

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Court of Common Pleas

W. Jeffrey Young, Circuit Court Judge

Case No. 2008-CP-23-0231

Gary Hoyt,

Appellant,

v.

CollaborativeMed, LLC and
Richard L. Grounsell,

Respondents.

RECORD ON APPEAL, VOLUME 2

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Respondent

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SC Court of Appeals

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DECLARED TO BE A TRUE AND CORRECT COPY
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ORIGINAL ON FILE IN THIS OFFICE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
ARTICLES OF INCORPORATION

MAR 28 2006

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY IN BLACK INK

1. The name of the proposed corporation is GLUCOTEC, INC.
2. The initial registered office of the corporation is 14-D PELHAM RIDGE DRIVE
Street Address
- GREENVILLE, GREENVILLE, SC 29615
City County State Zip Code
- and the initial registered agent at such address is RICHARD L. GROUNDSELL
Print Name

I hereby consent to the appointment as registered agent of the corporation:

Richard L. Groundsell
Agent's Signature

3. The corporation is authorized to issue shares of stock as follows. Complete "a" or "b", whichever is applicable:

a. ☒ The corporation is authorized to issue a single class of shares, the total number of shares authorized is 40,000,000.

b. ☐ The corporation is authorized to issue more than one class of shares:

Class of Shares	Authorized No. of Each Class
_____	_____
_____	_____
_____	_____

The relative right, preference, and limitations of the shares of each class, and of each series within a class, are as follows:

4. The existence of the corporation shall begin as of the filing date with the Secretary of State unless a delayed date is indicated (See Section 33-1-230(b) of the 1976 South Carolina Code of Laws, as amended)

060328-0038
GLUCOTEC, INC.

FILED: 03/28/2006

Filing Fee: \$135.00 ORIG

Mark Hammond

South Carolina Secretary of State

Plaintiffs 000612

R. 000230

GLUCOTEC, INC.

Name of Corporation

6. The optional provisions, which the corporation elects to include in the articles of incorporation, are as follows (See the applicable provisions of Sections 33-2-102, 35-2-105, and 35-2-221 of the 1976 South Carolina Code of Laws, as amended).

6. The name, address, and signature of each incorporator is as follows (only one incorporator is required):

RICHARD L. GROUNDSELL

a.

Name

14-D PELHAM RIDGE DRIVE, GREENVILLE, SC 29815

Address

Signature

b.

Name

Address

Signature

c.

Name

Address

Signature

7. I, BEN G. LEAPHART, an attorney licensed to practice in the state of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 2, Title 33 of the 1976 South Carolina Code of Laws, as amended, relating to the articles of incorporation.

Date

March 23, 1996

Signature

BEN G. LEAPHART

Type or Print Name

P.O. BOX 10788

Address

GREENVILLE, SC 29603

(864)271-2594

Telephone Number

**GLUCOTEC, INC.
SHAREHOLDERS' AGREEMENT**

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders").

WITNESSETH:

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares"):

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1. Definitions.

(a) Restricted Shares. With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below; (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below; and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer. The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law.

2. Restriction on Transfer of Certain Shares.

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1. From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2. From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3. From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(d) No Other Restrictions on Transfer of Shares. The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares. During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares. During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares. During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares. Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances.

3. Company's Option to Purchase Certain Shares.

(a) Option to Purchase Year 1 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option"). The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder. "Year 1 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 1 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares.

(b) Option to Purchase Year 2 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 2 Option"). The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder. "Year 2 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 2 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares.

(c) Option to Purchase Year 3 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 3 Option"). The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder. "Year 3 Purchase Price" means an amount equal to \$.10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4. Change of Control. If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities; (ii) the sale or disposition of all or substantially all of the Company's assets; or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions.

5. Death or Disability. If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6. Endorsement on Share Certificates. Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7. Severability. If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8. Parties in Interest. This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9. Assignment. This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10. Amendment. Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

13. Governing Law. This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument.

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

COMPANY:

GLUCOTEC, INC.

By: _____

Name: Richard Grounsell

Title: CEO and President

SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge

Garry Hoyt

Richard Grounsell

Lee Grounsell

Clark Grounsell

BY-LAWS
OF
GLUCOTEC, INC.

ARTICLE I.

The Corporation

Section 1. The name of this Corporation shall be GLUCOTEC, INC.

Section 2. The principal office of this Corporation shall be in Greenville County, South Carolina, and this Corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II.

Shareholders

Section 1. Meetings of the Shareholders shall be held at the principal office of the Corporation or at any other place (within or without South Carolina) which the Board of Directors or Shareholders may from time to time select.

Section 2. An annual meeting of the Shareholders of the Corporation shall be held at such time and place, not more than ninety (90) days following the close of the Corporation's fiscal year, as the Board of Directors may by resolution provide, at which meeting a Board of Directors shall be elected and such other business shall be transacted as may properly come before the meeting.

Section 3. Written notice of the annual meeting, stating the place, date and hour, shall be personally served upon or mailed to each Shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, not less than ten (10) nor more than fifty (50) days before the date of the meeting.

Section 4. The officer or agent having charge of the stock ledger shall prepare and make, in advance of each meeting of Shareholders, a complete list of the Shareholders entitled to vote at the meeting, arranged in alphabetical order, and bearing the address of each Shareholder and the number of shares registered in the name of each Shareholder; provided, however, the requirement of a list shall be satisfied and no list need be prepared if the record of Shareholders

maintained by the Corporation readily shows, in alphabetical order or by alphabetical index, and by classes or series, if any, the information required to appear in a list of Shareholders. Such list shall be open to the examination of any Shareholder, for any purpose germane to the meeting, at any time during usual business hours, for a period commencing upon the date when notice of the meeting is given, and in no event less than ten (10) days prior to the date of the meeting. The list shall also be produced and kept open at the time and place of the meeting, and subject to the inspection of any Shareholder during the whole time of the meeting.

Section 5. Special meetings of the Shareholders, for any purpose or purposes other than those prescribed by statute or by the articles of incorporation, may be called by the president, and shall be called by the president or secretary at the request of a majority of the Board of Directors, or the holders of not less than ten percent (10%) of the entire capital stock of the Corporation issued, outstanding and entitled to vote at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of the special meeting of the Shareholders stating the place, date and hour, and the purpose or purposes for which the meeting is called, shall be served upon or mailed to each Shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, not less than ten (10) nor more than fifty (50) days before the date of such meeting. Business transacted at all special meetings shall be confined to the objects stated in the call.

Section 7. A Shareholder, either before or after a Shareholders' meeting, may waive notice of the meeting; and his waiver shall be deemed the equivalent of giving notice. Attendance at a Shareholders' meeting, either in person or by proxy, of a person entitled to notice shall constitute a waiver of notice of the meeting unless he attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully called or convened.

Section 8. The holders of a majority of the stock issued and outstanding, and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, by the articles of incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or by proxy, shall have power by a majority vote, to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, at which time any business may

be transacted at the meeting as originally notified.

Section 9. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the articles of incorporation or these By-Laws a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. At any meeting of the shareholders, every shareholder entitled to vote thereat shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such shareholder or by his duly authorized attorney, and shall have one vote for each share having voting power, registered in his name; provided, however, that in the election of directors, each shareholder shall be allowed to cast in person or by proxy as many votes as the number of voting shares he owns multiplied by the number of directors to be elected; the same to be cast for any one candidate or to be distributed among two or more candidates.

If a shareholder intends to vote his shares in a cumulative manner in an election of directors, as described above, then said shareholder shall either (1) give written notice of such intention to the president or other officer of the Corporation not less than forty-eight (48) hours before the time fixed for the meeting, which notice shall be announced in such meeting before the voting, or (2) announce his intention in such meeting before the voting for directors shall commence; and all shareholders entitled to vote at such meeting shall without further notice be entitled to cumulate their votes. If a shareholder intending to cumulate his votes gives notice at the meeting, the person presiding may, or if requested by any shareholder shall, recess the meeting not to exceed two (2) hours.

Section 11. Any action which would otherwise be taken at meeting of the shareholders may be taken without a meeting if a written consent, setting forth the action so taken, is signed by the holders of all outstanding shares entitled to vote on such action and is filed with the Secretary of the Corporation as part of the corporate records. Such written consent shall have the same effect as a unanimous vote of the shareholders and may be stated as such in any certificate or document required to be filed with the Secretary of State.

ARTICLE III.

Directors

Section 1. The Board of Directors of the Corporation shall consist of one or more members. The number of directors which shall constitute the board shall be determined by the shareholders.

Section 2. The directors may hold their meetings at such places as they may from time to time determine, either within or without the State of South Carolina.

Section 3. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining directors, even though less than a quorum, shall choose a successor or successors who shall hold office until the next election of directors.

Section 4. The property and business of the Corporation shall be managed under the direction of its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the articles of incorporation or by these By-Laws directed or required to be exercised and done by shareholders.

Meetings of the Board

Section 5. The first meeting of each newly elected board shall be held at such time and place, either within or without the State of South Carolina, as shall be fixed by the vote of the shareholders at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting provided a quorum shall be present, or they may meet at such time and place as shall be fixed by the consent in writing of all such directors.

Section 6. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of South Carolina, as shall from time to time be determined by the board.

Section 7. Any or all directors may participate in a meeting of the Board of Directors by means of conference telephone or any means of communication by which all persons participating by such means shall constitute presence in person at such meeting.

Section 8. Special meetings of the board may be called by the president on twenty-four (24) hours' notice to each director, either personally or by mail or telegram; special meetings shall be called by

the president or secretary in like manner or like notice on the written request of any two directors.

Section 9. At all meetings of the board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the articles of incorporation or by these By-Laws. If a quorum shall not be present at any meeting of the directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committee

Section 10. The Board of Directors may, by resolution adopted by a majority of the whole board, designate from among its members an executive committee and other committees, each consisting of one or more directors and may delegate to such committee or committees all the authority of the board, except as to matters which the board is specifically prohibited from delegating under the provisions of the laws of the State of South Carolina. The board may designate one or more directors as alternate members of any committee and this director may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by a majority of the whole board. Each committee appointed shall keep minutes of its meetings and report the same to the board when required.

In the absence or disqualification of a member of a committee, the members thereof present at the meeting and not qualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such an absent or disqualified member.

Compensation of Directors

Section 11. Directors, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum for attendance and expenses, if any, may be allowed for attendance at each regular or special meeting of the board; provided that nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Notices

Section 12. Whenever under the provisions of these By-Laws notice is required to be given to any director or shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, postage prepaid, addressed to such director or shareholder at such address as appears on the books of the Corporation.

Section 13. A director may waive notice in writing of a meeting of the board, either before or after the meeting; and his waiver shall be deemed the equivalent of giving notice. Attendance of a director at a meeting shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 14. Action taken by a majority of directors without meeting shall be deemed action of the Board of Directors if all directors, severally or collectively, execute a written consent thereto, either before or after the action is taken, and the consent is filed with the records of the Corporation.

ARTICLE IV.

Officers

Section 1. The officers of the Corporation shall be chosen by the directors and shall be a president, a vice president, a secretary and a treasurer, and such other officers as the board shall designate. Any person may hold more than one of the aforesaid offices and may act in more than one capacity where action by two or more officers is required.

Section 2. The officers of the Corporation shall hold their office until their successors are chosen and have qualified or until their resignation or removal.

Section 3. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 4. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors for the unexpired term of that office. Any officer or agent appointed by an officer of the Corporation may be removed by such officer.

The President

Section 5. The president shall be the chief executive officer of the Corporation, shall preside at all meetings of the shareholders, shall supervise the general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute deeds, mortgages, bonds and other contracts requiring a seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to other officers or agents of the Corporation.

The Vice President

Section 6. The vice president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform other duties as from time to time may be assigned to him by the Board of Directors.

The Secretary

Section 7. The secretary shall attend all sessions of the board and all meetings of the shareholders, and record all votes and the minutes of all proceedings in a book to be kept for the purpose. He shall give, or cause to be given, notice of all meetings of the shareholders, and of special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the board, affix the seal to any instrument requiring it, and when so affixed it shall be attested by the signature of the secretary or treasurer.

The Treasurer

Section 8. The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 9. He shall disburse the funds of the Corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, account of all his transactions as treasurer and of the financial condition of the Corporation.

ARTICLE V.

Indemnification

Section 1. The Corporation shall indemnify any person, his heirs, personal representatives or administrators, who was or is a party or is threatened to be made a party to any proceeding (other than a proceeding referred to in Section 2 of this Article V) by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against judgments, penalties, fines, amounts paid in settlement and expenses (including attorneys' fees) actually and reasonably incurred by such person or such heirs, personal representatives or administrators in connection with proceeding if:

- (a) He conducted himself in good faith, and
 - (i) in the case of conduct in his official capacity with the Corporation, he reasonably believed his conduct to be in its best interests; or
 - (ii) in all other cases, he reasonably believed his conduct to be at least not opposed to its best interest; and
- (b) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person did not meet the requisite standard of conduct set forth in the preceding sentence.

For purposes of this Article V, the term "proceeding" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 2. The Corporation shall indemnify any person, his heirs, personal representatives or administrators, who was or is a party or is threatened to be made a party to any proceeding by or in the right of the Corporation by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of other foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against expenses actually and reasonably incurred (including attorneys' fees) by such person or heirs, personal representatives or administrators in

connection with such proceeding if he conducted himself in good faith, and

- (a) in the case of conduct in his official capacity with the Corporation, he reasonably believed his conduct to be in its best interest, or
- (b) in all other cases, he reasonably believed his conduct to be at least not opposed to its best interest.

Section 3. Notwithstanding any provision in this Article V to the contrary, no indemnification shall be made with respect to:

- (a) any expenses incurred by any person in connection with any proceeding by or in the right of the Corporation in which such person shall have been adjudged to be liable to the Corporation, or
- (b) any judgments, penalties, fines, settlements, or expenses incurred by any person in connection with any proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he shall have been adjudged to be liable on the basis that personal benefit was improperly received by him.

Section 4. No indemnification under Sections 1 and 2 shall be made unless authorized in each specific case after a determination has been made, as set forth below in either Section 1 or 2 above, that indemnification of the person is permissible in the circumstances because he has met the applicable standard of conduct.

The determination required by this Section 4 shall be made:

- (a) by the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to such proceeding; or
- (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the board, duly designated to act in the manner by a majority vote of the full board (in which designated directors who are parties may participate), consisting solely of two or more directors not at the time parties to such proceeding; or
- (c) by special legal counsel, selected by the Board of Directors or a committee thereof by vote as set forth in subsections (a) and (b) of this Section 4, or, if the requisite quorum of the full board cannot be obtained therefor and such committee

cannot be established, by a majority vote of the full board (in which selected directors who are parties may participate); or

(d) by the shareholders.

Section 5. Reasonable expenses incurred by a person as a result of being a party to a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of such proceeding if:

- (a) after a determination, made in the manner specified in Section 4, that the information then known to those making the determination (without undertaking further investigation for purposes thereof) does not establish that indemnification would not be permissible under either Section 1 or Section 2, as applicable; and
- (b) upon receipt by the Corporation of:
 - (i) a written affirmation by the person of his good faith belief that he has met the standards of conduct necessary for indemnification by the Corporation as specified in Section 3; and
 - (ii) a written undertaking by or on behalf of the person to repay such amount if it shall ultimately be determined that he did not meet such standards of conduct.

Section 6. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 7. Any indemnification of any person in accordance with this Article, including any payment or reimbursement of expenses, shall be reported in writing to the Shareholders with the notice of the next Shareholders' meeting or prior thereto.

ARTICLE VI.

Certificates of Stock

Section 1. The certificate of stock of the Corporation shall be

numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and the number of shares and shall be under the corporate seal which may be a facsimile, engraved or printed. They shall be signed by the president and secretary. Where any such certificate is signed by a transfer agent or transfer clerk or by a registrar, the signature of any such president and secretary upon such certificate may be facsimiles, engraved or printed. In case any such officer who has signed, or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer before such certificate is issued, such certificate may, nevertheless, be issued by the Corporation with the same effect as if such officer had not ceased to be such officer at the date of its issue.

Transfers of Stock

Section 2. Upon surrender to the Corporation or transfer agent of the Corporation of a certificate for shares endorsed by the person named in the certificate or by attorney lawfully constituted in writing or accompanied by proper evidence or succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the books.

Fixing Record Date

Section 3. In order that the Corporation may determine the Shareholders entitled to notice of or to vote at any meeting of the Shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or entitled to exercise any rights in respect to any other change, conversion or exchange of stock, or in order to make a determination of Shareholders for any other proper purpose, the Board of Directors may fix, in advance, a record date for any such determination of Shareholders. Such date shall not in any case be more than fifty (50) nor less than ten (10) full days before the date of such meeting, or the date on which the particular action requiring such determination of Shareholders is to be taken.

Registered Shareholders

Section 4. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of South Carolina.

Lost Certificate

Section 5. Whenever a Shareholder shall desire a new certificate of stock in the place of his original certificate of stock which shall have been lost or destroyed, he shall make application to the Corporation for the issuing of a new certificate only upon: (a) submitting an affidavit that he is the bona fide owner of such stock, that the original certificate has been destroyed or lost, the circumstances of such loss or destruction, and that the shares have not been transferred or disposed of by him in any manner; (b) filing with the Corporation a sufficient indemnity bond; and (c) satisfying any other reasonable requirements imposed by the Board of Directors.

ARTICLE VII.

Dividends

Section 1. Dividends upon the capital stock of the Corporation without record or preference to the class or series, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash or property, including the shares of capital stock of the Corporation, or of other corporations, subject to limitations upon payment of dividends contained in the statutes of the State of South Carolina.

Section 2. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as reserve funds to meet contingencies or for equalizing dividends or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors think conducive to the best interests of the Corporation.

ARTICLE VIII.

Special Corporate Acts

Section 1. All contracts, deeds, documents and other corporate instruments and all checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE IX.

Fiscal Year

Section 1. The fiscal year of the Corporation shall be fixed by

resolution of the Board of Directors.

ARTICLE X.

Corporate Seal

Section 1. The corporate seal shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, South Carolina."

ARTICLE XI.

Amendments

Section 1. These By-Laws may be altered or amended at any regular meeting of the Shareholders or at any special meeting of the Shareholders at which a quorum is present or represented if notice of the proposed alteration or amendment be contained in the notice of such special meeting, by the affirmative vote of a majority of the Shareholders entitled to vote at such meeting and present or represented thereat.

Section 2. These By-Laws also may be altered, amended or repealed by a majority vote of the Board of Directors. The directors may amend or repeal a by-law adopted by the Shareholders unless the By-Laws prescribe the extent to which these By-Laws may be altered, amended or repealed by the directors. Any notice of a meeting of the directors at which by-laws are to be adopted, amended or repealed shall include notice of such proposed action.

APPROVED AND ACCEPTED

Chairman of Organizational
Meeting of Initial Board of
Directors

Dated:

**GLUCOTEC, INC.
SHAREHOLDERS' AGREEMENT**

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders").

WITNESSETH:

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares"):

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
~~Bruce Bode, MD~~	~~250,000~~
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
~~Garry Hoyt~~	~~250,000~~
~~Richard Grounsell~~	~~250,000~~
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1. Definitions.

(a) **Restricted Shares.** With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below; (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below; and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer. The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law.

2. Restriction on Transfer of Certain Shares

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1. From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2. From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3. From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(d) No Other Restrictions on Transfer of Shares. The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares. During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares. During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares. During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares. Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances.

3. Company's Option to Purchase Certain Shares

(a) Option to Purchase Year 1 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option"). The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder. "Year 1 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 1 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares.

(b) Option to Purchase Year 2 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 1 Option"). The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder. "Year 2 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 2 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares.

(c) Option to Purchase Year 3 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 1 Option"). The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder. "Year 3 Purchase Price" means an amount equal to \$.10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4. Change of Control. If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities; (ii) the sale or disposition of all or substantially all of the Company's assets; or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions.

5. Death or Disability. If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6. Endorsement on Share Certificates. Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7. Severability. If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8. Parties in Interest. This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9. Assignment. This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10. Amendment. Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

13. Governing Law. This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument.

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

COMPANY:

GLUCOTEC, INC.

By: _____
Name: Richard Grounsell
Title: CEO and President

SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge

Garry Hoyt

Richard Grounsell

Lee Grounsell

Clark Grounsell

GlucoTec Founder Group
Stockholders Meeting Minutes
May 18, 2006

In attendance were: Rick Grounsell, Hank Durschlag, Robby Booth, Lee Grounsell, Clark Grounsell and Andy Ethridge

*Rick announced the Private Placement Memorandum is ready to be mailed out.

*All Shareholder agreements and Non-Disclosure/Non-Competition Agreements must be signed.

Voting-

Rick proposed to group that Co-Med will sign all assets, including trademarks, source codes, customer lists, etc , to GlucoTec in exchange for 18,129,066 shares These shares will be distributed to shareholders, used for loans and services rendered.

**a unanimous "yes" vote by Shareholders.

Rick also advised the group that Dr Bode inquired about spending \$1,000,000.00 in the development of a meter The Shareholders were again asked to vote to allow Rick and Dr. Bode to negotiate this deal up to \$1,000,000.00 . *Note 350,000 shares @ \$3.00 per share

**a unanimous "yes" vote by Shareholders.

Meeting was adjourned @ 4:15 p.m.

coTec Founders Group
Shareholders Meeting Minutes
May 11, 2006

In Attendance were: Rick Grounsell, Hank Durschlag, Robby Booth, Lee Grounsell, Clark Grounsell and Andy Ethridge

Rick opened the meeting with a description of the purpose and responsibilities of the group.
-the initial Founders Round is selling stock at 1 penny per share.
-all Stock Issuance Notes, Non-Disclosure/Non-Competition Agreements were signed.
-checks were collected for each Shareholders amount due for stocks.
-copies of all documents were made and distributed back to each Shareholder for their records.

Rick then discussed the stock restrictions involved such as;
-3 yrs. to vest – can't sell stock for at least 3 years – totally restricted unless company is sold
OR
Stockholder becomes disabled or passes away

Voting –

-votes are based on how the number of shares each stockholder owns.
-a vote of 75% of Stockholders is required to terminate anyone in the Founders Group.
restrictions can be lifted with a Stockholders vote.

Original Founders A:

-additional shares will be issued in the future
-ALL must sign Non-Disclosure/Non-Competition Agreements

Items Voted On:

-Rick was elected as CEO of GlucoTec, Inc. by a unanimous "yes" vote.

-The following were voted in as Corporate Officers with a unanimous "yes" vote:
President/CEO – Rick Grounsell
Vice-President – Dr. Bruce Bode
Treasurer – Hank Durschlag
Secretary – Lori LaPointe

-Executive Options: (shares @ \$1.00 each)

CEO - 250,000 shares: optional 250,000 shares can be earned as a performance bonus
President – 200,000 shares: optional 200,000 shares can be earned as a performance bonus
Executive Vice-President – 150,000 shares: optional 150,000 shares can be earned as a performance bonus

*These options may be transferable to other Executives @ the Board of Directors discretion.
Vote Outcome: unanimous "yes" vote.

GLUCOTEC, INC.
MINUTES OF ORGANIZATIONAL MEETING OF
SUBSCRIBERS TO CAPITAL STOCK

The Subscribers to the capital stock of GLUCOTEC, INC. met at the offices of Ben G. Leaphart of Ashmore, Leaphart Rabon & Hinds, LLC, 601 E. McBee Avenue, Suite 200, Greenville, South Carolina on March 24, 2006, for the purpose of choosing Directors, presenting the proposed By-Laws, and organizing the Corporation.

Present were RICHARD L. GROUNSELL, E. HANK DURSCHLAG, GARRY HOYT, LEE GROUNSELL, BRUCE BODE, ANTHONY ETHRIDGE, CLARK GROUNSELL and ROBERT BOOTH, being all of the Subscribers to the capital stock of the Corporation, who waived notice of said meeting. Also present upon invitation was BEN G. LEAPHART, attorney for the Corporation.

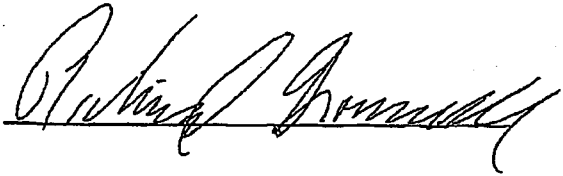
Upon motion duly made and carried, MR. GROUNSELL acted as Chairman, and Mr. DURSCHLAG acted as Secretary of said meeting.

The Chairman stated that the Corporation was being organized under the laws of the State of South Carolina permitting the organization of Corporations

Upon motion duly made and carried, the Subscribers unanimously adopted the Articles of Incorporation of the said Corporation, a copy of which Articles of Incorporation is attached hereto and incorporated herein by reference. The Directors were authorized and directed to file the said Articles of Incorporation with the Secretary of State for the State of South Carolina and to take such other steps as might be

WAIVER OF NOTICE

We, the undersigned, being all of the Subscribers to the capital stock of GLUCOTEC, INC., do hereby waive notice of the ORGANIZATIONAL MEETING OF SUBSCRIBERS TO THE CAPITAL STOCK, held on March 24, 2006, which meeting we attended in person.



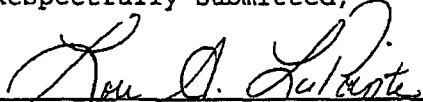
necessary to complete the organization of the Corporation

The Chairman then presented to the meeting proposed By-Laws governing the affairs of the Corporation. Upon motion duly made and carried, the said By-Laws, a copy of which is attached to these Minutes and incorporated hereinto by reference, were adopted as the By-Laws of this Corporation.

Upon motion duly made and carried, RICHARD L. GROUNDSELL was elected to the initial Board of Directors to serve until the first meeting of Shareholders and until successors shall have been elected and shall have qualified.

There being no further business, the meeting was duly adjourned.

