Parties acknowledge that in order to operate the Corporation with the level of expertise necessary to effectively form, develop, market and manage the Corporation on a competitive basis, Corporation has contracted (or is in the process of contracting) to obtain from Hemet Global Services, LLC (the "Current Manager") development, management, and administration services for the Corporation. By agreeing to invest in the Corporation and sign this Agreement, each Shareholder is approving and ratifying the Corporation's entering into the Management Services Agreement with Current Manager, in substantially the form attached to this Agreement as Exhibit B ("Current Management Agreement"). The Parties all further agree to maintain the confidentiality of, and not to disclose, without the Current Manager's advance consent, the Current Management Agreement and the terms therein.

The Parties further acknowledge that Valley Health System, Inc ("VHS") has approved entering into that certain Agreement Regarding Modification of Settlement Agreement and Risk Sharing Agreements by and among VHS, Temecula Murrieta Global Services, LLC, the Corporation, KPC Global Care, Inc., Chaudhuri, Hemet Global Services, LLC and HCMG ("VHS Agreement"), which is incorporated herein by this reference, pursuant to which, among other terms, the Corporation shall have the right, as provided in the VHS Agreement, to terminate the Current Management Agreement and enter into a management services agreement ("New Management Agreement") with a new management service organization ("New MSO") in which the Initial Shareholders shall be investors and participants (as addressed in more detail below).

The Parties agree that the Corporation shall use reasonable efforts to obtain the right to implement the creation of the New MSO and replacement of the Current Management Agreement with the New Management Agreement, through the full execution of the VHS Agreement by all parties thereto. By electing to invest in the Corporation and executing this Agreement, the Shareholders acknowledge and approve the Corporation's entering into the New Management Agreement, and agree not to undertake any actions in conflict with or in contravention or interference with the New Management Agreement, if the conditions precedent thereto (as set forth above) have been met and provided that such New Management Agreement does not provide for the primary management fee in excess of 12% of the gross revenues of the Corporation and provides services and support substantially consistent with those provided under the Current Management Agreement. The Parties all further agree to maintain the confidentiality of, and not to disclose, without the New Manager's advance consent, the New Management Agreement and the terms therein.



Upon the exercising of the right, pursuant to the VHS Agreement (including payment of the Guaranteed Obligation as provided therein), to terminate the Current Management Agreement and replace it with the New Management Agreement, the Parties contemplate the formation of the New MSO, in which Drs. Dada, Lee and Smith will each hold the same percentage equity as his respective percentage ownership in the Corporation. The balance of the New MSO's equity (a majority of both equity and voting power) will be owned by Chaudhuri (including KM Strategic Management, LLC and/or other Chaudhuri designee(s)). The New MSO will subcontract substantially all of its management responsibilities to KM Strategic Management, LLC, which will perform such services for eight percent (8%) of the gross revenues of the Corporation. The governance of the New MSO shall be structured as contemplated pursuant to Section 9 of that certain Development Agreement, dated as of June, 2002 by and among Drs. Smith, Dada, Lee and Chaudhuri.

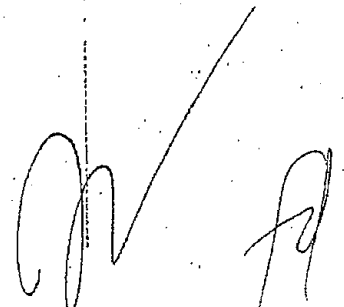
References herein to the Manager of the Corporation shall be deemed to mean the (i) Current Manager, during the term of the Current Management Agreement, and (ii) the New MSO during the term of the New Management Agreement. Similarly, references herein to the Management Agreement shall be deemed to mean the (i) Current Management Agreement, during the term of the Current Management Agreement, and (ii) the New Management Agreement during the term of the New Management Agreement. The Parties agree not to undertake any actions in conflict with or in contravention or interference with the Management Agreement or the rights of the parties to such Management Agreement.

ARTICLE XXI

MISCELLANEOUS

21.1 Transfer Of Title And Warranty. Upon the sale of stock pursuant to the terms of this Agreement, Shareholder shall transfer and warrant good and valid title to Corporation and shall convey all such shares of stock to Corporation free and clear of all liens and encumbrances of any kind or nature.

21.2 Violation Of Agreement. Any sale or transfer or purported sale or transfer of stock of Corporation shall be null and void unless the terms, conditions and provisions of this Agreement are strictly observed and followed. In the event of any such attempted transfer in violation of this Agreement, the Articles or the Bylaws, or any other violation by a Party (the "Defaulting Party") of any other material term hereunder, which is not cured within sixty (60) days of such Party's receipt of a notice of default from Corporation, the Corporation shall have the right, but not the obligation, to immediately repurchase the Shares owned by the Defaulting Party, at such Shares net book value and on payment terms contained in Article VIII of this Agreement, in addition to any other rights or remedies that may be available to Corporation for such violation.



21.3 Benefit And Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors, heirs, permitted assigns, administrators, executors and personal representatives, except to the extent of any contrary provision in this Agreement.

21.4 Attorney's Fees. If legal action shall be commenced by any party to enforce the terms of this Agreement, the prevailing party in such action shall be entitled to reimbursement for costs and attorneys' fees incurred in connection therewith.

21.5 Headings And Titles. The article, section and paragraph headings and titles of this Agreement are for convenience and ease of reference only, and shall not be interpreted to limit, augment or describe the scope, content or intent of this Agreement or any part hereof.

21.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

21.7 Severability. To the maximum extent permitted by law, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid under applicable law, such provision shall be ineffective to the extent of such illegality or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement, each of which shall continue to be valid and binding upon the parties hereto.

21.8 Waiver. Unless mutually agreed in writing, the failure of any party, at any time, to require performance by the other of any provision hereunder shall not affect its rights thereafter to enforce the same, nor shall a waiver by any party of any breach of any provision hereof, whether or not agreed to in writing, be taken or held to be a waiver of any other term or provision of this Agreement. No extension of time for the performance of any obligation or act shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

21.9 Integration, Merger and Incorporation. This Agreement, along with the Articles and Bylaws constitutes the full, final and entire agreement of the parties hereto relating to the subject matter hereof, and all prior understandings or agreements, whether written or oral, between the parties shall be merged and integrated into and are superseded by this Agreement. All recitals, exhibits, and schedules hereto are incorporated as if set forth herein.

21.10 Further Assurances. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

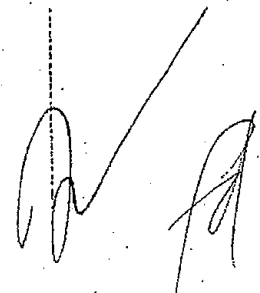
21.11 Joinder of Additional Parties. When additional Shares are issued by Corporation, or issued and outstanding Shares of Corporation are Transferred to a person not previously a

Shareholder, as a condition precedent to such issuance or Transfer, each such issuee or transferee shall become a party to and bound by this Agreement by executing the Signature Page to this Shareholders' Agreement and the spouse, if any, of each such issuee or transferee shall execute a "Spousal Consent" in the form attached hereto as Exhibit C. Thereafter, this Agreement shall inure to the benefit of and be binding upon such person, his or her spouse and their respective successors and assigns.

21:12 Counterparts. This Agreement may be executed in counterpart signature pages, and each such counterpart shall be enforceable as an originally executed agreement between the parties hereto.

21:13 Arbitration. If any controversy, claim, or dispute arising or relating to this Agreement, or the construction, interpretation, breach, termination, and enforceability or validity thereof, cannot be settled by the Parties, such controversy, claim, or dispute, whether based on statute, tort, contract, common law, or otherwise and whether such dispute existed prior to or arises after the date of this Agreement shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association before the Judicial Arbitration and Mediation Service/Endispute ("JAMS"). The venue for such arbitration shall be in Riverside, California. Upon a showing of good cause, the arbitrator shall permit any party to the arbitration to conduct discovery in accordance with California law, subject to any limitations or restrictions the arbitrator should apply to any such discovery consistent with the rules of JAMS. The award of the arbitrator may be for an amount of money and/or for specific performance or other equitable relief and shall be final, binding, and enforceable in any court of competent jurisdiction. Either party is entitled to an application to Superior Court of the State of California for the County of Riverside to compel arbitration and for an award of such equitable and/or provisional relief as may be appropriate under the circumstances. The costs of the arbitration, including any administration fee, the arbitrator's fee, and costs for the use of facilities during the hearings, shall be borne equally by the parties to the arbitration.

21:14 Survival of Terms. The Parties all agree that, notwithstanding anything else herein to the contrary, the covenants and any representations and warranties of the Parties, as set forth at Section 1.4, 2.1, 2.5, 2.7, 3.1, 4.1, 4.2, Article V, Article VI, Article VII, Article VIII, Article IX, Article X, Article XI, Article XII, Article XVII, Article XVIII, Article XIX, Article XX, and Article XXI (and all sections, subsections and terms within all such Articles)] shall survive the transfer of

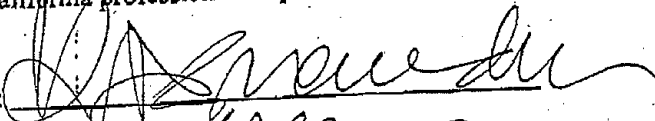


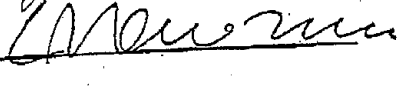
a Shareholder's Shares back to the Corporation or to a third party or other termination of this Agreement as to any Party.

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

CORPORATION:

TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.
a California professional corporation

By: 

Its: 

(SHAREHOLDER SIGNATURE PAGES FOLLOW)

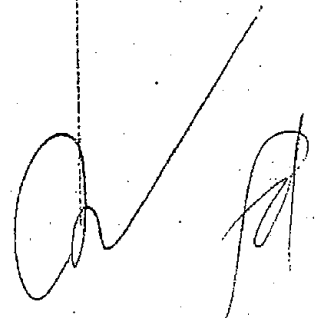


EXHIBIT A

SHAREHOLDERS' AGREEMENT SIGNATURE PAGE

I, HESTUS DADA (print name), have received and read a copy of the attached Shareholders' Agreement for Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Corporation"), dated as of 5TH DEC, 2002 (the "Agreement"). I have or will purchase shares of common stock of the Corporation and hereby consent to be bound as a shareholder to all of the terms of said Agreement and my signature below constitutes my execution of said Agreement.

Upon acceptance of this signature page as evidenced by the signature of the Corporation below, the undersigned shall be a party to the Agreement and shall be bound by all of the terms thereof, and upon completion of applicable conditions precedent.

IN WITNESS WHEREOF, the undersigned has executed this Shareholders' Agreement Signature Page as of this 5 day of DEC.

HESTUS B DADA
Print Name of Shareholder

[Signature]
Signature of Shareholder

Address of Shareholder

2000 = JOINTLY HELD W/D LEE
Number of Common Shares Purchased by this Shareholder.
Class of Shares A

ACCEPTANCE BY CORPORATION

The foregoing is hereby ratified and accepted by Temecula Valley Physicians Medical Group, Inc., a California professional corporation, as of _____.

By: [Signature]
Its: [Signature]

EXHIBIT B

MANAGEMENT AGREEMENT

[SEE ATTACHED AGREEMENT]

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EXHIBIT C

SPOUSAL CONSENT

I acknowledge that I am the spouse of the Shareholder who signed the foregoing Shareholders' Agreement ("Agreement") for Temecula Valley Physicians Medical Group, Inc. a California professional corporation ("Corporation"), and that I have read the Agreement and know its contents. I am aware that by its provisions transfers of shares of Corporation are restricted and that my spouse agrees to sell his or her shares in Corporation, including any community property or other interest that I may have or acquire therein, under the circumstances specified therein. I hereby consent to such sale, approve of the provisions of the Agreement, and agree to be bound thereby and to comply with all terms and conditions of the Agreement. I acknowledge that, by law, I cannot own any interest, whether legal or beneficial, in the shares of Corporation. I further agree that I will not bequeath such shares, or any interest therein, by my will or by trust. I direct that the residuary clause in my will shall not be deemed to apply to any community property or other interest that I may have in such shares.

I further agree that in the event of a dissolution of marriage or legal separation, my spouse shall have the absolute right to have my interest, if any, in the shares set apart to him or her, whether through a property settlement agreement or by decree of court, or otherwise, and that if he or she shall be required by the terms of a settlement decree to compensate me for said shares, that the price shall be no more than the price set forth in the Agreement for repurchase by Corporation of the shares multiplied by my percentage ownership interest in such shares.

