

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 15-cv-24440-COOKE/TORRES

NGHIEM TRAN, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

ERBA DIAGNOSTICS, INC., SURESH
VAZIRANI, KEVIN D. CLARK, SANJIV
SURI, MOHAN GOPALKRISHNAN,
ARLENE RODRIGUEZ, PRAKASH PATEL,
ERNESINA SCALA, ERBA DIAGNOSTICS
MANNHEIM GMBH, TRANSASIA BIO
MEDICALS LTD., and MAYER HOFFMAN
MCCANN P.C.

Defendants.

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired the securities of ERBA Diagnostics, Inc. (“ERBA”) on the New York Stock Exchange (“NYSE”) from June 14, 2013 and November 20, 2015, both dates inclusive, (the “Settlement Class Period”), you could get a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the settlement will provide one million two hundred fifteen thousand dollars (\$1,215,000) (the “Settlement Amount”) gross, plus interest as it accrues, minus attorneys’ fees, costs, administrative expenses, and net of any taxes on interest, to pay claims of investors who purchased ERBA securities during the Settlement Class Period.
- The Settlement represents an average gross recovery of \$0.17 per share of ERBA securities for the approximately 7.15 million estimated shares eligible for a payment. This is not an estimate of the actual recovery per share you should expect. Your actual recovery, if any, will depend on the total amount of allowed claims, as well as the amount of attorneys’ fees, costs and administrative expenses awarded by the court.
- Attorneys for Class Representative (“Class Counsel”) intend to ask the Court to award them fees of up to one-third of the Settlement Amount or four hundred and five thousand dollars (\$405,000), reimbursement of litigation expenses of no more than \$35,000 and an award to Class Representative not to exceed \$5,000. Collectively, the attorneys’ fees and expenses are estimated to average \$0.06 per damaged share of ERBA securities. If approved by the Court, these amounts will be paid from the Settlement Amount.
- The approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.11 per damaged share of ERBA securities. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will depend on the aggregate losses

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired ERBA securities on the NYSE from June 14, 2013 and November 20, 2015, both dates inclusive.

2. What is this lawsuit about?

The case is known as *Tran v. ERBA Diagnostics, Inc., et al.*, Case No.15-cv-24440 (S.D. Fla.) (the “Action”), and the Court in charge of the case is the United States District Court for the Southern District of Florida.

The Action alleges the ERBA Defendants violated the federal securities laws by (a) falsely representing that ERBA’s controls over financial reporting were not materially deficient; (b) overstating ERBA’s revenues and net income for the quarterly and annual reporting periods ending March 1, 2013 through September 30, 2015; and (c) falsely claiming that ERBA was not affected by cash flow deficiencies. The complaint asserts that the alleged misstatements artificially inflated the price of ERBA securities and the price of ERBA securities dropped in response to a series of subsequent disclosures. The Action further alleges that MHM violated the federal securities laws by issuing false and misleading audit opinions regarding ERBA’s financial statements. The factual allegations underlying these claims are described in greater detail in the Settlement Stipulation and the complaint, both of which are on file with the Court. These documents may also be viewed at the Claims Administrator’s website at www.strategicclaims.net. Defendants have denied and continue to deny the allegations in the complaint and all charges of wrongdoing or liability. The Settlement resolves all of the claims in the Action.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

Class Representative and Defendants do not agree regarding the merits of Class Representative’s allegations and Defendants’ defenses with respect to liability or the average amount of damages per share, if any, that would be recoverable if Class Representative were to prevail at trial on each claim. The issues on which Class Representative and the Defendants disagree include: (1) whether the challenged statements were materially false or misleading or otherwise actionable under federal securities law; (2) whether the Defendants acted with scienter; (3) whether the alleged disclosures were corrective disclosures; (4) the causes of the loss in the value of the ERBA securities; and (5) the amount of alleged damages, if any, that could be recovered at trial.

This matter has not gone to trial and the Court has not decided the merits in favor of either Class Representative or any of the Defendants. Instead, after the Court dismissed this Action and while it was on appeal, Class Representative and Defendants agreed to settle the case. Class Representative and Class Counsel believe the Settlement is best for all Settlement Class Members because of the risks associated with continued litigation, including the risk of not prevailing on appeal, and the nature of the defenses raised by the Defendants. Among the reasons that Class Representative and Class Counsel believe the Settlement is fair is the fact that there is uncertainty about whether they will win on appeal and then be

able to prove that the alleged misstatements and omissions actually caused the Settlement Class Members any damages, and the amount of damages, if any.