Respectfully Submitted,


Secretary

Attest:


Chairman

CONSENT OF THE MAJORITY OF SHAREHOLDERS

On this day the 25 day of April in the year 2006, the shareholders of GlucoTec, Inc., a South Carolina Corporation, consent to the following actions:

1. RICHARD L. GROUNSELL IS NAMED AS A MEMBER OF THE BOARD OF DIRECTORS OF GLUCOTEC, INC. FOR A TERM OF 365 DAYS BECOMING EFFECTIVE MAY 1, 2006
2. RICHARD L. GROUNSELL IS NAMED CHAIRMAN OF THE BOARD OF DIRECTORS OF GLUCOTEC, INC. FOR A TERM OF 365 DAYS BECOMING EFFECTIVE MAY 1, 2006

INDICATE CONSENT OR NON-CONSENT IS BELOW

SHAREHOLDER	CONSENT	NON-CONSENT	SIGNATURE
Richard Grounell	✓		<i>Richard Grounell</i>
Bruce Bode			
Garry Hoyt			
M E Hank Durschlag	✓		<i>Mr Durschlag</i>
Robby Booth	✓		<i>R. Booth</i>
Lee Grounell	✓		<i>Lee Grounell</i>
Andy Ethridge	✓ see attached		<i>Andy Ethridge</i>
Clark Grounell	✓ for signature		<i>Clark Grounell</i>

CONSENT OF THE MAJORITY OF SHAREHOLDERS

On this day the 25 day of April in the year 2006, the shareholders of GlucoTec, Inc., a South Carolina Corporation, consent to the following actions:

1. RICHARD L. GROUNSELL IS NAMED AS A MEMBER OF THE BOARD OF DIRECTORS OF GLUCOTEC, INC. FOR A TERM OF 365 DAYS BECOMING EFFECTIVE MAY 1, 2006
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INDICATE CONSENT OR NON-CONSENT IS BELOW

SHAREHOLDER	CONSENT	NON-CONSENT	SIGNATURE
Richard Grounell	✓		<i>Richard Grounell</i>
Bruce Bode	✓		<i>B. Bode</i>
Garry Hoyt	✓		<i>Garry N Hoyt</i>
M E Hank Durschlag	✓		<i>Mr Durschlag</i>
Robby Booth	✓		<i>R. Booth</i>
Lee Grounell	✓		<i>Lee Grounell</i>
Andy Ethridge	✓		<i>Andy Ethridge</i>
Clark Grounell	✓		<i>Clark Grounell</i>

CONSENT OF THE MAJORITY OF SHAREHOLDERS

On this day the 25 day of April in the year 2006, the shareholders of GlucoTec, Inc., a South Carolina Corporation, consent to the following actions

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INDICATE CONSENT OR NON-CONSENT IS BELOW

<u>SHAREHOLDER</u>	<u>CONSENT</u>	<u>NON-CONSENT</u>	<u>SIGNATURE</u>
Richard Grounsell	<u>✓</u>	<u> </u>	<u>Richard Grounsell</u>
Bruce Bode	<u> </u>	<u> </u>	<u> </u>
Garry Hoyt	<u> </u>	<u> </u>	<u> </u>
M E Hank Durschlag	<u>✓</u>	<u> </u>	<u>ME Durschlag</u>
Robby Booth	<u>✓</u>	<u> </u>	<u>Rob Booth</u>
Lee Grounsell	<u>✓</u>	<u> </u>	<u>Lee Grounsell</u>
Andy Ethridge	<u>✓ see attached</u>	<u> </u>	<u>Andy Ethridge</u>
Clark Grounsell	<u>✓ for signatures</u>	<u> </u>	<u>Clark Grounsell</u>

JMA
5-18-06

GLUCOTEC, INC
SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders")

WITNESSETH

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares")

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1 Definitions

(a) Restricted Shares With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below, (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below, and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

03

9/18/06
5-18-06

Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law

2 Restriction on Transfer of Certain Shares

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1 From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2 From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3 From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(d) No Other Restrictions on Transfer of Shares The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances

3 Company's Option to Purchase Certain Shares

(a) Option to Purchase Year 1 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

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Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option") The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder "Year 1 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 1 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares

(b) Option to Purchase Year 2 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 1 Option") The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder "Year 2 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 2 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares

(c) Option to Purchase Year 3 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 1 Option") The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder "Year 3 Purchase Price" means an amount equal to \$ 10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4 Change of Control If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities, (ii) the sale or disposition of all or substantially all of the Company's assets, or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

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transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions

5 Death or Disability If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6 Endorsement on Share Certificates Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7 Severability If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8 Parties in Interest This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9 Assignment This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10 Amendment Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12 Entire Agreement This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

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5-18-06

13 Governing Law This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof

14 Counterparts This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument

5-18-06

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

COMPANY:

GLUCOTEC, INC

By

Name Richard Grounsell

Title CEO and President

SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge

Garry Hoyt

Richard Grounsell

Lee Grounsell

Clark Grounsell

GARRY W. HOYT
7 ECHO COVE
GRAPEVINE TX 76051

5268

5-18-06

37-65/1119 3846
5652304566

Pay to the
Order of

GlucosTec

Date

\$ 250.00

Two hundred fifty

Dollars



Security
Features
Details on
Back



Wells Fargo Bank, N.A.
Texas
wellsfargo.com

For

250K shares 1.00 per share

Garry W. Hoyt

⑆111900659⑆ 5652304566⑈ 05268

GLUCOTEC, INC.

STOCK SUBSCRIPTION

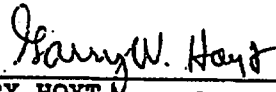
The undersigned hereby subscribes for, and purchases herewith Two Hundred and Fifty Thousand (250,000) shares of the common stock (the "Shares") of GLUCOTEC, INC. (the "Corporation).

The undersigned hereby represents, warrants and acknowledges that (a) the Shares are being acquired for the account of the undersigned, for purposes of investment and not with a view to the distribution thereof, as those terms are used in the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder, (b) the undersigned has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the Shares, and (c) the undersigned understands, and has the financial capability of assuming, the economic risk of an investment in the Shares for an indefinite period of time.

The undersigned agrees to hold the Shares subject to all applicable provisions of the Act, applicable state securities laws, the Articles of Incorporation and the By-laws of the Corporation, and any agreement restricting the disposition or encumbrance of the Shares to which the undersigned is a party.

The representations, agreements and acknowledgments set forth above are being given by the undersigned with the understanding that they will be relied upon by the Corporation and its Board of Directors in order to claim the availability of the exemption from the registration provisions of the Act contained in Section 4(2) thereof.

DATED as of the 24th day of March, 2006


GARRY HOYT

Investor's Name: Garry Heyt

SUBSCRIPTION AGREEMENT AND PURCHASER QUESTIONNAIRE

GLUCOTEC, INC.

**14-D Pelham Ridge Drive
Greenville, SC 29615
(864) 370-3297**

Gentlemen/Ladies:

The undersigned hereby subscribes to purchase shares of common stock ("Shares") of GlucoTec, Inc., a South Carolina corporation (the "Company"), in accordance with the terms of this Subscription Agreement and Purchaser Questionnaire (the "Agreement"). The Shares are more fully described in the Confidential Private Placement Memorandum dated May __, 2006 (the "PPM").

This subscription will be accepted or rejected by the Company in its sole discretion.

Subscription for Shares. The undersigned hereby subscribes for the acquisition of 60,000 Shares in consideration of the undersigned's payment of \$ 60,000 simultaneous with the execution of this Agreement.

A. **Representations and Warranties.** The undersigned acknowledges, represents, warrants, and agrees as follows:

1. The undersigned has received the PPM, has carefully reviewed the PPM, and has relied only on the information contained therein and upon information from books and records of the Company in making the decision to invest in the Shares. The undersigned acknowledges that all documents, books, and records pertaining to the investment in the Shares have been made available for inspection by him or her. The undersigned has had a reasonable opportunity to ask questions of and receive answers from the Company, or a person or persons acting on the Company's behalf, relating to the Company and the Shares, and to obtain additional information, to the extent possessed or obtainable by the Company without unreasonable effort or expense, necessary to verify the accuracy of the information in the PPM. All such questions have been answered to the full satisfaction of the undersigned. No oral representations have been made, and no oral information has been furnished, to the undersigned in connection with the offering of the Shares that were in any way inconsistent with the PPM. The undersigned understands and agrees that the financial projections included in the PPM are based on assumptions made by the Company, that such assumptions are difficult to predict and will probably differ from future results, and that actual results of operation of the Company may differ materially from the results of operation of the Company contemplated in the

financial projections. The undersigned has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the Shares.

2. The undersigned is an "accredited investor" (as set forth in the Purchaser Questionnaire that is part of this Agreement).

3. The undersigned recognizes that the Shares as an investment involve significant risks, including those set forth under the caption "Risk Factors" in the PPM.

4. **THE UNDERSIGNED UNDERSTANDS THAT THE SALE OF THE SHARES HAS NOT BEEN REGISTERED UNDER THE ACT OR ANY STATE SECURITIES LAW IN RELIANCE UPON EXEMPTIONS THEREFROM. THE UNDERSIGNED UNDERSTANDS THAT, IF ACQUIRED, THE SHARES MUST BE HELD INDEFINITELY UNLESS THE SALE OR OTHER TRANSFER THEREOF IS SUBSEQUENTLY REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR EXEMPTIONS FROM SUCH REGISTRATIONS ARE AVAILABLE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT THE COMPANY IS UNDER NO OBLIGATION TO REGISTER THE SHARES ON HIS OR HER BEHALF OR TO ASSIST HIM OR HER IN COMPLYING WITH ANY EXEMPTION FROM REGISTRATION.**

5. The Shares, if acquired, will be acquired solely for the undersigned's own account for investment purposes only and not for the account of any other person and not for distribution, assignment, or resale to others, and no other person will have a direct or indirect beneficial interest in the Shares.

6. The undersigned realizes that, if the Shares are acquired, the undersigned may not be able to sell or dispose of them as there will be no public market for them and assignment of them is prohibited without the prior written consent of the Company. The undersigned has adequate means, over and above the amount of his or her investment in the Shares, of providing for his or her current needs and possible personal contingencies and has no need for liquidity of the investment in the Shares. The undersigned is able to bear the substantial economic risk of an investment in the Shares for an indefinite period of time and could afford a complete loss of such investment.

7. All information that the undersigned has provided to the Company in the Purchaser Questionnaire that is a part of this Agreement or otherwise is correct and complete as of the date set forth on the signature page hereof, and if there should be any change in such information prior to the undersigned's subscription being accepted, the undersigned will immediately provide the Company with such information.

8. The undersigned, if an individual, is a citizen of Texas (state), and is at least 21 years of age.

9. The undersigned understands that the tax consequences arising from investment in the Company depend on the undersigned's individual circumstances. **THE UNDERSIGNED ALSO UNDERSTANDS THAT NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE WITH RESPECT TO ANY TAX CONSEQUENCES RELATING TO THE SHARES.**

B. **Indemnification.** The undersigned agrees to indemnify and hold harmless the Company and its officers, directors, shareholders, employees, affiliates, and agents from and against all damages, losses, costs, and expenses (including reasonable attorneys' fees) that they may incur by reason of the failure of the undersigned to fulfill any of the terms or conditions of this Agreement, or by reason of any breach of the representations and warranties made by the undersigned in this Agreement (including the Purchaser Questionnaire), or in any document provided by the undersigned to the Company.

C. **Notices to Investors.**

Notice to All Investors

THESE SECURITIES ARE OFFERED FOR SALE PURSUANT TO EXEMPTIONS FROM FEDERAL AND STATE SECURITIES LAWS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THESE SECURITIES OR THE ACCURACY OR ADEQUACY OF THE PPM RELATING TO THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Notice to Georgia Investors

THESE SECURITIES WILL BE ISSUED IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE 'GEORGIA SECURITIES ACT OF 1973' AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

Notice to Illinois Investors

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Notice to Tennessee Investors

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL

OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

Notice to Washington Investors

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND THE WASHINGTON ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED OR RECOMMENDED THE OFFERING OR OFFERING CIRCULAR AND THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 OF THE REVISED CODE OF WASHINGTON, AND, THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF 1933 AND THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 OF THE REVISED CODE OF WASHINGTON OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

D. Miscellaneous

1. The undersigned agrees not to transfer or assign this Agreement or any of the undersigned's interest herein.
2. The undersigned further agrees that the undersigned may not cancel, terminate, or revoke this Agreement or any agreement of the undersigned made hereunder and that this Agreement shall survive the death or disability of the undersigned and shall be binding upon the undersigned's heirs, executors, administrators, successors, and assigns.
3. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by both parties.
4. This Agreement shall be enforced, governed, and construed in all respects in accordance with the laws of the State of South Carolina.
5. Within five days after the receipt of a written request from the Company, the undersigned agrees to provide such information and to execute and deliver such documents as may be reasonably requested by the Company to comply with any and all laws and ordinances to which the Company is subject.

PURCHASER QUESTIONNAIRE

The undersigned by execution of this Agreement commits to acquire the Shares. The following information is furnished to the Company in order for the Company to determine whether the undersigned will be a qualified purchaser of Shares, pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Act"), and under certain state securities laws. The undersigned understands that the Company will rely on the following information for purposes of such determination, and that the Shares will not be registered under the Act in reliance upon the exemption from registration provided by Section 4(2) of the Act and Regulation D thereunder, or under certain state securities laws in reliance upon certain exemptions from registration provided in such laws.

ALL INFORMATION CONTAINED IN THIS AGREEMENT WILL BE TREATED CONFIDENTIALLY. The undersigned agrees, however, that the Company may present this Agreement to such parties as the Company deems appropriate if called upon to establish that the proposed offer and sale of the Shares is exempt from registration under the Act or meets the requirements of applicable state securities laws.

The undersigned understands that this Agreement is merely a request for information. The undersigned understands that this Agreement is not an offer to sell or sale of the Shares and that no sale will occur prior to the acceptance of the undersigned's subscription by the Company.

ACCREDITED INVESTOR QUALIFICATION

ITEM I. ALL SUBSCRIBERS MUST INITIAL THE FOLLOWING LINE:

(Initial)

YUK I understand that the representations contained in this Purchaser Questionnaire are made for the purpose of qualifying me as an accredited investor, as that term is defined by the Securities and Exchange Commission, for the purpose of inducing a sale of securities to me. I hereby represent that the statement or statements initialed below are true and correct in all respects. I understand that a false representation may constitute a violation of the law, and that any person who suffers damage as a result of a false representation may have a claim against me for damages.

ITEM II. ALL SUBSCRIBERS MUST INITIAL ONE OR MORE OF THE FOLLOWING STATEMENTS:

(Initial, if applicable)

YUK A. I certify that I am an accredited investor as defined in Rule 501 promulgated under the Act (an "Accredited Investor") because I had individual income (exclusive of any income attributable to my spouse) of more than \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 in each of the two most recent years, and I reasonably expect to reach the same minimum income level in the current year.

(Initial, if applicable)

**SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT AND PURCHASER
QUESTIONNAIRE**

THIS SUBSCRIPTION AGREEMENT AND PURCHASER QUESTIONNAIRE CONTAINS VARIOUS STATEMENTS AND REPRESENTATIONS BY SUBSCRIBERS AND SHOULD BE CAREFULLY REVIEWED IN ITS ENTIRETY PRIOR TO EXECUTING THIS SIGNATURE PAGE.

I hereby certify that I have reviewed and am familiar with the terms of the Subscription Agreement and Purchaser Questionnaire and that the information contained herein is complete and accurate and may be relied upon. I will notify the Company immediately of any change in any of such information occurring prior to the acceptance of my subscription.

SUBSCRIBER SIGNATURE

Dated: May 30, 2006

Signature: Garry W. Hoyt

Printed Name: Garry W. Hoyt
(As Legal Ownership Should Appear)

Address: 7 Echo Cove
Greenville, SC 29605

Social Security Number/Tax Identification Number: 313-46-1860

ACCEPTANCE OF SUBSCRIPTION

Accepted by GlucoTec, Inc.

By: _____

Name: Hank Durschlag

Title: Chief Operating Officer

Date

Jack B. I certify that I am an Accredited Investor because I have an individual net worth, or my spouse and I have a combined net worth, in excess of \$1,000,000. For purposes of this questionnaire, "Net Worth" means the excess of total assets at fair market value, including home and personal property, over total liabilities.

(Initial, if applicable)

Jack C. I certify that the investor is an Accredited Investor because it is an entity in which all of the equity owners are Accredited Investors.

EXHIBIT 2

ASSIGNMENT OF PROVISIONAL PATENT

WHEREAS, CollaborativeMed, LLC, located and doing business at 14-D Pelham Ridge Drive, Greenville, South Carolina 29615, has submitted a provisional patent for "Glucose management apparatus with associated method for achieving normoglycemia and system for metabolic management" to the U.S. Patent and Trademark Office under Serial No. 60/760,156, dated 19 January 2006, in the United States Patent and Trademark Office; and,

WHEREAS, Glucotec, Inc., located and doing business at 14-D Pelham Ridge Drive, Greenville, South Carolina 29615, is desirous of acquiring said mark;

NOW, THEREFORE, in consideration of and in exchange for \$10.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, said CollaborativeMed, LLC, does sell, assign, transfer and set over unto said Glucotec, Inc. the entire right, title and interest in, to, and under said provisional patent and any patent application or patent to be filed or issued thereon.

FOR: COLLABORATIVEMED, LLC

By: R. Booth

Robert Booth, Vice President

Date: 5/18/06

ASSET/INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

THIS ASSET / INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT ("Agreement"), dated as of / , 2005 (the "Effective Date"), is by and between Collaborative Medical, LLC (CoMed) a limited liability corporation formed in accordance with the laws of South Carolina, and, R. Dennis Steed, MD, Paul C. Davidson, MD, Bruce W. Bode, MD, citizens of Georgia (USA) (the "Assignors").

Based on good and valuable consideration to include:

- 2% royalty on sales of products associated with the Intellectual Property
- 1% of initial stock issued in CoMed Private Investment in Public Entity (PIPE)

STOCK TO PIPE VALUE:
 Stock Issuance of \$50,000 CASH. ~~IF NO PIPE~~
 ONE YEAR \$100,000 VALUE OR ISSUE ~~IF NO PIPE~~
 and Additional Items (if applicable) NULL AND VOID 90 DAYS (177,000)

AVANTIS CLINICAL CONTRACT REVENUE Excluded
H. JOE AND PIEDMONT HOSPITAL CONTRACT Excluded
DTCA - Settlement Excluded.

Assignors grant CoMed with all right, title, and interest to any and all Intellectual Property Rights related to the entity referred to as "GLUCOMMANDER", and/or any additional entity references.

For purposes of this Agreement, "Intellectual Property Rights" means intellectual property rights, including (i) any patent, patent application (whether registered or unregistered), copyright (whether registered or unregistered), copyright application (whether registered or unregistered), trade secret, trademark (whether registered or unregistered), trademark application, trade name, service mark (whether registered or unregistered), service mark application, confidential information, know-how, process, technology, compiled data or analysis, litigation or other lawful rights, development tool, inventory, contracts, agreements, obligations, ~~ideas~~ concepts, design right, database right, methodology, algorithm or invention, (ii) any right to use or exploit any of the foregoing, and (iii) any other proprietary right, whether arising under the laws of the United States or any other country.

1. **Representations and Warranties.** Assignor represents and warrants that: (i) the Intellectual Property assigned hereunder are the Assignor's original work and Assignor has the power and authority to assign its Intellectual Property Rights in accordance with this Agreement; (ii) Assignor has no knowledge of any third party intellectual property infringement claims, lawsuits, or demands arising under or in connection with the Intellectual Property; (iii) Assignor has the right, authority and power to enter into this Agreement; (iv) no third party consents, assignments or licenses are necessary to perform under this Agreement; and (v)

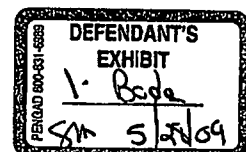
RDS

PCD

BWB

RG

Plaintiffs 000463



Assignor has no obligations to any employer (whether by law or by contract) that could in any way prohibit Assignor from assigning the Intellectual Property to CoMed. Assignor agrees to immediately notify CoMed in writing if any facts or circumstances arise that would make any of the representations in this Agreement inaccurate in any way.

2. **Governing Laws.** To the full extent permitted by law, this Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, United States of America, excluding its conflicts of laws principles. To the full extent permitted by law and consistent with valid entry into a binding agreement, the controlling language of this Agreement is English and any translation Assignor has received has been provided solely for Assignor's convenience. To the full extent permitted by law, the exclusive jurisdiction for any action relating to this Agreement shall be a federal or state court in Greenville, South Carolina and the parties consent to such jurisdiction and waive and agree not to plead or claim that any such action or proceeding has been brought in an inconvenient forum.
3. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, the parties waive any provision of law that renders any such provision prohibited or unenforceable in any respect.
4. **Cooperation Following the Execution.** Following the execution of this Agreement, each party shall deliver to the other such further information and documents and shall execute and deliver to the other such further instruments and agreements as the other party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other party the benefits of this Agreement.
5. **Entire Agreement:** This Agreement constitutes the entire Agreement between Assignor and CoMed with respect to the subject matter hereof, and supersedes all oral or written communications or other agreements between the parties with

RDS

PCD

BWB

RG

respect to such subject matter hereof. No changes, supplements, addenda, or amendments to this Agreement shall be effective or enforceable unless agreed to by the parties in writing.

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

ASSIGNORS

[Signature]
(R. Dennis Steed, MD) (Date)

[Signature] 12/7/05
(Paul C. Davidson, MD) (Date)

[Signature] 12-7-08
(Bruce W. Bode, MD) (Date)

[Signature] 12/7/05
Witness Signature (Date)

[Signature] 12/7/05
Witness Signature (Date)

[Signature] 12/7/05
Witness Signature (Date)

CoMCA

[Signature] 12/7/2005
(Richard Grounsell) (Date)

[Signature] 12/7/2005
Witness Signature (Date)

STOCK LOG
GlucoTec, Inc. (DE)

				<u>Transferred From</u>					<u>Current Status</u>			
<u>Issued To</u>	<u>Cert. No.</u>	<u>No. of Shares</u>	<u>Date Issued</u>	<u>S.C. Cert. No.</u>	<u>Cert. No.</u>	<u>Dated</u>	<u>Orig. Shares</u>	<u>Shares Trans.</u>	<u>New Cert. Issued To:</u>	<u># of New Cert</u>	<u># of Shares Trans.</u>	<u># of Shares Redeemed</u>
Richard L. Grounsell	1	3,175,000	5/2/2008	1, 166, 343					Irvin Law Firm, LLC	264	50,000	0
									Richard L. Grounsell	265	3,125,000	0
Bruce Bode, M.D.	2	1,674,509	5/2/2008	2, 10, 48, 142, 154								
Robert Booth	3	580,535	5/2/2008	4, 12, 348								
Lee Grounsell	4	2,347,332	5/2/2008	5, 169, 349								
Clark Grounsell	5	2,344,932	5/2/2008	6, 170, 351								
Anthony Ethridge	6	50,000	5/2/2008	7								
M.E. Hank Durschlag	7	100,000	5/2/2008	8, 160								
R. Dennis Steed, M.D.	8	50,000	5/2/2008	13								
Paul Davidson, M.D.	9	54,500	5/2/2008	14, 50								
Daniel Pollom	10	45,000	5/2/2008	15, 18								
Dr. Kevin R. Johnston	11	10,000	5/2/2008	16								
William P. Walker, Jr.	12	45,000	5/2/2008	17								
Riley Keith Campbell	13	2,000	5/2/2008	19								
A.E. Vaxner (Charles Schwab)	14	25,000	5/2/2008	21								

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Robert W. Rhame, Jr., M.D.	15	50,000	5/2/2008	22								
Dirk Davidson	16	100,000	5/2/2008	23								
Neil J. Negrin, President Cornell Properties	17	100,000	5/2/2008	24								
MERJ, LLC	18	50,000	5/2/2008	25								
Jack C. Alexander	19	300,000	5/2/2008	26, 339					NCCF Support, Inc.	288	150,000	0
									Jack C. Alexander	289	150,000	0
Paul C. Davidson & Mary Hebblewhite	20	100,000	5/2/2008	27								
Harry R. Hebblewhite	21	143,000	5/2/2008	28, 49								
Charles W. Clark	22	100,000	5/2/2008	29								
Mary C. Hebblewhite, Ph.D	23	50,000	5/2/2008	30								
Wesley Pritchett	24	100,000	5/2/2008	31								
Anthony A. Tantillo/ President of ISO, LLC	25	500,000	5/2/2008	32								
Bryon W. Williams, Jr., M.D.	26	100,000	5/2/2008	33								
George W. Watt, M.D.	27	100,000	5/2/2008	34								
Robert H. Bode, Jr.	28	50,000	5/2/2008	35								
Jim F. & Debra L. Knight	29	100,000	5/2/2008	36								
John D. Merlino	30	60,000	5/2/2008	37								
William E. Baer	31	25,000	5/2/2008	38								

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Stewart Weinhoff	32	25,000	5/2/2008	39								
Bette May Demartini	33	100,000	5/2/2008	40								
Louis Prevosti	34	100,000	5/2/2008	41								
Raymond B. Andrews	35	50,000	5/2/2008	42								
Douglas Richardson	36	50,000	5/2/2008	43								
Thomas M. Flood	37	50,000	5/2/2008	45								
Bart & Cynthia E. Witherspoon JT	38	100,000	5/2/2008	46								
Douglas Mahan	39	150,000	5/2/2008	47								
Robert S. Axtell & Robin M. Axtell (JT)	40	5,000	5/2/2008	51								
Thomas D. Armsey, II	41	13,000	5/2/2008	52, 120								
Linda S. Parker	42	50,000	5/2/2008	53								
Kimberly M. Tobias	43	30,000	5/2/2008	54								
Kathleen M. Walsh	44	15,000	5/2/2008	55								
Albert D. Lane	45	185,000	5/2/2008	56, 153								
M. Dale Floyd & Linda C. Floyd (JT)	46	20,000	5/2/2008	57								
L. Morgan Martin	47	27,000	5/2/2008	58								
Thomas C. Brittain	48	27,000	5/2/2008	59								
George Hearn	49	27,000	5/2/2008	60								
George R. Vereen	50	54,000	5/2/2008	61								

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Bobby Livingston	51	10,000	5/2/2008	62								
Richard D. Weddington	52	5,000	5/2/2008	63								
Paul Booth	53	85,500	5/2/2008	64								
Tony K. Cox	54	50,000	5/2/2008	65								
Mandi Hardee Reaves	55	59,500	5/2/2008	66								
Void												
Benjy Hardee	57	163,500	5/2/2008	68								
Kenneth & Joni Walsh	58	3,000	5/2/2008	69								
James & Lesley Walsh	59	2,000	5/2/2008	70								
SunTrust Bank, Trustee for Thomas T. Williams Jr., Under IRA Agreement	60	25,500	5/2/2008	71								
Bruce Fout	61	50,000	5/2/2008	72								
Gerald R. & Susan Dana Ireland (JT)	62	10,000	5/2/2008	73								
Michael W. Neal	63	12,760	5/2/2008	74, 83, 309, 315								
Michael S. Martin & Barbara N. Martin (JT)	64	40,000	5/2/2008	79								
Gordon D. Seay & Diane H. Seay (JT)	65	12,000	5/2/2008	81								
Greer B. Holland & Debra H. Holland (JT)	66	10,000	5/2/2008	82								

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Entrust Carolinas LLC Trustee FBO Thomas T. Williams, Jr. Roth IRA #00316-06	67	12,500	5/2/2008	84								
Peter L. Murray	68	2,000	5/2/2008	86								
Katherine A. Slayter	69	2,000	5/2/2008	87								
Cynthia Ann Moody	70	12,000	5/2/2008	88								
Andrew Hardin	71	6,000	5/2/2008	89								
Trapier K. Hart	72	2,000	5/2/2008	90								
Robbie Howard	73	2,000	5/2/2008	91								
Sigma Properties, LLC	74	80,000	5/2/2008	92								
Jody B. Durham	75	45,500	5/2/2008	93								
Frank H. Wiygul & Connie B. Wiygul (JT)	76	14,000	5/2/2008	94, 308								
John W. Arrington IV	77	25,000	5/2/2008	98								
Ross B. Kester	78	100,000	5/2/2008	99								
John F. Guest	79	4,506	5/2/2008	100, 313, 316								
Erick F. Guest	80	3,333	5/2/2008	101								
W. Frank Ferguson	81	7,760	5/2/2008	102								
Nicholas F. Stathakis	82	4,400	5/2/2008	104, 194								
James L. Goldsmith, Jr.	83	1,667	5/2/2008	105, 360								

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Allen D. Baggett & Wendy D. Baggett JT	84	5,000	5/2/2008	106								
Lenny Adler	85	100,000	5/2/2008	108								
Thomas T. Williams Jr. K-Investments	86	25,000	5/2/2008	109, 136								
Paul E. Bacchus	87	24,123	5/2/2008	110								
Sara J. Smith	88	7,500	5/2/2008	111, 196, 223								
Craig Phillips Grounell	89	50,000	5/2/2008	112								
Sandy West Grounell	90	10,000	5/2/2008	113								
Deborah Susan Grounell	91	10,000	5/2/2008	114								
Gwendolyn B. Coleman Living Trust, Dated 7-14-05 Gwendolyn B. Coleman, Trustee	92	125,000	5/2/2008	115, 116, 117								
Richard Fricker	93	15,000	5/2/2008	119								
Mark R. & Lisa L. Stokes (JT)	94	12,500	5/2/2008	122								
Charles T. & Bernadette S. Rozak (JT)	95	25,000	5/2/2008	123								
Charlie Dom Smith, III, M.D.	96	10,000	5/2/2008	124								
Edward & Kay Floyd (JT)	97	50,000	5/2/2008	125								
Joseph Getz	98	12,500	5/2/2008	126								
Baker Getz	99	12,500	5/2/2008	127								
Eddie Buckhouse	100	12,500	5/2/2008	128								