Dated: 12/5/02

Jeanie Dada
Signature

JEANIE M DADA RN
Printed Name

Spouse of:
FESTUS B DADA MD
Print Name of Shareholder

SCHEDULE 2.2SHARE INFORMATION FOR INITIAL SHAREHOLDERS

<u>Name of Shareholder</u>	<u>Number of Class A Shares</u>	<u>Number of Class B Shares</u>
1. Derrick Smith, M.D.	10,000	0
2. Kali P. Chaudhuri, M.D.	26,000	5,000
3. Festus Dada, M.D. and Donald Lee, M.D., (Jointly held)	2,000	0

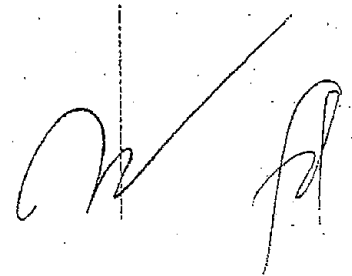
Reserved Shares

An additional 12,000 shares of Class A Shares and 25,000 shares of Class B Shares shall be held in reserve to be available for issuance to Drs. Dada and Lee (at a price of \$10.00 per share), in return for their successful efforts in proper recruitment of additional physicians to enter into Physician Agreements with the Corporation, all as shall be consistent with applicable laws. In connection with these efforts, Drs. Dada and Lee reaffirm their prior representations and covenants that: (a) they initiated discussion to affiliate with TVPMG and are each legally authorized and permitted to enter into the relationships, contracts and activities contemplated by this Agreement; (b) neither the Corporation, its other Shareholders (i.e. other than Drs. Dada or Lee), its officer, directors or representatives (other than Drs. Dada or Lee) nor their affiliates ("Corporation's Parties") have interfered with any other provider's business or economic relationships; and (c) Drs. Dada and Lee have not and will not, in connection with recruiting any physicians for affiliation with the Corporation, cause, encourage or solicit the breach of any contractual or similar relationships between such recruited physicians and any third parties.

SCHEDULE 2.3

SHARE INFORMATION FOR ALL SHAREHOLDERS

<u>Name of Shareholder</u>	<u>Number of Class A Shares</u>	<u>Number of Class B Shares</u>
1. Derrick Smith, M.D.	10,000	0
2. Kali P. Chaudhuri, M.D.	26,000	5,000
3. Festus Dada, M.D. and Donald Lee, M.D., (Jointly held)	2,000	0



SCHEDULE 17.1**LIST OF EXCEPTIONS TO COVENANT NOT TO COMPETE**

Notwithstanding the restrictive covenant contained in Article XVII or elsewhere in this Agreement, nothing contained in the Agreement shall prohibit any of the following activities:

A. Any Shareholder may conduct his or her private practice of medicine for his or her patients who are not members of a managed care plan (i.e. a payor plan that pays any of its contracted physician or group providers on a capitated or other "risk" basis) to the extent that provision of such professional services to any such third party does not violate any applicable exclusivity or other covenants contained in any existing provider agreement between the Shareholder and the Corporation;

B. No Shareholder who does not practice as a PCP for Corporation, is prohibited or restricted from providing services to, or being an owner or other participant in, any other medical practice or group, within or outside of Corporation's Service Area, regardless of the type of patients served by such medical group or practice (including without limitation to managed care plan members).

C. Any Shareholder shall be permitted to directly or indirectly provide management services to this Corporation through Manager (or successors or assigns), and to be an owner, officer or director therein or have any relationship therein, whether or not Manager also provides services to other competitors or providers in the Corporation's Service Area;

D. During the 12 month period following the Effective Date of this Agreement, each Initial Shareholder formerly associated with another provider organization may continue to provide services to such other provider organization, provided that they do so on a non-exclusive basis and also provide services to the Corporation in compliance with such shareholder's Physician Agreement, as applicable.

E. The covenants and restrictions set forth in this Article XVII shall not apply to Dr. Chaudhuri's ownership or other participation in or with Hemet Community Medical Group, Inc., KM Strategic Management, LLC, or Menifee Valley Community Medical Group, Inc., Menifee Global Multi-Speciality Medical Group, Inc., Hemet Global Services, LLC, or Valley Health Management Services, LLC, with which Dr. Chaudhuri already has relationships.




Exhibit “B”

Exhibit “B”

**AMENDED AND RESTATED
SHAREHOLDERS' AGREEMENT**

for

**TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.,
a California professional corporation**

**AMENDED AND RESTATED
SHAREHOLDERS' AGREEMENT
FOR
TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.,
a California professional corporation**

This Amended and Restated Shareholders' Agreement ("Agreement") is made and entered into as of September 1, 2008, ("Effective Date"), by and among Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Corporation"), those persons defined as Initial Shareholders herein, and each person subsequently becoming a shareholder of the Corporation (individually, "Shareholder"; collectively, "Shareholders") that executes the counterpart signature page to this Agreement attached as Exhibit A hereto ("Signature Page"). The Initial Shareholders and Shareholders are sometimes referred to herein individually as a "Party" or "Shareholder," and collectively as the "Parties" or "Shareholders."

RECITALS

A. The Initial Shareholders, Dr. Kali P. Chaudhuri ("Dr. Chaudhuri") and Dr. Derrick Smith ("Dr. Smith") are parties to the original Shareholders Agreement dated as of December 1, 2002. Subsequently, Dr. Chaudhuri purchased all of Dr. Smith's shares and now owns one hundred percent (100%) of the issued and outstanding voting shares being one hundred thousand (100,000) shares of common stock.

B. Dr. Michael Basch ("Dr. Basch") wishes to acquire shares in the Corporation. By separate agreement, Dr. Basch has purchased nine thousand nine hundred (9,900) shares from Dr. Chaudhuri (constituting 9.9% of the issued and outstanding shares of common stock) is now required to be bound by the terms and conditions of the Amended and Restated Agreement.

C. By this Agreement, the Parties desire to formally define their rights and obligations as to the shares of stock in the Corporation ("Shares" or "Stock").

D. The Parties also desire to provide that in the event of the death or disqualification of a Shareholder of the Corporation, the Shares which are held by such Shareholder shall be repurchased by Corporation in accordance with the terms of this Agreement.

E. The Parties acknowledge that in order to effectively operate the Corporation will be obtaining development, management, and administration services for the Corporation under a contract with one or more third party managers (as addressed Article XX of this Agreement).

F. The Parties desire to operate the Corporation as an independent practice association ("IPA") and as a group provider to Hemet Community Medical Group, Inc. ("HCMG") to the extent consistent with applicable law, and to provide multi-specialty medical services to patients located in the cities of Temecula and Murrietta, California and within fifteen (15) miles from the city limits of such cities (the "Service Area").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the Parties hereto agree as follows:

ARTICLE I.

GENERAL OWNERSHIP QUALIFICATIONS AND RESTRICTIONS

1.1 General Ownership Restriction. Shares may only be held by persons who satisfy, and each Shareholder hereby covenants and agrees that, unless otherwise expressly provided below or otherwise approved by the Corporation in writing, he or she shall satisfy, the following qualification requirements (in addition to any others set forth elsewhere herein) throughout the period in which he or she owns shares of stock of Corporation:

A. Shareholders (except Dr. Chaudhuri) shall be and remain a bona fide resident of the State of California;

B. Shareholders shall abide by all applicable provisions of this Agreement and the Articles of Incorporation of this Corporation ("Articles"), the Bylaws of this Corporation ("Bylaws"), and the rules and regulations and any other governing documents of Corporation, all of the terms of which are incorporated into this Agreement by this reference, and any other agreements between Shareholders and Corporation, as restated or amended from time to time;

C. Each Shareholder who is a health care provider of the Corporation, , except for Kali P. Chaudhuri, M.D. ("Dr. Dr. Chaudhuri"), shall be available at all reasonable times to participate in and abide by the requirements of any quality assurance, utilization review or other committee of the Corporation;

D. Each Shareholder who is a health care provider of the Corporation, except for Dr. Chaudhuri, shall enter into and hold a contract to provide professional medical services to Corporation pursuant to the Corporation's standard form Physician Provider Agreement ("Physician Agreement"), approved by the Corporation's Board of Directors ("Board") from time to time and in conformity with any requirements under the Management Agreement, which among other terms shall require that the Physician Agreement have a term of at least five (5) years and further require that, with respect to primary care physician providers ("PCPs"):

(1) the Shareholder/PCP shall provide medical services through the Corporation on an exclusive basis for all managed care third party payors.

In addition, each provider shall, unless otherwise agreed by the Corporation in writing, agree to non-solicitation, confidentiality and other protective covenants consistent with those required of shareholders hereunder, and include liquidated damages and conditional management options in favor of Corporation (and assignable to the Manager) in forms acceptable to the Board.

E. Each Shareholder who is a health care provider of the Corporation, except for Dr. Chaudhuri, shall be a member in good standing (with full clinical privileges appropriate to each Shareholder's area or specialty of practice) of the medical staff at any hospitals as required by any Participating Plans, unless such requirement is waived in writing by Corporation in its sole discretion after the approval of the Corporation's Board, and shall become and remain fully credentialed and a unconditionally approved provider by all each Managed Care Payor with which the Corporation contracts to provide services ("Participating Providers"); and

F. Each Shareholder must be a licensed person, as defined by Sections 13401 and 13401.5 of the California Corporations Code, so long as the Corporation constitutes a professional medical corporation under California law.

G. Each person subscribing for Shares must meet any other subscription requirements set forth in this Agreement or otherwise required by the Board to confirm that such subscriber will comply with the terms of this Agreement and the Articles and Bylaws, and that Corporation can be issued Shares to such subscriber without such issuance adversely affecting Corporation's ability to issue any shares to any investor without having to qualify or register any such issuance under Federal or state securities laws.

1.2 Failure to Meet Ownership Restrictions. If a Shareholder fails at any time to meet all of the qualification requirements set forth above and elsewhere herein through no fault of the Shareholder, the Corporation shall have the immediate right, but not the obligation, to repurchase all of the Shares owned by such disqualified Shareholder, pursuant to Article VI of this Agreement.

1.3 Board Determination. The Board, or a designated committee of the Board, shall be responsible for making all determinations concerning whether a proposed subscriber meets the qualification requirements set forth in this Agreement for such subscriber to become a Shareholder, and for determining whether to waive any such requirement; provided that such waiver decisions may also be put, by any Shareholder, to the vote or written action by the Shareholders.

1.4 Applicable Authorities. The rights and liabilities of the Parties with respect to the Corporation shall be determined pursuant to applicable law, the terms of this Agreement, and the terms of the Articles, Bylaws and other governance documents of the Corporation, which shall all be consistent with the terms of this Agreement. To the extent that the rights or obligations of any Parties are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the applicable law, control.

ARTICLE II.

STOCK STRUCTURE AND ISSUANCE OF SHARES

2.1 Authorized Stock Structure. The Corporation shall be authorized to issue a total of One Hundred Thousand (100,000) shares of common stock (the "Initially Authorized Stock") until and unless additional shares are authorized as provided below. With respect to any matters that are subject to the vote of the Shareholders, the affirmative vote or written consent of Shareholders holding a majority of all outstanding shares shall be the act of the shareholders, unless the vote of a greater number is required by the Code, the Articles, the Bylaws or elsewhere in this Agreement.

The Corporation, through its Board or otherwise, shall not be authorized to issue any shares of Corporation Stock in excess of the Initially Authorized Stock without the advance written approval of the Board and Shareholders holding a majority of all outstanding shares.

2.2 [Intentionally Omitted]

2.3 Shareholder List. The Corporation shall maintain a list of current shareholders.

2.4 Additional Covenants. Upon the Board's determination to sell shares in the Corporation to shareholders, such shares shall, except as otherwise expressly provided herein, be sold at the price to be determined by the Board and subject to the terms of this Agreement and any other terms and conditions of such subscription established by the Board. Corporation shall agree to issue, sell, transfer, convey and assign to any such Shareholder, the number of shares reflected in a Shareholders' Stock Issuance Agreement in form acceptable to the Board, only upon Corporation's acceptance of such subscription by signing the acknowledgment also contained on the applicable signature page and conditioned upon completion of any and all applicable conditions precedent to such issuance as set forth herein, including without limitation Shareholder's signing of this Agreement. In addition, each person seeking to invest in Corporation must execute and deliver to the Corporation an Investor's Certificate in form requested by the Board and must meet all other Shareholder qualification requirements set forth herein.