Even if Class Representative were to win at trial, and also prevail on any on appeal, Class Representative might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, even if Class Representative's allegations are eventually found to be true, the total amount of damages to which Settlement Class Members would be entitled could be substantially reduced.

5. How do I know if I am part of the Settlement?

The Settlement Class consists of all Persons (including, without limitation, their beneficiaries) who purchased ERBA securities on the NYSE from June 14, 2013 through November 20, 2015, inclusive.

6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are all: (i) Defendants; (ii) current and former officers and directors of ERBA and MHM; (iii) parents, spouses, or children living in the household of any person excluded under (i) or (ii) above; (iv) any legal entity more than 50% owned by any person excluded under (i) and (ii) above; (v) the heirs, successors and assigns of any person excluded under (i) and (ii) above; and (vi) any valid opt-outs.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, Strategic Claims Services, by phone at (866) 274-4004 or by facsimile at (610) 565-7985, visit the website www.strategicclaims.net, or fill out and return the Proof of Claim and Release Form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the settlement fund?

The proposed Settlement provides that Defendants will cause the payment of one million two hundred fifteen thousand dollars (\$1,215,000) into a settlement fund. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the settlement fund will be used to pay attorneys' fees and reasonable litigation expenses to Class Counsel and any award to the Class Representative. A portion of the settlement fund also will be used to pay taxes due on interest earned by the settlement fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing this Notice and the costs of publishing notice. After the foregoing deductions from the settlement fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold ERBA securities on the NYSE; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Class Counsel for attorneys' fees, costs, and expenses and the award to Class Representative.

The Claims Administrator will determine each Settlement Class Member's pro rata share of the Net Settlement Fund based upon each Settlement Class Member's valid "Recognized Loss," as defined in the Plan of Allocation set forth below. The Recognized Loss formula is not intended to be an estimate of

the amount that a Settlement Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Settlement Class Members pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to Authorized Claimants.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged fraud, as opposed to losses caused by market and industry-wide factors, or Company-specific factors unrelated to the alleged fraud.

The Plan of Allocation was created with the help of a damages expert, and assumes that the price of ERBA securities was artificially inflated throughout the Settlement Class Period. The computation of the estimated alleged artificial inflation in the price of ERBA securities during the Settlement Class Period is based on the price change of ERBA securities in reaction to the public announcements that allegedly corrected the alleged misrepresentations set out in the complaint.

To have been damaged by the alleged violations of the federal securities laws, you must have held ERBA securities purchased during the Settlement Class Period during a period of time when its price declined from disclosure of information allegedly correcting a misleading statement. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS:

- (I) **Recognized Loss for the Company’s Common Stock Purchased or Otherwise Acquired During the Settlement Class Period will be calculated as follows:**
 - (A) For shares purchased during the Settlement Class Period and sold during the Class Period, the Recognized Loss per share will be the *lesser* of: (1) the inflation per share upon purchase (as set forth in Inflation Table A below) less the inflation per share upon sale (as set forth in Inflation Table A below); or (2) the purchase price per share minus the sales price per share.
 - (B) For shares purchased during the Settlement Class Period and retained as of the close of trading on February 19, 2016, the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase (as set forth in Inflation Table A below); or (2) the purchase price per share minus \$1.28 per share.
 - (C) For shares purchased or otherwise acquired during the Settlement Class Period and sold during the period November 23, 2015 through February 19, 2016, inclusive, the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase (as set forth in Inflation Table A below); or (2) the difference between the purchase price per share and the average closing stock price as of date of sale provided in Table B below.

INFLATION TABLE A	
ERBA Securities Purchased During the Class Period	
Period	Inflation
June 14, 2013 to November 9, 2014, inclusive	\$2.04 per share
November 10, 2014 to April 21, 2015, inclusive	\$1.66 per share
April 22, 2015 to June 28, 2015, inclusive	\$1.02 per share
June 29, 2015 to November 20, 2015, inclusive	\$.30 per share