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C. E. Floyd, III	101	12,500	5/2/2008	129								
Virginia & Frederick Dabel (JT)	102	3,000	5/2/2008	130								
Rose Haberkorn	103	5,100	5/2/2008	131, 132								
Steven & Laurie Walsh (JT)	104	5,000	5/2/2008	133								
Peter & Jean Landwehr (JT)	105	5,000	5/2/2008	134								
Donald & Bonita Wersal (JT)	106	5,000	5/2/2008	135								
Forest & Mary Thomas (JT)	107	95,833	5/2/2008	137, 148								
CDES, LLC (EIN #20-3519517)	108	95,833	5/2/2008	138, 147								
Anthony E. & Rita C. Vaxner (JT)	109	10,000	5/2/2008	140								
M. Rhett Thackston	110	25,000	5/2/2008	141								
Lewis C. Sommerville, Jr.	111	5,000	5/2/2008	144								
Ryan J. Colburn	112	5,000	5/2/2008	145								
Harold J. Colburn	113	5,000	5/2/2008	146								
Michael Burgin	114	26,666	5/2/2008	149								
Kirk Burgin	115	26,666	5/2/2008	150								
Bobby Burgin	116	16,666	5/2/2008	151								
Ashmore Leaphart Rabon & Hinds, LLC	117	2,000	5/2/2008	155								
William L. Batson	118	8,166	5/2/2008	156, 192, 314					Robert B. & Sheila B. Smith William L. Batson	275 276	2,666 5,500	

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Joel & Jenny Banta (JT)	119	16,666	5/2/2008	159								
Anthony E. Vaxner	120	50,480	5/2/2008	161, 258								
Nhan Nguyen	121	5,000	5/2/2008	163								
James Irvin, Jr.	122	25,000	5/2/2008	165								
Sara Jane Grounsell	123	2,000,000	5/2/2008	167								
Mary Louis Grounsell	124	2,273,332	5/2/2008	168, 350								
Susan Rudolf Fischell	125	75,000	5/2/2008	171					Susan Rudolph Fischell	291	75,000	(corrected certificate issued to correct name misspelling)
Scott Jay Fischell	126	75,000	5/2/2008	172								
Daniel Seawell	127	25,000	5/2/2008	173								
Morgan Stanley Custodian FBO Susan Van Epps, MD	128	50,000	5/2/2008	174								
Marcel Twahirwa	129	2,500	5/2/2008	175								
Marcella Twahirwa	130	2,500	5/2/2008	176								
Jeremy Deyton	131	5,000	5/2/2008	177								
Lori A. LaPointe	132	10,000	5/2/2008	178								
Andy Ethridge	133	13,720	5/2/2008	180								
Co-Med	134	1,760,311	5/22/2008	9,183								
Tim A. & Anne A. Fischell (JT)	135	25,000	5/2/2008	184								
David Ross Fischell	136	150,000	5/2/2008	185, 342								

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Joye Newsome Conservator for Patrick Gleason	137	12,500	5/2/2008	187								
Max I. Himmel	138	100,000	5/2/2008	188, 278								
Kristen E. Jones	139	7,500	5/2/2008	189								
Chad J. Himmel	140	20,000	5/2/2008	190								
Jerry P. Himmel	141	61,500	5/2/2008	191								
Jody B. & Erin M. Durham (JT)	142	4,000	5/2/2008	193								
E. Vernon Ferrell & Cathy Coons (JT)	143	37,500	5/2/2008	197					E. Vernon Ferrell	290	37,500	
Brian Hobbs SEP IRA RBC Dain Rauscher Cust.	144	24,000	5/2/2008	198								
Rachael Hobbs IRA RBC Dain Rauscher Cust.	145	24,000	5/2/2008	199								
Gina B. Wood IRA RBC Dain Rauscher Cust.	146	22,000	5/2/2008	200								
James M. & Wanda F. Wood	147	22,500	5/2/2008	201, 240								
James & Carle Vines	148	5,000	5/2/2008	202								
William R. Tevis	149	16,500	5/2/2008	203, 280								
Brian & Rachael Hobbs (JT)	150	12,000	5/2/2008	204								
Joseph D. & Tammi L. Ray (JT)	151	7,500	5/2/2008	205, 242								
Willis M. Deviney	152	30,000	5/2/2008	206								
Herman J. Oufnac	153	1,428	5/2/2008	207								

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Harry J. Wells	154	2,571	5/2/2008	208								
Douglas R. Reed, Sr.	155	2,857	5/2/2008	209								
Douglas R. Reed, Jr.	156	4,286	5/2/2008	210								
Richard Scott Holt	157	27,122	5/2/2008	211, 249, 347								
Jackie Thacker	158	1,500	5/2/2008	212								
Ledawn Gauthier	159	1,500	5/2/2008	213								
Lance Offill	160	2,000	5/2/2008	215								
Mary C. Broderick	161	200	5/2/2008	216					Rachel Hobbs	292	100	0
									Gerald Broderick	293	100	
Gerald Broderick	162	200	5/2/2008	217								
Steve & Kara Hobbs (JT)	163	200	5/2/2008	218								
B. Webb Jones, Jr., DMD	164	10,000	5/2/2008	220								
F. Gregg Jones, M.D.	165	10,000	5/2/2008	221								
William D. Blackmon	166	1,000	5/2/2008	222								
Jake Glenn Gleason	167	5,000	5/2/2008	224								
Rhett Chile Gleason	168	5,000	5/2/2008	225								
Joye Newsome	169	12,500	5/2/2008	226								
Louis L. & Beth Holtz	170	60,000	5/2/2008	228								
Louis L. Holtz, Jr. & Jennifer Holtz	171	10,000	5/2/2008	229								
Luanne & Terry Altenbaumer	172	10,000	5/2/2008	230								

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Elizabeth & Michael Messaglia	173	10,000	5/2/2008	231								
Kevin & Kelly Holtz	174	10,000	5/2/2008	232								
Danny Offill IRA RBC Dain Rauscher Cust.	175	25,000	5/2/2008	233								
David T. Roberts	176	545,000	5/2/2008	234, 346, 352					David Durham Roberts	260	30,000	0
									David T. Roberts	261	515,000	0
Patrick J. Lambert	177	30,328	5/2/2008	235, 325, 358								
Robert J. Byrnes	178	43,543	5/2/2008	236					Cancelled 3/18/09			
Stephen V. Jones	179	43,543	5/2/2008	353					Cancelled 3/18/09			
Harry N. & Becky V. Moore	180	29,995	5/2/2008	238, 239, 252, 256								
Brandon M. Wood	181	7,000	5/2/2008	241								
Michael Ribelin	182	30,000	5/2/2008	243, 281								
Frank Timmins	183	8,000	5/2/2008	244								
Sharon McReynolds	184	8,300	5/2/2008	245, 298								
Betty Deviney	185	1,000	5/2/2008	246								
Ernest W. & Margaret A. Jones, Trust	186	8,000	5/2/2008	247								
Patsy A. Wade	187	1,000	5/2/2008	248								
Joel & Courtney Hohenberger	188	2,352	5/2/2008	250								
Steven W. & Mindi K. Spear	189	100	5/2/2008	251								

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Todd Matzat	190	100	5/2/2008	253								
Nicholas Spinden	191	50	5/2/2008	254								
James Spinden	192	50	5/2/2008	255								
CollMed, LLC	193	68,703	5/2/2008	361					C. Dane Gross	266	1,400	
									Duane C. Jones	267	600	
									Mitchell K. Williams	268	3,002	
									Michael C. and Christina A. Steele	269	4,400	
									Gerald Strohane	270	1,400	
									Theresa Steele	271	2,000	
									Anna Marie Evans	272	600	
									Elizabeth B. Howell	273	3,640	
									CollMed, LLC	274	51,661	
Paul Griggs	194	1,450	5/2/2008	261								
David Evans	195	15,000	5/2/2008	262								
Jeff Evans	196	2,857	5/2/2008	263								
Robert Case	197	2,857	5/2/2008	264								
Jack Henry	198	1,428	5/2/2008	265								
Charles Fox	199	4,285	5/2/2008	266								
Warren Roesch Jr.	200	2,000	5/2/2008	267								
James and Joycelyn Butler	201	10,000	5/2/2008	268								
Jonathon Black	202	7,142	5/2/2008	269								
Martin Jones	203	7,142	5/2/2008	270								
Theresa Steele	204	1,428	5/2/2008	271								
MC Steele Inc.	205	1,428	5/2/2008	272								
John Diez	206	1,500	5/2/2008	273								

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NTC & Co. FBO Lisa L Stokes PRI	207	25,000	5/2/2008	274								
RBC Capital Markets Corp. FBO: John Hawkins IRA	208	4,500	5/2/2008	275								
Julie Wharton Good, LLC	209	160,000	5/2/2008	276								
Jones Family Trust dated 10/5/99	210	7,059	5/2/2008	277								
Thornton G. Young	211	5,000	5/2/2008	279								
J. Stephen Hunnicut	212	1,000	5/2/2008	282								
Kenneth Hobbs IRA RBC Dain Rauscher Cust.	213	3,300	5/2/2008	283								
Aaron Fricke IRA RBC Dain Rauscher Cust.	214	10,000	5/2/2008	284								
I.A. & Janice Webb (JT)	215	1,000	5/2/2008	285								
Dan & Nicole Wilsford (JT)	216	2,000	5/2/2008	286								
Patrick T. Dykes	217	4,762	5/2/2008	287								
Michael Baragona	218	3,000	5/2/2008	288								
David R. & Dianne Moore (JT)	219	2,000	5/2/2008	289								
Matthew K. Moore	220	1,000	5/2/2008	290								
C. Doug Moore	221	1,000	5/2/2008	291								
Francis Mires	222	1,176	5/2/2008	292								

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Landon Mires	223	235	5/2/2008	293								
Toby Mires	224	235	5/2/2008	294								
Macy Mires	225	235	5/2/2008	295								
David C. & Lorie K. Young (JT)	226	2,825	5/2/2008	296								
Kim Van Dyke	227	1,412	5/2/2008	297								
Harry Moore	228	10,877	5/2/2008	299								
Ken and Sandy Hobbs	229	2,500	5/2/2008	300								
Ernest and Margaret Jones	230	7,059	5/2/2008	301								
Kristi S. Jones	231	5,000	5/2/2008	302								
M&M Investments	232	4,000	5/2/2008	305								
Charles E. Boswell IV & Susan P. Boswell	233	16,000	5/2/2008	306								
Frank H. Wiygul III	234	5,000	5/2/2008	307								
Elma Ruth Neal	235	1,000	5/2/2008	310								
Kyle Eugene Neal	236	500	5/2/2008	311								
Matthew A. and Mary Elizabeth Justus	237	4,000	5/2/2008	312								
Annette C. Batson & Rosevelyn B. Cooper	238	1,000	5/2/2008	317								
Corey Leonard	239	1,844	5/2/2008	321								
Homeland HealthCare, Inc.	240	40,593	5/2/2008	323, 326, 329, 341					Cancelled 3/18/09			
Margie & Manuel Michel	241	953	5/2/2008	324								

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Blair A. & Judith G. Cottingham (JT)	242	2,859	5/2/2008	327								
Patrick Lambert, Jr.	243	1,000	5/2/2008	330								
Summer Arnold	244	1,312	5/2/2008	331								
Katie Jean Montgomery	245	1,000	5/2/2008	332								
Frank Scalia	246	2,500	5/2/2008	333								
Morgan Childrens Trust	247	11,800	5/2/2008	334								
RBC Capital Markets Custodian FBO Steve Morgan IRA	248	53,500	5/2/2008	335								
Andrew Wilson	249	1,200	5/2/2008	336								
Mike Wood	250	100,000	5/2/2008	340					Redeemed per. Termination Agreement			100,000
Cecil W. Laws	251	16,666	5/2/2008	344								
Jim Wiseman	252	37,500	5/2/2008	345								
Robert Booth	253	12,500	5/2/2008	N/A								
Thomas Evans	254	571	5/2/2008	354								
Lawrence Tallman	255	3,000	5/2/2008	355								
Shanie Dugas	256	25,000	5/2/2008	356								
Jared Caruso-Riecke	257	7,150	5/2/2008	357								
Robert Clift	258	12,500	5/2/2008									
Heyward P. Putnam	259	4,000	5/2/2008	359								
David Durham Roberts	260	30,000	5/2/2008	N/A	176	5/2/2008	545,000	30,000	Richard L. Grounsell	294	30,000	0

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David T. Roberts	261	515,000	5/2/2008	N/A	176	5/2/2008	545,000	515,000	Richard L. Grounsell	294	15,000	500,000
Scott Jay Fischell	262	1,396,011	5/2/2008	257								
CollMed, LLC	263	2,000,000	5/2/2008	259								
Irvin Law Firm, LLC	264	50,000	6/3/2008	N/A	1	5/2/2008	3,175,000	50,000				
Richard L. Grounsell	265	3,125,000	6/3/2008	N/A	1	5/2/2008	3,175,000	3,125,000				
C. Dane Gross	266	1,400	6/4/2008	N/A	193	5/2/2008	68,703	1,400				
Duane C. Jones	267	600	6/4/2008	N/A	193	5/3/2008	68,703	600				
Mitchell K. Williams	268	3,002	6/4/2008	N/A	193	5/4/2008	68,703	3,002				
Michael C. and Christina A. Steele	269	4,400	6/4/2008	N/A	193	5/5/2008	68,703	4,400				
Gerald Strohane	270	1,400	6/4/2008	N/A	193	5/6/2008	68,703	1,400				
Theresa Steele	271	2,000	6/4/2008	N/A	193	5/7/2008	68,703	2,000				
Anna Marie Evans	272	600	6/4/2008	N/A	193	5/8/2008	68,703	600				
Elizabeth B. Howell	273	3,640	6/4/2008	N/A	193	5/2/2008	68,703	3,640				
CollMed, LLC	274	51,661	6/4/2008	N/A	193	5/2/2008	68,703	51,661	Charles A. Weatherbie Daniel F. Langdon Patricia Lamond Zan Terry Randy LeBlanc CollMed, LLC	277 278 279 280 281 282	700 714 714 2,353 1,400 45,780	0
Robert B. and Sheila B. Smith (JT)	275	2,666	8/27/2008	N/A	118	5/2/2008	8,166	2,666				0
William L. Batson	276	5,500	8/27/2008	N/A	118	5/2/2008	8,166	5,500				
Charles A. Weatherbie	277	700	8/29/2008	N/A	274	6/4/2008	51,661	700				

Issued To	Cert. No.	No. of Shares	Date Issued	S.C. Cert. No.	Cert. No.	Dated	Orig. Shares	Shares Trans.	New Cert. Issued To:	# of New Cert.	# of Shares Trans.	# of Shares Redeemed
Daniel F. Langdon	278	714	8/29/2008	N/A	274	6/4/2008	51,661	714				
Patricia Lamond	279	714	8/29/2008	N/A	274	6/4/2008	51,661	714				
Zan Terry	280	2,353	8/29/2008	N/A	274	6/4/2008	51,661	2,353				
Randy LeBlanc	281	1,400	8/29/2008	N/A	274	6/4/2008	51,661	1,400				
CollMed, LLC	282	45,780	8/29/2008	N/A	274	6/4/2008	51,661	45,780	Danny Offill for Danny Joe Offill	283	2,000	
									Danny Offill for Danny Lance Offill	284	1,000	
									Danny Offill for Steven Paul Offill	285	1,000	
									CollMed, LLC	286	40,352	
									Robert Case	287	1,428	
Danny Offill for Danny Joe Offill	283	2,000	12/4/2008	N/A	282	8/29/2008	45,780	2,000				
Danny Offill for Danny Lance Offill	284	1,000	12/4/2008	N/A	282	8/29/2008	45,780	1,000				
Danny Offill for Steven Paul Offill	285	1,000	12/4/2008	N/A	282	8/29/2008	45,780	1,000				
CollMed, LLC	286	40,352	12/4/2008	N/A	282	8/29/2008	45,780	40,352				
Robert Case	287	1,428	12/4/2008	N/A	282	8/29/2008	45,780	1,428				
NCCF Support, Inc.	288	150,000	12/12/2008	N/A	19	5/2/2008	300,000	150,000				
Jack C. Alexander	289	150,000	12/12/2008	N/A	19	5/2/2008	300,000	150,000				
E. Vernon Ferrell	290	37,500	3/6/2009	197	143	5/2/2008	37,500	37,500				
Susan Rudolph Fischell	291	75,000	3/6/2009	171	125	5/2/2008	75,000	75,000				
Rachel Hobbs	292	100	3/11/2009	N/A	161	5/22/2008	200	100				
Gerald Broderick	293	100	3/11/2009	N/A	161	5/23/2008	200	100				
Richard Grounsell	294	45,000	4/15/2009	N/A	260	5/2/2008	30,000	30,000				

Issued To	Certif. No.	No. of Shares	Date Issued	S.C. Cert. No.	Certif. No.	Dated	Orig. Shares	Shares Trans.	New Cert. Issued To	# of New Cert	# of Shares Trans.	# of Shares Redeemed
					261	5/2/2008	515,000	15,000				
CollaborativeMed, LLC	295	723,789	4/16/2009	N/A								
CollaborativeMed, LLC	296	60,565	5/1/2009	N/A								

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) FOR THE THIRTEENTH JUDICIAL DISTRICT
CIVIL ACTION NO.: 08-CP- 43 - 2321

GARRY HOYT,)

Plaintiff,)

vs.)

COMPLAINT
(Jury Trial Demanded)

COLLABORATIVEMED, LLC,)
GLUCOTEC, INC.,)
GLUCOTEC, INC., and)
RICHARD L GROUNSELL,)

Defendants.)

FILED IN THE COURT
OF COMMON PLEAS
GREENVILLE COUNTY, SC
JAN 26 2009
CLERK OF COURT
W. W. WICKENHOFER

2008 JAN 26 P 2:01

Comes now Plaintiff Hoyt, by and through his undersigned Counsel of Record and alleges as follows:

NATURE OF THE CASE

1. Plaintiff Hoyt brings this action for monetary damages suffered as a result of the shareholder oppression, self dealing, and other wrongful acts committed by Richard Grounsell, individually and as controlling shareholder of GlucoTec, Inc and controlling member of CollaborativeMed, LLC.
2. Plaintiff Hoyt brings this action for monetary damages against Defendants for wrongful acts including, but not limited to, shareholder oppression, improper transfers, and entering into self dealing transactions at the detriment of GlucoTec, Inc. and its shareholders. Plaintiff requests compensatory damages and punitive damages as a result of injuries suffered as more fully described herein.

PARTIES

3. Plaintiff Garry Hoyt is a resident and citizen of the State of Texas.
4. Upon information and belief, Defendant CollaborativeMed, LLC ("CoMed") is a

limited liability company formed in accordance with the laws of South Carolina with its principal place of business located in Greenville County, South Carolina.

5. Upon information and belief, Defendant GlucoTec, Inc. ("GlucoTec") is a South Carolina corporation formed in accordance with the laws of South Carolina with its principal place of business located in Greenville County, South Carolina.
6. Glucotec, Inc., also is incorporated under the laws of Delaware, with its principal place of business in Greenville County, South Carolina. Upon information and belief, the South Carolina corporate transferred some or all of its assets to the Delaware corporation in January, 2008.
7. Upon information and belief, Defendant Richard Grounsell is a resident of Greenville County, South Carolina. Also upon information and belief, Defendant Richard Grounsell was the sole director of GlucoTec, Inc when it was incorporated in South Carolina.

JURISDICTION AND VENUE

8. This Court has jurisdiction over the subject matter of this action and its parties.
9. Venue is proper pursuant to S.C. Code Ann. § 15-7-30(E)(1), as Defendant GlucoTec is a domestic corporation and Defendant CoMed is a domestic limited liability company, both of which maintain their principal place of business in this county and did so at the time this cause of action arose. Further, Defendant Grounsell is a resident of Greenville County.

FACTS

Glucommander Background

10. Glucommander, a software program to regulate IV insulin delivery to control

glucose, was developed by R. Dennis Steed, MD ("Dr. Steed") and Paul C. Davidson, MD ("Dr. Davidson") in 1984, with small revisions to the programming in 1985 and 1986, and 1990.

11. Dr. Steed programmed the Glucommander for manual IV insulin drip formulas to control blood glucose. Dr. Steed left the program with Dr. Davidson and Dr. Bode, for research. Starting in 1985, Dr. Bode and Dr. Davidson began using the Glucommander routinely for hospitalizes hyperglycemic patients while these patients were hospitalized.
12. In 2005, Dr. Steed, Dr. Davidson and Dr. Bode published their Glucommander data based on research conducted from 1985 thru 1998.
13. In October 2005, the Food and Drug Administration ("FDA") approved insulin for the IV route of administration.
14. Upon information and belief, CoMed applied for FDA approval of the Glucommander in January 2006, which was approved in June 2006.

GlucoTec's Formation and Founding Shareholders

15. At all time relevant to the Complaint, Dr. Bode represented his own interest, along with the interests of Dr. Steed and Dr. Davidson in a representative capacity.
16. Upon information and belief, following several meetings, Dr. Bode, Plaintiff Garry Hoyt and Defendant Richard Grounsell agreed to form GlucoTec for marketing of the Glucommander in hospitals nationwide and agreed to share ownership in the company in equal one-third shares.
17. Upon information and belief, sometime in late 2005, Robert Booth at the direction

of and/or with the full knowledge of Defendant Grounsell uploaded the Glucommander program from Dr. Steed's computer onto several zip drives without permission.

18. In December 2005, Dr. Davidson, Dr. Steed, and Dr. Bode signed a preliminary agreement with Collaborative Medical [sic], LLC, a limited liability company owned by Defendant Grounsell, and a company that Defendant Grounsell assured the doctors would transfer the intellectual property rights to the Glucommander to GlucoTec.
19. This agreement was preliminary and was pending a final agreement to be drawn up by counsel for the parties. A final agreement for this transfer was never drafted or executed.
20. Upon information and belief, Defendant Grounsell caused to be filed the articles of incorporation for a new South Carolina Corporation, GlucoTec, Inc., on or about March 28, 2006.
21. In May 2006, Defendant Grounsell informed Dr. Bode and Garry Hoyt that each (Dr. Bode, Garry Hoyt and Defendant Grounsell) would receive 250,000 founders' shares in GlucoTec, Inc. In order to allow the employees to receive stock in GlucoTec Dr. Bode, Plaintiff, and Defendant Grounsell agreed to change the ownership agreement referenced in paragraph 16 and become one-fourth shareholders.
22. In addition to these founders' shares, employees of GlucoTec also received shares with Hank Durschlag receiving 60,000 shares, Robert Booth receiving 100,000 shares, Anthony Ethridge receiving 50,000 shares and Defendant Grounsell's two

sons each receiving 50,000 shares.

23. Defendant Grounsell also explained that each investor who covered expenses and/or performed work at no cost would receive shares at \$0.25 per share based on the amount of money and/or time invested to date. As a result, Garry Hoyt would receive approximately 232,000 additional shares and Dr. Bode would receive approximately 441,000 additional shares.

24. Garry Hoyt was named Executive Vice President of Sales.

Shareholder Oppression and Self Dealing Transactions
by Defendants Grounsell and CoMed

25. Contrary to the shareholders' agreement to each be one-third owners of GlucoTec, on or about May 22, 2006, Defendant Grounsell caused to be transferred 18,129,066 shares in GlucoTec to CoMed, a South Carolina limited liability company controlled by Defendant Grounsell and his family.

26. This transaction was not disclosed to Plaintiff Hoyt by the company or by Defendant Grounsell.

27. Upon information and belief, there was not a shareholders meeting to discuss this transfer of stock nor was Plaintiff Hoyt given an opportunity to purchase additional shares to prevent dilution of his ownership interest.

28. Upon information and belief, the 18,129,066 shares for the Glucommnader, its FDA approval, and intellectual property was a number created by Defendant Grounsell and was not based on the value of the Glucommander.

29. Upon information and belief, Defendant Grounsell caused this transfer to gain himself substantial interest in GlucoTec, resulting in his becoming the controlling shareholder.

30. Upon information and belief, Defendant Grounsell, in direct competition with GlucoTec, caused CoMed owned shares in GlucoTec to be sold instead of issuing additional GlucoTec shares to satisfy subscriptions for stock in GlucoTec.
31. Upon information and belief, Defendant Grounsell sold shares in this manner to return money to GlucoTec that he had used for his own benefit.
32. Upon information and belief, the money Defendant Grounsell removed from GlucoTec was routed to Mexico to invest in a gaming cruise ship.
33. Upon information and belief, this money was sent to gain an ownership interest in the above referenced ship and its operations and/or was sent as a loan to finance the operation of the ship.
34. Garry Hoyt was terminated in late June 2006 and upon information and belief, Garry Hoyt's founders' shares were bought back by the company pursuant to a void agreement.
35. During 2007, Defendant CoMed offered and sold to the public, and continues to offer to the public, shares of GlucoTec stock in an unregistered offering accompanied by materially false and misleading statements.
36. Defendant Grounsell, as the person in control of CoMed, participated in and controlled, and continues to participate in and control, CoMed's unregistered offerings to members of the public of GlucoTec stock, accompanied by materially false and misleading statements.
37. Upon information and belief, the January 4, 2008 proxy solicitation of GlucoTec contained information regarding the composition of the board of directors of the new entity that was known to be false when it was included.

38. Further, insufficient information about the GlucoTec was provided in advance of the January 25, 2008 shareholder's meeting to enable shareholders to make an informed decision about whether to exercise dissenter's rights. Specifically, prior to that date, the Company had never held a shareholders' meeting and had never provided reports to shareholders about the financial condition of GlucoTec.

FOR A FIRST CAUSE OF ACTION
(Breach of Fiduciary Duty)

39. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.

40. A confidential or fiduciary relationship was owed by Defendant Grounsell and Plaintiff Hoyt.

41. Defendant Grounsell owed Plaintiff Hoyt duties of a very delicate, exacting and confidential character, requiring a high degree of fidelity and good faith, and competence.

42. Defendant Grounsell breached his fiduciary duty to Plaintiff Hoyt by certain actions and failures to act including, but not limited to the following:

- a. Taking, conducting, and/or performing ultra vires acts with regard to his personal use of funds and resources belonging to GlucoTec, of which Plaintiff Hoyt was a minority shareholder;
- b. Using GlucoTec funds and resources for his personal benefit;
- c. Concealing such personal use of GlucoTec's funds and resources;
- d. Causing the expenditure of a substantial amount of GlucoTec funds for unauthorized and extraordinary purposes, including but not limited to their diversion to unrelated business enterprises in which Defendant Grounsell

was involved;

- e. Failing to obtain GlucoTec's consent to such transactions in violation of GlucoTec's bylaws and relevant statutory law;
- f. Failing to provide and exercise the care, skill and diligence on behalf of GlucoTec that is required by law; and
- g. Causing GlucoTec to be governed (including, without limitation, the issuance of very large quantities of GlucoTec shares to himself and companies controlled by him) and operated in a manner that benefited Defendant Grounsell personally at the expense of Plaintiff Hoyt.

43. As a direct and proximate result of Defendant Grounsell's acts and omissions, Plaintiff Hoyt has been actually, specially, incidentally, and consequentially damaged in an amount to be more specifically determined at trial.

FOR A SECOND CAUSE OF ACTION
(Constructive Trust)

44. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.

45. A constructive trust has arisen because the circumstances, including fraud, bad faith, abuse of confidence and violation of a fiduciary duty, under which assets of GlucoTec were diverted to Defendant Grounsell's personal control and use, and under which shares of GlucoTec were wrongfully issued to Defendant Grounsell.

46. As a direct and proximate result of Defendant Grounsell's acts and/or omissions, Plaintiff Hoyt requests the Court to impose a constructive trust upon such assets and shares illegally, improperly, and tortiously obtained by Defendant Grounsell.

FOR A THIRD CAUSE OF ACTION
(Fraud and Deceit)

47. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.
48. Defendants CoMed (acting through its controlling shareholder, Grounsell), GlucoTec, and Grounsell made representations to Plaintiff Hoyt.
49. Such representations were false.
50. Such representations were material.
51. Defendants CoMed, GlucoTec, and Grounsell were aware at the time of making that their representations were false, or were made in reckless disregard of their truth or falsity.
52. Defendants CoMed, GlucoTec, and Grounsell intended for Plaintiff Hoyt to rely upon their material and false representations.
53. Plaintiff Hoyt was ignorant of the falsity of the representations made to him by Defendants CoMed, GlucoTec, and Grounsell.
54. Plaintiff Hoyt relied upon the truthfulness of the representations made to him by Defendants CoMed, GlucoTec, and Grounsell.
55. Plaintiff Hoyt had a right to rely upon the truthfulness of such representations.
56. As a direct and proximate result of the false and material representations made to Plaintiff Hoyt by Defendants CoMed, GlucoTec, and Grounsell, Plaintiff Hoyt has been damaged actually, specially, incidentally, and consequentially in an amount to be more specifically proved at trial.