2.5 Future Redemption of Shares. Upon the redemption or repurchase of any outstanding Shares by the Corporation, such repurchased or redeemed Shares shall cease to exist and be treated as if they had never been issued by the Corporation for purposes of the above Initially Authorized Stock limit, and such number of repurchased or redeemed Shares may be reissued, as the same class of shares, by the Corporation as determined by the Board subject to and consistent with any and all qualifications, pre-conditions, restrictions and other terms contained in this Agreement and the Articles.

2.6 Certificates. The Corporation shall deliver to each Party, after the Shareholder's and Corporation's execution of this Agreement and the Stock Issuance Agreement, and after completion

of the conditions precedent to issuance of shares contained herein, a stock certificate ("Stock Certificate") reflecting the ownership by each such Party of all of the Shares issued to him or her (the date of which delivery is referred to hereafter as the "Transfer Date").

2.7 Representations, Warranties and Agreements. Each Party by executing this Agreement, and again by accepting any Shares, represents, warrants and agrees to all of the other Parties and to the Corporation that as of the Transfer Date:

A. Such Party maintains his or her principal residence in the State of California and is a "licensed person" as defined in Section 13401(d) of the California Corporation's Code;

B. All statements contained in the Investor's Certificate executed by such Party shall be true and correct when given and as of the Transfer Date;

C. By executing this Agreement and completing and delivering the Stock Issuance Agreement, each Party acknowledges, agrees and represents that: (i) he or she has completely read this Agreement and understands its terms and consequences; (ii) he or she has had the opportunity to consult with an attorney of his or her own choosing and obtain advice from any other person or expert that he or she deems relevant; (iii) such Party or such Party's independent legal and tax counsel, have been given the opportunity to review any and all materials, books, records, financial and other desired information relating to Corporation, and such Party understands and acknowledges that investment in the Corporation involves significant economic, legal and tax risks.

D. This Section shall survive the termination of this Agreement.

ARTICLE III.

RESTRICTION ON TRANSFER OF STOCK

3.1 Transfer Restriction. Except as other expressly provided herein to the contrary, no sale, assignment, pledge, hypothecation, gift or other transfer (each such event being referred to as a "Transfer") of any Stock, whether or not for value, may be made by any Shareholder or his or her estate, heirs or devisees, including, without limitation, any Transfer by operation of law, except for the sale and transfer of the shares to Corporation in accordance with this Agreement.

3.2 Legend On Certificates. Corporation shall endorse upon each certificate of stock of Corporation now owned or hereafter acquired by Shareholder the following legend (in addition to any other legend required by the Bylaws or applicable law):

THE SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, GIFT
OR OTHER TRANSFER OF ANY SHARES REPRESENTED BY
THIS CERTIFICATE, OR ANY INTEREST THEREIN, IS

PROHIBITED BY RESTRICTIONS CONTAINED IN THE BYLAWS OF CORPORATION AND A SHAREHOLDERS' AGREEMENT. A COPY OF THE BYLAWS AND THE SHAREHOLDERS' AGREEMENT CAN BE OBTAINED FROM THE SECRETARY OF CORPORATION AND THE PROVISIONS OF SUCH RESTRICTIONS ARE INCORPORATED BY REFERENCE INTO THIS CERTIFICATE.

Corporation shall also endorse upon each certificate of Stock issued to any Shareholder any additional legend required pursuant to (a) the Securities Act of 1933, as amended, and under the State's securities laws, (b) as required to disclose restrictions applicable to professional corporations, in accordance with Section 1345 of Title 16 of the California Code of Regulations, and (c) as required by the California Corporations Code to reflect the existence of separate classes of shares.

ARTICLE IV.

MANAGEMENT OF THE CORPORATION

4.1 Board Authority. Subject to the limitations of the Articles and Bylaws of the Corporation, this Agreement, and the California General Corporation Law, all as amended from time to time, which may require certain actions to be authorized or approved by the Shareholders entitled to vote or by the outstanding shares of Stock entitled to vote, the Parties hereby agree that the business and affairs of Corporation shall be managed and all corporate power shall be exercised by or under the direction of the Board. The Board members shall be subject to selection by the designated Shareholders, and the Chairman of the Board shall be selected by Dr. Dr. Chaudhuri from the Board members, as further set forth in the Bylaws.

4.2 Conflicts of Interest. Notwithstanding the foregoing or any other term herein or in the Articles or Bylaws of the Corporation to the contrary, the Parties all agree that, in light of the Parties' various related activities, any action in which one or more of the Shareholders, whether acting as a director, officer or Shareholder, has or may have a personal conflict of interest will nonetheless be subject to approval by normal Board or Shareholder action, as applicable, including counting the vote of any interested Shareholders, whether acting as a director, officer or Shareholder, and all Parties hereto hereby waive any and all statutory or other obligations on the part of any interested Party to refrain from voting on any interested matter to the fullest extent permitted by law so long as the interest of any such interested Party is reasonably disclosed to all voting parties at or prior to such vote. Furthermore, the Parties all agree that any pending Board vote at which an interested Party may vote as provided herein may, at the election of a majority of the outstanding shares, be put instead to a vote of the Shareholders, including counting the vote of the interested Shareholder.

ARTICLE V.

OPTION OF CORPORATION TO PURCHASE STOCK UPON DEATH OF SHAREHOLDER

5.1 Death Of Shareholder. Upon the death of Shareholder except Dr. Chaudhuri, except as otherwise expressly provided below, Corporation shall have the right, but not the obligation, to purchase, and, upon Corporation's election to purchase, the estate of the deceased Shareholder shall be obligated to sell ("Shareholder's Estate"), all of the Stock of Corporation owned by the deceased Shareholder (including any stock in which Shareholder's spouse may have a community property interest) at the price specified in Article VII herein and on the terms specified in Article VIII herein. Such sale shall occur on the date and at the time and place specified by Corporation, which shall in no event be later than six (6) months after the date of death of Shareholder. Neither the Shareholder's Estate or any other representative of a deceased Shareholder shall have any voting or other rights from and after the date of death of Shareholder except for the right to receive payment in accordance with this Agreement for the shares of stock which were issued to Shareholder.

5.2 Exercise of Option; Shareholder's Estate's Obligation to Market. In order to purchase the shares of a deceased Shareholder except Dr. Chaudhuri, the Corporation shall elect to purchase the same by providing notice of its purchase election at the address for such deceased Shareholder on file at the Corporation or to any other known address for the deceased Shareholder's spouse or any representative of the Shareholder's Estate, within sixty (60) days after the date of such death ("Election Period"). If the Corporation does not elect to purchase a deceased Shareholder's Shares within the required sixty (60) day period, the Shareholder's Estate shall seek a third party purchaser, who must qualify and meet all the requirements of ownership of Shares hereunder and otherwise applicable, as determined by the Board, and the Shareholder's Estate shall, consistent with applicable law, sell the deceased Shareholder's Shares to such a qualified purchaser within one hundred forty-five (145) days after the deceased Shareholder's death. The Shareholder's Estate may begin marketing such Shares even during the Election Period, but it shall have no right to commit to sell such shares during such Election Period, since the Shares will remain subject to Corporation's purchase option, as set forth above, until the end of such Election Period. If the Shareholder's Estate fails to close the sale of all of the deceased Shareholder's Shares to an qualified, approved proposed purchaser within the required one hundred forty-five (145) day period, for any reason, then the Corporation shall have the additional option to purchase the deceased Shareholder's Shares from the Shareholder's Estate at a purchase price equal to the net book value of the repurchased Shares, as reasonably determined by the Corporation, and upon the Corporation's election to exercise such secondary option, the Shareholder's Estate shall be obligated to sell such Shares, including all interests therein, to the Corporation, at such price, prior to the end of the six (6) month period following the deceased Shareholder's death.

5.3 Effect of Death Of Spouse Of Shareholder. The Parties acknowledge that the spouse of Shareholder ("Spouse") is not a record owner of any of the outstanding stock of Corporation. Nevertheless, Spouse may have an interest in the stock standing in the name of Shareholder by

reason of community property laws. Without at this time determining whether or not such an interest exists, it is agreed that if Spouse does have such an interest, and if Spouse predeceases Shareholder and such interest is transferable by the Spouse's will or pursuant to the terms of Spouse's family trust, or under the laws of the intestacy or otherwise, that:

A. If Shareholder acquires the interest of his or her deceased Spouse, either outright or as trustee or beneficial owner thereof, then Spouse's interest may be transferred to Shareholder, notwithstanding the other terms of this Agreement. Any such interest acquired by Shareholder shall be subject to the restrictions upon transfer and repurchase provisions set forth in this Agreement;

B. If Shareholder does not so acquire any such interest of Spouse, then the estate of Spouse shall be obligated to sell, and Corporation shall be obligated to purchase, all of Spouse's interest in the stock of Corporation, pursuant to the terms of this Article, at the price specified in Article VII herein and upon the payment and other terms specified in Article VIII herein.

ARTICLE VI.

OPTION OF CORPORATION TO PURCHASE STOCK UPON DISQUALIFICATION OF SHAREHOLDER

6.1 Option To Purchase. In the event Shareholder at any time fails to meet the qualification requirements set forth in Section 1.1 above, or elsewhere herein, Shareholder (except Dr. Chaudhuri) ceases rendering any services to, or on behalf of, Corporation, or Shareholder intends to or seeks or attempts to transfer the Shareholder's Shares, or any interest therein, to a third party a "Triggering Event"), Corporation shall have the right, but not the obligation, to purchase, and, upon Corporation's election to purchase Shareholder's shares pursuant to this Section 6.1, Shareholder shall be obligated to sell, all of the shares of stock in Corporation directly or beneficially owned by Shareholder, including, if any, the community property interest of his or her Spouse in such stock. The purchase and sale of the stock under this Section 6.1 shall be for the applicable purchase price specified in Article VII and on the terms specified in Article VIII herein. Such sale shall occur on the date and at the time specified by Corporation, which shall in no event occur later than ninety (90) days after the date that Shareholder fails to meet the qualification requirements. Shareholder shall have no voting or other rights from and after the date Shareholder fails to meet the qualification requirements except the right to receive payment in accordance with this Agreement for his or her shares of stock.

6.2 Notice Of Disqualifying Event. Immediately upon the occurrence of any Triggering Event, Shareholder (or Shareholder's representative) shall cause to be delivered to Corporation written notice that such event has occurred and setting forth in reasonable detail the circumstances of such event.

6.3 Interim Effect of Disqualification. The income of the Corporation attributable to medical services rendered while a shareholder is a "Disqualified Person" shall not in any manner accrue to the benefit of such shareholder or his or her shares. Section 13401(e) of the California Corporations Code defines "Disqualified Person" to mean a licensed person who for any reason becomes legally disqualified (temporarily or permanently) to render the professional services which the particular professional corporation of which he or she is an officer, director, shareholder, or employee is or was rendering.

ARTICLE VII.

PURCHASE PRICE

7.1 Determination Of Purchase Price.

If Corporation purchases the Shares of a Shareholder pursuant to the provisions of Article V or Article VI above, except as otherwise provided at Section 5.2 (in the event the Shareholder's Estate fails to sell the deceased Shareholder's shares as required therein), the purchase price of such Shares, including the value of all goodwill associated therewith ("Purchase Price") shall be the value of the Shares to be purchased, determined in accordance with Section 7.2 below. Notwithstanding the foregoing, or any other term herein to the contrary, if Corporation purchases Shares due to, or following, an uncured default by a Shareholder of any term herein or in any other agreement between such Shareholder and the Corporation (a "Defaulting Shareholder"), the Corporation is hereby granted the express right to offset against, and deduct from, any such Purchase Price owing to the Defaulting Shareholder, the amount of any damages incurred by or otherwise owing to the Corporation as a result of the Defaulting Shareholder's defaults.

7.2 Value To Be Determined By Appraisal.

The per share value of outstanding stock of Corporation shall be determined based on the portion of the Corporation's total value allocable to each outstanding Share of the applicable class of shares. The Corporation's total value, and the allocable per Share value, shall be determined on an as needed basis, in the event of a pending purchase of Shares hereunder, by an appraisal or valuation report ("Appraisal") prepared by a qualified, independent appraiser or valuation consultant ("Appraiser") selected by the Board. Such Appraisal shall utilize customary and reasonable methodologies, as recommended by the Appraiser and reasonably approved by the Board, and shall develop a valuation which takes into account, in addition to other customary value characteristics and components, the full goodwill associated with the Corporation and the resulting goodwill proportionately associated with each outstanding Share, of the applicable class of Shares.

