

A Brief History

February 2012 -- AlternativeElectrodes has been in business for over 5 years. We shipped our first electrodes to SLPs in October, 2006. Since then our electrodes have been used successfully by SLPs for over 700,000 treatments.

For many years SLPs who were using e-stim to treat patients with swallowing disorders were required to buy their electrodes from a single vendor and pay exorbitant prices for electrodes. I thought this was unreasonable so I introduced Alternative Electrodes as an alternative source of electrodes at reasonable prices.

Alternative Electrodes are high quality, low impedance electrodes that are made in the USA. They come in a variety of shapes and sizes with either a mini-snap connector or a wire lead with a pin connector. They are reusable and they fit most muscle stimulators on the market today that are being used for swallowing disorders.

Apparently some confusing statements are being made to SLPs about the use of Alternative Electrodes that are giving SLPs the impression that they must buy their products from a single vendor. This is not the first time. In 2006 I was served a patent infringement lawsuit in an attempt to prevent me from supplying my electrodes to SLPs. I proved that my electrodes do not violate any patent and that they can be used by SLPs to treat swallowing disorders.

Later, in 2008, I was forced to bring my competition back to court to address many false and confusing statements that were being made about my electrodes. Attached are 2 press releases that were written by my attorneys relative to this second lawsuit. The first press release announces and describes the initiation of the lawsuit; the second press release announces and describes the settlement of the lawsuit.

Clearly, as shown by the statements issued in these press releases, SLPs are free to use Alternative Electrodes when treating patients with swallowing disorders and they are not restricted to buy electrodes from a single vendor.

Each year the medical field faces more and more financial challenges while trying to maintain patient care. In today's economic climate all SLPs should consider switching to Alternative Electrodes. It just makes sense.

Alternative Electrodes LLC Files Unfair Competition Lawsuit Against DJO Incorporated, VitalStim LLC, Encore Medical, L.P. and Affiliated Companies Controlled by The Blackstone Group

Palm City, Florida, March 27, 2008 –Alternative Electrodes LLC, www.AlternativeElectrodes.com, announced today that it has filed a lawsuit against DJO Incorporated, VitalStim LLC, Encore Medical, L.P. and affiliated companies controlled by The Blackstone Group (collectively “VitalStim”) in the United States District Court for the Eastern District of New York alleging Lanham Act violations, antitrust violations, unfair competition, and other business torts.

Alternative Electrodes filed its lawsuit as a result of VitalStim’s systematic disparagement of Alternative Electrodes’ products and VitalStim’s efforts to maintain its monopoly power and prevent a competitive alternative for electrodes. Alternative Electrodes is seeking damages based on the harm that VitalStim’s conduct has caused and is causing to Alternative Electrodes, as well as an injunction and/or remedies to prevent VitalStim from harming Alternative Electrodes in the future.

“Alternative Electrodes believes it has a compelling legal position and that it will prevail in court,” said Tom Ireland, President and CEO of Alternative Electrodes. “This conflict is really all about the fundamental values of consumer choice and competition benefiting both healthcare practitioners and patients.

“My competitor has engaged in a concerted effort to eliminate competition for electrodes that are compatible with their device and its product disparagement campaign is blatantly anticompetitive,” Ireland said. Ireland also stated that, “Their predatory business practices have affected our company and prevented most speech pathologists and clinicians from trying our electrodes. However, those customers who have used our products have become repeat customers and praised the high quality of our electrodes.”

“It is critical that clinicians understand that our electrodes are a safe and legal alternative to their electrodes and that there have never been any adverse incidents reported with our products,” Ireland stated. Ireland further stated: “We introduced our mini-snap electrodes in the fall of 2006 so the rehabilitation market could have a choice of vendors. Up until that time only one vendor offered electrodes with the mini-snap connector, which they sold as single-use electrodes and which cost almost \$18 per treatment. Our high-quality, silver-carbon electrodes are reusable and sell for \$8.95 per pack which represents a cost of about \$3 per treatment if they are reused three times. This represents a significant savings to hospitals, nursing homes and other facilities that need this type of electrode. Recently, one hospital told me that they have saved hundreds of thousands of dollars this year simply by switching to my electrodes, and they have experienced no adverse reactions or problems with patient outcomes.”

In today’s lawsuit, Alternative Electrodes alleges that VitalStim and its affiliated companies have committed extensive anticompetitive practices, including the implementation of a product disparagement scheme which falsely claims that Alternative

Electrodes' products may compromise patient safety, increase liability and are not cleared for use by the Food and Drug Administration. Through the course of the litigation, Alternative Electrodes will prove that VitalStim's statements are false and that Alternative Electrodes' products provide a safe and high-quality option to caregivers who seek affordable solutions for their patients.

Alternative Electrodes is being represented in its lawsuit by The Lanier Law Firm and McCulley McCluer PLLC. Founded in 1990 by famed trial attorney Mark Lanier, The Lanier Law Firm is one of the most prominent litigation firms in the country, with offices in New York, Houston and Los Angeles. During the past five years, The Lanier Law Firm has achieved substantial recoveries on behalf of medical device companies challenging anticompetitive conduct by dominant firms. McCulley McCluer PLLC is a boutique litigation firm focused on representing plaintiffs in complex commercial litigation. With offices in Jacksonville, Florida and Oxford, Mississippi, McCulley McCluer prosecutes antitrust actions and other complex cases in federal courts throughout the country.