FOR A FOURTH CAUSE OF ACTION
(Unfair Trade Practice)

57. The foregoing Paragraphs are reiterated and realleged as if set forth verbatim.
58. Defendants CoMed, GlucoTec, and Grounsell are "persons" within the meaning of S.C. Code § 39-5-10(a).
59. Defendants CoMed, GlucoTec, and Grounsell have performed "unfair or deceptive acts or practices in the conduct of . . . commerce" within the meaning of S.C. Code § 39-5-20, including, but not limited to,
- a. the offer and sale to members of the public of securities accompanied by materially false and misleading statements; and
 - b. the diversion of property and assets of GlucoTec to the personal use of Defendants CoMed and Grounsell.
60. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell have an impact upon the public interest in that they demonstrate a continuing series of steps in furtherance of a fraudulent scheme with a potential for repetition, including, without limitation, the past and continuing sale of securities to members of the public accompanied by materially false and misleading statements.
61. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell have been and continue to be willful.
62. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell are immoral, unethical, and/or oppressive.
63. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell were personally participated in, directed, and/or authorized by Defendant Grounsell.

64. As a direct and proximate result of the unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell, Plaintiff Hoyt has been personally damaged actually, specially, incidentally and consequentially in an amount to be more specifically proven at trial.

TRIAL BY JURY

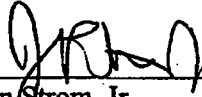
65. Plaintiff Hoyt demands a trial by jury on all claims and issues so triable.

WHEREFORE, Plaintiff Hoyt prays for judgment against Defendants CoMed, GlucoTec, and Grounsell jointly and severally where appropriate, for the following:

1. for the actual, special, incidental, and consequential damages in an amount to be more specifically proven at trial;
2. for an award of prejudgment interest;
3. for an award of three times the damages sustained through defendants' unfair trade practices;
4. for reasonable attorney fees and costs;
5. for such other relief as the Court deems necessary or proper relative to the defendants' unfair trade practices;
6. for such relief as the Court deems necessary and proper pursuant to the Plaintiff's demand for judicial dissolution of GlucoTec;
7. for the costs of this action; and
8. for such other and further relief as this Honorable Court may deem just and proper.

Respectfully submitted,

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Columbia, South Carolina
March 25, 2008

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) FOR THE THIRTEENTH JUDICIAL DISTRICT
CIVIL ACTION NO.: 08-CP-23-2321

GARRY HOYT,

Plaintiff,

vs.

COLLABORATIVEMED, LLC,
GLUCOTEC, INC.,
RICHARD L. GROUNDSELL,
COLLMED, LLC,
ROBERT BYRNES, and,
STEVE JONES,

Defendants.

2009 MAY 20 P 3:30

FIRST AMENDED COMPLAINT. FILED IN COURT
JULY 20, 2009
JULY 20, 2009

Comes now Plaintiff Hoyt, by and through his undersigned Counsel of Record
and alleges as follows:

NATURE OF THE CASE

1. Plaintiff Hoyt brings this action for monetary damages suffered as a result of the shareholder oppression, self dealing, and other wrongful acts committed by Richard Grounsell, individually and as controlling shareholder of GlucoTec, Inc and controlling member of CollaborativeMed, LLC.
2. Plaintiff Hoyt brings this action for monetary damages against Defendants for wrongful acts including, but not limited to, shareholder oppression, improper transfers, and entering into self dealing transactions at the detriment of GlucoTec, Inc. and its shareholders, along with violations of South Carolina Code § 35-1-501. Plaintiff requests compensatory damages and punitive damages as a result of injuries suffered as more fully described herein.

PARTIES

3. Plaintiff Garry Hoyt is a resident and citizen of the State of Texas.
4. Upon information and belief, Defendant CollaborativeMed, LLC ("CoMed") is a limited liability company formed in accordance with the laws of South Carolina with its principal place of business located in Greenville County, South Carolina.
5. Upon information and belief, Defendant GlucoTec, Inc. ("GlucoTec") was a South Carolina corporation formed in accordance with the laws of South Carolina with its principal place of business located in Greenville County, South Carolina.
6. Upon information and belief GlucoTec, Inc. of South Carolina was merged into Glucotec, Inc., which is incorporated under the laws of Delaware, with its principal place of business in Greenville County, South Carolina. Upon information and belief, the South Carolina corporation transferred some or all of its assets to the Delaware corporation in May 2008 with a transaction effective date of January 2008.
7. Upon information and belief, Defendant Richard Grounsell is a resident of Greenville County, South Carolina. Also upon information and belief, Defendant Richard Grounsell was the sole director of GlucoTec, Inc when it was incorporated in South Carolina.
8. Defendant COLLMED, LLC ("COLLMED") is a limited liability company organized under the laws of Delaware. Upon information and belief this Defendant's principal place of business is Texas. Upon information and belief Defendants Robert Byrnes and Steve Jones are members of COLLMED, LLC.
9. Upon information and belief Defendant Robert Byrnes is a resident and citizen of

Texas. At all times relevant to the complained of conduct Defendant was a member of the GlucoTec Board of Directors.

10. Upon information and belief Defendant Steve Jones is a resident and citizen of Texas. At all times relevant to the complained of conduct Defendant was a member of the GlucoTec Board of Directors.

JURISDICTION AND VENUE

11. This Court has jurisdiction over the subject matter of this action and its parties.
12. Venue is proper pursuant to S.C. Code Ann. § 15-7-30(E)(1), as Defendant GlucoTec was a domestic corporation and Defendant CoMed is a domestic limited liability company, both of which maintain their principal place of business in this county and did so at the time this cause of action arose.

FACTS

Glucommander Background

13. Glucommander, a software program to regulate IV insulin delivery to control glucose, was developed by R. Dennis Steed, MD ("Dr. Steed") and Paul C. Davidson, MD ("Dr. Davidson") in 1984, with small revisions to the programming in 1985 and 1986, and 1990.
14. Dr. Steed programmed the Glucommander for manual IV insulin drip formulas to control blood glucose. Dr. Steed left the program with Dr. Davidson and Dr. Bode, for research. Starting in 1985, Dr. Bode and Dr. Davidson began using the Glucommander routinely for hospitalizes hyperglycemic patients while these patients were hospitalized.
15. In 2005, Dr. Steed, Dr. Davidson and Dr. Bode published their Glucommander

data based on research conducted from 1985 thru 1998.

16. In October 2005, the Food and Drug Administration ("FDA") approved insulin for the IV route of administration.
17. Upon information and belief, CoMed applied for FDA approval of the Glucommander in January 2006, which was approved in June 2006.

Glucotec's Formation and Founding Shareholders

18. Upon information and belief, following several meetings, Dr. Bode, Plaintiff Garry Hoyt and Defendant Grounsell agreed to form GlucoTec for marketing of the Glucommander in hospitals nationwide and agreed to share ownership in the company in equal one-third shares.
19. Upon information and belief, Defendant Grounsell caused to be filed the articles of incorporation for a new South Carolina Corporation, GlucoTec, Inc., on or about March 28, 2006.
20. In May 2006, Defendant Grounsell informed Dr. Bode and Garry Hoyt that each (Dr. Bode, Garry Hoyt and Defendant Grounsell) would receive 250,000 founders' shares in GlucoTec, Inc. In order to allow the employees to receive stock in GlucoTec, Dr. Bode, Plaintiff, and Defendant Grounsell agreed to change the ownership agreement referenced in paragraph 18 and become one-fourth shareholders.
21. In addition to these founders' shares, employees of GlucoTec also received shares with Hank Durschlag receiving 60,000 shares, Robert Booth receiving 100,000 shares, Anthony Ethridge receiving 50,000 shares and Defendant Grounsell's two sons each receiving 50,000 shares.

22. Garry Hoyt was named Executive Vice President of Sales.

Shareholder Oppression and Self Dealing Transactions
by Defendants Grounsell and CoMed

23. Contrary to the shareholders' agreement to each be one-third owners of GlucoTec, on or about March 30, 2006, Defendant Grounsell caused to be transferred 18,129,066 shares in GlucoTec to CoMed, a South Carolina limited liability company controlled by Defendant Grounsell and his family. This transaction was voted on at a shareholders meeting on May 18, 2006.

24. This transaction was not disclosed to Plaintiff Hoyt by the company or by Defendant Grounsell. In addition, Plaintiff was not notified of the May 18, 2006 shareholders' meeting as required by the corporate by-laws and South Carolina law.

25. Upon information and belief, Plaintiff Hoyt was not given an opportunity to purchase additional shares to prevent dilution of his ownership interest.

26. Upon information and belief, the 18,129,066 shares for the Glucommnader, its FDA approval, and intellectual property was a number created by Defendant Grounsell and was not based on the value of the Glucommander.

27. Upon information and belief, Defendant Grounsell caused this transfer to gain for himself a substantial interest in GlucoTec, resulting in him becoming the controlling shareholder.

28. Upon information and belief, Defendant Grounsell, in direct competition with GlucoTec, caused CoMed owned shares in GlucoTec to be sold instead of issuing additional GlucoTec shares to satisfy subscriptions for stock in GlucoTec.

29. Upon information and belief, Defendant Grounsell sold shares in this manner in

part to repay money to GlucoTec that he had used for his own benefit.

30. Upon information and belief, the money Defendant Grounsell removed from GlucoTec was routed to Mexico to invest in a gaming cruise ship.
31. Upon information and belief, this money was sent to gain an ownership interest in the above referenced ship and its operations and/or was sent as a loan to finance the operation of the ship.
32. Garry Hoyt was terminated in late June 2006 and upon information and belief, Garry Hoyt's founders' shares were bought back by the company pursuant to a void agreement.
33. During 2006, 2007, and early 2008 Defendant CoMed offered and sold to the public shares of GlucoTec stock in an unregistered offering accompanied by materially false and misleading statements.
34. Defendant Grounsell, as the person in control of CoMed, participated in and controlled CoMed's unregistered offerings to members of the public of GlucoTec stock, accompanied by materially false and misleading statements.
35. Further, insufficient information about the GlucoTec was provided in advance of the January 25, 2008 shareholder's meeting to enable shareholders to make an informed decision about whether to exercise dissenter's rights. Specifically, prior to that date, the Company had never held a shareholders' meeting and had never provided reports to shareholders about the financial condition of GlucoTec.

Self Dealing Transactions by Defendants
COLLMED, Steve Jones, and Robert Byrnes

36. Plaintiff owned approximately 231,941 shares of GlucoTec, Inc. stock, while it was a South Carolina Corporation.

37. Plaintiff contacted the corporation about selling his stock.
38. Upon information and belief, Defendant Steve Jones contacted Plaintiff regarding purchasing Plaintiff Hoyt's shares. Upon information and belief, at the time of this contact Defendant Jones was a member of the GlucoTec Board of Directors.
39. Plaintiff was contacted again by Defendant Jones along with Defendant Byrnes. Upon information and belief, at the time of this contact, both Jones and Byrnes were members of the GlucoTec Board of Directors.
40. Defendant Jones offered to purchase the shares for \$1.00 a share.
41. During this call, Defendants Jones and Byrnes offered to purchase Hoyt's shares for 50 cents a share and cited as the reason for the reduced price an action filed by Dr. Bode. At no time during this conversation did they disclose the valuation referenced in Paragraph 42.
42. Upon information and belief, Defendants Jones and Byrnes had obtained knowledge that the shares were worth between \$4.00 and \$7.00 based on a valuation by Friedman, Billings, Ramsey Group, Inc.
43. Upon information and belief, Defendants Jones and Byrnes met with Friedman, Billings, Ramsey Group, Inc. prior to purchasing Plaintiff Hoyt's shares.
44. Upon information and belief, Defendants Jones and Byrnes were members of the GlucoTec, Inc. Board of Directors at the time of their purchase of Mr. Hoyt's shares.
45. Upon information and belief, Defendant COLLMED, LLC was formed for the purposes of selling GlucoTec shares.
46. Upon information and belief, Defendants Jones and Byrnes are members of

Defendant COLLMED.

47. Upon information and belief, Defendants Jones and/or Byrnes were the controlling member or members of Defendant COLLMED.
48. Upon information and belief, Defendant COLLMED was used to purchase Mr. Hoyt's shares for \$115,970.50.
49. Upon information and belief, Defendant COLLMED sold 191,589 shares of Mr. Hoyt's shares within 75 days of purchase for between \$4.25 and \$7.00 a share.
50. Upon information and belief Defendants COLLMED, Jones and Byrnes at the time of purchase already possessed stock purchase agreements from third parties for in excess of \$4.00 a share.
51. Upon information and belief Defendant COLLMED netted approximately \$1,000,000 in profit with 75 days of the purchase of Plaintiff Hoyt's shares on the sale of the same shares.
52. Upon information and belief Defendant COLLMED distributed this profit to its members including Defendants Jones and Byrnes.

FOR A FIRST CAUSE OF ACTION
(Breach of Fiduciary Duty as to Transfer of Stock)

53. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.
54. A confidential or fiduciary relationship was owed by Defendant Grounsell, as the sole director of GlucoTec to Shareholder/Plaintiff Hoyt.
55. Defendant Grounsell owed Plaintiff Hoyt duties of a very delicate, exacting and confidential character, requiring a high degree of fidelity and good faith, and competence.

56. Defendant Grounsell breached his fiduciary duty to Plaintiff Hoyt by certain actions and failures to act including, but not limited to the following:

- a. Taking, conducting, and/or performing ultra vires acts with regard to his personal use of funds and resources belonging to GlucoTec, of which Plaintiff Hoyt was a minority shareholder;
- b. Failing to provide notice of a May 18, 2006 shareholders meeting;
- c. Using GlucoTec funds and resources for his personal benefit;
- d. Concealing such personal use of GlucoTec's funds and resources;
- e. Causing the expenditure of a substantial amount of GlucoTec funds for unauthorized and extraordinary purposes, including but not limited to their diversion to unrelated business enterprises in which Defendant Grounsell was involved;
- f. Failing to obtain GlucoTec's consent to such transactions in violation of GlucoTec's bylaws and relevant statutory law;
- g. Failing to provide and exercise the care, skill and diligence on behalf of GlucoTec that is required by law; and
- h. Causing GlucoTec to be governed (including, without limitation, the issuance of very large quantities of GlucoTec shares to himself and companies controlled by him) and operated in a manner that benefited Defendant Grounsell personally at the expense of Plaintiff Hoyt.

57. As a direct and proximate result of Defendant Grounsell's acts and omissions, Plaintiff Hoyt has been actually, specially, incidentally, and consequentially damaged in an amount to be more specifically determined at trial.

FOR A SECOND CAUSE OF ACTION
(Constructive Trust)

58. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.

59. A constructive trust has arisen because the circumstances, including fraud, bad faith, abuse of confidence and violation of a fiduciary duty, under which assets of GlucoTec were diverted to Defendant Grounsell's personal control and use, and under which shares of GlucoTec were wrongfully issued to Defendant Grounsell.

60. As a direct and proximate result of Defendant Grounsell's acts and/or omissions, Plaintiff Hoyt requests the Court to impose a constructive trust upon such assets and shares illegally, improperly, and tortiously obtained by Defendant Grounsell.

FOR A THIRD CAUSE OF ACTION
(Fraud and Deceit)

61. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.

62. Defendants CoMed (acting through its controlling shareholder, Grounsell), GlucoTec, and Grounsell made representations to Plaintiff Hoyt.

63. Such representations were false.

64. Such representations were material.

65. Defendants CoMed, GlucoTec, and Grounsell were aware at the time of making that their representations were false, or were made in reckless disregard of their truth or falsity.

66. Defendants CoMed, GlucoTec, and Grounsell intended for Plaintiff Hoyt to rely upon their material and false representations.

67. Plaintiff Hoyt was ignorant of the falsity of the representations made to him by Defendants CoMed, GlucoTec, and Grounsell.
68. Plaintiff Hoyt relied upon the truthfulness of the representations made to him by Defendants CoMed, GlucoTec, and Grounsell.
69. Plaintiff Hoyt had a right to rely upon the truthfulness of such representations.
70. As a direct and proximate result of the false and material representations made to Plaintiff Hoyt by Defendants CoMed, GlucoTec, and Grounsell, Plaintiff Hoyt has been damaged actually, specially, incidentally, and consequentially in an amount to be more specifically proved at trial.

FOR A FOURTH CAUSE OF ACTION
(Unfair Trade Practice)

71. The foregoing Paragraphs are reiterated and realleged as if set forth verbatim.
72. Defendants CoMed, GlucoTec, and Grounsell are "persons" within the meaning of S.C. Code § 39-5-10(a).
73. Defendants CoMed, GlucoTec, and Grounsell have performed "unfair or deceptive acts or practices in the conduct of . . . commerce" within the meaning of S.C. Code § 39-5-20, including, but not limited to,
- a. the offer and sale to members of the public of securities accompanied by materially false and misleading statements;
 - b. the diversion of property and assets of GlucoTec to the personal use of Defendants CoMed and Grounsell; and
 - c. failing to provide notice to Plaintiff of a May 18, 2006 shareholders' meeting.
74. The unfair and deceptive acts and practices engaged in by Defendants CoMed,

GlucoTec, and Grounsell have an impact upon the public interest in that they demonstrate a continuing series of steps in furtherance of a fraudulent scheme with a potential for repetition, including, without limitation, the past and continuing sale of securities to members of the public accompanied by materially false and misleading statements.

75. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell have been and continue to be willful.
76. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell are immoral, unethical, and/or oppressive.
77. The unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell were personally participated in, directed, and/or authorized by Defendant Grounsell.
78. As a direct and proximate result of the unfair and deceptive acts and practices engaged in by Defendants CoMed, GlucoTec, and Grounsell, Plaintiff Hoyt has been personally damaged actually, specially, incidentally and consequentially in an amount to be more specifically proven at trial.

FOR A FIFTH CAUSE OF ACTION

(Violation of S.C. Code § 35-1-501
as to Defendants COLLMED, LLC Jones and Byrnes)

79. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.
80. A confidential or fiduciary relationship was owed by Defendants Jones and Byrnes as members of the GlucoTec Board of Directors to Shareholder/Plaintiff Hoyt.

81. At the time of Defendants Jones and Byrnes conduct each owed Plaintiff Hoyt duties of a very delicate, exacting and confidential character, requiring a high degree of fidelity and good faith, and competence.
82. Defendant Jones originally offered to purchase Hoyt's shares for \$1.00 a share.
83. Upon information and belief, during a phone call Defendants Jones and Byrnes lowered the offered purchase price for Hoyt's shares to 50 cents a share and cited as the reason for the reduced price an action filed by Dr. Bode.
84. Upon information and belief, Defendants Jones and Byrnes had obtained knowledge that the shares were worth between \$4.00 and \$7.00 based on a valuation by Friedman, Billings, Ramsey Group, Inc.
85. At no time during this conversation did Defendant disclose to Plaintiff Hoyt the valuation referenced in Paragraph 85.
86. The valuation of the shares at between \$4.00 and \$7.00 was material given Defendants Jones and Byrnes statement about the decreased value of the shares following the filing of the Bode action.
87. Defendants Jones and Byrnes directly failed to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading related to the value of Plaintiff's GlucoTec shares.
88. Defendant COLLMED indirectly failed to state a material fact necessary in order to make the statements made by its members, in light of the circumstances under which they were made, not misleading related to the value of Plaintiff's GlucoTec shares.
89. As a direct and proximate result of Defendants COLLMED, Jones and Byrnes

acts and omissions, Plaintiff Hoyt has been damaged.

90. In accordance with S.C. Code §35-1-509(c)(3), Plaintiff's actual damages are the difference between the price at which the security was sold by Mr. Hoyt and the value the security would have had at the time of the sale in the absence of Defendants COLLMED, Jones and Byrnes conduct, along with interest at the legal rate of interest from March 4, 2008, plus costs, and reasonable attorneys' fees determined by the court

FOR A SIXTH CAUSE OF ACTION
(Breach of Fiduciary Duty as to Stock Purchase)

91. The foregoing Paragraphs are reiterated and realleged as though set forth verbatim.
92. A confidential or fiduciary relationship was owed by Defendants Jones and Byrnes as members of the GlucoTec Board of Directors to Shareholder/Plaintiff Hoyt.
93. Defendants Jones and Byrnes owed Plaintiff Hoyt duties of a very delicate, exacting and confidential character, requiring a high degree of fidelity and good faith, and competence.
94. Defendants Jones and Byrnes breached his fiduciary duty to Plaintiff Hoyt by certain actions and failures to act including, but not limited to the following:
1. using knowledge gained as members of GlucoTec Inc.'s Board of Directors, which was not known by the public or Mr. Hoyt to purchase, for below value, share of corporate stock and then reselling them for a substantial profit; and/or
 2. failing to inform Plaintiff of the value of the shares prior to

purchase.

95. As a direct and proximate result of Defendants Jones and Byrnes acts and omissions, Plaintiff Hoyt has been actually, specially, incidentally, and consequentially damaged in an amount to be more specifically determined at trial.

TRIAL BY JURY

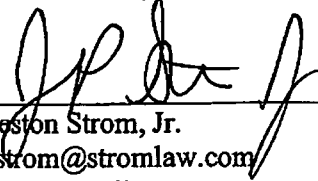
96. Plaintiff Hoyt demands a trial by jury on all claims and issues so triable.

WHEREFORE, Plaintiff Hoyt prays for judgment against Defendants Jones, Byrnes, COLLMED, LLC, CollaborativeMed, LLC, GlucoTec, Inc., and Grounsell jointly and severally where appropriate, for the following:

1. for the actual, special, incidental, and consequential damages in an amount to be more specifically proven at trial;
2. for an award of prejudgment interest;
3. for an award of three times the damages sustained through defendants' unfair trade practices;
4. for reasonable attorney fees and costs;
5. for such other relief as the Court deems necessary or proper relative to the defendants' unfair trade practices;
6. for such relief as the Court deems necessary and proper pursuant to the Plaintiff's demand for judicial dissolution of GlucoTec;
7. for the costs of this action; and
8. for such other and further relief as this Honorable Court may deem just and proper.

Respectfully submitted,

Strom Law Firm, L.L.C.

A handwritten signature in black ink, appearing to be "JP Strom Jr", written over a horizontal line.

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May 19, 2009

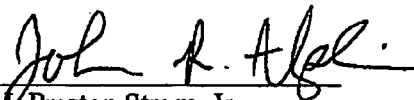
STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE THIRTEENTH JUDICIAL DISTRICT
COUNTY OF GREENVILLE	)	CIVIL ACTION NO.: 08-CP-23-2321
	)	
GARRY HOYT,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
COLLABORATIVEMED, LLC,	)	
RICHARD L. GROUNDSELL,	)	
	)	
Defendants.	)	

PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT

Comes now Plaintiff, by and through his undersigned counsel of record, and moves this Honorable Court for an Order granting partial summary judgment as to Plaintiffs claims against Defendant Grounsell for breach of fiduciary duty and as to Plaintiffs' claims against Defendant for constructive trust and violation of the South Carolina Unfair Trade Practices Act. As to Plaintiff's equitable claims, the Court should order Defendants to return stock to Plaintiff to return Plaintiff to his capital position before Defendants' wrongful conduct. As to Plaintiff's legal claims, the Court should set a hearing as to Plaintiff's damages. This motion is more fully developed in the Memorandum of Law Filed contemporaneously herewith and is supported by the Plaintiff's Notice of Filing.

Respectfully Submitted, this 16th day of August, 2012.

STROM LAW FIRM, LLC



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 Mario A. Pacella
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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE THIRTEENTH JUDICIAL DISTRICT
COUNTY OF GREENVILLE	)	CIVIL ACTION NO.: 08-CP-23-2321
GARRY HOYT,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
COLLABORATIVEMED, LLC,	)	
RICHARD L. GROUNDSELL,	)	
	)	
Defendants.	)	
	)	

**MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR PARTIAL
SUMMARY JUDGMENT**

Before the Court is Plaintiff's Motion for Partial Summary Judgment seeking to declare a March 28, 2006 stock transfer from Glucotec, Inc., by Defendant Richard L. Grounsell to Defendant CollaborativeMed, LLC void. Plaintiff contends that as a stockholder in Glucotec, the stock transfer voted on at a May 18, 2006 meeting of stockholders was invalid because Defendant Grounsell failed to provide Plaintiff notice of the meeting of shareholders as required by the corporation by-laws and South Carolina law. For the reasons that follow, the stock transfer should be held invalid and one quarter of the shares of stock should revert to Plaintiff under the initial agreement between Plaintiff, Defendant Grounsell, and a third partner, Dr. Bruce Bode.

STATEMENT OF THE FACTS

Glucocommander, a software program to regulate IV insulin delivery to control glucose, was developed by R. Dennis Steed, MD ("Dr. Steed") and Paul C. Davidson, MD ("Dr. Davidson") in 1984, with small revisions to the programming in 1985 and 1986, and 1990. Dr.

Steed programmed the Glucommander for manual IV insulin drip formulas to control blood glucose. Dr. Steed left the program with Dr. Davidson and Dr. Bode, for research. Starting in 1985, Dr. Bode and Dr. Davidson began using the Glucommander routinely for hospitalizes hyperglycemic patients while these patients were hospitalized. In 2005, Dr. Steed, Dr. Davidson and Dr. Bode published their Glucommander data based on research conducted from 1985 thru 1998.

Following several meetings, Dr. Bode, Plaintiff Garry Hoyt and Defendant Richard Grounsell agreed to form GlucoTec for marketing of the Glucommander in hospitals nationwide and agreed to share ownership in the company in equal one-third shares. Defendant Grounsell caused to be filed the articles of incorporation for a new South Carolina Corporation, GlucoTec, Inc., on or about March 28, 2006.

In May 2006, Defendant Grounsell informed Dr. Bode and Garry Hoyt that each (Dr. Bode, Garry Hoyt and Defendant Grounsell) would receive 250,000 founders' shares in GlucoTec, Inc. In order to allow the employees to receive stock in GlucoTec, Dr. Bode, Plaintiff, and Defendant Grounsell agreed to change the ownership agreement and become one-fourth shareholders. In addition to these founders' shares, employees of GlucoTec also received shares with Hank Durschlag receiving 60,000 shares, Robert Booth receiving 100,000 shares, Anthony Ethridge receiving 50,000 shares and Defendant Grounsell's two sons each receiving 50,000 shares. (Exhibit B, GlucoTec, Inc. Shareholders' Agreement.)

Contrary to the shareholders' agreement to each be one-third owners of GlucoTec, on or about March 24, 2006, Defendant Grounsell caused to be transferred 18,129,066 shares in GlucoTec to Defendant CollaborativeMed, a South Carolina limited liability company controlled by Defendant Grounsell and his family. (Exhibit C, Stock Subscription Dated March 24, 2006.)

While this transfer occurred in March, 2006, it was not ratified by the stockholders until a special meeting on May 18, 2006. At the time of this special shareholders' meeting, Defendant Grounsell was the president and sole director of Glucotec.¹ (Exhibit D,, Grounsell Deposition at 83.) This transaction was voted on at a shareholders meeting on May 18, 2006. The shareholders meeting was invalid because neither Plaintiff Hoyt nor Dr. Bruce Bode received written notice of the shareholder meeting that took place on May 18, 2006. The bylaws, however, require written notice of a shareholders' meeting be provided. (Exhibit E at 2, 6_.) Trefor Thomas, a former executive of Glucotec examined the books and records of Glucotec and found no evidence of a written notice of the meeting. (Exhibit F, Thomas Deposition at 33.) Defendant Grounsell confirmed that he did not have any record of written notice. (Exhibit D, Grounsell Deposition at 83-88, 154..) Specifically, Defendant Grounsell testified, "I don't recall personally any U.S. Mail being sent to anybody at that time. We were only seven or eight people." (Exhibit D, Grounsell Deposition at 154.) Finally, both Plaintiff and Dr. Bode confirmed that they did not receive written notice of the May 18, 2006 meeting. (Exhibit G, Plaintiff's Deposition at 52; Exhibit H, Bode Deposition at 47.) Moreover, Plaintiff Hoyt was not given an opportunity to purchase additional shares to prevent dilution of his ownership interest.