ARTICLE VIII.

PAYMENT OF PURCHASE PRICE

8.1. Timing Of Payment. If Corporation purchases Shares pursuant to the terms of Article V or Article VI hereof or has the right to repurchase Shares of a Defaulting Shareholder as provided herein, then Corporation shall pay or cause to be paid to the selling Shareholder (or, in the event of Shareholder's death, to Shareholder's legal representative) either the total amount of the Purchase Price in cash or, at the sole discretion of Corporation, a portion of the Purchase Price determined by the Board of Corporation in its sole discretion in cash and the balance of the Purchase Price by delivery of a promissory note executed by Corporation having the terms set forth in Section 8.2.

8.2. Promissory Notes. Unless otherwise determined by the Board, the promissory note to be delivered to Shareholder, if any, pursuant to Section 8.1 hereof shall be payable in twenty-four (24) equal monthly installments of principal and interest, with interest to commence accruing as of the date such Shares are transferred back to the Corporation (the "Repurchase Date"), and shall be applicable on the unpaid balance at the minimum applicable federal rate, established under Internal Revenue Code Section 1274(d) (or successor provision thereof), for an obligation having a twenty-four (24) month term. The first installment shall be due and payable on the first day of the month immediately following the Repurchase Date. Corporation shall have the right to prepay the promissory note, in whole or in part, at any time and from time to time, without penalty or premium.

ARTICLE IX.

TRANSFER OF CERTIFICATES

Shareholder agrees that upon receipt of the Purchase Price, whether represented by cash or by cash and delivery of a promissory note, Shareholder shall deliver to Corporation the certificates representing the stock held by Shareholder and being sold hereunder, duly endorsed for transfer or with stock powers attached, executed in blank. Shareholder hereby irrevocably authorizes Corporation and any officer or other representative thereof, upon payment of the Purchase Price for the shares, whether represented by cash or by cash and delivery of a promissory note, to complete the terms of any stock power or endorsement delivered hereunder in order to effect the sale and transfer of such shares of stock to Corporation in accordance with this Agreement.

ARTICLE X.

PURCHASE OBLIGATION CONDITIONED ON LEGALITY

The obligation of Corporation to make any of the purchases provided for herein shall be conditioned upon such purchase being legally permissible under the laws of the State of California. The Parties shall cooperate to cause Corporation to make such purchase or purchases as may from time to time be required hereunder.

ARTICLE XI.

SHAREHOLDER WILLS

Shareholder agrees to include in his or her will a direction and authorization to his or her executor to comply with the provisions of this Agreement and to sell Corporation's shares in accordance with the requirements of this Agreement. However, the failure of Shareholder to so provide shall not affect the validity or enforceability of this Agreement.

ARTICLE XII.

SPOUSAL CONSENT

With the exception of Dr. Chaudhuri, If a Shareholder is a married person, the Shareholder must, as one of the conditions to investing in the Corporation, either (i) have the Spousal Consent attached hereto Exhibit C executed by his or her present spouse and delivered to Corporation or (ii) provide evidence and representations acceptable to the Board in its sole discretion that the Shares to be purchased by such Shareholder will be purchased with consideration that constitutes separate (non-community) property. Each Shareholder also agrees to deliver to Corporation an executed Spousal Consent from any spouse married by such Shareholder in the future. It is acknowledged and agreed by the parties hereto that the execution and content of the Spousal Consent is an integral part of this Agreement and is supported by full and adequate consideration, and that none of the parties hereto would enter into this Agreement in the absence of the execution of such consent or provision of other evidence acceptable to the Board, as set forth above.

ARTICLE XIII.

NOTICES

Except as may be otherwise specified herein, all notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or within seventy-two (72) hours after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and addressed to the last known address of the party to whom such notice is given.

ARTICLE XIV.

TERM AND TERMINATION OF AGREEMENT

This Agreement shall continue in full force and effect unless and until it is terminated either upon dissolution of the Corporation, or upon the written agreement of Corporation and Shareholders who hold at least a majority of all outstanding Class A Shares entitled to vote. Termination of this

Agreement shall not relieve any party of the obligation to perform any act required to be performed as of, or prior to, the date of termination.

ARTICLE XV.

AMENDMENTS

This Agreement, the Articles and the Bylaws may be amended only by a written instrument approved by the Shareholders holding at least a majority of all outstanding the shares, as set forth above. Any amendment so approved shall be binding upon each Shareholder regardless of whether any such Shareholder shall have approved such amendment. Notwithstanding the foregoing, all the Shareholders and the Corporation agree that if any amendments to the Articles, Bylaws or this Agreement are deemed necessary by the Board to enable any of the terms herein to be fully enforceable, the Shareholders and the Corporation hereby agree to pre-approve and authorize any such changes, and authorize the Board and Officers to cause such changes to be immediately completed, and agree to execute and deliver any amendments, resolutions, ratification or other documents deemed by Board to be necessary to effect such amendments or changes.

ARTICLE XVI.

CHANGES IN LAW OR REIMBURSEMENT PRINCIPLES

The Parties to this Agreement agree that if, in the opinion of the Board, any changes in federal or state law (including state or federal antikickback law), governmental agency's interpretation of or enforcement policies related to any such law, or Medicare or Medicaid reimbursement policies are likely to result in payment or reimbursement being unavailable to the Corporation, or from the Corporation to a Shareholder, for services provided to patients by any Shareholder, or makes the continuation of Corporation in its present structure or of its business illegal, subject to prosecution or non payment by third party payors, Corporation shall have the option to restructure Corporation and the business of Corporation in a manner, if possible, to allow Corporation to operate without being subject to the constraints imposed by such changes in law or reimbursement principles. Any such reorganization plan shall be subject to the approval of the Board and a majority of the Shareholders. Corporation may purchase the Shares of any Shareholder not wishing to approve such reorganization plan for the net book value of such shares in accordance with payment terms contained in Article VIII of this Agreement. In addition, if Corporation determines not to develop a plan of reorganization or if the Class A Shareholders do not approve the reorganization plan, Corporation may elect to dissolve Corporation, liquidate Corporation assets and distribute the liquidation proceeds (net of amounts necessary to satisfy Corporation liabilities) in accordance with and to the full extent permitted under applicable law.

ARTICLE XVII.

RESTRICTIVE COVENANTS

17.1 General Covenant Not to Compete. The Parties all acknowledge that the Shareholders may, by becoming Shareholders of Corporation and providing services to Corporation, be exposed to and otherwise gain access to trade secrets and other confidential and proprietary materials and information of Corporation, possibly including, without limitation, customer and payor lists and contracts, patient identifying information and medical records, business policies and procedures and payment and other contractual terms that Corporation has been able to obtain from its customers (collectively "Confidential Information"), which information is or will be regularly used in the operation of Corporation's business.

Accordingly, to ensure such Confidential Information cannot be used by Shareholders to unfairly compete with Corporation and to generally protect the goodwill of Corporation's business, each Shareholder hereby covenants that, except as otherwise expressly permitted below, without the consent of the Corporation acting through its Board:

A. No Shareholder (except Dr. Chaudhuri) shall, except as otherwise expressly permitted below, own either directly or indirectly any interest in or hold any position as a manager, officer or other controlling or similar position with, or provide any management, administrative or similar services to or for, or medical, ancillary health care or similar services to or for, any person, sole proprietorship, corporation, partnership, firm, association or other entity which engages in the same or a similar business as that of Corporation (or any successor or assign thereof) or which otherwise competes with or can reasonably be expected to compete with Corporation (or any successor or assign thereof), including, without limitation, the business of operating a specialty independent practice association ("IPA"), health maintenance organization ("HMO"), preferred provider organization ("PPO"), exclusive provider organization ("EPO") or other medical group or network (collectively, "Competitors") operating within the Corporation's Service Area (as defined in Recital A of this Agreement), so long as each Shareholder is a Shareholder of the Corporation and for two (2) years after Shareholder ceases to be a Shareholder

Notwithstanding any of the foregoing, nothing contained herein is intended to, nor shall, prohibit any of the activities expressly listed on Schedule 17.1 to this Agreement.

B. For purposes of this section, an indirect interest shall include, but shall not be limited to, any interest held by a member of the Shareholder's family or by a corporation, partnership, trust, pension or profit-sharing plan or other entity in which one or more Shareholders and/or one of more of the Shareholder's family members holds a financial or beneficial interest or serves as a trustee.

C. Corporation and Shareholders further acknowledge and agree that, in order to further the purposes of the agreement not to compete contained in this Article XVII, no third party may be transferred any shares whether or not in compliance with the provisions herein, unless and

until (i) such transferee has executed and agrees to be bound by this Agreement and (ii) such transferor executes and agrees to be bound by, and such transferee obtains from the transferor and agrees to enforce, on behalf of transferee, Corporation and the other Shareholders, an agreement by the transferring Shareholder (a) not to compete with Corporation for two (2) years from the date of transfer, which agreement shall be in the form of the covenant set forth above in this Article XVII and subject to Corporation's reasonable advance written approval; (b) a secrecy agreement containing the same covenants as forth in Section 18.1, below; and (c) an agreement not to solicit containing the same covenants set forth in Section 18.2, below (collectively, the "Restrictive Covenants"). The Shareholders agree that as an express condition to their right to receive any purchase price for the transfer of any shares of stock of Corporation, each transferring shareholder shall, in addition to complying with any other applicable conditions set forth in this Agreement (i) acknowledge and agree that sale of shares includes all goodwill associated with the sold shares and that the purchase price therefore includes full consideration for such transferred goodwill, and (ii) execute such new Restrictive Covenants in favor of their transferee and the Corporation and the Shareholders. Furthermore, each Party agrees and covenants that if any such Party should ever become a Defaulting Shareholder (as defined below), such Party (as the Defaulting Shareholder) hereby grants in advance, without the requirement for any further writing, to the Corporation all of the Restrictive Covenants, in the form addressed above effective concurrent with the completion by the Corporation of the Corporate Repurchase Steps (as also defined below).

ARTICLE XVII.

CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT

18.1 Confidentiality. During the term of this Agreement and thereafter, each Shareholder agrees to treat all of the Confidential Information as confidential and proprietary to Corporation, and agrees that the Shareholder will not: (a) disclose the Confidential Information, in whole or in part, to any third parties without the advance written consent of Corporation; (b) permit the use or appropriation of the Confidential Information by any third party; (c) personally use or appropriate the Confidential Information for any purpose other than the furtherance of the Shareholder's responsibilities as a Shareholder, officer or other agent of Corporation; or (d) commercially or otherwise exploit the Confidential Information or use the Confidential Information in any way to compete with Corporation or allow any third party to do so.

18.2 No Solicitation. Each Shareholder agrees that he or she will not, directly or indirectly, by sole action or in concert with others, solicit, induce or influence, or seek to solicit, induce or influence: (a) any person or entity who is engaged by the Corporation or Manager (or successor or assignee thereof) (collectively, the "Restricted Entities"), as an officer, employee, physician or other provider, director, manager (or agent thereof), agent or representative of the Restricted Entities, to leave such person's or entity's employ or other engagement of the Restricted Entities including without limitation patients, payors and enrollees of payors; or (b) any customer or client of the Restricted Entities to terminate or modify any existing business or commercial relationship with

Corporation or to otherwise enter into a business, commercial or professional relationship with any other Person affecting Corporation's Restricted Area.

ARTICLE XIX.

APPLICATION OF RESTRICTIONS; REMEDIES

19.1 Application of Restrictions. Although the Shareholders and Corporation consider the restrictions contained in Article XVII and Article XVIII in this Agreement to be reasonable for purposes of preserving for Shareholders and Corporation the goodwill, proprietary rights and ongoing business value of Corporation's business, and protecting the proprietary Confidential Information of Corporation, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in Article XVII or Article XVIII is unreasonable or otherwise unenforceable against any Shareholder, the provisions of Article XVII and Article XVIII of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such other extent that the court may judicially determine or indicate to be reasonable.

19.2 Remedies.

A. Corporation and Shareholders further acknowledge and agree that Corporation's remedy at law for a breach of any provisions set forth in Article XVII or Article XVIII of this Agreement would be inadequate, and in recognition of that fact, in the event of the breach or threatened breach by any Shareholder of the provisions of Article XVII Article XVIII, it is agreed that, in addition to Corporation's remedies at law, Corporation shall be entitled to, without posting any bond, and the Shareholders agree not to oppose Corporation's request for, equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. Nothing contained herein shall be construed as prohibiting Corporation from pursuing any other remedies as may be available to Corporation for such breach or threatened breach until any such injunction is granted.