Table B						
<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>		<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
11/23/2015	\$1.44	\$1.44		1/7/2016	\$1.49	\$1.37
11/24/2015	\$1.14	\$1.29		1/8/2016	\$1.41	\$1.37
11/25/2015	\$1.24	\$1.27		1/11/2016	\$1.31	\$1.37
11/27/2015	\$1.24	\$1.26		1/12/2016	\$1.54	\$1.37
11/30/2015	\$1.22	\$1.26		1/13/2016	\$1.47	\$1.37
12/1/2015	\$1.72	\$1.33		1/14/2016	\$1.42	\$1.38
12/2/2015	\$1.52	\$1.36		1/15/2016	\$1.25	\$1.37
12/3/2015	\$1.50	\$1.38		1/19/2016	\$1.25	\$1.37
12/4/2015	\$1.46	\$1.39		1/20/2016	\$1.15	\$1.36
12/7/2015	\$1.24	\$1.37		1/21/2016	\$1.06	\$1.36
12/8/2015	\$1.23	\$1.36		1/22/2016	\$1.05	\$1.35
12/9/2015	\$1.23	\$1.35		1/25/2016	\$0.95	\$1.34
12/10/2015	\$1.32	\$1.35		1/26/2016	\$1.26	\$1.34
12/11/2015	\$1.28	\$1.34		1/27/2016	\$1.30	\$1.34
12/14/2015	\$1.31	\$1.34		1/28/2016	\$1.18	\$1.33
12/15/2015	\$1.25	\$1.33		1/29/2016	\$1.24	\$1.33
12/16/2015	\$1.29	\$1.33		2/1/2016	\$1.25	\$1.33
12/17/2015	\$1.35	\$1.33		2/2/2016	\$1.09	\$1.32
12/18/2015	\$1.55	\$1.34		2/3/2016	\$1.11	\$1.32
12/21/2015	\$1.37	\$1.34		2/4/2016	\$1.15	\$1.32
12/22/2015	\$1.31	\$1.34		2/5/2016	\$1.10	\$1.31
12/23/2015	\$1.33	\$1.34		2/8/2016	\$1.10	\$1.31
12/24/2015	\$1.37	\$1.34		2/9/2016	\$1.12	\$1.30
12/28/2015	\$1.45	\$1.35		2/10/2016	\$1.08	\$1.30
12/29/2015	\$1.48	\$1.35		2/11/2016	\$1.06	\$1.30
12/30/2015	\$1.41	\$1.36		2/12/2016	\$1.07	\$1.29
12/31/2015	\$1.39	\$1.36		2/16/2016	\$1.06	\$1.29
1/4/2016	\$1.42	\$1.36		2/17/2016	\$1.08	\$1.28
1/5/2016	\$1.36	\$1.36		2/18/2016	\$1.12	\$1.28
1/6/2016	\$1.47	\$1.36		2/19/2016	\$1.18	\$1.28

To the extent you had a trading gain or “broke even” from your overall transactions in the Company’s shares during the Settlement Class Period, your Recognized Loss will be zero and you will not be entitled to a share of the Net Settlement Fund. To the extent that you suffered a trading loss on your overall transactions in the Company’s shares during the Settlement Class Period, but that trading loss was less than your Recognized Loss calculated above, then your Recognized Loss shall be limited to the amount of your actual trading loss.

For purposes of calculating your Recognized Loss, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift,

inheritance or operation of law of the Company shares shall not be deemed a purchase, acquisition or sale of shares for the calculation of an Authorized Claimant's Recognized Loss. The covering purchase of a short sale is not an eligible purchase.

For purposes of calculating your Recognized Loss, all purchases, acquisitions and sales shall be matched on a First In First Out ("FIFO") basis in chronological order. Therefore, on the Proof of Claim and Release Form enclosed with this Notice, you must provide all of your purchases, acquisitions, sales and holdings of the Company shares during the period June 14, 2013 through and including February 19, 2016.

9. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release Form." This Proof of Claim and Release Form is attached to this Notice. You may also obtain a Proof of Claim and Release Form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than December 10, 2018, to the Claims Administrator, at the address appearing on page 2 of this Notice. The Claims Administrator will process your claim and determine whether you are an Authorized Claimant.

10. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself from the Settlement Class by the December 10, 2018 deadline, you will remain a member of the Settlement Class and will be bound by the release of claims against the Defendants and other Released Parties if the Settlement is approved. That means you and all other Settlement Class Members will release all claims for purchase of ERBA securities during the Settlement Class Period as against the Defendants and certain other persons associated them. For further information, please review the Settlement Stipulation, and in particular the terms "Released Parties", "Released Plaintiffs' Claims," and "Unknown Claims" defined therein at ¶¶1.27, 1.29, and 1.37, as well as the Release, ¶5. If you submit a proof of claim and release form, then all of the Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisitions, sale or ownership of ERBA securities on the NYSE during the Settlement Class Period. The specific terms of the release are included in the Settlement Stipulation.

11. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must mail a letter that (A) clearly indicates your name, address, phone number and e-mail contact information (if any) and states that you "request to be excluded from the Settlement Class in *Tran v. ERBA Diagnostics, Inc., et al.*, Case No.15-cv-24440-Cooke/Torres (S.D. Fla.)", and (B) states the date, number of shares and dollar amount of each of your ERBA securities purchased, acquired, and sold on the NYSE during the Settlement Class Period, as well as the number of shares of ERBA you held as of June 14, 2013 and November 20, 2015. You must sign and submit the request as the beneficial owner under penalty of perjury. You must mail your exclusion request, to be received no later than December 10, 2018, to the Claims Administrator at:

In re ERBA Diagnostics, Inc. Securities Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 205
P.O. Box 230
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

If you do not exclude yourself by following the procedure outlined above, you will be bound by all orders entered in the Action and you will give up any right to sue the Defendants or other Released Parties for the claims being released in this Settlement. If you have a pending lawsuit related to any Released Claims (as that term is defined in the Settlement Stipulation), speak to your lawyer in that case immediately, since you must timely exclude yourself from this Settlement Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. and Goldberg Law PC as Class Counsel, to represent you and the other Settlement Class Members. Contact information for Class Counsel is provided below. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the case themselves. They have not been paid attorneys' fees or reimbursed for their expenses in advance of this Settlement. Class Counsel have done so with the expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the settlement fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the settlement fund. Therefore, Class Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed \$405,000, for reimbursement of reasonable litigation expenses not to exceed \$35,000, and an award to Class Representative in an amount not to exceed \$5,000. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the settlement fund.

14. How do I tell the Court that I do not like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement, any part of the Settlement, Class Counsel's motion for attorneys' fees and expenses and application for an award to Class Representative. To do so, you must object in writing, stating that you object to the Settlement in *Tran v. ERBA Diagnostics, Inc., et al.*, Case No.15-cv-24440 (S.D. Fla.). You must also include (1) your name, address, telephone number and email address (if any), (2) documentation showing all of your purchases and sales of ERBA securities on the NYSE during the Settlement Class Period in order to show your membership in the Settlement Class, (3) all grounds for the objection, including any legal support known to you or your counsel, (4) the name, address and telephone number of all counsel who represent you, including your former or current counsel who may be entitled to compensation in connection with the objection, and (5) the number of times each of you and/or your counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case. You must serve copies of any objections, papers and briefs to the following counsel, to be received

no later than January 9, 2019:

**THE ROSEN LAW FIRM,
P.A.**

Laurence M. Rosen, Esq.
275 Madison Avenue, 34th
Floor
New York, NY 10016

Class Counsel

**STEARNS WEAVER MILLER
WEISSLER ALHADEFF &
SITTERSON, P.A**

David C. Pollack, Esq.
Andrea N. Nathan, Esq.
Museum Tower
Suite 2200
150 West Flagler Street
Miami, FL 33130

Counsel for ERBA Defendants

**MCDERMOTT WILL
& EMERY LLP**

Seth L. Friedman, Esq.
340 Madison Avenue
New York, NY 10173

*Counsel for Mayer Hoffman
McCann P.C.*

The Court has ordered that Class Counsel timely file your objection with the Court. Should you wish instead to file an objection directly with the Court, you may do so at: Clerk of Court, U.S. District Court for the Southern District of Florida, Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128.

Any Person who does not timely submit a written objection complying with the terms set forth above shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objections will be barred.

If you exclude yourself from the Settlement Class, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on January 23, 2019, at 2:00 p.m., at the United States District Court for the Southern District of Florida, Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Room 11-2, Miami, Florida 33128. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses and how much to award to Class Representative.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

17. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the Released Claims (as defined in the Settlement Stipulation) ever again.

18. How do I get more information about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Stipulation

dated June 28, 2018. You can get a copy of the Settlement Stipulation by visiting the website www.strategicclaims.net, by contacting the Claims Administrator at the address/number listed on page 2 above or by contacting Class Counsel at the address/number listed on page 2 above. In addition, the pleadings, Settlement Stipulation, other documents and orders in the Action can be inspected at the Clerk's Office, U.S. District Court for the Southern District of Florida, 400 North Miami Avenue, Miami, Florida 33128.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If, from June 14, 2013 and November 20, 2015, inclusive, you purchased, otherwise acquired, or sold the common stock of ERBA Diagnostics, Inc. on the NYSE for the beneficial interest of a person or organization other than yourself, the Court has directed that, **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such ERBA securities during such time period or (b) request additional copies of this Notice and the Proof of Claim and Release Form, which will be provided to you free of charge, and within seven (7) days after receipt thereof mail the Notice and Proof of Claim and Release Form directly to the beneficial owners of the ERBA securities. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable out-of-pocket expenses actually incurred in connection with the foregoing, up to a maximum of \$0.75 per notice. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications regarding the foregoing should be addressed to the Claims Administrator at the address listed on page 2 above.