STANDARD OF DETERMINATION

Summary judgment is appropriate if there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Hamiter v. Retirement Division of South Carolina, 326 S.C. 93, 96, 484 S.E 2d 586, 587 (1997); Café Assocs., Ltd. V. Gerngross,

¹ Defendant Grounsell did not abstain from voting on this interested director transaction. Rather, he stepped out of the meeting and directed Hank Durshlag to vote his shares. (Exhibit D, Grounsell Deposition at 87.)

305 S.C. 6, 9, 406 S.E.2d 162, 164 (1991). The Court may grant summary judgment to a party when, after a reasonable time for discovery, the evidence demonstrates that the nonmovant has failed to establish an essential element of his case. The party moving for summary judgment bears the initial burden of meeting this exacting standard. Adickes v. S.H. Kress & Co., 398 U.S. 144, 157, 90 S. Ct. 1598, 1608, 26 L. Ed. 2d 142 (1970). In determining whether any triable issue of fact exists which will preclude summary judgment, the evidence, and all inferences that can be reasonably drawn, must be viewed in the light most favorable to the non-moving party. Quality Towing, Inc. v. City of Myrtle Beach, 340 S.C. 29, 33, 530 S.E.2d 369, 371 (2000).

ARGUMENT AND CITATION TO AUTHORITY

I. Defendant Grounsell's Self-Dealing and Failure to Notify Plaintiff of the May 18, 2006 Shareholders' Meeting to Ratify the Self-Dealing Constitutes a Breach of Fiduciary Duty.

A fiduciary relationship, as established under South Carolina law, arises where a trust is placed in another party and accepted. Specifically, "[a] fiduciary relationship exists when one reposes special confidence in another, so that the latter, in equity and good conscience, is bound to act in good faith and with due regard to the interests of the one reposing confidence." O'Shea v. Lesser, 308 S.C. 10, 416 S.E.2d 629, 631 (S.C. 1992); see also Island Car Wash, Inc., v. Norris, 292 S.C. 595, 599, 358 S.E.2d 150, 152 (S.C. App. 1987) ("A fiduciary relationship exists when one has a special confidence in another so that the latter, in equity and good conscience, is bound to act in good faith.")

A director of a corporation has a fiduciary duty to the shareholders of a corporation. In recognition of this fiduciary duty, the South Carolina legislature has imposed requirements on a director taking an action that is in conflict with the interests of the corporation and its

shareholders. S.C. Code Ann. § 33-8-310 permits an interested director transaction only if one of the following is true:

- (1) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors, and the board of directors or a committee authorized, approved or ratified the transaction;
- (2) The material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction; or
- (3) The transaction was fair to the corporation.

S.C. Code Ann. § 33-8-310(a). The transfer of stock here was not fair to the corporation and at the time of the transaction, Defendant Grounsell was the only director.² Thus, only subsection 2 could be applicable here through a special meeting of the shareholders.

Title 33 of the South Carolina Code sets forth the requirements for a special meeting of the shareholders of a South Carolina Corporation. Pursuant to S.C. Code Ann. § 33-7-105(a) provides that shareholders must receive notice of the date, time, and place of any annual or special meeting no fewer than ten days nor more than sixty days before the meeting date. Moreover, for a special meeting, the notice must include a description of the purpose for which the meeting was called. S.C. Code Ann. § 33-7-105(c). S.C. Code Ann. § 33-7-102(d) provides that at a special meeting, "[o]nly business within the purposed described in the meeting notice required by Section 33-7-105(c) may be conducted at the special shareholders' meeting. Under S.C. Code Ann. § 33-1-410(a), notice must be in writing unless oral notice is reasonable under the circumstances. Nonetheless, notice of a shareholder meeting is effective if by mailing it to the shareholder's address shown in the corporation's current record of shareholders. S.C. Code

² In fact, the stock transfer was unfair to the corporation. GlucoTec was an undercapitalized company and Defendant Grounsell and Defendant CollaborativeMed sold their shares of stock to individuals for their profit and eliminated potential stock sales that could have been made by GlucoTec from its private placement initiatives.

Ann. § 33-1-410(c). Section 33-1-410(g) provides that the Articles of Incorporation or bylaws control if they are not inconsistent with South Carolina law. Thus, Articles of Incorporation or bylaws can require written notice.

In this case, by failing to provide notice to the shareholders, particularly Plaintiff, prior to the shareholder's vote in Defendant Grounsell's interested director transaction to transfer in 18,129,066 shares of stock to a company he maintained a controlling interest causes this transaction to be void. As set forth above, there is no evidence of written notice tendered to Plaintiff Hoyt as required under South Carolina law and the corporation's bylaws. As established, Plaintiff Hoyt was entitled to a 25% stake in the corporation. Because Defendant Grounsell breached his fiduciary to Plaintiff Hoyt, Defendant should be obligated to tender 25% of the 18,129,066 shares, or 4,532,266 shares of stock to Plaintiff Hoyt.

II. The Court Should Impose a Constructive Trust on Wrongfully Obtained Stock in Defendant Grounsell's Possession and in the Possession of CollaborativeMed, Which Defendant Grounsell Controls.

"A constructive trust results 'when circumstances under which property was acquired make it inequitable that it be retained by the one holding legal title. These circumstances include fraud, bad faith, abuse of confidence, or violation of a fiduciary duty which gives rise to an obligation in equity to make restitution.' " Macaulay v. Wachovia Bank of S.C., N.A., 351 S.C. 287, 294, 569 S.E.2d 371, 375 (Ct.App.2002) (quoting Hendrix v. Hendrix, 299 S.C. 233, 235, 383 S.E.2d 468, 469 (Ct.App.1989)). "A constructive trust 'arises entirely by operation of law without reference to any actual or supposed intentions of creating a trust.' " Smith v. S.C. Ret. Sys., 336 S.C. 505, 529, 520 S.E.2d 339, 352 (Ct.App.1999) (quoting McNair v. Rainsford, 330 S.C. 332, 356, 499 S.E.2d 488, 501 (Ct.App.1998)).

In general, a constructive trust may be imposed when a party obtains a benefit "which does not equitably belong to him and which he cannot in good conscience retain or withhold from another who is beneficially entitled to it as where money has been paid by accident, mistake of fact, or fraud, or has been acquired through a breach of trust or the violation of a fiduciary duty." *Id.* (quoting SSI Medical Servs., Inc. v. Cox, 301 S.C. 493, 500, 392 S.E.2d 789, 793-94 (1990)).

Here, Defendants Grounsell and CollaborativeMed hold 18,129,0666 shares of stock that were acquired unfairly and obtained in breach of Defendant Grounsell's fiduciary duty to Plaintiff. The stock does not equitably belong to him, and at least 25% of those shares should be transferred to Plaintiff through a constructive trust.

III. Defendants Grounsell and CollaborativeMed Violated the South Carolina Unfair Trade Practices Act and Are Liable to Plaintiff.

S.C. Code Ann. § 39-5-140 states that "[a]ny person who suffers ascertainable loss of money or property, real or personal, as a result of the use or employment by another person of an unfair or deceptive method, act or practice declared unlawful by § 39-5-20 may bring an action individually." To recover in an action under the UTPA, the plaintiff must show: (1) the defendant engaged in an unfair or deceptive act in the conduct of trade or commerce; (2) the unfair or deceptive act affected public interest; and (3) the plaintiff suffered monetary or property loss as a result of the defendant's unfair or deceptive act(s)." Wright v. Craft, 372 S.C. 1, 23, 640 S.E.2d 486, 498 (Ct.App.2006); S.C. Code Ann. §§ 39-5-10 to -560.

In this case, Defendant Grounsell fraudulently titled the intellectual property in CollaborativeMed, and then in an attempt to withhold this unfair and deceptive conduct from Plaintiff, Defendant Grounsell failed to provide notice to Plaintiff of a special meeting of shareholders to ratify the transfer of the intellectual property from CollaborativeMed to

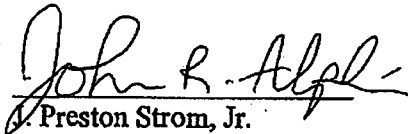
Glucotec for 18,129,066 shares of stock. (Exhibit F, Thomas Deposition at 33; Exhibit D, Grounsell Deposition at 83-88, 154; Exhibit G; Plaintiff Deposition at 52; Exhibit H, Bode Deposition at 47.) The number of shares of stock used in this transfer ensured that Defendant Grounsell and his family would control a majority of the authorized shares of stock. Such conduct constitutes an unfair and deceptive trade practice. Moreover, such conduct is capable of repetition in that Defendant Grounsell has sold or transferred some of the shares of stock held by CollaborativeMed without regard to Plaintiff's interest in same under a constructive trust. Finally, Plaintiff's capital position in the corporation as a 25% stakeholder was severely diminished, causing injury to his property.

CONCLUSION

For the above and foregoing reasons, Plaintiff's Motion for Partial Summary Judgment should be granted. Defendants should be ordered to transfer 25% of the shares of stock they wrongfully obtained to Plaintiff and a damages hearing should be set on Plaintiff's claim that Defendants violated the South Carolina Unfair Trade Practices Act.

Respectfully Submitted, this 16th day of August, 2012.

STROM LAW FIRM, LLC



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John R. Alphin

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STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) FOR THE THIRTEENTH JUDICIAL DISTRICT
GARRY HOYT,) CIVIL ACTION NO.: 08-CP-23-2321
Plaintiff,)
vs.)
COLLABORATIVEMED, LLC,)
RICHARD L. GROUNDSELL,)
Defendants.)

PLAINTIFF'S NOTICE OF FILING DOCUMENTS
IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT

Exhibit A, Articles of Incorporation.
Exhibit B, GlucoTec, Inc. Shareholders' Agreement
Exhibit C, Stock Subscription Dated March 24, 2006
Exhibit D, Grounsell Deposition (pages 82-88, 153-154)
Exhibit E, GlucoTec Bylaws
Exhibit F, Thomas Deposition (pages 32-34)
Exhibit G, Plaintiff's Deposition (pages 52-53)
Exhibit H, Bode Deposition (page 47)

Respectfully Submitted, this ____ day of August, 2012.

STROM LAW FIRM, LLC

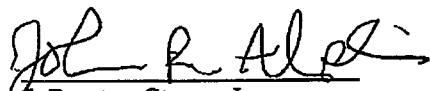

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Exhibit A
Articles of Incorporation



Secretary of State Search

Mark Hammond's Office



Office of the South Carolina Secretary of State
Business Filings Division

Information for: **GLUCOTEC, INC.**

Check Chg

Note*** This online database was last updated on 01/07/2008 see our Disclaimer

DOMESTIC / FOREIGN:

Domestic

STATUS:

Good Standing

STATE OF INCORPORATION /

SOUTH CAROLINA

ORGANIZATION:

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:

RICHARD L GROUNSELL

ADDRESS:

14-D PELHAM RIDGE DRIVE

CITY:

GREENVILLE

STATE:

SC

ZIP:

29615

SECOND ADDRESS:

FILE DATE:

03/28/2006

EFFECTIVE DATE:

03/28/2006

DISSOLVED DATE:

CORPORATION HISTORY RECORDS		
Code	File Date	Comment
INCORPORATION (DOMESTIC)	03/28/2006	

Return to Previous Page

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
ARTICLES OF INCORPORATION

MAR 28 2006

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY IN BLACK INK

1. The name of the proposed corporation is GLUCOTEC, INC.
2. The initial registered office of the corporation is 14-D FELHAM RIDGE DRIVE
Street Address
GREENVILLE, GREENVILLE, SC 29615
City County State Zip Code
and the initial registered agent at such address is RICHARD L. GROUNDSELL
Print Name

I hereby consent to the appointment as registered agent of the corporation:

Richard L. Groundsell
Agent's Signature

3. The corporation is authorized to issue shares of stock as follows. Complete "a" or "b", whichever is applicable:

- a. ☒ The corporation is authorized to issue a single class of shares, the total number of shares authorized is 40,000,000.
- b. ☐ The corporation is authorized to issue more than one class of shares:

Class of Shares	Authorized No. of Each Class
_____	_____
_____	_____
_____	_____

The relative right, preference, and limitations of the shares of each class, and of each series within a class, are as follows:

4. The existence of the corporation shall begin as of the filing date with the Secretary of State unless a delayed date is indicated (See Section 33-1-230(b) of the 1976 South Carolina Code of Laws, as amended)

060328-0038
GLUCOTEC, INC.

FILED: 03/28/2006

Filing Fee: \$135.00 ORIG

Mark Hammond

South Carolina Secretary of State

Plaintiffs 000012

R. 000342

GLUCOTEC, INC.

Name of Corporation

6. The optional provisions, which the corporation elects to include in the articles of incorporation, are as follows (See the applicable provisions of Sections 33-2-102, 33-2-103, and 33-2-221 of the 1976 South Carolina Code of Laws, as amended).

8. The name, address, and signature of each incorporator is as follows (only one incorporator is required):

RICHARD L. GROUNDSELL

a.

Name

14-D PELHAM RIDGE DRIVE, GREENVILLE, SC 29616

Address

Richard L. Groundsell

Signature

b.

Name

Address

Signature

c.

Name

Address

Signature

7. I, BEN G. LEAPHART, an attorney licensed to practice in the state of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 2, Title 33 of the 1976 South Carolina Code of Laws, as amended, relating to the articles of incorporation.

Date

March 22, 2006

Signature

BEN G. LEAPHART

Type of Print Name

P.O. BOX 10768

Address

GREENVILLE, SC 29603

(804)271-2594

Telephone Number

Exhibit B

GlucoTec, Inc. Shareholders' Agreement

**GLUCOTEC, INC.
SHAREHOLDERS' AGREEMENT**

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Les Grounsell, and Clark Grounsell (collectively, the "Shareholders").

WITNESSETH:

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares"):

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
~~Bruce Bode, MD~~	~~250,000~~
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
~~Garry Hoyt~~	~~250,000~~
~~Richard Grounsell~~	~~250,000~~
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1. Definitions.

(a) Restricted Shares. With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below; (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below; and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer. The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law.

2. Restriction on Transfer of Certain Shares.

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1. From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2. From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3. From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(d) No Other Restrictions on Transfer of Shares. The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares. During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares. During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares. During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares. Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances.

3. Company's Option to Purchase Certain Shares.

(a) Option to Purchase Year 1 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option"). The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder. "Year 1 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 1 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares.

(b) Option to Purchase Year 2 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 2 Option"). The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder. "Year 2 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 2 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares.

(c) Option to Purchase Year 3 Restricted Shares. If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 3 Option"). The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder. "Year 3 Purchase Price" means an amount equal to \$.10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4. Change of Control. If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities; (ii) the sale or disposition of all or substantially all of the Company's assets; or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions.

5. Death or Disability. If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6. Endorsement on Share Certificates. Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7. Severability. If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8. Parties in Interest. This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9. Assignment. This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10. Amendment. Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

13. Governing Law. This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument.

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

COMPANY:

GLUCOTEC, INC.

By: _____
Name: Richard Grounsell
Title: CEO and President

SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge

Garry Hoyt

Richard Grounsell

Lee Grounsell

Clark Grounsell

Exhibit C

Stock Subscription Dated March 24, 2006

GLUCOTEC, INC.

STOCK SUBSCRIPTION

The undersigned by and through its duly authorized member, hereby subscribes for, and purchases herewith Eighteen Million One Hundred Twenty Nine Thousand and Sixty Six (18,129,066) shares of the common stock (the "Shares") of GLUCOTEC, INC. (the "Corporation

The undersigned hereby represents, warrants and acknowledges that (a) the Shares are being acquired for the account of the undersigned, for purposes of investment and not with a view to the distribution thereof, as those terms are used in the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder, (b) the undersigned has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the Shares, and (c) the undersigned understands, and has the financial capability of assuming, the economic risk of an investment in the Shares for an indefinite period of time.

The undersigned agrees to hold the Shares subject to all applicable provisions of the Act, applicable state securities laws, the Articles of Incorporation and the By-laws of the Corporation, and any agreement restricting the disposition or encumbrance of the Shares to which the undersigned is a party.

The representations, agreements and acknowledgments set forth above are being given by the undersigned with the understanding that they will be relied upon by the Corporation and its Board of Directors in order to claim the availability of the exemption from the registration provisions of the Act contained in Section 4(2) thereof.

DATED as of the 24th day of March, 2006

COLLABORATIVE MED, LLC

By

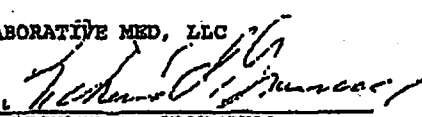

RICHARD L. GROUNSELL
Authorized Member

Exhibit D

Grounsell Deposition (pages 82-88, 153-154)

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) THIRTEENTH JUDICIAL DISTRICT
CIVIL ACTION No.: 08-CP-23-0547

BRUCE BODE AND JOHN DOE,)
)
Plaintiff,)
-vs-)
)
COLLABORATIVEMED, LLC,)
GLUCOTEC, INC., and)
RICHARD L. GROUNSELL,)
)
Defendants.)

DEPOSITION OF:

RICHARD LEE GROUNSELL

Deposition of RICHARD LEE GROUNSELL taken before
Laura W. Little, Verbatim Reporter and Notary Public in and
for the State of South Carolina, at the law offices of
Clarke, Johnson, Peterson, and McLean, 620 West Evans
Street, Florence, South Carolina, commencing at 3:15 p.m.
on the 5th day of May, 2009, and reconvened on the 6th day
of May, 2008 at 1:10 p.m.

APPEARANCES OF COUNSEL:

For the Plaintiff:

John R. Alpin, Esquire
Mario A. Pacella, Esquire
Strom Law Firm, L.L.C.
2110 Beltline Blvd, Suite A
Columbia, South Carolina 29204

For the Defendant Richard L. Grounsell:

Brown W. Johnson, Esquire
Clarke, Johnson, Peterson & McLean
Post Office Box 1865
Florence, South Carolina 29503

For the Defendant Glucotec, Inc.:

James T. Irvin, Jr., Esquire
Irvin Law Firm
5900-C North Kings Highway
Myrtle Beach, South Carolina 29577

In Attendance:

Trefor Thomas

LAURA W. LITTLE
LAURA LITTLE REPORTING SERVICE
POST OFFICE BOX 710
DARLINGTON, SOUTH CAROLINA 29540
843-393-6466

COPY

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) THIRTEENTH JUDICIAL DISTRICT
CA No. 98-CO-23-2321

GARRY HOYT,

Plaintiff,

-vs-

COLLABORATIVEMED, LLC,
GLUCOTEC, INC., and
RICHARD L. GROUNDSELL,

Defendants.

LAURA W. LITTLE
LAURA LITTLE REPORTING SERVICE
POST OFFICE BOX 710
DARLINGTON, SOUTH CAROLINA 29540
843-393-6466

R. 000355

1 that correct?

2 A. No. I, I know we had to set this, I think, as Ben
3 Leaphart's documents. I am not sure if this --
4 this is not the actual meeting in which these were
5 consummated on.

6 Q. So this isn't the meeting, the minutes of the
7 organizational meeting for the Board of Directors?

8 A. I think this was the minutes of the proposed of the
9 -- what was proposed to do in the organizational
10 meeting. I am sure it is.

11 Q. Okay. Going back to the stock subscription a
12 minute, you dated that March 24, 2006, is that
13 correct?

14 A. March what?

15 Q. 24th of 2006?

16 A. Yes.

17 Q. What date was GlucoTec formed?

18 A. I think it was March 28th.

19 Q. Okay.

20 A. That's what I was saying, again, a minute ago it
21 was, these were work products and proposals.

22 Q. Okay. So the minutes that I just handed you are
23 not actual minutes of GlucoTec, is that your
24 testimony?

25 A. I don't know without looking at the Board minutes.

1 Q. Okay. If it says that it is the minutes of the
2 Board of Directors, would that not be correct?

3 A. No, because we had a vote when we did the shares by
4 the shareholders. We all met, those people right
5 there, met as initial shareholders. I know the
6 eighteen million had to be approved by the
7 shareholders. We had a shareholder meeting.
8 That's when that was finally solidified. This was
9 what was proposed.

10 Q. Okay.

11 A. And was not the final acceptance.

12 Q. Who was on the Board of Directors at this time?

13 A. Just me.

14 Q. So you were the sole member of the Board of
15 Directors?

16 A. Uh-huh. So I had a shareholder "founders meeting"
17 of the shareholders to vote as to how, how many
18 shares Comed would get from GlucoTec.

19 Q. Who was present at that meeting, sir?

20 A. Lori LaPointe, Hank Durschlag, Andy Ethridge, Clark
21 Grounsell, Lee Grounsell, Robby Booth.

22 Q. Okay. Were Garry Hoyt or Bruce Bode present at
23 that meeting?

24 A. No. Bruce Bode was out of the -- later on we found
25 out he was out of the country. Garry Hoyt, we

1 required everybody to sign a non-compete agreement,
2 non-disclosure agreement, and Garry Hoyt refused to
3 sign his and he was not allowed to attend that
4 meeting unless he signed. And Bruce and Garry Hoyt
5 was notified that we were going to conduct business
6 pertaining to GlucoTec and the ownership of
7 GlucoTec and the equity investment. I, at that
8 meeting, proposed that, that GlucoTec acquire my
9 shares or I would take those -- GlucoTec acquire my
10 intellectual property, transfer my assets, and if
11 they didn't I would take the product somewhere
12 else.

13 Q. Okay.

14 A. And I had the shareholders vote. I gave Hank
15 Durschlag the proxy vote of myself and I left the
16 meeting and they voted and 52 percent of the
17 company voted on the shares.

18 Q. Okay.

19 A. All the shareholders that were initial share --
20 founder shares, with the exception of Bruce Bode,
21 and Garry Hoyt.

22 Q. Did they --

23 A. Bruce was contacted for ten days, repeated phone
24 calls and e-mails, and he did not respond.

25 Q. Did you know he was out of the country at the time?

1 A. No. He said his e-mail was not working and he
2 wasn't getting his phone messages when he came
3 back.

4 Q. Did you immediately tell him about the transfers
5 that had taken place at the shareholders meeting?

6 A. I honestly can't recall.

7 Q. Did you send some sort of certified mail or
8 anything to Bode or to Hoyt putting them on notice
9 of this hearing?

10 A. Certified mail? No.

11 Q. You just sent it regular mail?

12 A. We, we contacted them verbally and we e-mailed them
13 and explained to them we were having a meeting.

14 Q. But there was never any formal correspondence sent
15 via through the mail or anything like that, putting
16 them on notice of this hearing?

17 A. I would have to ask Lori --

18 Q. Of this meeting?

19 A. -- if she did that.

20 Q. This is not something you would have done?

21 A. No.

22 Q. As the chairman of the Board?

23 A. No. I would not do that as chairman of the Board.

24 Q. Who e-mailed those documents, do you know?

25 A. It was my understanding that Lori and Hank had done

1 that.

2 Q. Okay. Do you have copies of those e-mails?

3 A. No.

4 Q. Who would have those documents?

5 A. Durschlag. They were in the corporate computer
6 until Durschlag erased it.

7 Q. Okay. So there is no proof anywhere that they were
8 actually given notice of this shareholders meeting?

9 A. I don't know.

10 Q. Do you --

11 A. I don't, I don't know what Durschlag has. I
12 haven't subpoenaed him or tried to get that. I
13 don't know what Bruce has in his computer. I
14 haven't tried to subpoena his computer to see what
15 e-mails he has.

16 Q. In your possession --

17 A. I haven't subpoenaed the telephone records.

18 Q. In your possession, do you have any proof that he
19 was given notice of this hearing, either Mr. Bode
20 or Mr. -- Dr. Bode or Mr. Hoyt?

21 A. All parties were aware at that meeting that
22 multiple contacts had been made to Dr. Bode. It
23 was stated by Durschlag and by Lori that they had
24 tried to contact Dr. Bode and Dr. Bode was
25 unavailable. So all the shareholders there at that

1 meeting were aware of it.

2 Q. Okay. Would they have been put on notice of the
3 meeting through any other sort of form other than
4 e-mail? You said you -- did you personally call
5 them to put them on notice of the meeting?

6 A. No. Durschlag did that.

7 Q. Okay. What was --

8 A. Durschlag and Lori took care of trying to arrange
9 the meeting and notifying the people.

10 Q. Okay. You had previously testified that there was
11 -- everyone there that voted, there was a 52
12 percent vote in favor of the proposal?

13 A. Uh-huh.

14 Q. Do you know how the votes were cast?

15 A. I stepped out, but I was told it was unanimous.

16 Q. Okay.

17 A. I wasn't present at the voting.

18 Q. So you -- did you vote your shares or someone else
19 vote your shares?

20 A. Durschlag voted my shares.

21 Q. Okay. What is the quorum requirement for your
22 corporation? Do you know?

23 A. No. I just assumed the majority.

24 Q. So as long as 50 percent of the shareholders
25 attended the meeting you felt it was appropriate to

1 go forward with the meeting?

2 A. Well, the number of shareholders that attended the
3 meeting was greater than that because there were
4 seven or -- there was five of seven people attended
5 the meeting.

6 Q. I am talking about the percentage shares that were
7 actually present?

8 A. The percentage shares that were represented, to me
9 as long as it was 50 percent I really didn't care.
10 Now, that would be assumed an unanimous vote.

11 Q. Okay. Did --

12 A. If anybody objected it wouldn't have been an
13 unanimous vote.

14 Q. In this notice did you tell them that you intended
15 to transfer eighteen million plus shares to
16 CollaborativeMed?

17 A. I don't know if it was notified or not. Not that -
18 - when you say eighteen million there was
19 notification we were going to work on the equity
20 structure of the corporation and the transfer of
21 Comed, but we had a previous meeting with Dr. Bode
22 and Garry Hoyt, I think two weeks prior to that, in
23 which Garry Hoyt vehemently objected and that draft
24 document had sixteen million shares, if I recall
25 correctly, going to Comed and Garry Hoyt objected

1 send out notice and to comply with the statutes of
2 South Carolina and/or the Bylaws of the
3 Corporation?

4 A. Yes. And I think that I swore or I think I
5 testified yesterday, a week to ten days. I don't
6 know the time period, to be specific, a written
7 notice was sent out to Bruce Bode of a meeting, and
8 I guess, GlucoTec made a mistake.

9 Q. I believe you said yesterday that it was e-mailed
10 and you tried to call him, but you hadn't testified
11 that he was actually mailed or personally served
12 upon him, is that correct?

13 A. Not, not personally served upon him, but I don't
14 know how you refer to personally served. Is an e-
15 mail to somebody's e-mail account personally
16 served? I think that's being --

17 Q. I believe they are talking about having a process
18 server go out and hand deliver them.

19 A. No, we wouldn't spend that type of money.

20 Q. And then mailed, I think that is talking about
21 dropping it in the postal service for delivery via
22 U.S. Mail?

23 A. I don't see where it's defined mailing as that.

24 Q. It talks about mail to the address that appears on
25 the books of the Corporation, is that what it says,

1 sir?

2 A. Let's see. What section?

3 Q. Either Section 3 or Section 6, sir. Those sections
4 repeat the same language.

5 A. Well, I think their e-mails are at their house, but
6 that's fine.

7 Q. Okay. But we can agree -- is it your testimony
8 today that neither Garry Hoyt or Bruce Bode were
9 personally served or notice was sent via mail to
10 their house via U.S. Mail to their last or to the
11 address on the Corporation books, is that correct?

12 A. I would have to check with Durschlag, but to my --
13 I don't recall personally any U.S. Mail being sent
14 to anybody at that time. We were only seven or
15 eight people.

16 Q. Okay. And you said you wouldn't have spent the
17 money to personally serve them, is that correct?

18 A. No, we wouldn't have spent the money at that time
19 to personally serve somebody.

20 Q. Okay.

21 A. I don't think we would have. We're a small -- we
22 are a small group of people that were pretty,
23 pretty flexible and stuff like that generally
24 speaking.