B. Notwithstanding anything herein to the contrary, the Parties all agree that in the event that a Shareholder becomes a Defaulting Shareholder (as defined above), such Defaulting Shareholder shall be required to sell, immediately upon Corporation's demand, all of his or her stock held in Corporation back to the Corporation, at the Purchase Price calculated in accordance with Section 7.1B of this Agreement, which remedy for Corporation shall be in addition to any other remedies available to Corporation hereunder or under applicable law, and each Party hereby agrees to abide by the terms of this Section 19.2 and not to contest any repurchase authorized hereunder. For purposes of this Agreement, immediately upon the demand by the Corporation to the Defaulting Shareholder to sell back the Defaulting Shareholder's Shares and delivery by the Corporation to the Defaulting Shareholder of the Purchase Price for the Defaulting Shareholder's Shares (calculated pursuant to Section 7.1B and payable pursuant to Article VIII) (the "Corporate Repurchase Steps"), all Shares owned by such Defaulting Shareholder shall be immediately deemed to be repurchased by the Corporation for purposes of its books and all other purposes, whether or not, or whenever,

the Defaulting Shareholder chooses to negotiate the check and/or note tendered as the Purchase Price and whether or not the Defaulting Shareholder contests or recognizes such repurchase. Furthermore, upon completion of the Corporate Repurchase Steps as addressed above, the Defaulting Shareholder shall be deemed to have granted ongoing covenants consisting of the Restrictive Covenants, as addressed in Article XVII of this Agreement.

ARTICLE XX.

MANAGEMENT RELATIONSHIP

20.1 Management Relationship. The Parties acknowledge that in order to operate the Corporation with the level of expertise necessary to effectively form, develop, market and manage the Corporation on a competitive basis, Corporation has contracted with Temecula Physician Services, LLC (the "Current Manager") for management, and administration services for the Corporation. By agreeing to invest in the Corporation and sign this Agreement, each Shareholder is approving and ratifying the Corporation's Management Services Agreement with Current Manager. The Parties all further agree to maintain the confidentiality of, and not to disclose, without the Current Manager's advance consent, the Current Management Agreement and the terms therein. Any conflict arising from Dr. Chaudhuri's ownership and operation of the current Manager or its subcontracting KM Strategic Management, LLC, is hereby waived.

ARTICLE XXI.

MISCELLANEOUS

21.1 Transfer Of Title And Warranty. Upon the sale of stock pursuant to the terms of this Agreement, Shareholder shall transfer and warrant good and valid title to Corporation and shall convey all such shares of stock to Corporation free and clear of all liens and encumbrances of any kind or nature.

21.2 Violation Of Agreement. Any sale or transfer or purported sale or transfer of stock of Corporation shall be null and void unless the terms, conditions and provisions of this Agreement are strictly observed and followed. In the event of any such attempted transfer in violation of this Agreement, the Articles or the Bylaws, or any other violation by a Party (the "Defaulting Party") of any other material term hereunder, which is not cured within sixty (60) days of such Party's receipt of a notice of default from Corporation, the Corporation shall have the right, but not the obligation, to immediately repurchase the Shares owned by the Defaulting Party, at such Shares net book value and on payment terms contained in Article VIII of this Agreement, in addition to any other rights or remedies that may be available to Corporation for such violation.

21.3 Benefit And Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors, heirs, permitted assigns, administrators, executors and personal representatives, except to the extent of any contrary provision in this Agreement.

21.4 Attorney's Fees. If legal action shall be commenced by any party to enforce the terms of this Agreement, the prevailing party in such action shall be entitled to reimbursement for costs and attorneys' fees incurred in connection therewith.

21.5 Headings And Titles. The article, section and paragraph headings and titles of this Agreement are for convenience and ease of reference only, and shall not be interpreted to limit, augment or describe the scope, content or intent of this Agreement or any part hereof.

21.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

21.7 Severability. To the maximum extent permitted by law, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid under applicable law, such provision shall be ineffective to the extent of such illegality or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement, each of which shall continue to be valid and binding upon the parties hereto.

21.8 Waiver. Unless mutually agreed in writing, the failure of any party, at any time, to require performance by the other of any provision hereunder shall not affect its rights thereafter to enforce the same, nor shall a waiver by any party of any breach of any provision hereof, whether or not agreed to in writing, be taken or held to be a waiver of any other term or provision of this Agreement. No extension of time for the performance of any obligation or act shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

21.9 Integration, Merger and Incorporation. This Agreement, along with the Articles and Bylaws constitutes the full, final and entire agreement of the parties hereto relating to the subject matter hereof, and all prior understandings or agreements, whether written or oral, between the parties shall be merged and integrated into and are superseded by this Agreement. All recitals, exhibits, and schedules hereto are incorporated as if set forth herein.

21.10 Further Assurances. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

21.11 Joinder of Additional Parties. When additional Shares are issued by Corporation, or issued and outstanding Shares of Corporation are Transferred to a person not previously a Shareholder, as a condition precedent to such issuance or Transfer, each such issuee or transferee shall become a party to and bound by this Agreement by executing the Signature Page to this Shareholders' Agreement and the spouse, if any, of each such issuee or transferee shall execute a "Spousal Consent" in the form attached hereto as Exhibit C. Thereafter, this Agreement shall inure to the benefit of and be binding upon such person, his or her spouse and their respective successors and assigns.

21.12 Counterparts. This Agreement may be executed in counterpart signature pages, and each such counterpart shall be enforceable as an originally executed agreement between the parties hereto.

21.13 Arbitration. If any controversy, claim, or dispute arising or relating to this Agreement, or the construction, interpretation, breach, termination, and enforceability or validity thereof, cannot be settled by the Parties, such controversy, claim, or dispute, whether based on statute, tort, contract, common law, or otherwise and whether such dispute existed prior to or arises after the date of this Agreement shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association before the Judicial Arbitration and Mediation Service/Endispute ("JAMS"). The venue for such arbitration shall be in Riverside, California. Upon a showing of good cause, the arbitrator shall permit any party to the arbitration to conduct discovery in accordance with California law, subject to any limitations or restrictions the arbitrator should apply to any such discovery consistent with the rules of JAMS. The award of the arbitrator may be for an amount of money and/or for specific performance or other equitable relief and shall be final, binding, and enforceable in any court of competent jurisdiction. Either party is entitled to an application to Superior Court of the State of California for the County of Riverside to compel arbitration and for an award of such equitable and/or provisional relief as may be appropriate under the circumstances. The costs of the arbitration, including any administration fee, the arbitrator's fee, and costs for the use of facilities during the hearings, shall be borne equally by the parties to the arbitration.

21.14 Survival of Terms. The Parties all agree that, notwithstanding anything else herein to the contrary, the covenants and any representations and warranties of the Parties, as set forth at Section 1.4, 2.1, 2.5, 2.7, 3.1, 4.1, 4.2, Article V, Article VI, Article VII, Article VIII, Article IX, Article X, Article XI, Article XII, Article XVII, Article XVIII, Article XIX, Article XX, and Article XXI (and all sections, subsections and terms within all such Articles)] shall survive the transfer of a Shareholder's Shares back to the Corporation or to a third party or other termination of this Agreement as to any Party.

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

CORPORATION:

TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.
a California professional corporation

By:  _____

Its:  _____

(SHAREHOLDER SIGNATURE PAGES FOLLOW)

EXHIBIT A

SHAREHOLDERS' AGREEMENT SIGNATURE PAGE

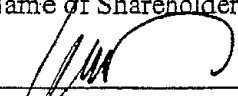
I, Michael Basch (print name), have received and read a copy of the attached Amended and Restated Shareholders' Agreement for Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Corporation"), dated as of September 1, 2008 (the "Agreement"). I have or will purchase shares of common stock of the Corporation and hereby consent to be bound as a shareholder to all of the terms of said Agreement and my signature below constitutes my execution of said Agreement.

Upon acceptance of this signature page as evidenced by the signature of the Corporation below, the undersigned shall be a party to the Agreement and shall be bound by all of the terms thereof, and upon completion of applicable conditions precedent.

IN WITNESS WHEREOF, the undersigned has executed this Shareholders' Agreement Signature Page as of this 1st day of September, 2008.

Dr. Michael Basch _____
Print Name of Shareholder

9900 =
Number of Common Shares
Purchased by this
Shareholder.



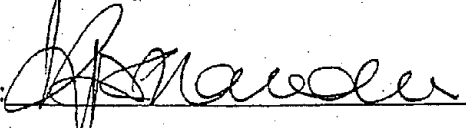
Signature of Shareholder
41893 Winchester Rd #101

Temecula CA 92590

Address of Shareholder

ACCEPTANCE BY CORPORATION

The foregoing is hereby ratified and accepted by Temecula Valley Physicians Medical Group, Inc., a California professional corporation, as of September 1, 2008.

By:  _____

Its: Chancellor _____

EXHIBIT A

SHAREHOLDERS' AGREEMENT SIGNATURE PAGE

I, Kali P. Chaudhuri (print name), have received and read a copy of the attached Amended and Restated Shareholders' Agreement for Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Corporation"), dated as of September 1, 2008 (the "Agreement"). I have or will purchase shares of common stock of the Corporation and hereby consent to be bound as a shareholder to all of the terms of said Agreement and my signature below constitutes my execution of said Agreement.

Upon acceptance of this signature page as evidenced by the signature of the Corporation below, the undersigned shall be a party to the Agreement and shall be bound by all of the terms thereof, and upon completion of applicable conditions precedent.

IN WITNESS WHEREOF, the undersigned has executed this Shareholders' Agreement Signature Page as of this 1st day of September, 2008.

Dr. Kali P. Chaudhuri
Print Name of Shareholder


Signature of Shareholder

91000 =
Number of Common Shares
Purchased by this
Shareholder.

Address of Shareholder

ACCEPTANCE BY CORPORATION

The foregoing is hereby ratified and accepted by Temecula Valley Physicians Medical Group, Inc., a California professional corporation, as of September 1, 2008.

By: 

Its: _____


EXHIBIT C

SPOUSAL CONSENT

I acknowledge that I am the spouse of the Shareholder who signed the foregoing Shareholders' Agreement ("Agreement") for Temecula Valley Physicians Medical Group, Inc. a California professional corporation ("Corporation"), and that I have read the Agreement and know its contents. I am aware that by its provisions transfers of shares of Corporation are restricted and that my spouse agrees to sell his or her shares in Corporation, including any community property or other interest that I may have or acquire therein, under the circumstances specified therein. I hereby consent to such sale, approve of the provisions of the Agreement, and agree to be bound thereby and to comply with all terms and conditions of the Agreement. I acknowledge that, by law, I cannot own any interest, whether legal or beneficial, in the shares of Corporation. I further agree that I will not bequeath such shares, or any interest therein, by my will or by trust. I direct that the residuary clause in my will shall not be deemed to apply to any community property or other interest that I may have in such shares.

I further agree that in the event of a dissolution of marriage or legal separation, my spouse shall have the absolute right to have my interest, if any, in the shares set apart to him or her, whether through a property settlement agreement or by decree of court, or otherwise, and that if he or she shall be required by the terms of a settlement decree to compensate me for said shares, that the price shall be no more than the price set forth in the Agreement for repurchase by Corporation of the shares multiplied by my percentage ownership interest in such shares.

Dated: _____


Signature

Helina Basch
Printed Name

Spouse of:

Michael Basch
Print Name of Shareholder

SCHEDULE 17.1

LIST OF EXCEPTIONS TO COVENANT NOT TO COMPETE

Notwithstanding the restrictive covenant contained in Article XVII or elsewhere in this Agreement, nothing contained in the Agreement shall prohibit any of the following activities:

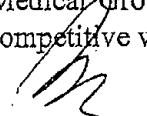
A. Any Shareholder may conduct his or her private practice of medicine for his or her patients who are not members of a managed care plan (i.e. a payor plan that pays any of its contracted physician or group providers on a capitated or other "risk" basis) to the extent that provision of such professional services to any such third party does not violate any applicable exclusivity or other covenants contained in any existing provider agreement between the Shareholder and the Corporation;

B. No Shareholder who does not practice as a PCP for Corporation, is prohibited or restricted from providing services to, or being an owner or other participant in, any other medical practice or group, within or outside of Corporation's Service Area, regardless of the type of patients served by such medical group or practice (including without limitation to managed care plan members).