About Alternative Electrodes LLC

Based in Florida, Alternative Electrodes LLC is a privately held distributor of high-quality electrodes manufactured by Pepin Manufacturing, Inc. (www.PepinMfg.com). Pepin Manufacturing is a privately owned and operated, ISO-13485/CMDCAS certified contract manufacturer of medical, industrial, aerospace and consumer products. For questions about Alternative Electrodes, please contact Tom Ireland, President and CEO, at 772-408-8085 or via www.AlternativeElectrodes.com.

Alternative Electrodes LLC Announces Settlement of Unfair Competition Lawsuit Against VitalStim and Related Entities

Palm City, Florida, December 31, 2009 –Alternative Electrodes LLC, www.AlternativeElectrodes.com, announced today that it has settled the lawsuit it filed in March 2008 against DJO Incorporated, VitalStim LLC, Encore Medical, L.P. and affiliated companies (collectively “VitalStim”) in the United States District Court for the Eastern District of New York alleging Lanham Act violations, antitrust violations, unfair competition, and other business torts.

The terms of the settlement are confidential. However, as a result of the settlement, DJO LLC (the parent company of the VitalStim entities) states as follows:

DJO wishes to clarify certain statements made previously about the use of Alternative Electrodes’ (AE) replacement electrodes with the VitalStim device. While DJO does not recommend or approve the use of AE electrodes with the VitalStim device, DJO has not conducted formal testing establishing that AE products are unsafe for such use. At this time, DJO is not aware of any adverse events resulting from the use of AE electrodes with the VitalStim device in the field. DJO is not aware that there is any legal prohibition on clinicians, therapists and administrators of VitalStim Therapy using AE electrodes with their device, or that the use of AE electrodes with the device would lead to the loss of such persons’ medical licenses. Clinicians, therapists and other administrators of VitalStim Therapy must use their professional judgment in treating patients with dysphagia.

“I am delighted to see this case settled,” said Tom Ireland, President and CEO of Alternative Electrodes. “Our position has always been that there are no legal, regulatory, safety or other issues which would prevent speech pathologists from using our electrodes. We hope the resolution of this lawsuit will encourage new customers to try Alternative Electrodes.”

“We introduced our mini-snap electrodes in 2006 so speech pathologists could have a choice of vendors. Since that time, Alternative Electrodes have been safely and effectively used for over 300,000 treatments. Our electrodes have been cleared by the FDA for use on the face and the anterior portion of the neck, and are high-quality, silver-carbon electrodes which are reusable and which offer significant savings to hospitals, nursing homes and other facilities. In today’s economic climate, all electrode users should consider switching to Alternative Electrodes.”

About Alternative Electrodes LLC

Based in Florida, Alternative Electrodes LLC is a privately held distributor of high-quality electrodes. For questions about Alternative Electrodes, please contact Tom Ireland, President and CEO, at 772-408-8085 or via www.AlternativeElectrodes.com.

Instructions: Please provide the following information. Print or Type. Fax to AlternativeElectrodes.com Customer Service at 772-408-8085 to place an order

Bill To:

Ship To:

PO Number: _____

COMPANY NAME_____
COMPANY NAME_____
ACCOUNTS PAYABLE CONTACT NAME_____
CONTACT NAME_____
STREET ADDRESS_____
STREET ADDRESS_____
CITY, STATE, ZIP_____
CITY, STATE, ZIP_____
EMAIL ADDRESS_____
EMAIL ADDRESS_____
A/P PHONE/EXT._____
A/P FAX_____
PHONE_____
FAX

<u>Part No.</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Payment Options: 1. Send Invoice (PO optional) 2. Bill Credit Card (Complete Below)			
_____ Card Type (MC, VISA, etc.)			
			Shipping _____ \$8.95
Credit Card Number _____		Exp .Date _____	Total _____
_____ Signature			

Ordered By: (PLEASE PRINT)_____
Date**PRODUCTS:** (all electrodes shown below are *reusable* on the same patient)

Part No.	Description	Price
800MSC	.8" Round Electrode (with mini-snap connector) bag of 10 packs	\$98.50
800FLY-SNAP	.8" Butterfly Electrode (with mini-snap connector) bag of 10 packs	\$108.50
1000MSC	1" Round Electrode (with mini-snap connector) bag of 10 packs	\$102.50
800LC	.8" Round Electrode (with pin connector) bag of 10 packs	\$72.50
1000LC	1" Round Electrode (with pin connector) bag of 10 packs	\$75.00
PPT	Paper Tape 1" (price per roll)	\$ 2.00
SPP	Skin Prep Pads (box of 50 pads)	\$10.95
L200MSC	Wire Lead with Mini-Snap Connector; set of 2 (connects 4 electrodes)	\$25.00
L100PC	Wire Lead with Pin Connector; set of 2 (connects 4 electrodes)	\$25.00
SWEEN	Sween Skin Lotion; bag of 10 individual single-use packs	\$6.00