25 Q. I understand that, sir. Yesterday you had

Exhibit E

GlucoTec Bylaws

BY-LAWS
OF
GLUCOTEC, INC.

ARTICLE I.

The Corporation

Section 1. The name of this Corporation shall be GLUCOTEC, INC.

Section 2. The principal office of this Corporation shall be in Greenville County, South Carolina, and this Corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II.

Shareholders

Section 1. Meetings of the Shareholders shall be held at the principal office of the Corporation or at any other place (within or without South Carolina) which the Board of Directors or Shareholders may from time to time select.

Section 2. An annual meeting of the Shareholders of the Corporation shall be held at such time and place, not more than ninety (90) days following the close of the Corporation's fiscal year, as the Board of Directors may by resolution provide, at which meeting a Board of Directors shall be elected and such other business shall be transacted as may properly come before the meeting.

Section 3. Written notice of the annual meeting, stating the place, date and hour, shall be personally served upon or mailed to each Shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, not less than ten (10) nor more than fifty (50) days before the date of the meeting.

Section 4. The officer or agent having charge of the stock ledger shall prepare and make, in advance of each meeting of Shareholders, a complete list of the Shareholders entitled to vote at the meeting, arranged in alphabetical order, and bearing the address of each Shareholder and the number of shares registered in the name of each Shareholder; provided, however, the requirement of a list shall be satisfied and no list need be prepared if the record of Shareholders

maintained by the Corporation readily shows, in alphabetical order or by alphabetical index, and by classes or series, if any, the information required to appear in a list of Shareholders. Such list shall be open to the examination of any Shareholder, for any purpose germane to the meeting, at any time during usual business hours, for a period commencing upon the date when notice of the meeting is given, and in no event less than ten (10) days prior to the date of the meeting. The list shall also be produced and kept open at the time and place of the meeting, and subject to the inspection of any Shareholder during the whole time of the meeting.

Section 5. Special meetings of the Shareholders, for any purpose or purposes other than those prescribed by statute or by the articles of incorporation, may be called by the president, and shall be called by the president or secretary at the request of a majority of the Board of Directors, or the holders of not less than ten percent (10%) of the entire capital stock of the Corporation issued, outstanding and entitled to vote at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of the special meeting of the Shareholders stating the place, date and hour, and the purpose or purposes for which the meeting is called, shall be served upon or mailed to each Shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, not less than ten (10) nor more than fifty (50) days before the date of such meeting. Business transacted at all special meetings shall be confined to the objects stated in the call.

Section 7. A Shareholder, either before or after a Shareholders' meeting, may waive notice of the meeting; and his waiver shall be deemed the equivalent of giving notice. Attendance at a Shareholders' meeting, either in person or by proxy, of a person entitled to notice shall constitute a waiver of notice of the meeting unless he attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully called or convened.

Section 8. The holders of a majority of the stock issued and outstanding, and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, by the articles of incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or by proxy, shall have power by a majority vote, to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, at which time any business may

be transacted at the meeting as originally notified.

Section 9. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the articles of incorporation or these By-Laws a different vote is required; in which case such express provision shall govern and control the decision of such question.

Section 10. At any meeting of the shareholders, every shareholder entitled to vote thereat shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such shareholder or by his duly authorized attorney, and shall have one vote for each share having voting power, registered in his name; provided, however, that in the election of directors, each shareholder shall be allowed to cast in person or by proxy as many votes as the number of voting shares he owns multiplied by the number of directors to be elected; the same to be cast for any one candidate or to be distributed among two or more candidates.

If a shareholder intends to vote his shares in a cumulative manner in an election of directors, as described above, then said shareholder shall either (1) give written notice of such intention to the president or other officer of the Corporation not less than forty-eight (48) hours before the time fixed for the meeting, which notice shall be announced in such meeting before the voting, or (2) announce his intention in such meeting before the voting for directors shall commence; and all shareholders entitled to vote at such meeting shall without further notice be entitled to cumulate their votes. If a shareholder intending to cumulate his votes gives notice at the meeting, the person presiding may, or if requested by any shareholder shall, recess the meeting not to exceed two (2) hours.

Section 11. Any action which would otherwise be taken at meeting of the shareholders may be taken without a meeting if a written consent, setting forth the action so taken, is signed by the holders of all outstanding shares entitled to vote on such action and is filed with the Secretary of the Corporation as part of the corporate records. Such written consent shall have the same effect as a unanimous vote of the shareholders and may be stated as such in any certificate or document required to be filed with the Secretary of State.

ARTICLE III.

Directors

Section 1. The Board of Directors of the Corporation shall consist of one or more members. The number of directors which shall constitute the board shall be determined by the shareholders.

Section 2. The directors may hold their meetings at such places as they may from time to time determine, either within or without the State of South Carolina.

Section 3. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining directors, even though less than a quorum, shall choose a successor or successors who shall hold office until the next election of directors.

Section 4. The property and business of the Corporation shall be managed under the direction of its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the articles of incorporation or by these By-Laws directed or required to be exercised and done by shareholders.

Meetings of the Board

Section 5. The first meeting of each newly elected board shall be held at such time and place, either within or without the State of South Carolina, as shall be fixed by the vote of the shareholders at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting provided a quorum shall be present, or they may meet at such time and place as shall be fixed by the consent in writing of all such directors.

Section 6. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of South Carolina, as shall from time to time be determined by the board.

Section 7. Any or all directors may participate in a meeting of the Board of Directors by means of conference telephone or any means of communication by which all persons participating by such means shall constitute presence in person at such meeting.

Section 8. Special meetings of the board may be called by the president on twenty-four (24) hours' notice to each director, either personally or by mail or telegram; special meetings shall be called by

the president or secretary in like manner or like notice on the written request of any two directors.

Section 9. At all meetings of the board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the articles of incorporation or by these By-Laws. If a quorum shall not be present at any meeting of the directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committee

Section 10. The Board of Directors may, by resolution adopted by a majority of the whole board, designate from among its members an executive committee and other committees, each consisting of one or more directors and may delegate to such committee or committees all the authority of the board, except as to matters which the board is specifically prohibited from delegating under the provisions of the laws of the State of South Carolina. The board may designate one or more directors as alternate members of any committee and this director may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by a majority of the whole board. Each committee appointed shall keep minutes of its meetings and report the same to the board when required.

In the absence or disqualification of a member of a committee, the members thereof present at the meeting and not qualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such an absent or disqualified member.

Compensation of Directors

Section 11. Directors, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum for attendance and expenses, if any, may be allowed for attendance at each regular or special meeting of the board; provided that nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Notices

Section 12. Whenever under the provisions of these By-Laws notice is required to be given to any director or shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, postage prepaid, addressed to such director or shareholder at such address as appears on the books of the Corporation.

Section 13. A director may waive notice in writing of a meeting of the board, either before or after the meeting, and his waiver shall be deemed the equivalent of giving notice. Attendance of a director at a meeting shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 14. Action taken by a majority of directors without meeting shall be deemed action of the Board of Directors if all directors, severally or collectively, execute a written consent thereto, either before or after the action is taken, and the consent is filed with the records of the Corporation.

ARTICLE IV.

Officers

Section 1. The officers of the Corporation shall be chosen by the directors and shall be a president, a vice president, a secretary and a treasurer, and such other officers as the board shall designate. Any person may hold more than one of the aforesaid offices and may act in more than one capacity where action by two or more officers is required.

Section 2. The officers of the Corporation shall hold their office until their successors are chosen and have qualified or until their resignation or removal.

Section 3. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 4. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors for the unexpired term of that office. Any officer or agent appointed by an officer of the Corporation may be removed by such officer.

The President

Section 5. The president shall be the chief executive officer of the Corporation, shall preside at all meetings of the shareholders, shall supervise the general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute deeds, mortgages, bonds and other contracts requiring a seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to other officers or agents of the Corporation.

The Vice President

Section 6. The vice president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform other duties as from time to time may be assigned to him by the Board of Directors.

The Secretary

Section 7. The secretary shall attend all sessions of the board and all meetings of the shareholders, and record all votes and the minutes of all proceedings in a book to be kept for the purpose. He shall give, or cause to be given, notice of all meetings of the shareholders, and of special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the board, affix the seal to any instrument requiring it, and when so affixed it shall be attested by the signature of the secretary or treasurer.

The Treasurer

Section 8. The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 9. He shall disburse the funds of the Corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, account of all his transactions as treasurer and of the financial condition of the Corporation.

ARTICLE V.

Indemnification

Section 1. The Corporation shall indemnify any person, his heirs, personal representatives or administrators, who was or is a party or is threatened to be made a party to any proceeding (other than a proceeding referred to in Section 2 of this Article V) by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against judgments, penalties, fines, amounts paid in settlement and expenses (including attorneys' fees) actually and reasonably incurred by such person or such heirs, personal representatives or administrators in connection with proceeding if:

- (a) He conducted himself in good faith, and
 - (i) in the case of conduct in his official capacity with the Corporation, he reasonably believed his conduct to be in its best interests; or
 - (ii) in all other cases, he reasonably believed his conduct to be at least not opposed to its best interest; and
- (b) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person did not meet the requisite standard of conduct set forth in the preceding sentence.

For purposes of this Article V, the term "proceeding" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 2. The Corporation shall indemnify any person, his heirs, personal representatives or administrators, who was or is a party or is threatened to be made a party to any proceeding by or in the right of the Corporation by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of other foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against expenses actually and reasonably incurred (including attorneys' fees) by such person or heirs, personal representatives or administrators in

connection with such proceeding if he conducted himself in good faith, and

- (a) in the case of conduct in his official capacity with the Corporation, he reasonably believed his conduct to be in its best interest, or
- (b) in all other cases, he reasonably believed his conduct to be at least not opposed to its best interest.

Section 3. Notwithstanding any provision in this Article V to the contrary, no indemnification shall be made with respect to:

- (a) any expenses incurred by any person in connection with any proceeding by or in the right of the Corporation in which such person shall have been adjudged to be liable to the Corporation, or
- (b) any judgments, penalties, fines, settlements, or expenses incurred by any person in connection with any proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he shall have been adjudged to be liable on the basis that personal benefit was improperly received by him.

Section 4. No indemnification under Sections 1 and 2 shall be made unless authorized in each specific case after a determination has been made, as set forth below in either Section 1 or 2 above, that indemnification of the person is permissible in the circumstances because he has met the applicable standard of conduct.

The determination required by this Section 4 shall be made:

- (a) by the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to such proceeding; or
- (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the board, duly designated to act in the manner by a majority vote of the full board (in which designated directors who are parties may participate), consisting solely of two or more directors not at the time parties to such proceeding; or
- (c) by special legal counsel, selected by the Board of Directors or a committee thereof by vote as set forth in subsections (a) and (b) of this Section 4, or, if the requisite quorum of the full board cannot be obtained therefor and such committee

cannot be established, by a majority vote of the full board (in which selected directors who are parties may participate), or

(d) by the shareholders.

Section 5. Reasonable expenses incurred by a person as a result of being a party to a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of such proceeding if:

(a) after a determination, made in the manner specified in Section 4, that the information then known to those making the determination (without undertaking further investigation for purposes thereof) does not establish that indemnification would not be permissible under either Section 1 or Section 2, as applicable; and

(b) upon receipt by the Corporation of:

(i) a written affirmation by the person of his good faith belief that he has met the standards of conduct necessary for indemnification by the Corporation as specified in Section 3; and

(ii) a written undertaking by or on behalf of the person to repay such amount if it shall ultimately be determined that he did not meet such standards of conduct.

Section 6. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 7. Any indemnification of any person in accordance with this Article, including any payment or reimbursement of expenses, shall be reported in writing to the Shareholders with the notice of the next Shareholders' meeting or prior thereto.

ARTICLE VI.

Certificates of Stock

Section 1. The certificate of stock of the Corporation shall be

numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and the number of shares and shall be under the corporate seal which may be a facsimile, engraved or printed. They shall be signed by the president and secretary. Where any such certificate is signed by a transfer agent or transfer clerk or by a registrar, the signature of any such president and secretary upon such certificate may be facsimiles, engraved or printed. In case any such officer who has signed, or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer before such certificate is issued, such certificate may, nevertheless, be issued by the Corporation with the same effect as if such officer had not ceased to be such officer at the date of its issue.

Transfers of Stock

Section 2. Upon surrender to the Corporation or transfer agent of the Corporation of a certificate for shares endorsed by the person named in the certificate or by attorney lawfully constituted in writing or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the books.

Fixing Record Date

Section 3. In order that the Corporation may determine the Shareholders entitled to notice of or to vote at any meeting of the Shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividends or other distribution or allotment of any rights, or entitled to exercise any rights in respect to any other change, conversion or exchange of stock, or in order to make a determination of Shareholders for any other proper purpose, the Board of Directors may fix, in advance, a record date for any such determination of Shareholders. Such date shall not in any case be more than fifty (50) nor less than ten (10) full days before the date of such meeting, or the date on which the particular action requiring such determination of Shareholders is to be taken.

Registered Shareholders

Section 4. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of South Carolina.

Lost Certificate

Section 5. Whenever a Shareholder shall desire a new certificate of stock in the place of his original certificate of stock which shall have been lost or destroyed, he shall make application to the Corporation for the issuing of a new certificate only upon: (a) submitting an affidavit that he is the bona fide owner of such stock, that the original certificate has been destroyed or lost, the circumstances of such loss or destruction, and that the shares have not been transferred or disposed of by him in any manner; (b) filing with the Corporation a sufficient indemnity bond; and (c) satisfying any other reasonable requirements imposed by the Board of Directors.

ARTICLE VII.

Dividends

Section 1. Dividends upon the capital stock of the Corporation without record or preference to the class or series, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash or property, including the shares of capital stock of the Corporation, or of other corporations, subject to limitations upon payment of dividends contained in the statutes of the State of South Carolina.

Section 2. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as reserve funds to meet contingencies or for equalizing dividends or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors think conducive to the best interests of the Corporation.

ARTICLE VIII.

Special Corporate Acts

Section 1. All contracts, deeds, documents and other corporate instruments and all checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE IX.

Fiscal Year

Section 1. The fiscal year of the Corporation shall be fixed by

resolution of the Board of Directors.

ARTICLE X.

Corporate Seal

Section 1. The corporate seal shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, South Carolina."

ARTICLE XI.

Amendments

Section 1. These By-Laws may be altered or amended at any regular meeting of the Shareholders or at any special meeting of the Shareholders at which a quorum is present or represented if notice of the proposed alteration or amendment be contained in the notice of such special meeting, by the affirmative vote of a majority of the Shareholders entitled to vote at such meeting and present or represented hereat.

Section 2. These By-Laws also may be altered, amended or repealed by a majority vote of the Board of Directors. The directors may amend or repeal a by-law adopted by the Shareholders unless the By-Laws prescribe the extent to which these By-Laws may be altered, amended or repealed by the directors. Any notice of a meeting of the directors at which by-laws are to be adopted, amended or repealed shall include notice of such proposed action.

APPROVED AND ACCEPTED

Chairman of Organizational
Meeting of Initial Board of
Directors

Dated:

Exhibit F

Thomas Deposition (pages 32-34)

1 STATE OF SOUTH CAROLINA
2 COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS
FOR THE THIRTEENTH DISTRICT

3
4 GARRY HOYT,

C.A. NO. 08-CP-23-2321

5 Plaintiff,

6 vs.

7 COLLABORATIVEMED, LLC,
8 GLUCOTEC, INC. AND
9 RICHARD L. GROUNSELL,

Defendants.

10

11 D E P O S I T I O N

12 WITNESS: TREFOR THOMAS

13 DATE: Monday, May 11, 2009

14 TIME: 9:45 a.m.

15 LOCATION: The Strom Law Firm
2110 Beltline Boulevard
16 Columbia, South Carolina

17 TAKEN BY: Attorneys for the Plaintiffs

18 REPORTED BY: CYNTHIA FIRST, RPR, CRR, CCP

19

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23 www.compuscriptsinc.com
24
25

1 APPEARANCES:

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5 BY: MARIO A. PACELLA, ESQUIRE
6 2110 Beltline Boulevard
7 Columbia, South Carolina 29204
8 803-252-4800

7 ATTORNEYS FOR DEFENDANT COLLABORATIVEMED AND
8 RICHARD L. GROUNDSELL:

8 CLARKE JOHNSON PETERSON & MCLEAN, P.A.
9 BY: BROWN W. JOHNSON, ESQUIRE
10 620 W. Evans Street
11 Florence, South Carolina 29501
12 843-669-2401

12 ATTORNEYS FOR DEFENDANT GLUCOTEC, INC.:

13 IRVIN LAW FIRM
14 BY: JIM IRVIN, JR., ESQUIRE
15 1103-C Third Avenue South
16 Myrtle Beach, South Carolina 29578
17 843-222-3228

17 (INDEX AT REAR OF TRANSCRIPT)

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1 independent valuations of assets being transferred,
2 intellectual property. I believe those were discussed
3 and presented orally at the stockholders meeting that
4 dealt with this issue, but the corporate records do not
5 contain any independent appraisals or other valuations.

6 Q The shareholders' meeting that you just
7 referenced, was that the May 18, 2006 meeting?

8 A Again, if you'd give me a copy of that.

9 Q We'll mark as Exhibit 5 the May 18, 2006 board
10 minutes (handing).

11 A Thank you.

12 (Glucotec Founder Group Stockholders Meeting
13 Minutes, 5/18/06, marked Thomas Exhibit Number 5, for
14 identification.)

15 THE WITNESS: I'm looking at deposition
16 Exhibit Number 5. I believe these are the minutes on
17 which that stock subscription was based. It refers to
18 18,129,066 shares.

19 BY MR. ALPHIN:

20 Q Can you read into the record the shareholders
21 that were in attendance at this meeting?

22 A In attendance were Rick Grounsell, Hank
23 Durschlag, Robby Booth, Lee Grounsell, Clark Grounsell
24 and Andy Ethridge.

25 Q Thank you. Based on your review of the

1 corporate records, was a formal notice ever sent out for
2 this meeting?

3 A I have no record of a formal notice of the
4 meeting being given in that I don't have copies of any
5 mailing letters or records of receipt.

6 Q Based on your review of the corporate records,
7 was there a shareholder list done for a record date?

8 A I have not been able to locate a record date
9 and a stockholders list for that record date.

10 Q So it's fair to say that there was no notice
11 that made it through in the GlucoTec records for this
12 May 18th, 2006 meeting?

13 A It is correct to say there is nothing in the
14 corporate records that indicates that. I don't know
15 whether one did exist and didn't make it to the
16 corporate records. As you can see from these minutes,
17 some of the recordkeeping is pretty informal and
18 conversational rather than in normal corporate
19 governance form.

20 Q I want to talk to you just a minute about the
21 people that were in attendance. Mr. Durschlag, was he
22 an employee of GlucoTec at this time?

23 A I believe he was. I'd have to look at the
24 date of his employment contract, but certainly it was
25 around this time.

1 Q Robby Booth, would he have also been a leased
2 employee of GlucoTec at this time?

3 A Yes.

4 Q And Lee and Clark Grounsell, those are
5 children of Rick Grounsell; is that correct?

6 A Yes, but I don't believe that Clark Grounsell
7 was an employee at this time. I don't believe Clark has
8 been actually a direct employee of the company at any
9 time. He has a role as an independent contractor
10 distributor.

11 Q But his father is Richard Grounsell; is that
12 correct?

13 A That is my understanding.

14 Q And Richard Grounsell is the, I guess,
15 controlling member of CollaborativeMed, LLC; is that
16 correct?

17 A I don't know that. I know that -- I don't
18 have access to the corporate records of
19 CollaborativeMed, LLC, so I don't know what the
20 membership interests are in that company.

21 Q Were you present at his deposition last week?

22 A I was.

23 Q Did he testify to the fact that he was the
24 managing member at that meeting?

25 A I believe so.

Exhibit G

Plaintiff's Deposition (pages 52-53)

1 STATE OF SOUTH CAROLINA
2 COUNTY OF GREENVILLE COURT OF COMMON PLEAS
3
4 GARRY HOYT,
5 Plaintiff(s),
6 vs. Case No: 2008-CP-23-2321
7 COLLABORATIVE MEDICAL, LLC,
8 GLUCOTEC, INC., GLUCOTEC, INC.,
9 AND RICHARD L. GROUNSELL,
10 Defendant(s).

11 S I T I O N

12 WITNES:

13 DATE:

8, 2009

14 TIME:

15 LOCATION

m, L.L.C.
Boulevard
th Carolina

17 TAKEN BY: Attorneys for the Defendants

18 REPORTED BY: SHERI L. BYERS
19 Registered Professional Reporter

20 -----

21 COMPUSCRIPTS, INC.
22 A Full-Service Court Reporting Agency
23 Post Office Box 7172
24 Columbia, South Carolina 29202
25 803-988-0086
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1 APPEARANCES:

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7 2110 Beltline Boulevard
8 Columbia, South Carolina 29204

9 ATTORNEYS FOR THE DEFENDANTS:
10 COLLABORATIVE MEDICAL, LLC and
11 RICHARD L. GROUNSELL:

12 CLARKE, JOHNSON, PETERSON & MCLEAN, P.A.
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15 620 West Evans Street
16 Post Office Box 1865
17 Florence, South Carolina 29503

18 ATTORNEYS FOR THE DEFENDANT
19 GLUCOTEC, INC.:

20 IRVIN LAW FIRM
21 BY: JAMES T. IRVIN, ESQUIRE
22 Post Office Box 2677
23 Myrtle Beach, South Carolina 29577

24 ALSO PRESENT:

25 TREFOR THOMAS
RICK GROUNSELL

(INDEX AT REAR OF TRANSCRIPT)

1 Q. Mr. Hoyt, here's Defendant's Exhibit 8.

2 Would you take a look at that?

3 Have you seen this document before?

4 A. No.

5 Q. This indicates shareholders meeting minutes
6 of May 11, 2007. Had you received notice or were you
7 aware that there was to be a shareholders meeting on
8 May 11th?

9 A. No.

10 Q. No one called you or wrote you or e-mailed
11 you?

12 A. No.

13 (DEFT. EXH. 9, Stockholders Meeting Minutes,
14 May 18, 2006, was marked for identification.)

15 BY MR. JOHNSON:

16 Q. I'm handing you Defendant's Exhibit Number 9.
17 Take a look.

18 This makes reference to a shareholders
19 meeting on May 18, 2006. Were you aware of that
20 meeting?

21 A. No.

22 Q. Were you informed of that meeting?

23 A. No.

24 Q. Did you receive the minutes or copies of the
25 minutes --

1 A. No.

2 Q. -- at either meeting after --

3 A. No.

4 Q. -- the meeting?

5 At any time did you or after receiving the
6 minutes or --

7 A. I did not receive the minutes. I did not
8 receive the minutes. I mentioned that.

9 Q. I'm sorry. After -- when did you realize
10 that a meeting had occurred?

11 A. Long after the meeting occurred.

12 Q. Okay.

13 A. I was supposed to be a shareholder in the
14 corporation, and I wasn't made aware of any of this nor
15 was Dr. Bode.

16 Q. Okay. And --

17 A. We were kept in the dark.

18 Q. At that point -- do you remember when you
19 received or realized there had been meetings in May?

20 A. After that.

21 Q. Well, I mean, can you give us a time,
22 approximate time?

23 A. That year.

24 Q. In sometime in 2000 --

25 A. Before I was fired.

Exhibit H

Bode Deposition (page 47)

1 STATE OF SOUTH CAROLINA
 2 COURT OF COMMON PLEAS
 3 COUNTY OF GREENVILLE
 4 BRUCE W. BODE, M.D.,
 5 JOHN DOE,
 6 Plaintiff,
 7 vs Case No. 2008-CP-23-0547
 8 COLLABORATIVEMED, LLC,
 9 GLUCOTEC, INC. and
 10 RICHARD L. GROUNSELL,
 11 Defendants.

12
 13 DEPOSITION
 14 VOLUME I

15 WITNESS: BRUCE W. BODE, M.D.
 16 DATE: Thursday, May 28, 2009
 17 TIME: 9:54 a.m.
 18 LOCATION: Offices of
 19 Strom Law Firm, L.L.C.
 20 2110 Beltline Boulevard, Suite A
 21 Columbia, South Carolina
 22 TAKEN BY: Attorneys for the Plaintiff
 23 REPORTED BY: SONIA I. MENDEZ,
 24 Certified Court Reporter
 25

26
 27 COMPUSCRIPTS, INC.
 28 A Full-Service Court-Reporting Agency
 29 Post Office Box 7172
 30 Columbia, South Carolina 29202
 31 803.988.0086
 32 888.988.0086
 33 www.compuscriptsinc.com

1 at that time for the first time, putting in the
2 money that was put in to the company. That we
3 would convert that at .25 cents a share.

4 So I had given my \$100,000 and that
5 would be turned into 400,000 shares, and my other
6 time involved and Gary's expenses would be
7 converted and Rick's expenses at that time were
8 converted.

9 I asked specifically at that time what
10 other shares were going to be allocated and the
11 answer was, It had not been decided and they were
12 working on it.

13 Q. And this was in May of 2006?

14 A. Yes.

15 Q. Was there a shareholder's meeting in
16 May of 2006?

17 A. Not that I'm aware of.

18 Q. Was there one in June of 2006? I
19 think it was May of 2006.

20 A. Not that I'm aware of. I've never
21 been informed of any shareholder's meeting. The
22 first shareholder's meeting I got informed of was
23 this past year.

24 Q. The meeting recently -- or, no, 2008?

25 A. 2008, July time frame or whenever it

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF GREENVILLE	)	CA NO. 2008-CP-23-2321
	)	
Garry Hoyt,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	DEFENDANTS' MEMORANDUM IN
	)	OPPOSITION TO PLAINTIFF'S
Collaborativemed, LLC,	)	MOTION FOR PARTIAL
Richard L. Grounsell,	)	SUMMARY JUDGMENT
	)	
Defendants.	)	
	)	
	)	ENTERED COMPUTER

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL B. WICKENS
2012 SEP 19 P 1:41

The plaintiff brings this motion for partial summary judgment seeking a court order declaring a March 28, 2006 stock transfer by Glucotec, Inc. to defendant Collaborativemed, LLC void. The plaintiff contends he did not receive notice of the meeting of shareholders as required by corporate by-laws and South Carolina law. Therefore, plaintiff contends the stock transfer should be voided. These defendants contend plaintiff did in fact receive notice of the hearing, and there are factual disputes which preclude summary judgment. In addition, the defendants contend plaintiff was never entitled to 25% of Glucotec stock as alleged, and the plaintiff settled this same dispute with Glucotec and agreed to dismiss the case with prejudice.

STATEMENT OF FACTS

The plaintiff and the defendants are shareholders in Glucotec, Inc. Plaintiff brings this suit for shareholder oppression and wrongful acts against the defendant Grounsell as controlling shareholder of Glucotec, Inc. Plaintiff contends a shareholders' meeting of May 11, 2006 should be declared void because plaintiff alleges he did not receive notice of the hearing. These defendants contend plaintiff did receive notice of the shareholders' meeting as indicated by the Affidavit of Richard Grounsell, Defendants' Exhibit A. The defendants contend plaintiff was informed of the meeting by e-mails and telephone conversations. In addition, there is a dispute as to the amount of plaintiff's ownership of Glucotec, Inc. Plaintiff Hoyt contends that he is entitled to 25% of Glucotec stock, and the defendants contend there is no such agreement. Finally, these defendants assert Gary Hoyt entered into a settlement agreement with Glucotec, Inc. by which he received 200 warrants with a five year term at an exercise price of \$1 per share. In consideration of this settlement, Hoyt agreed to dismiss this suit "without limitation". Therefore, this suit should be dismissed.