C. Any Shareholder shall be permitted to directly or indirectly provide management services to this Corporation through Manager (or successors or assigns), and to be an owner, officer or director therein or have any relationship therein, whether or not Manager also provides services to other competitors or providers in the Corporation's Service Area;

D. During the 12 month period following the Effective Date of this Agreement, each Initial Shareholder formerly associated with another provider organization may continue to provide services to such other provider organization, provided that they do so on a non-exclusive basis and also provide services to the Corporation in compliance with such shareholder's Physician Agreement, as applicable.

E. The covenants and restrictions set forth in this Article XVII shall not apply to Dr. Chaudhuri, or his affiliates. The shareholders acknowledge Dr. Chaudhuri's ownership and other participation in or with Hemet Community Medical Group, Inc. ("HCMG"), KM Strategic Management, LLC, Menifee Valley Community Medical Group, Inc., Menifee Global Multi-Specialty Medical Group, Inc., Hemet Global Services, LLC, or Temecula Physician Services, LLC and recognize the HCMG contracts with Prime Partners IPA Medical Group, Inc. ("Prime Partners") and Family Seniors Medical Group, Inc. The parties acknowledge that Prime Partners may be engaged in business competitive with the Company and such conflict is hereby waived.



Initials



Initials

RESOLUTIONS OF THE SHAREHOLDERS AND BOARD OF DIRECTORS
OF
TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.
ADOPTED BY UNANIMOUS WRITTEN CONSENT

The undersigned, constituting the sole Shareholder and Director of Temecula Valley Physicians Medical Group, Inc. ("Company"), does hereby adopt the following resolutions by unanimous written consent:

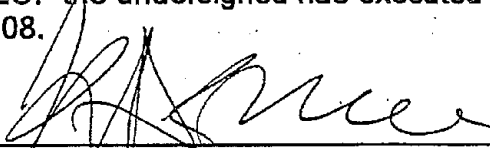
1. Current Ownership. The undersigned purchased the shares held by Derrick Smith, M.D. and now the undersigned constitutes the sole Shareholder of the Company. All of the authorized shares of common stock have been purchased by the undersigned. The undersigned owns one hundred thousand (100,000) shares of common stock constituting all of the authorized and issued common stock by the Company.

2. Sale to Dr. Basch. Effective September 1, 2008 ("Effective Date"), the undersigned has sold nine thousand nine hundred (9,900) shares of the authorized and issued common shares in the Company to Dr. Michael Basch constituting nine and nine tenths percent (9.9%) of the authorized, issued and outstanding shares. The undersigned's shareholdings are thereby reduced to ninety thousand one hundred (90,100) shares.

3. Amendment and Restatement of Shareholders Agreement. In connection with the sale of stock to Dr. Basch, the Corporation, the undersigned and Dr. Basch have hereby agreed to execute an Amended and Restated Shareholders Agreement for the Company.

4. Board of Directors. The Board of Directors consists of one member, the undersigned.

IN WITNESS WHEREOF the undersigned has executed these Resolutions as of September 1, 2008.



Kali P. Chaudhuri, M.D.

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

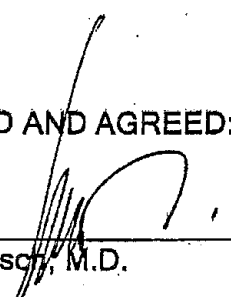
The undersigned does hereby assign, convey, transfer and deliver nine thousand nine hundred (9,900) shares ("Shares") of Temecula Valley Physicians Medical Group, Inc. ("TVPMG") constituting nine and nine tenths percent (9.9%) of the issued and outstanding shares to Dr. Michael Basch in consideration of a secured promissory note in the amount of Three Hundred Seventy-Six Thousand Two Hundred Dollars (\$376,200). The Shares shall be subject to the terms of a Pledge Agreement and subject to restrictions contained in the TVPMG Amended and Restated Shareholder Agreement.

DATED: September 1, 2008



Kali P. Chaudhuri, M.D.

ACCEPTED AND AGREED:



Michael Basch, M.D.

PLEDGE AGREEMENT

This Pledge Agreement ("Agreement") is entered into as of September 1, 2008, between Michael Basch, M.D. ("Pledgor") and Kali P. Chaudhuri, M.D. ("Pledgee").

RECITALS.

Pledgor and Pledgee are parties to a certain Stock Assignment Separate from Certificate entered into as of September 1, 2008 ("Purchase Agreement").

This Pledge Agreement secures the Secured Promissory Note delivered by Pledgor as partial consideration for the Purchase Price under the Purchase Agreement. Pursuant to this Pledge Agreement, Pledgee pledges nine thousand nine hundred (9,900) shares ("Shares") in Temecula Valley Physicians Medical Group, Inc. ("Corporation") constituting nine and nine tenths percent (9.9%) of the equity and voting shares of Corporation.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. Pledge of Shares. Pledgor hereby grants to Pledgee a security interest in the Shares, together with all additional Corporation shares issued to Pledgor: (i) by reason of a stock split or stock dividend with respect to the Shares or (ii) by reason of Pledgor's purchase of additional shares in Corporation; (iii) by any successor to Corporation in exchange for any Shares, upon the consummation of any sale, merger or other reorganization of Corporation and, additionally, any proceeds from any of the foregoing. The Shares, as above defined, and any additional shares in which a security interest is granted above, and all proceeds therein, are subject to this Agreement and shall be included in all subsequent references to "Shares" for all purposes of this Agreement, with the same force and effect as the original Shares pledged by Pledgor.

To the extent that the issuance to Pledgor of any securities, warrants, options, subscriptions, or other contractual arrangements for the purchase of stock of the Corporation, whether issued as a result of stock splits, conversions, reorganization, or otherwise, would result in a dilution of the interest in the Corporation represented by the Shares, Pledgor hereby grants to Pledgee a security interest in any such securities, all of which shall also be included in the definition of the "Shares".

2. Debts and Obligations. The security interest in the Shares granted pursuant to this Agreement shall secure Pledgor's full and prompt performance of the terms of the Secured Note and this Agreement, and all sums which may be advanced or sustained by Pledgee for the protection, preservation or maintenance of the Shares.

3. Perfection of Security Interest. In order to perfect the security interest granted by Pledgor hereunder to Pledgee, Pledgor shall immediately deliver to Pledgee certificate(s) registered in the name of Pledgor, with separate stock assignment forms endorsed in blank and undated, evidencing the Shares to be held by Pledgee, as collateral in accordance with the terms of this Agreement ("Separate Assignment"). The Separate Assignment shall be in substantially the form attached to this Agreement as Exhibit "A," or such other form reasonably requested by Pledgee. Pledgor agrees to deposit with Pledgee in the same manner all additional share certificates evidencing additional Shares which may from time to time be issued by Corporation (or its successor in interest) to Pledgor during the term of this Agreement. If Pledgor fails to make delivery to Pledgee in compliance with this Section 4, then all such Shares shall nonetheless be deemed received by Pledgor in trust for the exclusive benefit of Pledgee. In addition, Pledgor agrees that Pledgee shall have the right to immediately file a UCC Financing Statement (and any necessary renewals thereof), in accordance with the California Commercial Code, documenting the security interest hereby granted in the Shares, as further protection of Pledgee's security interest in the Shares

4. Representations and Warranties of Pledgor. Pledgor represents and warrants to Pledgee as follows:

Pledgor is the owner of the Shares free and clear of all liens, claims, charges, encumbrances and security interests;

Pledgor has the full power and authority to enter into this Agreement, without the consent or approval of any persons; and

Pledgor's execution of and performance under this Agreement does not and will not violate or constitute an event of default under any contract, instrument or commitment of Pledgor or Corporation.

5. Assignment of Dividends and Distribution. Pledgor hereby assigns to Pledgee all rights to dividends and distributions of whatever kind or character in respect of the Shares to be applied against the unpaid balance of the Secured Promissory Note until the Secured Promissory Note has been satisfied in full. This assignment shall constitute the grant of a limited power of attorney by Pledgor to Pledgee to receiving such distributions directly, if Pledgee so elects, in the place and stead of Pledgor.

6. Covenants of Pledgor. Pledgor covenants and agrees:

Not to cause or permit any liens, encumbrances or security interests to attach to the Shares (except for the lien created by and in accordance with this Agreement), or dispose of the Shares either legally or beneficially, or permit anything to be done that may impair the value of the Shares;

Not to permit or cause any action to be taken whereby the value of the Shares could or may become diluted or otherwise affected, without the written consent of Pledgee;

To defend the Shares against the claims and demands of all persons and entities;

To indemnify, defend and hold Pledgee harmless from and against all liability, loss, claims, costs and expenses, including attorneys' fees, arising in connection with the Shares;

To pay all expenses, including attorneys' fees, incurred by Pledgee in the preservation, realization, maintenance and protection of the Shares and in the enforcement of rights to the Shares; and

To immediately notify Pledgee of any litigation which may adversely affect the business of Corporation.

7. Pledgor's Waivers. Pledgor hereby, to the fullest extent permitted by law, waives, and releases any right or claim based on or related to:

All rights to require Pledgee to proceed against or exhaust any security given to Pledgee by others for the performance of Pledgor's obligations under the Secured Note, whether such security exists now or is hereafter acquired by Pledgee, and whether known or unknown to Pledgor, for so long as the Shares constitute the only asset pledged as collateral by Pledgor; and

Except as otherwise provided in this Agreement, all rights to presentments, demand for performance, notices of nonperformance, protests, notices of protests, notices of dishonor, notices of acceptance of this pledge.

All rights to apply such security and direct the order or manner of sale thereof as Pledgee in his sole discretion may determine, without accounting to Pledgor.

8. Default and Remedies.

Default. The occurrence of any one of the following events shall constitute an event of default under this Agreement:

a. Pledgor's failure to pay any payment of interest or principal under the Secured Note, as and when due, or any other indebtedness secured by this Agreement in accordance with its terms;

b. Pledgor's failure to pay when due any cost or expense necessary to preserve, protect or maintain the Shares within ten (10) days after receiving written notice of such cost or expense from Pledgee;

c. Pledgor's failure to perform any term or covenant of the Secured Note or this Agreement to be performed by Pledgor, as the case may be, or to discharge any liability to Pledgee within ten (10) days after receiving written notice thereof from Pledgee;

d. Pledgor's breach, default or failure to perform any obligation under the Purchase Agreement and/or the Non-Competition Agreement, Secured Promissory Note, Contribution and Stock Issuance Agreement, IPA Provider Agreement with Menifee Valley Community Medical Group, Inc., IPA Provider Agreement with Hemet Community Medical Group, Inc, Termination of Employment Agreement, Shareholder Rights Agreement and Sublease all as referenced in the Purchase Agreement provided, however, immaterial non-performance of administrative provisions of the IPA provider agreements shall not be considered an event of default hereunder, however, any violation of the exclusivity, non-solicitation and/or confidential information provisions of the IPA provider agreements shall automatically be considered material and an event of default hereunder.

e. Any representation or warranty set forth in this Agreement proves to be untrue or misleading in any material respect;

f. The sale, transfer, gift, grant of option rights, hypothecation or other disposition of the Shares or any interest in the Shares;

g. A court of competent jurisdiction enters a decree or order for relief in favor of Pledgor in any involuntary case under any applicable bankruptcy, insolvency or similar law, state or federal, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Pledgor or for any substantial part of the assets or property of Pledgor, or ordering the wind-up or liquidation of the affairs of Pledgor, and such decree or order remains unstayed and in effect for a period of sixty (60) consecutive days, or Pledgor commences a voluntary case under any applicable bankruptcy, insolvency or similar law, state or federal, or consents to the entry of any order for relief in any involuntary case under any such law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Pledgor, or for any

substantial part of the assets or property of Pledgor, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts in the ordinary course, or as they become due, or shall take any action in furtherance of any of the foregoing;

h. The attachment, garnishment or levy of execution upon the assets, property, business or income of Pledgor or the appointment of a receiver or trustee of or for any part of the assets, property or business of Pledgor, if such action materially and adversely affects the business or prospects of the Corporation; or

i. The intentional deterioration or impairment of the value of the Shares.