**BY ORDER OF THE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF FLORIDA**

PROOF OF CLAIM AND RELEASE FORM

Deadline for Submission: December 10, 2018

IF YOU PURCHASED THE SECURITIES OF ERBA DIAGNOSTICS, INC. (“ERBA”) ON THE NEW YORK STOCK EXCHANGE (“NYSE”) DURING THE PERIOD FROM JUNE 14, 2013 AND NOVEMBER 20, 2015, INCLUSIVE (THE “SETTLEMENT CLASS PERIOD”), YOU ARE A “SETTLEMENT CLASS MEMBER” AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. (EXCLUDED FROM THE SETTLEMENT CLASS ARE ALL: (I) DEFENDANTS; (II) CURRENT AND FORMER OFFICERS AND DIRECTORS OF ERBA AND MHM; (III) PARENTS, SPOUSES, OR CHILDREN LIVING IN THE HOUSEHOLD OF ANY PERSON EXCLUDED UNDER (I) OR (II) ABOVE; (IV) ANY LEGAL ENTITY MORE THAN 50% OWNED BY ANY PERSON EXCLUDED UNDER (I) AND (II) ABOVE; (V) THE HEIRS, SUCCESSORS AND ASSIGNS OF ANY PERSON EXCLUDED UNDER (I) AND (II) ABOVE; AND (VI) ANY VALID OPT-OUTS.)

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN DECEMBER 10, 2018 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

In re ERBA Diagnostics, Inc. Securities Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 205
P.O. Box 230
Media, PA 19063
Tel.: 866-274-4004
Fax: 610-565-7985
info@strategicclaims.net

YOUR FAILURE TO SUBMIT YOUR CLAIM BY DECEMBER 10, 2018 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOU FROM RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR. IF YOU ARE A SETTLEMENT CLASS MEMBER AND DO NOT SUBMIT A PROPER PROOF OF CLAIM AND RELEASE FORM, YOU WILL NOT SHARE IN THE SETTLEMENT BUT YOU NEVERTHELESS WILL BE BOUND BY THE ORDER AND FINAL JUDGMENT OF THE COURT UNLESS YOU EXCLUDE YOURSELF.

SUBMISSION OF A PROOF OF CLAIM DOES NOT ASSURE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

I. CLAIMANT INFORMATION

Name:		
Address:		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

II. SCHEDULE OF TRANSACTIONS IN ERBA COMMON STOCK

Please supply all required details of your transaction(s) in ERBA common stock. Broker confirmations, brokerage statements reflecting your purchases, or other documentation of your transactions in ERBA common stock should be attached to your claim. If you do not have documentation from your broker, you may also attach any documents or schedules that you attached to any federal tax return that reflect purchases, acquisitions or sales of ERBA common stock during the time frame requested below. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. If you are acting in a representative capacity on behalf of a Settlement Class Member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.

Beginning Holdings:

A. State the total number of shares of ERBA securities on the NYSE held at the close of trading on June 13, 2013 (*must be documented*). If none, write “zero” or “0.”

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Purchases/Acquisitions:

B. Separately list each and every purchase or acquisition of ERBA securities on the NYSE from June 14, 2013 and February 19, 2016, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

Sales:

C. Separately list each and every sale of ERBA securities on the NYSE from June 14, 2013 and February 19, 2016, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

D. State the total number of shares of ERBA securities on the NYSE held at the close of trading on February 19, 2016 (*must be documented*). If none, write “zero” or “0.”

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. CERTIFICATION

I (We) submit this Proof of Claim and Release Form under the terms of the Settlement Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of Florida, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release and covenant not to sue set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in this Action. I (We) have not submitted any other claim covering the same purchases or sales of ERBA common stock during the Settlement Class Period and know of no other Person having done so on my (our) behalf.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.

Date: _____

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim and Release Form on page 14. If this Proof of Claim and Release Form is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim and Release Form or any supporting documents.
- If you move or change your address, telephone number or email address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or delivery payment to you.

In re ERBA Diagnostics, Inc. Securities Litigation
c/o Strategic Claims Services
600 N Jackson Street – Suite 205
Media, PA 19063

IMPORTANT LEGAL DOCUMENT – PLEASE FORWARD