STANDARD OF REVIEW

Summary judgment is appropriate where the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any,

show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. In determining whether any triable issues of fact exist for summary judgment purposes, the evidence and all the inferences that can be reasonably drawn from the evidence must be viewed in the light most favorable to the nonmoving party. If triable issues exist, those issues must go to the jury. Summary judgment is not appropriate where further inquiry into the facts of the case is desirable to clarify the application of the law. All ambiguities, conclusions, and inferences arising from the evidence must be construed most strongly against the moving party. Even when there is no dispute as to evidentiary facts, but only as to the conclusions or inferences to be drawn from them, summary judgment should be denied. Moreover, summary judgment is a drastic remedy which should be cautiously invoked so no person will be improperly deprived of a trial of the disputed factual issues. *Redwend Ltd. Partnership vs. Edwards*, 354 S.C. 459, 468, 581 S.E.2d 496, 501 (Ct. App. 2003).

DEFENDANTS' ARGUMENT

Garry Hoyt contends the shareholders' meeting of May 11, 2006 should be voided because he did not receive notice. However, the Affidavit of Richard Grounsell clearly indicates plaintiff received notice from the Glucotec Corporate office both by telephone calls and e-mails. According to the Grounsell affidavit, Hoyt

also received a Confidential Private Placement Memorandum which set forth the respective shares of ownership by the founders. Hoyt disagreed with the private placement and made it known to Glucotec in no uncertain terms. Hoyt refused to sign a Non-Disclosure/Non-Competition Agreement which precluded his involvement in the shareholders' meeting.

Hoyt contends that he is entitled to 25% of the Glucotec stock. He bases this contention on initial conversations between him and others to market the Glucommander, a product owned by three doctors. Glucotec was never able to obtain rights to the Glucommander from the doctors who owned it. The deposition of Richard L. Grounsell of May 5, 2009 provides in part as follows:

p. 90, line 4

"The doctors never transferred any intellectual property to Glucotec. They have given today, to my knowledge, other than I heard, Pump Master may have been transferred, no intellectual property."

line. 17

Q. Okay. Thank you. Is it your testimony today that you have never come into possession of the Glucommander software?

A. That is my testimony. I have never -- Glucommander is ours, was our name that we were using that we thought was assigned. The software that

we used today is not Bode and Davidson's software."

Therefore, Hoyt's contention that he is entitled to 25% of the Glucotec stock is based on initial conversations with Grounsell and others regarding the Glucommander, not the product used by Glucotec. Hoyt admits there was no written document entitling him to 25% of the Glucotec stock. The Garry Hoyt deposition includes the following:

p. 25, line 14

"Q. Okay. Is there anything in writing that sets forth that percentage of ownership 1/3, 1/3, 1/13?

A. No. I trusted Rick and that's what the deal was as did Dr. Bode."

Hoyt is basing his position on conversations with Grounsell, Dr. Bode, and himself regarding the commercialization of the Glucommander. However, Mr. Grounsell and Glucotec never reached an agreement with the doctors who owned rights to the Glucommander so Grounsell produced his own product. As indicated in his affidavit, Hoyt did not participate in the development of the product that became known as G-Plus.

Hoyt also admits that the Glucommander was changed, and the products were not the same. The Hoyt deposition provides as follows:

p. 35, line 12

"Q. Okay. Does the ... do you deny that Mr. Grounsell developed another product referred to as the G-Plus?

A. Mr. Grounsell and Mr. Booth and everyone else involved there took the Glucommander and refined it. Nothing more, not another version, not another product. It was the same exact concept as the Glucommander.

Q. But it was different, was it not?

A. It was refined."

Therefore, there is a factual dispute regarding Mr. Hoyt's share of the Glucotec stock, and there is a factual dispute regarding the difference in the products.

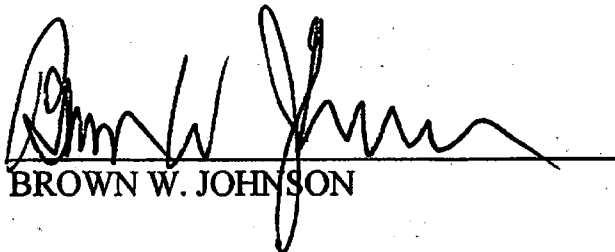
Garry Hoyt entered into a settlement agreement with Glucotec on February 25, 2010, a copy of this agreement is attached and marked Defendant's Exhibit B. The settlement agreement contained a provision as follows:

"All parties were dismissed with prejudice all actions pending and agree that all claims, of any nature, that may or could have been made by any party against each other party to this agreement have been settled and are null and void, except for the obligations of the parties as set forth in this Agreement."

This settlement agreement arises out of this suit. Glucotec was joined as a party, and is indicated by the attached settlement, Glucotec paid Hoyt 200,000

warrants, and Hoyt agreed to dismiss the suit. Based on the settlement agreement,
this suit should be dismissed.

Respectfully Submitted,



A handwritten signature in black ink, appearing to read 'Brown W. Johnson', is written over a horizontal line. The signature is stylized with a large initial 'B' and a long, sweeping tail.

Florence, South Carolina

September 18, 2012

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS

COUNTY OF GREENVILLE) CA NO. 2008-CP-23-2321

Garry Hoyt,

Plaintiff,

vs.

Collaborativemed, LLC,

Richard L. Grounsell,

Defendants.

**AFFIDAVIT OF RICHARD L.
GROUNSELL**

PERSONALLY APPEARED BEFORE ME, Richard L. Grounsell, who,

upon being duly sworn, deposes and says as follows:

1. I am a named defendant in the above case, and I am the majority shareholder and sole director of CollaborativeMed, LLC.
2. I was one of the founders of Glucotec, Inc., incorporated in March of 2006. Glucotec, Inc. was formed to market a product known as the Glucommander, a software program to regulate IV insulin delivery to control glucose.
3. In his Motion for Summary Judgment, Garry Hoyt contends he did not receive notice of the initial Glucotec shareholders meeting of May 11, 2006.

4. I was told by the Glucotec's corporate attorney that each proposed shareholder had to sign a Non-Disclosure/Non-Competition Agreement, attached and marked Defendant's Exhibit 1 and a Shareholder's Agreement, Defendant's Exhibit 2, prior to the initial shareholder's meeting.

5. Garry Hoyt received notice of the initial Glucotec shareholders' meeting of May 11, 2006. Laurie LaPointe, Glucotec's corporate secretary, e-mailed Mr. Hoyt with notices of the initial shareholders' meeting. In addition, there were several telephone conversations between Mr. Hoyt and the Glucotec office regarding the meeting. Mr. Hoyt's contention that he did not receive notice of the initial shareholders' meeting is simply not true.

6. Garry Hoyt also received all information regarding the proposed distribution of shares to CollaborativeMed, LLC. Mr. Hoyt disagreed with the proposed distribution and refused to sign the documents and so informed the corporate office.

7. Mr. Hoyt contends he is entitled to 25% of all Glucotec stock. There was never an agreement for Mr. Hoyt to receive 25% of the stock.

8. Prior to the incorporation of Glucotec, Inc., there was a proposal to commercialize a product known as the Glucommander/Palm Pilot which was developed and owned by Drs. Paul Davidson, Dennis Steed, and Bruce Bodie. Under

the terms of the initial proposal, the owners of the Glucommander/Palm Pilot would receive 25% of the founders' shares, the employees of the company would receive 25%, Garry Hoyt would receive 25%, and I would receive 25%. These original ownership percentages were later changed when Hank Durschlag was added as a shareholder.

9. No agreement was reached because the Glucommander/Palm Pilot was never obtained from its owners.

10. Since the Glucommander/Palm Pilot could not be obtained from the doctors who owned it, CollaborativeMed, LLC, developed a product which later became the G-Plus.

11. Garry Hoyt and Bruce Bodie refused to invest in the new product. Other creditors and investors participated in the development of the G-Plus product which was later marketed. Garry Hoyt did not participate nor contribute to the development of the G-Plus product.

12. CollaborativeMed, LLC developed the G-Plus to Glucotec, Inc., and offered to sell it to Glucotec, Inc. for approximately eighteen million shares of stock in Glucotec, Inc.

13. In addition to receiving two hundred fifty thousand founders' shares from Glucotec, Inc., CollaborativeMed, LLC gave Hoyt additional shares of two

hundred thirty-one thousand shares for his time and expenses.

14. In this lawsuit, Garry Hoyt also named Glucotec, Inc. as a party defendant alleging the same allegations as against these defendants.

15. On February 25, 2010, Glucotec, Inc. entered into a settlement agreement with Garry Hoyt by giving him two hundred thousand warrants within a five year term, with an exercise price of \$1 per share. A copy of this agreement is attached and marked Defendant's Exhibit 3.

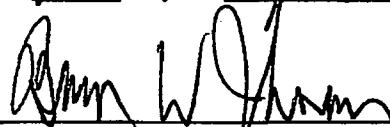
16. In this settlement agreement, Garry Hoyt promised as follows:

"All parties will dismiss with prejudice all actions pending and agree that all claims, of any nature, that may or could have been made by any party against each other party to this agreement have been settled and are null and void, except for the obligations of the parties as set forth in this agreement."

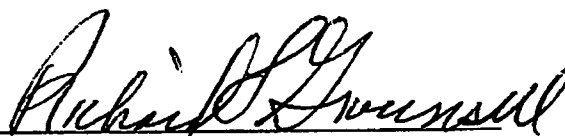
17. At all times alleged, I was acting as officer and agent of Glucotec, Inc., and Mr. Hoyt agreed to conclude this matter in full. Therefore, his claim has been concluded by the attached settlement agreement, and this case should be dismissed.

SWORN to before me

this 19th day of September, 2012.



Notary Public for South Carolina
My Commission Expires: Aug 25, 2013



RICHARD L. GROUNSELL

Non-Disclosure / Non-Competition Agreement:

This Agreement is entered into this 18 day of MAY, 2006 by and between

Garry W. Hoyt, an individual (hereinafter "Recipient")
and

GlucoTec, Inc, a South Carolina, Corporation (hereinafter "Discloser").

WHEREAS Discloser possesses certain ideas and information relating to

GLUCOSE MANAGEMENT SYSTEMS

that is confidential and proprietary to Discloser (hereinafter "Confidential Information"); and

WHEREAS the Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of an **EMPLOYMENT OR OTHER BUSINESS RELATIONSHIP**

NOW THEREFORE, in consideration for the mutual undertakings of the Discloser and the Recipient under this Agreement, the parties agree as follows:

1. **Disclosure.** Discloser agrees to disclose, and Recipient agrees to receive the Confidential Information.
2. **Confidentiality.**
 - 2.1 No Use. Recipient agrees not to use the Confidential Information in any way, or to manufacture, manipulate, recreate versions of, modify or test any product embodying Confidential Information, except for the purpose set forth above.
 - 2.2 No Disclosure. Recipient agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than Recipient's employees having a need for disclosure in connection with Recipient's authorized use of the Confidential Information.
 - 2.3 Protection of Secrecy. Recipient agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.
3. **Limits on Confidential Information.** Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:
 - (a) was ordered to be publicly released by the requirement of a government agency.
4. **Ownership of Confidential Information.** Recipient agrees that all Confidential Information shall remain the property of Discloser, and that Discloser may use such Confidential Information for any purpose without obligation to Recipient. Nothing contained herein shall be construed as granting or implying any transfer of rights to Recipient in the Confidential Information, or any patents or other intellectual property protecting or relating to the Confidential Information.

GWH (initials) Recipient

5. Term and Termination. The obligations of this Agreement shall be continuing until the termination of the contractual licensing relationship, and for a period of (3) years thereafter.

6. Survival of Rights and Obligations. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by (a) Discloser, its successors, and assigns; and (b) Recipient, its successors and assigns.

ADDITIONAL REPRESENTATIONS:

Restrictive Covenants. Recipient hereby agrees that at any time while he is an associate of the Company and for a period of three (3) years from and after the date such employment relationship terminates, irrespective of which party terminates such relationship and regardless of whether such termination is for cause or not, recipient shall not, either directly or indirectly, individually or as a consultant, employee, partner, officer or agent of any person, firm, partnership, corporation, company or other entity, violate any of the following restrictive covenants:

(a) Non-Competition. During the Association Term and for a three (3) year period following the termination of associate's relationship, receiver will not directly or indirectly, for himself, or as an agent of or on behalf of, or in conjunction with, any person, firm or corporation, engage in, represent, furnish consulting services to, be employed by, or have any interest in (whether as an owner, principal, shareholder, partner, joint venturer or member (excluding stock in a publicly-held corporation) or as a director, officer, lender, agent, consultant or independent contractor), and company the principal business of which is (promotion or sale of Glucose Management related products, Glucomander-like products, GlucoMate-like products, glucose managements technology including glucose management software, and/or other glucose management systems utilizing software or systems similar to that of GlucoTec) in the following geographical areas: *United States, Europe, Japan.*

(b) Non-Solicitation of Businesses. In express consideration of the covenants and agreements contained herein, receiver covenants and agrees that, during association with the Company, and for a period of thirty-six (36) months following the termination of said relationship with the Company for any reason, receiver will not, directly or indirectly on receiver's own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, take any action to divert, solicit, or contact any existing or potential businesses of the Company with whom receiver had contact during receiver's association with the Company, for the purpose of selling or leasing a GlucoTec-like product to such .

(c) Non-Solicitation of Employees. Recipient shall not employ or attempt to employ any of the Company's employees that are employed by the Company while Recipient is associated with the Company.

(d) Proprietary Information. In performance of services under this Agreement, Recipient may have access to:

(i) information which derives economic value, actual or potential, from

G. H. K. (initials) Recipient

not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (hereinafter "Trade Secrets" or "Trade Secret"); and

(ii) information which does not rise to the level of a Trade Secret, but is valuable to the Company and provided in confidence to Employee (hereinafter "Confidential Information").

Recipient acknowledges and agrees with respect to Trade Secrets and Confidential Information provided to or obtained by Recipient (hereinafter collectively the "Proprietary Information"):

- (A) the Proprietary Information is and shall remain the exclusive property of the Company and Recipient shall use the Proprietary Information only for the purpose of fulfilling the obligations of this Agreement;
- (B) to return the Proprietary Information, and any copies thereof in any form, in his possession or under his control, to the Company upon request of the Company, upon expiration or termination of this Agreement for any reason; and
- (C) to hold the Proprietary Information in confidence and he will not copy, publish or disclose to others or allow any other party to copy, publish or disclose to others in any form, any Proprietary Information without the prior written approval of an authorized representative of the Company.

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

**THIS DOUCMENT REPRESENTS THE ENTIRE AGREEMENT
AND SUPERCEEDS ALL PREVIOUS AGREEEMNTS**

DISCLOSER

(Signature)

RECIPIENT

(Signature)

Print Name:

Print Name

Title:

CEO

[Handwritten initials]

(initials) Recipient

Non-Disclosure / Non-Competition Agreement:

This Agreement is entered into this 18 day of MAY, 200 6 by and between
Gerry W. Hayt, an individual (hereinafter "Recipient")
and

GlucoTec, Inc, a South Carolina, Corporation (hereinafter "Discloser").

WHEREAS Discloser possesses certain ideas and information relating to

GLUCOSE MANAGEMENT SYSTEMS

that is confidential and proprietary to Discloser (hereinafter "Confidential Information"); and

WHEREAS the Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of an **EMPLOYMENT OR OTHER BUSINESS RELATIONSHIP**

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2. **Confidentiality.**
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 - 2.2 No Disclosure. Recipient agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than Recipient's employees having a need for disclosure in connection with Recipient's authorized use of the Confidential Information.
 - 2.3 Protection of Secrecy. Recipient agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.
3. **Limits on Confidential Information.** Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:
 - (a) was ordered to be publicly released by the requirement of a government agency.
4. **Ownership of Confidential Information.** Recipient agrees that all Confidential Information shall remain the property of Discloser, and that Discloser may use such Confidential Information for any purpose without obligation to Recipient. Nothing contained herein shall be construed as granting or implying any transfer of rights to Recipient in the Confidential Information, or any patents or other intellectual property protecting or relating to the Confidential Information.

GWH (initials) Recipient

5. Term and Termination. The obligations of this Agreement shall be continuing until the termination of the contractual licensing relationship, and for a period of (3) years thereafter.

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ADDITIONAL REPRESENTATIONS:

Restrictive Covenants. Recipient hereby agrees that at any time while he is an associate of the Company and for a period of three (3) years from and after the date such employment relationship terminates, irrespective of which party terminates such relationship and regardless of whether such termination is for cause or not, recipient shall not, either directly or indirectly, individually or as a consultant, employee, partner, officer or agent of any person, firm, partnership, corporation, company or other entity, violate any of the following restrictive covenants:

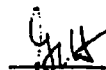
(a) **Non-Competition**. During the Association Term and for a three (3) year period following the termination of associate's relationship, receiver will not directly or indirectly, for himself, or as an agent of or on behalf of, or in conjunction with, any person, firm or corporation, engage in, represent, furnish consulting services to, be employed by, or have any interest in (whether as an owner, principal, shareholder, partner, joint venturer or member (excluding stock in a publicly-held corporation) or as a director, officer, lender, agent, consultant or independent contractor), and company the principal business of which is (promotion or sale of Glucose Management related products, Glucommander-like products, GlucoMate-like products, glucose managements technology including glucose management software, and/or other glucose management systems utilizing software or systems similar to that of GlucoTec) in the following geographical areas: *United States, Europe, Japan.*

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(i) information which derives economic value, actual or potential, from

 (initials) Recipient

not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (hereinafter "Trade Secrets" or "Trade Secret"); and

- (ii) information which does not rise to the level of a Trade Secret, but is valuable to the Company and provided in confidence to Employee (hereinafter "Confidential Information").

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- (B) to return the Proprietary Information, and any copies thereof in any form, in his possession or under his control, to the Company upon request of the Company, upon expiration or termination of this Agreement for any reason; and
- (C) to hold the Proprietary Information in confidence and he will not copy, publish or disclose to others or allow any other party to copy, publish or disclose to others in any form, any Proprietary Information without the prior written approval of an authorized representative of the Company.

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

**THIS DOCUMENT REPRESENTS THE ENTIRE AGREEMENT
AND SUPERCEDES ALL PREVIOUS AGREEMENTS**

DISCLOSER

(Signature)

RECIPIENT

(Signature)

Print Name:

Print Name

Title:

CEO

GHK (initials) Recipient

Non-Disclosure / Non-Competition Agreement:

This Agreement is entered into this 18 day of MAY, 2006 by and between

Gerry W. Hoyt, an individual (hereinafter "Recipient")
and

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2. **Confidentiality.**

2.1 No Use. Recipient agrees not to use the Confidential Information in any way, or to manufacture, manipulate, recreate versions of, modify or test any product embodying Confidential Information, except for the purpose set forth above.

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3. **Limits on Confidential Information.** Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:

(a) was ordered to be publicly released by the requirement of a government agency.

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GWH (initials) Recipient

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6. Survival of Rights and Obligations. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by (a) Discloser, its successors, and assigns; and (b) Recipient, its successors and assigns.

ADDITIONAL REPRESENTATIONS:

Restrictive Covenants. Recipient hereby agrees that at any time while he is an associate of the Company and for a period of three (3) years from and after the date such employment relationship terminates, irrespective of which party terminates such relationship and regardless of whether such termination is for cause or not, recipient shall not, either directly or indirectly, individually or as a consultant, employee, partner, officer or agent of any person, firm, partnership, corporation, company or other entity, violate any of the following restrictive covenants:

(a) **Non-Competition**. During the Association Term and for a three (3) year period following the termination of associate's relationship, receiver will not directly or indirectly, for himself, or as an agent of or on behalf of, or in conjunction with, any person, firm or corporation, engage in, represent, furnish consulting services to, be employed by, or have any interest in (whether as an owner, principal, shareholder, partner, joint venturer or member (excluding stock in a publicly-held corporation) or as a director, officer, lender, agent, consultant or independent contractor), and company the principal business of which is (promotion or sale of Glucose Management related products, (Glucommander-like products, GlucoMate-like products, glucose managements technology including glucose management software, and/or other glucose management systems utilizing software or systems similar to that of GlucoTec) in the following geographical areas: *United States, Europe, Japan.*

(b) **Non-Solicitation of Businesses**. In express consideration of the covenants and agreements contained herein, receiver covenants and agrees that, during association with the Company, and for a period of thirty-six (36) months following the termination of said relationship with the Company for any reason, receiver will not, directly or indirectly on receiver's own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, take any action to divert, solicit, or contact any existing or potential business of the Company with whom receiver had contact during receiver's association with the Company, for the purpose of selling or leasing a GlucoTec-like product to such .

(c) **Non-Solicitation of Employees**. Recipient shall not employ or attempt to employ any of the Company's employees that are employed by the Company while Recipient is associated with the Company.

(d) **Proprietary Information**. In performance of services under this Agreement, Recipient may have access to:

(i) information which derives economic value, actual or potential, from

 (initials) Recipient

not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (hereinafter "Trade Secrets" or "Trade Secret"); and

(ii) information which does not rise to the level of a Trade Secret, but is valuable to the Company and provided in confidence to Employee (hereinafter "Confidential Information").

Recipient acknowledges and agrees with respect to Trade Secrets and Confidential Information provided to or obtained by Recipient (hereinafter collectively the "Proprietary Information"):

- (A) the Proprietary Information is and shall remain the exclusive property of the Company and Recipient shall use the Proprietary Information only for the purpose of fulfilling the obligations of this Agreement;
- (B) to return the Proprietary Information, and any copies thereof in any form, in his possession or under his control, to the Company upon request of the Company, upon expiration or termination of this Agreement for any reason; and
- (C) to hold the Proprietary Information in confidence and he will not copy, publish or disclose to others or allow any other party to copy, publish or disclose to others in any form, any Proprietary Information without the prior written approval of an authorized representative of the Company.

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

**THIS DOUCMENT REPRESENTS THE ENTIRE AGREEMENT
AND SUPERCEEDS ALL PREVIOUS AGREEEMNTS**

DISCLOSER

(Signature)

RECIPIENT

(Signature)

Print Name:

Print Name

Title:

CEO

GHK (initials) Recipient

Non-Disclosure / Non-Competition Agreement:

This Agreement is entered into this 18 day of MAY, 2006 by and between

Garry W. Hoyt, an individual (hereinafter "Recipient")
and

GlucoTec, Inc, a South Carolina, Corporation (hereinafter "Discloser").

WHEREAS Discloser possesses certain ideas and information relating to

GLUCOSE MANAGEMENT SYSTEMS

that is confidential and proprietary to Discloser (hereinafter "Confidential Information"); and

WHEREAS the Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of an **EMPLOYMENT OR OTHER BUSINESS RELATIONSHIP**

NOW THEREFORE, in consideration for the mutual undertakings of the Discloser and the Recipient under this Agreement, the parties agree as follows:

1. **Disclosure.** Discloser agrees to disclose, and Recipient agrees to receive the Confidential Information.
2. **Confidentiality.**
 - 2.1 No Use. Recipient agrees not to use the Confidential Information in any way, or to manufacture, manipulate, recreate versions of, modify or test any product embodying Confidential Information, except for the purpose set forth above.
 - 2.2 No Disclosure. Recipient agrees to use its best efforts to prevent and protect the Confidential Information, or any part thereof, from disclosure to any person other than Recipient's employees having a need for disclosure in connection with Recipient's authorized use of the Confidential Information.
 - 2.3 Protection of Secrecy. Recipient agrees to take all steps reasonably necessary to protect the secrecy of the Confidential Information, and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.
3. **Limits on Confidential Information.** Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:
 - (a) was ordered to be publicly released by the requirement of a government agency.
4. **Ownership of Confidential Information.** Recipient agrees that all Confidential Information shall remain the property of Discloser, and that Discloser may use such Confidential Information for any purpose without obligation to Recipient. Nothing contained herein shall be construed as granting or implying any transfer of rights to Recipient in the Confidential Information, or any patents or other intellectual property protecting or relating to the Confidential Information.

GWH (initials) Recipient

5. Term and Termination. The obligations of this Agreement shall be continuing until the termination of the contractual licensing relationship, and for a period of (3) years thereafter.

6. Survival of Rights and Obligations. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by (a) Discloser, its successors, and assigns; and (b) Recipient, its successors and assigns.

ADDITIONAL REPRESENTATIONS:

Restrictive Covenants. Recipient hereby agrees that at any time while he is an associate of the Company and for a period of three (3) years from and after the date such employment relationship terminates, irrespective of which party terminates such relationship and regardless of whether such termination is for cause or not, recipient shall not, either directly or indirectly, individually or as a consultant, employee, partner, officer or agent of any person, firm, partnership, corporation, company or other entity, violate any of the following restrictive covenants:

(a) **Non-Competition.** During the Association Term and for a three (3) year period following the termination of associate's relationship, receiver will not directly or indirectly, for himself, or as an agent of or on behalf of, or in conjunction with, any person, firm or corporation, engage in, represent, furnish consulting services to, be employed by, or have any interest in (whether as an owner, principal, shareholder, partner, joint venturer or member (excluding stock in a publicly-held corporation) or as a director, officer, lender, agent, consultant or independent contractor), and company the principal business of which is (promotion or sale of Glucose Management related products, (Glucommander-like products, GlucoMate-like products, glucose managements technology including glucose management software, and/or other glucose management systems utilizing software or systems similar to that of GlucoTec) in the following geographical areas: *United States, Europe, Japan.*

(b) **Non-Solicitation of Businesses.** In express consideration of the covenants and agreements contained herein, receiver covenants and agrees that, during association with the Company, and for a period of thirty-six (36) months following the termination of said relationship with the Company for any reason, receiver will not, directly or indirectly on receiver's own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, take any action to divert, solicit, or contact any existing or potential businesses of the Company with whom receiver had contact during receiver's association with the Company, for the purpose of selling or leasing a GlucoTec-like product to such .

(c) **Non-Solicitation of Employees.** Recipient shall not employ or attempt to employ any of the Company's employees that are employed by the Company while Recipient is associated with the Company.

(d) **Proprietary Information.** In performance of services under this Agreement, Recipient may have access to:

(i) information which derives economic value, actual or potential, from

GJK (initials) Recipient

not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (hereinafter "Trade Secrets" or "Trade Secret"); and

- (ii) information which does not rise to the level of a Trade Secret, but is valuable to the Company and provided in confidence to Employee (hereinafter "Confidential Information").

Recipient acknowledges and agrees with respect to Trade Secrets and Confidential Information provided to or obtained by Recipient (hereinafter collectively the "Proprietary Information"):

- (A) the Proprietary Information is and shall remain the exclusive property of the Company and Recipient shall use the Proprietary Information only for the purpose of fulfilling the obligations of this Agreement;
- (B) to return the Proprietary Information, and any copies thereof in any form, in his possession or under his control, to the Company upon request of the Company, upon expiration or termination of this Agreement for any reason; and
- (C) to hold the Proprietary Information in confidence and he will not copy, publish or disclose to others or allow any other party to copy, publish or disclose to others in any form, any Proprietary Information without the prior written approval of an authorized representative of the Company.