9. Remedies. Upon the occurrence of any event of default, Pledgee shall have the option to exercise any and all rights and remedies available to a secured party under the California Uniform Commercial Code or other applicable laws, or under the terms of this Agreement, the Purchase Agreement, or the Secured Note or any other agreement between the parties all of which rights shall be cumulative to the fullest extent permitted by law, including without limitation the right to:

a. Accelerate the maturity of the Secured Note and any other indebtedness secured by this Agreement, regardless of the terms of such note or other instrument evidencing the same;

b. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court, to take possession of the Shares or any part thereof;

c. Take such other measures as Pledgee may deem necessary for the protection and preservation of the Shares and its security interest therein;

d. Sell or otherwise dispose of the Shares; provided, however, Pledgee shall not make any disposition of all or any part of the Shares which will result in a violation by him or by Corporation of the Securities Act of 1933, the California Corporations Securities law of 1968, or any other applicable federal or state securities laws. Any notice of sale, disposition or other intended action by Pledgee sent to Corporation and Pledgor at least ten (10) days prior to such action shall constitute reasonable notice;

e. To transfer the Shares to Pledgee in full satisfaction of any obligation of Pledgor; and

f. To sell the Shares at public or private sale, to apply the proceeds of the sale to the obligations secured hereby and to proceed against Pledgor for any deficiency remaining,

10. Miscellaneous.

a. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, beneficiaries, legal representatives, successors and assigns.

b. Governing Law. This Agreement shall be construed and interpreted under California law.

c. Severability. If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of its remaining provisions.

d. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery if personally delivered, (ii) one business day after delivery by overnight courier or telegram, or (iii) three business days after mailing if mailed by certified mail, return receipt requested, postage prepaid, to the parties at their addresses set forth on the signature page, or such other address designated from time to time in writing by such party to all other parties.

e. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument.

f. Successors. The rights and obligations of each of the parties hereto shall inure to its successors and assigns.

g. Arbitration. Any controversy, claim or dispute arising or relating to this Agreement, or the construction, interpretation, breach, termination and enforceability or validity thereof, whether based on statute, tort, contract, common law, or otherwise and whether such dispute existed prior to or arises after the date of this Agreement shall be resolved by binding arbitration pursuant to the Commercial Rules of the American Arbitration Association before the Judicial Arbitration and Mediation Service/Endispute. Upon a showing of good cause, the Arbitrator shall permit any party to the arbitration to conduct discovery in accordance with California Law, subject to any limitation or restrictions the Arbitrator shall apply to any such discovery. The award of the arbitrator may be for an amount of money and/or for specific performance or other equitable relief and shall be final, binding and enforceable in any court of competent jurisdiction. Either party is entitled to apply to

the Superior Court of the State of California for the County of Riverside to compel arbitration and for an award of such equitable and/or provisional relief as may be appropriate under the circumstances.

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

PLEDGOR:



Michael Basch, M.D.

ADDRESS:

PLEDGEE:


By: _____
Kali P. Chaudhuri, M.D.,

ADDRESS: 6800 Indiana Avenue, Suite 130
Riverside, CA 92506

**SECURED
PROMISSORY NOTE
(\$376,000.00)**

September 1, 2008

Temecula, California

FOR VALUE RECEIVED, Michael Basch, M.D. ("Maker") promises to pay to Kali P. Chaudhuri, M.D. ("Holder") or order, at 1225 East Latham, Hemet, California 92543, or at such other place as Holder shall designate in writing, the principal sum of Three Hundred Seventy-Six Thousand Dollars (\$376,000.00) plus all interest accrued thereon, in lawful money of the United States of America.

Maker promises to pay interest on the unpaid principal balance at the rate of six percent (6%) per annum. The Note shall be all due and payable (unless accelerated as provided herein) on September 1, 2015.

Maker may prepay principal and/or interest at any time in any amount without penalty.

Each payment, when paid, shall be credited first to costs of collection and attorney's fees, if any, next to interest accrued and the remainder shall be credited to principal.

The occurrence of any of the following shall constitute a default hereunder ("Default") and terminate any obligation of Holder to make or continue the credit evidenced by this Note, and give Holder the right to exercise any other right or remedy provided by contract or applicable law:

- 1. Failure of Maker to pay any amounts due hereunder when due;**
- 2. Failure of Maker to perform any obligation under this Note or any contract, instrument or agreement executed in connection with this Note, including, without limitation, any breach, default or failure to perform any obligation set forth in the Pledge Agreement, IPA Provider Agreement with Temecula Valley Physicians Medical Group, Inc. ("TVPMG") and/or Hemet Community Medical Group, Inc. ("HCMG") or the TVPMG Shareholders' Agreement;**
- 3. Maker shall fail to pay Maker's debts generally as they become due or shall file any petition or action for relief under any bankruptcy, insolvency, reorganization, moratorium, creditor composition law, or any other law for relief of or related to debtors;**
- 4. An involuntary petition shall have been filed under any bankruptcy law against Maker and shall not have been dismissed within thirty (30) days, or a**

custodian, receiver, trustee, assignee for the benefit of creditors, or other similar official, shall be appointed to take possession, custody or control of the properties of Maker;

5. The death of Maker;

6. Maker defaults in the performance of any agreement involving the borrowing of money, the purchase of property, the advance of credit or any other monetary liability of any kind to any person, including Holder; and

7. Any governmental or regulatory authority shall take any action or any other event shall occur, any of which, in the judgment of Holder, might have a material adverse effect on the financial condition or business of Maker.

No failure or delay on the part of Holder in exercising any power, right, or privilege under this Note shall operate as a waiver thereof, and no single or partial exercise of any such power, right or privilege shall preclude any further exercise thereof or the exercise of any other power, right or privilege.

Upon the occurrence of a Default, at the option of Holder, all sums of interest, principal and any other amounts due and owing hereunder shall be immediately due and payable, without notice of default, presentment or demand for payment, protest, or notice of nonpayment or dishonor or any other notice or demands.

Maker agrees to pay all attorneys' fees and other the expenditures paid in any attempt to collect the amount due pursuant to this Note.

This Note is secured by a Pledge Agreement of even date (the "Pledge Agreement") encumbering the Maker's shares in TVPMG (the "Collateral"). Maker waives presentment, protest, notice of dishonor, diligence in collection, and all duty or obligation of Holder, if any, to perfect, protect, retain, or enforce any security for the payment of this Note or to proceed against any Collateral before otherwise enforcing this Note. Maker expressly waives any right to complain and consents to any and all extensions of time and releases or modifications or substitution of any part of the Collateral, with or without notice. Any and all such extensions of time and releases or modifications or substitution of any part of the Collateral will not discharge or affect Maker's liability hereunder.

It is not Holder's or Maker's intention or desire to breach any applicable usury or maximum finance charge or interest rate statute. Therefore, if any interest rate, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law.

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the internal laws of the State of California without regard to the doctrine of conflicts of laws and Maker stipulates that any legal action of this Note . Any dispute arising out of, or relating to, this Note shall be settled by arbitration in accordance with the then current Judicial Arbitration and Mediation Service ("JAMS") Rules for Arbitration of Business Disputes. Upon a showing of good cause, the arbitrator shall permit any party to the arbitration to conduct discovery in accordance with California law subject to any limitation or restrictions the arbitrator shall apply to any such discovery consistent with the Rules of JAMS. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Riverside or San Bernardino County, California.

If any provisions hereof are in conflict with any applicable statute or law and are determined to be invalid or unenforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidating or affecting the remaining provisions hereof.

Time is of the essence hereof and all obligations hereunder shall be timely performed in accordance with the provisions hereof.

This Note may not be amended except by written instrument executed by Maker and Holder.

MAKER:



Michael Basch, M.D.

KALI P. CHAUDHURI, M.D.

6800 Indiana Avenue, Suite 130
Riverside, California 92560
Telephone: (951) 782-8812
Facsimile: (951) 782-8850

September 1, 2008

Michael Basch, M.D.

Re: Temecula Valley Physicians Medical Group, Inc.

Dear Dr. Basch:

This letter will memorialize our understanding and agreement regarding your purchase of shares in Temecula Valley Physicians Medical Group, Inc. ("TVPMG"). You are a TVPMG provider and have approached me regarding acquiring an equity share in the company. I am willing to sell you a 9.9% interest in TVPMG on the terms and conditions outlined in the following documents:

1. Stock Assignment Separate from Certificate;
2. Secured Promissory Note;
3. Pledge Agreement; and
4. Amended and Restated Shareholders Agreement of TVPMG.

You are also a provider to Hemet Community Medical Group, Inc. ("HCMG").

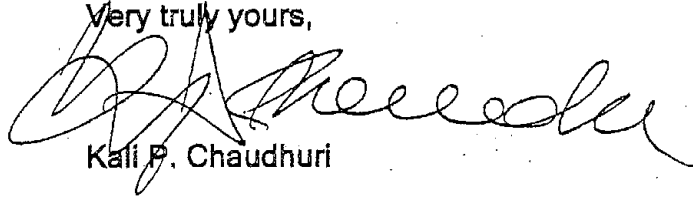
This letter will memorialize my agreement that so long as you faithfully perform (1) all of the covenants and conditions set forth in your TVPMG and HCMG provider agreements as well as (2) all of the commitments set forth in the transaction documents set forth above, then on the seventh (7th) anniversary of this transaction (September 1, 2015), Even in the event you become disabled I will agree to forgive the unpaid balance of the Secured Promissory Note. I appreciate your continued assistance and support to the IPA.

Michael Basch, M.D.
September 1, 2008

Page 2

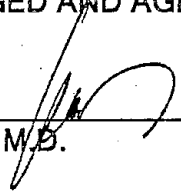
If the foregoing adequately and accurately sets forth our understanding and agreement, please countersign where provided below.

Very truly yours,



Kati P. Chaudhuri

ACKNOWLEDGED AND AGREED:



Michael Basch, M.D.

Exhibit “C”

Exhibit “C”

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into this 1st day of August 2011 ("Effective Date") by and among the undersigned physicians ("Physicians"), Temecula Valley Physicians Medical Group, Inc., a California professional corporation (the "Group"), and Kali P. Chaudhuri, M.D. ("Dr. Chaudhuri"). The Physicians, the Group and Dr. Chaudhuri may be referred to herein individually as a "Party" or collectively as "the Parties."

RECITALS

- A. Dr. Chaudhuri is the owner of the Group. The Physicians have contracted with and provide medical services on behalf of the Group.
- B. The Physicians and Dr. Chaudhuri desire to restructure the Group and reorganize its operations pursuant to following terms and conditions.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, the parties agree as follows:

1. Ownership. The ownership of the Group will be restructured. Dr. Chaudhuri shall own a minimum of sixty percent (60%) of the shares of the Group. If forty percent (40%) of the shares are not fully subscribed at this time, the balance of the shares will be retained by Dr. Chaudhuri but shall be made available in subsequent offerings to the Group's physician providers whom the Group's Board of Directors determines should be offered shares. The exclusive TVPMG Physicians have determined amongst themselves that the balance of the shares shall be owned as reflected on Exhibit "A" attached hereto. Physicians who become shareholders of the Group agree to execute a Shareholders Agreement in the form attached hereto as Exhibit "B."

2. Share Purchase Price and Payment. The purchase price for shares of the Group ("Purchase Price") shall be determined according to the current fair market value of the Group. If Physician intends to purchase shares of the Group, Physician agrees to execute a promissory note in favor of Dr. Chaudhuri and have the Purchase Price for his or her interest in the Group paid over sixty (60) months. The Physicians may direct that their bonuses be applied to their obligations on the notes.

3. Shareholders Agreement. The Shareholders Agreement shall provide, among other things, that:

- a. In the event a Physician elects not to renew his or her Provider Agreement after five (5) years (see Section 5 below), then such Physician shall have the right to cause the Group to repurchase his or her shares for the actual cash invested plus interest at the rate of four percent (4%) per annum.

- b. In the event a Physician faithfully performs under his Provider Agreement for a period of ten (10) years and then elects not to renew his or her Provider Agreement, then at the conclusion of the ten (10) year period, Physician may cause the Group to repurchase Physician's shares at the then fair market value of said shares.

4. Governance. The Group shall be governed by a Board of Directors ("Board") comprised of certain shareholders of the Group and consisting of no more than seven (7) members. The Board shall hold, at a minimum, quarterly Board meetings. Physicians who are not directors may be invited to attend Board meetings with the consent of two-thirds of the Board. If Dr. Chaudhuri is not available to attend, he may designate a representative reasonably acceptable to the Board.

5. Exclusive Physician Provider Agreements. Each Physician agrees to enter into a five (5) year exclusive IPA Primary Care Physician Provider Agreement ("Provider Agreement") with the Group and HCMG, in the forms attached hereto as Exhibit "C" and Exhibit "D." The five (5) year term of the Provider Agreement shall commence as of the Effective Date of this MOU. The Provider Agreements shall automatically renew for an additional five (5) year term unless notice of non-renewal is given not later than one hundred twenty (120) days prior to the end of the initial five (5) year term. Capitation rates shall be reviewed by the Board and HCMG on an annual basis to be consistent with market rates. The Board, in its reasonable discretion, may award bonuses to the Physicians on a quarterly basis according to a reasonable performance criteria approved by the Board.

6. Group Provider to HCMG. The parties agree that the Group shall continue to be a group provider to Hemet Community Medical Group, Inc. ("HCMG") and shall extend its Group Provider Services Agreement with HCMG for an initial term of five (5) years, commencing as of the Effective Date of this MOU and renewable for an additional five (5) year term unless notice of non-renewal is given not later than one hundred twenty (120) days prior to the end of the initial term.

7. Management. The Group and Physicians acknowledge that they are parties to provider agreements with HCMG which holds the health plan contracts. HCMG is accountable to the health plans for proper administration of the health plan contracts. KM Strategic Management, LLC ("KM") provides management services to HCMG and its group providers. Certain Physicians have voiced concerns regarding the management services rendered by KM. In connection with the reorganization of the shareholdings of the Group to permit the Physicians greater participation in the governance of the Group, Dr. Chaudhuri will support a realignment of management responsibilities to encourage greater transparency and accountability as follows:

The Board shall appoint an operational representative ("TVPMG Representative"), separate from KM to interface with KM. KM shall cooperate with all requests for financial and other information by the TVPMG Representative. Customary financial reports of the Group will be presented at the Group's Board meetings. Appropriate protocols will be agreed upon for check preparation and signature. The Group shall be entitled to have the Group's books audited each year at KM's expense subject to a reasonable cap.

The Group's management company (an affiliated of Dr. Chaudhuri) shall be retained for a term of five (5) years, commencing upon the Effective Date of this MOU and renewable for an additional five (5) years unless notice of non-renewal is given not later than one hundred twenty (120) days prior to the end of the initial term.

8. Medical Records. The Group shall maintain full ownership of its patients' medical records. At the end of the term of a Physician's Provider Agreement, such medical records will be copied to a CD and given to the departing Physician at no additional cost.
9. Specialty Contracts. The Group shall determine the specialists and sub-specialists with which it wishes to contract.
10. Release of Physicians Regarding Prime Partners. Certain Physicians may have entertained discussions with Prime Partners IPA of Temecula, Inc. ("Prime Partners"), Festus Dada, M.D. ("Dr. Dada") and their representatives. It is possible such discussion may have violated the Physicians' agreements with the Group and HCMG. Physicians agree not to affiliate with Prime Partners, Dr. Dada, EPIC or their representatives and affiliates ("Dada Parties"). In consideration of the covenants and conditions set forth herein and the commitments Physicians have made herein not to contract or otherwise affiliate with the Dada Parties, the Group, HCMG, KM and Dr. Chaudhuri ("Releasing Parties") agree to release and forever discharge the Physician from any and all claims, demands, damage, debt, losses, or liabilities which the Releasing Parties may have against Physicians relating to any claim by the Releasing Parties for Physicians' possible violation of their agreements based on their dealings with the Dada Parties. This release shall be null and void if a Physician contracts or otherwise affiliates with the Dada Parties.
11. Indemnification. KM agrees to indemnify and hold harmless Physician from any legal action or the result of any legal action that may be taken against Physician by Prime Partners or Dr. Dada, provided, however, that (1) Physician must truthfully disclose all his or her knowledge relating to the discussions had and/or documents received and/or signed with the Dada Parties, (2) Physician shall fully cooperate in the defense of any legal action subject to this indemnity, including making documents and witnesses available as necessary to the defense of the action, and (3) that the Group shall have the sole authority to hire counsel and otherwise control and direct the defense of said action.
12. Physicians' Release of HCMG, the Group and Others. The Physicians agree to release and forever discharge HCMG, the Group, KM, Dr. Chaudhuri, Michael Foutz, William Thomas, their shareholders, officers, directors, partners, agents, servants, employees, representatives, and attorneys from any claims, demands, damage, debt, losses, or liabilities which the Physicians or Group may have against said persons or entities relating to the ownership and management of the Group up until the Effective Date.
13. Independent Counsel. The parties acknowledge that they have had the opportunity to review this MOU with legal counsel of their choice and enter into this MOU freely and voluntarily.

14. Dispute Resolution. The Parties agree that all disputes under this MOU shall be resolved by arbitration in accordance with the Judicial Arbitration and Mediation Service Comprehensive Arbitration Rules and Procedures before the Judicial Arbitration and Mediation Services ("JAMS"). The arbitration shall be held in Riverside County, California (or any place agreed to by the Parties and the arbitrator). The decision of the arbitrator shall be final and binding as to any matters submitted hereunder; provided, however, the arbitrator shall not have the power to commit errors of law or legal reasoning, and the arbitration award shall be vacated or corrected by a court of competent jurisdiction for any such error. The Superior Court for the County of Riverside shall have jurisdiction for the purpose of compelling arbitration, awarding provisional or equitable relief, confirming the award of the arbitrator, enforcing judgment and similar matters. Each party will bear his own costs and fees incurred therein.

15. Governing Law. This MOU shall be governed by the laws of the State of California.

16. Further Assurances. The Parties agree to perform any further acts and execute and deliver any documents that may be reasonably necessary or appropriate in order to carry out the purposes of this MOU.

17. Counterparts. This MOU may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

18. Jointly Drafted. This MOU shall be deemed jointly drafted and not construed for or against any of the parties.

19. Legally Binding. This MOU constitutes a legally binding agreement.

20. Supremacy. This MOU and the Shareholders Agreement and Provider Agreements referred to herein shall supersede any preexisting agreements between the parties.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this MOU as of the day and year first above written.

TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC.

By:
Its:

KALI P. CHAUDHURI, M.D.

MICHAEL BASCH, M.D.

JASON BLACK, M.D.

BRIDGET BRIGGS, M.D.

WILLIAM CHERRY, M.D.

CURTIS COMBS, M.D.

MICHAEL CURLEY, M.D.

MOHAMMED DANESH, M.D.

SYLVIA GISI, M.D.

DONNA KREPAK, M.D.

BACH NGUYEN, M.D.

NIZAR SALEK, M.D.

GORDON SKEOCH, M.D.

KISHORE VASANT, M.D.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501
www.riverside.courts.ca.gov

NOTICE OF ASSIGNMENT TO DEPARTMENT FOR CASE MANAGEMENT PURPOSES
AND CASE MANAGEMENT CONFERENCE (CRC 3.722)

DADA VS. CHAUDHURI

CASE NO. RIC 1117546

This case is assigned to the Honorable Judge Gloria Connor Trask in Department 03 for case management purposes. The Case Management Conference is scheduled for 04/30/12 at 8:30 in Department 03.

Case is Assigned to Department 12 for Law and Motion Purposes.

The plaintiff/cross-complainant shall serve a copy of this notice on all defendants/cross-defendants who are named or added to the complaint and file proof of service.

Any disqualification pursuant to CCP Section 170.6(2) shall be filed in accordance with that section.


CERTIFICATE OF MAILING

I certify that I am currently employed by the Superior Court of California, County of Riverside, and that I am not a party to this action or proceeding. In my capacity, I am familiar with the practices and procedures used in connection with the mailing of correspondence. Such correspondence is deposited in the outgoing mail of the Superior Court. Outgoing mail is delivered to and mailed by the United States Postal Service, postage prepaid, the same day in the ordinary course of business. I certify that I served a copy of the foregoing notice on this date, by depositing said copy as stated above.

Dated: 10/31/11

Court Executive/Officer/Clerk

By:


RHIANNEN K DEVRIES, Deputy Clerk

ac:cmc;cmcb;cmch;cmct;cmcc
cmccb;cmcch;cmcct

**SUMMONS
(CITACION JUDICIAL)**

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT: KALI P. CHAUDHURI, an individual; (AVISO AL DEMANDADO): TEMECULA VALLEY PHYSICIANS MEDICAL GROUP, INC., a California corporation; MICHAEL BASCH, an individual; MICHAEL FOUTZ, an individual; KM STRATEGIC MANAGEMENT, LLC, a California limited liability company; WILLIAM E. THOMAS, an individual; and DOES 1 through 100, inclusive

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

OCT 31 2011

R. Devries

YOU ARE BEING SUED BY PLAINTIFF: FESTUS DADA, M.D., (LO ESTÁ DEMANDANDO EL DEMANDANTE): individually,

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501
HISTORIC COURTHOUSE

CASE NUMBER:
(Número del Caso): **1117546**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Marc P. Miles (Bar No. 197741) (714) 241-4444 (714) 241-4445
Kristy A. Schlesinger (Bar No. 221850)
CALLAHAN & BLAINE, APLC
3 Hutton Centre Drive, Ninth Floor, Santa Ana, CA 92707

DATE: **OCT 31 2011** Clerk, by **R. Devries**, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served

- [SEAL]
- as an individual defendant.
 - as the person sued under the fictitious name of (specify):
 - on behalf of (specify):

under:	<input type="checkbox"/> CCP 416.10 (corporation)	<input type="checkbox"/> CCP 416.60 (minor)
	<input type="checkbox"/> CCP 416.20 (defunct corporation)	<input type="checkbox"/> CCP 416.70 (conservatee)
	<input type="checkbox"/> CCP 416.40 (association or partnership)	<input type="checkbox"/> CCP 416.90 (authorized person)
	<input type="checkbox"/> other (specify):	
 - by personal delivery on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Marc P. Miles (Bar No. 197741) Kristy A. Schlesinger (Bar No. 221850) CALLAHAN & BLAINE, APLC 3 Hutton Centre Drive, Ninth Floor Santa Ana, CA 92707 TELEPHONE NO.: (714) 241-4444 FAX NO.: (714) 241-4445 ATTORNEY FOR (Name): Plaintiff FESTUS DADA	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE STREET ADDRESS: 4050 Main Street MAILING ADDRESS: CITY AND ZIP CODE: Riverside, CA 92501 BRANCH NAME: HISTORIC COURTHOUSE	
CASE NAME: DADA v. CHAUDHURI, ET AL.	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
	CASE NUMBER: RIC 1117546 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input type="checkbox"/> Large number of separately represented parties b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve c. <input type="checkbox"/> Substantial amount of documentary evidence	d. <input type="checkbox"/> Large number of witnesses e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court f. <input type="checkbox"/> Substantial postjudgment judicial supervision
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): 6

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 31, 2011

Marc P. Miles, Esq.

(TYPE OR PRINT NAME) (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

SUPERIOR COURT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

- | | |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <input type="checkbox"/> BANNING 135 N. Alessandro Road, Banning, CA 92220 | <input type="checkbox"/> MURRIETA 30755-D Auld Road, Murrieta, CA 92583 |
| <input type="checkbox"/> BLYTHE 265 North Broadway, Blythe, CA 92225 | <input checked="" type="checkbox"/> RIVERSIDE 4050 Main St., Riverside, CA 92501 |
| <input type="checkbox"/> HEMET 880 N. State St., Hemet, CA 92543 | <input type="checkbox"/> RIVERSIDE 4175 Main St., Riverside, CA 92501 |
| <input type="checkbox"/> INDIO 46-200 Oasis St., Indio, CA 92201 | <input type="checkbox"/> TEMECULA 41002 County Center Dr., #100, Temecula, CA 92591 |
| <input type="checkbox"/> MORENO VALLEY 13800 Heacock St. #D201, Moreno Valley, CA 92553 | |

Name and Address

Marc P. Miles (Bar No. 197741)
 Kristy A. Schlesinger (Bar No. 221850)
 CALLAHAN & BLAINE, APLC
 3 Hutton Centre Drive, Ninth Floor
 Santa Ana, CA 92707
 Attorney for Plaintiff
 or Party without Attorney

FILED
 SUPERIOR COURT OF CALIFORNIA
 COUNTY OF RIVERSIDE

OCT 31 2011

R. Devries

FESTUS DADA, M.D.

Plaintiff(s)

vs.

CASE NO. **RIC 1117546**

CERTIFICATE OF COUNSEL

KALI P. CHAUDHURI, ET AL.

Defendant(s)

The undersigned certifies that this matter should be tried or heard in the Court for the following reason:

- The action arose in this judicial district.
- The action concerns real property located in this judicial district.
- The defendant resides in this judicial district.

Dated: October 31, 2011

Signed by: 

ATTORNEY FOR PLAINTIFF(S)
 OR PARTY WITHOUT ATTORNEY