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

**THIS DOUCMENT REPRESENTS THE ENTIRE AGREEMENT
AND SUPERCEEDS ALL PREVIOUS AGREEEMNTS**

DISCLOSER

(Signature)

RECIPIENT

(Signature)

Print Name:

Print Name

Title:

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5-18-06

GLUCOTEC, INC
SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders")

WITNESSETH

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares")

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1 Definitions

(a) Restricted Shares With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below, (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below, and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

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Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law

2 Restriction on Transfer of Certain Shares

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1 From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2 From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3 From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(d) No Other Restrictions on Transfer of Shares The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances

3 Company's Option to Purchase Certain Shares

(a) Option to Purchase Year 1 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

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Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option") The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder "Year 1 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 1 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares

(b) Option to Purchase Year 2 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 2 Option") The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder "Year 2 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 2 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares

(c) Option to Purchase Year 3 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 3 Option") The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder "Year 3 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4 Change of Control If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities, (ii) the sale or disposition of all or substantially all of the Company's assets, or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

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transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions

5 Death or Disability If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days

6 Endorsement on Share Certificates Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company"

7 Severability If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8 Parties in Interest This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives

9 Assignment This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10 Amendment Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto

11. Waiver The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not

12 Entire Agreement This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof

5-18-06

13 Governing Law This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof

14 Counterparts This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument

5-18-06

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

COMPANY:

GLUCOTEC, INC

By

Name Richard Grounsell
Title CEO and President

SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge

Garry Hoy

Richard Grounsell

Lee Grounsell

Clark Grounsell

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5-18-06

GLUCOTEC, INC
SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders")

WITNESSETH

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares")

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1 Definitions

(a) Restricted Shares With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below, (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below, and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

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Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option") The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder "Year 1 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 1 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares

(b) Option to Purchase Year 2 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 1 Option") The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder "Year 2 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 2 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares

(c) Option to Purchase Year 3 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 1 Option") The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder "Year 3 Purchase Price" means an amount equal to \$ 10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4 Change of Control If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities, (ii) the sale or disposition of all or substantially all of the Company's assets, or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

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transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions

5 Death or Disability If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6 Endorsement on Share Certificates Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7 Severability If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8 Parties in Interest This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9 Assignment This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10 Amendment Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11 Waiver The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12 Entire Agreement This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

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) 13 Governing Law This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof

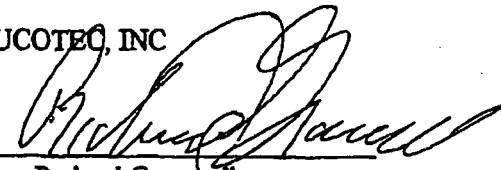
 14 Counterparts This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument

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5-18-06

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

COMPANY:

GLUCOTEC, INC

By 

Name Richard Grounsell

Title CEO and President

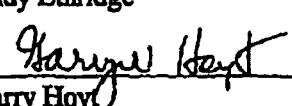
SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge



Garry Hoy

Richard Grounsell

Lee Grounsell

Clark Grounsell

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5-18-06

GLUCOTEC, INC
SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders")

WITNESSETH

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares")

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1 Definitions

(a) Restricted Shares With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below, (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below, and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

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Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law

2 Restriction on Transfer of Certain Shares

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1 From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2 From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3 From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(d) No Other Restrictions on Transfer of Shares The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares. During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares. During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares. During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares. Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances

3 Company's Option to Purchase Certain Shares

(a) Option to Purchase Year 1 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

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Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option") The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder "Year 1 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 1 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares

(b) Option to Purchase Year 2 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 2 Option") The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder "Year 2 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 2 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares

(c) Option to Purchase Year 3 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 3 Option") The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder "Year 3 Purchase Price" means an amount equal to \$0.10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4 Change of Control If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities, (ii) the sale or disposition of all or substantially all of the Company's assets, or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

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transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions

5 Death or Disability If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6 Endorsement on Share Certificates Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7 Severability If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8 Parties in Interest This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9 Assignment This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10 Amendment Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12 Entire Agreement This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

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13 Governing Law This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof

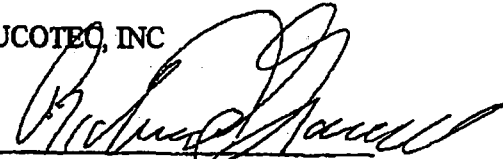
14 Counterparts This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument

5-18-06

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

COMPANY:

GLUCOTEC, INC

By 

Name Richard Grounsell

Title CEO and President

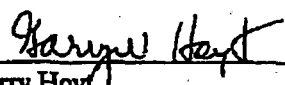
SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge


Garry Hoy

Richard Grounsell

Lee Grounsell

Clark Grounsell

JMA
5-18-06

GLUCOTEC, INC
SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is entered into as of March 28, 2006 among GlucoTec, Inc., a South Carolina corporation (the "Company"), and Bruce Bode, MD, Robert Booth, Hank Durschlag, Andy Ethridge, Garry Hoyt, Richard Grounsell, Lee Grounsell, and Clark Grounsell (collectively, the "Shareholders")

WITNESSETH

WHEREAS, each of the Shareholders owns the following number of issued and outstanding shares of common stock of the Company as of the date hereof (the "Shares")

<u>Shareholder</u>	<u>Shares Owned by Shareholder</u>
Bruce Bode, MD	250,000
Robert Booth	100,000
Hank Durschlag	60,000
Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

WHEREAS, the Company and the Shareholders believe that it is in their best interests to restrict the transfer of certain of the Shares and to provide for the right of the Company to purchase certain of the Shares under certain conditions described herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained and other good and sufficient consideration, the Shareholders and the Company agree as follows:

1. Definitions

(a) Restricted Shares With respect to each Shareholder, for purposes of this Agreement (1) the term "Year 1 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 1 Restricted Shares" below, (2) the term "Year 2 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 2 Restricted Shares" below, and (3) the term "Year 3 Restricted Shares" shall mean that number of Shares owned by the Shareholder and set forth next to his name under the heading "Year 3 Restricted Shares" below

<u>Shareholder</u>	<u>Year 1 Restricted Shares</u>	<u>Year 2 Restricted Shares</u>	<u>Year 3 Restricted Shares</u>
Bruce Bode, MD	250,000		
Robert Booth	100,000		
Hank Durschlag	60,000		

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Andy Ethridge	50,000
Garry Hoyt	250,000
Richard Grounsell	250,000
Lee Grounsell	50,000
Clark Grounsell	50,000

(b) Transfer The term "transfer" for purposes of this Agreement includes, without limitation, a sale, assignment, gift, pledge, exchange, or other disposition, whether voluntary or involuntary, including any purported transfer by or pursuant to bankruptcy, attachment, divorce, equitable distribution, death, will, or other operation of law

2 Restriction on Transfer of Certain Shares

(a) Restriction on Transfer of Year 1 Restricted Shares During Year 1 From the date hereof until March 28, 2007 ("Year 1"), no Shareholder shall transfer any of his Year 1 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(b) Restriction on Transfer of Year 2 Restricted Shares During Year 2 From March 29, 2007 until March 28, 2008 ("Year 2"), no Shareholder shall transfer any of his Year 2 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company.

(c) Restriction on Transfer of Year 3 Restricted Shares During Year 3 From March 29, 2008 until March 28, 2009 ("Year 3"), no Shareholder shall transfer any of his Year 3 Restricted Shares to any person without the written consent of the Company, which consent may be authorized only by the Board of Directors of the Company

(d) No Other Restrictions on Transfer of Shares The parties acknowledge that some of the Shareholders own Shares in addition to the Year 1 Restricted Shares. During Year 1, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 1 Restricted Shares. During Year 2, the Shareholders shall not be restricted from transferring Shares owned by them that do not constitute Year 2 Restricted Shares. During Year 3, the Shareholders shall not be restricted from transferring Shares that do not constitute Year 3 Restricted Shares. Each Shareholder shall have the right to choose and designate the Shares owned by him that constitute Year 1 Restricted Shares, Year 2 Restricted Shares, and Year 3 Restricted Shares, so long as such Shares are not subject to any liens, pledges, or other encumbrances

3 Company's Option to Purchase Certain Shares

(a) Option to Purchase Year 1 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 1, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 1 Option Exercise Period"), to buy all, but not less than all, of the Year 1 Restricted

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Shares owned by such Shareholder for the Year 1 Purchase Price (the "Year 1 Option") The Company may exercise such Year 1 Option during the Year 1 Option Exercise Period by giving written notice to the Shareholder "Year 1 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 1 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 1 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 1 Restricted Shares

(b) Option to Purchase Year 2 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 2, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 2 Option Exercise Period"), to buy all, but not less than all, of the Year 2 Restricted Shares owned by such Shareholder for the Year 2 Purchase Price (the "Year 1 Option") The Company may exercise such Year 2 Option during the Year 2 Option Exercise Period by giving written notice to the Shareholder "Year 2 Purchase Price" means an amount equal to \$0 10 times the number of Shares constituting the Year 2 Restricted Shares Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 2 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 2 Restricted Shares

(c) Option to Purchase Year 3 Restricted Shares If the employment of any Shareholder with the Company is terminated by such Shareholder or by the Company for any reason during Year 3, the Company shall have the right, but not the obligation, during the period beginning on the date of termination of such Shareholder's employment and ending 90 days thereafter (the "Year 3 Option Exercise Period"), to buy all, but not less than all, of the Year 3 Restricted Shares owned by such Shareholder for the Year 3 Purchase Price (the "Year 1 Option") The Company may exercise such Year 3 Option during the Year 3 Option Exercise Period by giving written notice to the Shareholder "Year 3 Purchase Price" means an amount equal to \$ 10 times the number of Shares constituting the Year 3 Restricted Shares. Within 30 days after the Company gives such written notice, the Company shall pay to such Shareholder, in cash, the Year 3 Purchase Price, and such Shareholder shall endorse and deliver to the Company, free and clear of any liens, pledges, or other encumbrances, the Year 3 Restricted Shares.

4 Change of Control If a Change of Control occurs, this Agreement shall automatically become null and void and shall have no further force or effect. Without limiting the foregoing, the parties acknowledge and agree that if a Change of Control occurs, none of the Shares shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement For purposes of this Agreement, a "Change of Control" means, with respect to the Company, (i) any transaction or series of related transactions pursuant to which any person, entity, or group becomes the beneficial owner of more than 50% of the Company's then outstanding voting securities, (ii) the sale or disposition of all or substantially all of the Company's assets, or (iii) the acquisition of the Company by another person or entity by means of any reorganization, merger, or consolidation (but excluding any reorganization, merger, or consolidation effected exclusively for the purpose of changing the domicile of the Company) or any transaction or series of related transactions in which the Company's shareholders of record as constituted immediately prior to such transaction or series of related

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transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued in such transaction or series of related transactions), fail to hold at least 50% of the voting power of the resulting or surviving corporation following such transaction or series of related transactions

5 Death or Disability If a Shareholder dies or becomes permanently disabled, this Agreement shall automatically become null and void with respect to such Shareholder and the Shares owned by him. Without limiting the foregoing, the parties acknowledge and agree that if a Shareholder dies or becomes permanently disabled, none of the Shares owned by him shall be subject to the restrictions contained in Section 2 of this Agreement or to the options described in Section 3 of this Agreement. For purposes of this Agreement, "permanently disabled" means that a Shareholder is unable to perform the essential functions of his job by reason of a physical or mental disability or infirmity which has continued for more than 180 consecutive days.

6 Endorsement on Share Certificates Each certificate representing any of the Year 1 Restricted Shares, Year 2 Restricted Shares, or Year 3 Restricted Shares shall bear a statement in substantially the following form:

"The encumbering, transfer, or other disposition of the shares of stock evidenced by this Certificate is restricted under the terms of an Agreement by and among the Company and certain of its Shareholders, a copy of which Agreement is on file at the principal office of the Company."

7 Severability If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8 Parties in Interest This Agreement shall inure to the benefit of, and shall be binding upon and enforceable against, the parties hereto and their heirs, estates, executors, administrators, personal representatives, successors, permitted assigns, and other legal representatives.

9 Assignment This Agreement shall not be assigned by any party without the prior written consent of the other parties, except that this Agreement may be assigned by the Company to any successor-in-interest by merger or conversion or other operation of law.

10 Amendment Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only with the written consent of all parties hereto.

11. Waiver The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether similar or not.

12 Entire Agreement This Agreement constitutes the entire agreement among the parties hereto and supercedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

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) 13 Governing Law This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of South Carolina, without giving effect to the conflict of laws rules thereof

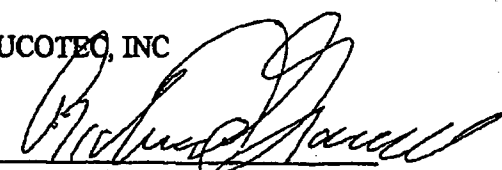
14 Counterparts This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument

guk
5-18-06

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

COMPANY:

GLUCOTEC, INC

By 

Name Richard Grounsell

Title CEO and President

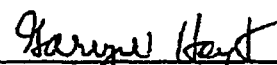
SHAREHOLDERS:

Bruce Bode, MD

Robert Booth

Hank Durschlag

Andy Ethridge



Garry Hoyt

Richard Grounsell

Lee Grounsell

Clark Grounsell

Settlement Agreement

Garry Hoyt ("Hoyt"), Steve Jones ("Jones"), Robert Byrnes ("Byrnes"), Glucotec, Inc., a Delaware corporation ("Glucotec") and Collmed, LLC a Delaware limited liability company ("Collmed") have agreed to settle all matters between them on the following conditions:

1. Glucotec will issue 200,000 warrants with a 5 year term to Hoyt with an exercise price of \$1 per share.
2. Collmed will resend its prior purchase of stock from Hoyt with regard to 195,000 shares of Glucotec stock. Collmed will deliver to Hoyt a share certificate or certificates in the aggregate amount of 195,000 shares to Hoyt with attached executed Stock Powers.
3. In connection with the resending of the purchase transaction with Collmed, Hoyt will execute a promissory note in the amount \$97,500.00 payable to Collmed. The promissory note will be a self cancelling note with an interest rate of 6%. No payment will be due under the note until there is a Significant Event of Glucotec and then the note will be payable within 10 business days of the Significant Event. For purposes of this section, a Significant Event will be (a) the sale of Glucotec, (b) the sale of all or substantially all of the assets of Glucotec or (c) the merger or consolidation of Glucotec into a third party entity. Collmed agrees that in no event will Hoyt owe more money on the note than Hoyt receives from sale of his Glucotec shares. *TRP*
4. All parties will dismiss with prejudice all actions pending and agree that all claims, of any nature, that may or could have been made by any party against each other party to this Agreement have been settled and are null and void, except for the obligations of the parties as set forth in this Agreement.
5. All parties will make deliveries of the items specified within 20 days of the execution of this Settlement Agreement.
6. The attorney's for all parties will file all the appropriate dismissals with prejudice in all pending actions including without limitation Garry Hoyt v. Collaborativemed, LLC, Glucotec, Inc., Richard L. Grounsell, CollMed, LLC, Robert Byrnes and Steve Jones C.A. No. 08-CP-23-2321.
7. The parties each acknowledge and agree that no settlement has been made between Hoyt and Collaborativemed, LLC or with Richard L. Grounsell.
8. This Agreement shall be governed by the laws of the State of Texas and South Carolina as applicable.

Executed this 25th day of February, 2010

Garry Hoyt
Garry Hoyt, individually

Steve Jones
Steve Jones, individually *JRP*
authorized agent

Robert Byrnes
Robert Byrnes, individually *JRP*
authorized agent

Glucotec, Inc.,
a Delaware corporation

By: John R. Pearce
John R. Pearce, authorized agent

Collmed, LLC,
a Delaware limited liability company

By: Michael Wood
Michael Wood, authorized agent

Rec'd from Grunell
in Dallas 5-15-06

DRAFT

OFFEREE: _____
MEMORANDUM #: _____



featuring
Glucommander⁺ (**G**Tec)
TECHNOLOGY

GLUCOTEC, INC.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

The information contained herein is subject to completion or amendment. Furthermore, the information presented in this document is sensitive and confidential. This Memorandum is for the exclusive use of those who have received it for the purpose of evaluating an investment in the Company. This Memorandum and the information presented shall be treated confidentially. No part of it may be disclosed. This document may not be reproduced, duplicated, or revealed, in whole or in part, or used in any other manner without the prior written consent of GlucoTec, Inc.

Plaintiffs 000206

Defendants' Exhibit B

R. 000445

GLUCO TEC, INC.
14-D Pelham Ridge Drive
Greenville, SC 29615
(864) 370-3297

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Maximum Offering of \$3,500,000 Consisting of 3,500,000 Shares of Common Stock
Minimum Offering of \$1,000,000 Consisting of 1,000,000 Shares of Common Stock

at \$1.00 per Share

This Confidential Private Placement Memorandum (this "Memorandum") relates to the offering of up to a maximum of 3,500,000 Shares of Common Stock (the "Shares") in GlucoTec, Inc., a South Carolina corporation. The offering will terminate on or before May 22, 2006, unless extended for a period of up to 120 days as described herein (the "Termination Date"). Subscriptions for the minimum offering must be received before the Company will sell Shares and receive offering proceeds. Unless subscriptions for 1,000,000 Shares at \$1.00 per Share have been received and accepted by the Termination Date, no Shares will be sold and all subscriptions will be returned. There is a minimum investment of 25,000 Shares (\$25,000) and a maximum investment of 300,000 Shares (\$300,000) for each individual investor. The Company, however, can waive these restrictions in its discretion.

The Company has 40,000,000 Shares of Common Stock authorized, of which 13,060,000 are issued and outstanding. See "PRO FORMA CAPITALIZATION".

The Offering is being made only to persons or entities who are "accredited investors" as that term is defined in Regulation D promulgated under the Securities Act of 1933. See "TERMS OF OFFERING". There is currently no market for the Shares and no market is expected to develop.

THIS OFFERING IS HIGHLY SPECULATIVE - AMONG OTHER THINGS, THE COMPANY HAS NO OPERATING HISTORY AND EXPECTS TO EXPERIENCE LOSSES UPON BEGINNING OPERATIONS. THERE IS NO ASSURANCE THAT THE COMPANY WILL EVER BECOME PROFITABLE. See "RISK FACTORS" for a discussion of certain factors that you should consider in making an investment decision.

THIS OFFERING IS HIGHLY DILUTIVE TO NEW INVESTORS. See "DILUTION" for more detailed information.

These securities have not been registered with, recommended by, or approved by the Securities and Exchange Commission or any other federal or state securities commission or regulatory authority, nor has any such commission or regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The date of this Confidential Private Placement Memorandum is _____, 2006.

IMPORTANT NOTICE TO READERS

This Memorandum is being furnished on a confidential basis solely for the purpose of evaluating an investment in the Shares. The information contained herein may not be reproduced or used in whole or in part for any other purpose or made available to any person not directly concerned with the decision regarding such investment.

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Shares offered hereby nor shall there be any sale thereof in any state in which such offer, solicitation, or sale would be unlawful. Any distribution of this Memorandum by you in whole or in part is unauthorized.

The Shares have not been registered under applicable federal or state securities laws. Accordingly, the Shares cannot be resold unless they are subsequently registered under such securities laws or an exemption from such registration is available. If you purchase Shares, you must bear the economic risk of the investment for an indefinite period of time, and you will be required to agree in writing that such securities will not be resold without registration under applicable securities laws or exemptions therefrom. A legend will be placed on each certificate stating that the securities evidenced thereby have not been registered under any securities laws and setting forth or referring to the restrictions on transferability and sale of the securities.

The financial projections included in this Memorandum have been prepared by the Company on the basis of assumptions and estimates that assume the occurrence of certain events and financial developments in the future. There is no assurance that any of these events or developments will actually occur or that the financial projections will prove to be accurate.

No public market for the Shares exists and none is likely to develop.

This Memorandum is intended to furnish information to prospective investors with respect to the investment described. Prospective investors are not to construe the contents of this Memorandum as legal or tax advice. You should consult your own attorneys, tax counsel, accountant, or business advisor as to legal, tax, and related matters concerning this investment.

The statements made in this Memorandum are made as of the date on the prior page, except as otherwise indicated. Neither the delivery of the Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company described herein since the date on the first page hereof or that the information contained herein is correct as of any time subsequent to that date.

Prior to making an investment decision respecting the securities offered hereby, you should carefully review and consider the entire Memorandum, including the exhibits. If you would like to meet with the Company's management, or to have access to any additional information to verify the accuracy of the information contained in this Memorandum, please contact Hank Durschlag, the Company's Chief Operating Officer: by phone 704-609-6493; or by e-mail hankd@glucotec.com.

NO DEALER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, IN CONNECTION WITH THE OFFERING CONTAINED HEREIN, AND INFORMATION AND REPRESENTATIONS NOT CONTAINED HEREIN, IF GIVEN OR MADE, MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

TABLE OF CONTENTS

COMPANY OVERVIEW

GlucoTec, Inc., headquartered in Greenville, SC, is a newly-formed corporation that plans to move a system known as the "Glucommander™" out of development into product launch for use in hospitals as a tool for intensive management of blood glucose levels in various clinical settings.

The Glucommander is a medical device that contains a computer-based algorithm that advises on the delivery of intravenous insulin. It was originally developed in 1984 by Drs. Paul Davidson, Bruce Bode, and Dennis Steed of Atlanta Diabetes Associates for use in their endocrine practice. We have acquired the intellectual property rights and trade secrets associated with the Glucommander by assignment from CollaborativeMed, LLC ("CoMed"), a company that is wholly-owned by Richard Groundsell, in exchange for which we issued 12,000,000 shares of our common stock to CoMed.

Extensive research has demonstrated that intensive management of blood glucose levels in patients with diabetes is directly correlated with significant reductions in morbidity and mortality for these patients, and a corresponding reduction in cost of care for hospitals in which intensive intravenous insulin protocols are used. After use for more than 120,000 hours on 5,000 patients, we believe that the Glucommander has been shown to be safe and effective in controlling hyperglycemia (high blood glucose levels) in patients. We believe that it has also proven to be more effective in controlling hyperglycemia than traditional practices like "sliding scale" insulin orders. Finally, unlike existing intensive insulin therapy protocols that require a high staff to patient ratio and a high degree of nurse training, the Glucommander is simple enough to be administered by nonspecialized nurses without close expert supervision.

Until recently, it was not possible to obtain FDA approval of the Glucommander as a medical device because continuous intravenous insulin infusion therapy was considered an off-label use of the drug insulin. As a consequence, the Glucommander was allowed by the FDA for use in hospitals with the stipulation that providers meet a number of strict requirements. In late 2005, the FDA approved two insulin brands for continuous intravenous ("IV") insulin therapy, which opened the door for us to apply for FDA approval of the Glucommander. The application for FDA approval of the Glucommander is currently pending with the FDA. We believe that FDA approval of the Glucommander will be obtained within the next several months. However, there can be no assurance that we will obtain FDA approval within this time frame or at all. We believe that FDA approval of the Glucommander, if obtained, will constitute a significant barrier to entry for our competitors and also will facilitate our efforts to establish the Glucommander as the standard of care for intensive intravenous insulin therapy. We have filed provisional applications with the US patent office in order to obtain patent protection for the device.

By improving patient outcomes, the Glucommander reduces patients' hospital length of stay, which reduces hospital costs. As part of our test-marketing, we have talked with a number of hospitals that have expressed a desire to obtain the Glucommander as a means of improving patient outcomes and lowering cost of care in areas such as intensive care. We believe that in intensive care units alone, the Glucommander can lower direct variable expenses by approximately \$3500 per patient, based on a reduction in length of stay of two days on average.

We intend to initially market the Glucommander for use in intensive care units of hospitals. However, we believe that one benefit of the Glucommander as compared to existing intensive insulin therapy protocols is that the Glucommander can be used by nonspecialized nurses working on any unit of a hospital. Consequently, in addition to use with patients in intensive care units of hospitals, we eventually intend to market the Glucommander to hospitals for use in all units and with a variety of patients, including, for example, patients who are taking nothing by mouth, patients on hyper-alimentation (tube

feeding), both pre and post-operative patients, stroke and heart patients, organ transplant patients, patients receiving high doses of corticosteroids that elevate blood glucose levels, and labor and delivery patients with gestational or other forms of diabetes.

SUMMARY OF OFFERING

Shares Offered	The Company is offering a minimum of 1,000,000 Shares, and a maximum of 3,500,000 Shares, of its Common Stock at \$1.00 per Share. The total offering is for a minimum of \$1,000,000 (1,000,000 Shares, representing approximately 7% of equity capitalization) up to a maximum of \$3,000,000 (3,000,000 Shares, representing 21% of equity capitalization).
Price	The offering price is \$1.00 per Share. There is a minimum investment of 25,000 Shares (\$25,000) and a maximum investment of 300,000 Shares (\$300,000) for each individual investor.
Use of Proceeds	The Company will utilize the proceeds of the Offering to fund its initial operations. The proceeds will be used to fund working capital requirements and to make investments in sales and marketing. We expect to begin operations only after we receive FDA approval of the Glucommander. If we receive the minimum offering amount of \$1,000,000, the proceeds are expected to be sufficient to fund the Company's operations for 4 months after we receive FDA approval of the Glucommander. If we receive the maximum offering amount of \$3,500,000, the proceeds are expected to be sufficient to fund the Company's operations for 8 months after we receive FDA approval of the Glucommander. See "Use of Proceeds". We can give no assurance that we will receive FDA approval of the Glucommander within any timeframe or at all.
Who May Invest	Purchasers in the offering must be "accredited investors" within the definition set forth in Regulation D of the Securities Act of 1933, as amended. See "Investor Requirements".
Risk Factors	An investment in the Company is subject to significant risks, including loss of the entire investment. See "Risk Factors".
Liquidity	There is no public market for the Shares, and none is expected to develop. The Shares offered hereby have not been registered under federal or state securities laws, and the Company has no future obligation to register them. Since the Shares are not registered they may not be freely sold and, accordingly, an investor must be prepared to bear the economic risk of investment in the Shares indefinitely. See "Risk Factors".
Financial Information	Financial forecasts for the Company, based on certain assumptions, are included as Exhibit A.

PRO FORMA CAPITALIZATION

The following table shows the capitalization of the Company and ownership of Shares, as anticipated by the Company under the maximum and minimum offering scenarios. The following table does not include Shares that the Company has agreed to issue in satisfaction of advances made to the Company or for services previously rendered to the Company, as described under "Other Equity Transactions" below, or Shares underlying options that the Company expects to grant pursuant to its stock option plan. The table individually includes each person or group that beneficially own more than 5% of the Company's outstanding voting power as of the date of this Memorandum, as well as each of the Company's executive officers, and the Company's director and executive officers as a group.

	Minimum Offering		Maximum Offering	
	Number of Shares	Percentage	Number of Shares	Percentage
New Investors	1,000,000	7.1%	3,500,000	21.1%
Bruce Bode, MD	250,000	1.8%	250,000	1.5%
Robert Booth	100,000	*	100,000	*
Hank Durschlag	60,000	*	60,000	*
Garry Hoyt	250,000	1.8%	250,000	1.5%
Richard Groundsell ¹	12,250,000	87.1%	12,250,000	74.0%
Directors and Executive Officers As a Group (5 persons)	12,910,000	91.8%%	12,910,000	78.0%%
Other Shareholders	150,000	1.0%	150,000	*
Total Shares	14,060,000	100%	16,560,000	100%

¹ Includes 12,000,000 shares owned by CollaborativeMed, LLC, a limited liability company. Mr. Groundsell owns 100% of the equity interests in CollaborativeMed, LLC.

* Less than one percent.

The following table shows the capitalization of the Company and ownership of Shares, as anticipated by the Company under the maximum and minimum offering scenarios, including Shares that the Company has agreed to issue in satisfaction of advances made to the Company or for services previously rendered to the Company, as described under "Other Equity Transactions" below. The table does not include Shares underlying options that the Company expects to grant pursuant to its stock option plan. See "Other Equity Transactions".

[Table To Come]

PRINCIPAL SHAREHOLDERS

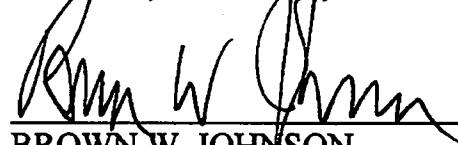
Richard Groundsell currently owns 12,250,000 shares, or 94% of the outstanding voting stock of the Company, which includes 12,000,000 shares owned by CollaborativeMed, LLC, a limited liability company with respect to which Mr. Groundsell owns all of the equity interests. Mr. Groundsell acquired 250,000 shares from the Company in recognition of the substantial time he has devoted to start up activities related to the Company. CollaborativeMed, LLC acquired 12,000,000 shares from the Company in exchange for the intellectual property rights associated with the Glucommander.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF GREENVILLE	)	CA NO. 2008-CP-23-2321
	)	
Garry Hoyt,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	CERTIFICATE OF SERVICE
	)	
CollaborativeMed, LLC,	)	
Richard L. Grounsell,	)	
	)	
Defendants.	)	
	)	
	)	

The undersigned hereby certifies that a copy of Defendants' Memorandum in Opposition to Plaintiff's Motion for Partial Summary Judgment and Affidavit of Richard Grounsell with attached exhibits has been served upon the following via first class mail, postage pre-paid and e-mail this 18th day of September, 2012.

John Alphin, Esquire
 Strom Law Firm
 2110 Beltline Blvd., Suite A
 Columbia, South Carolina 29204

CLARKE, JOHNSON, PETERSON & MCLEAN, P.A.



BROWN W. JOHNSON
 Post Office Box 1865
 Florence, South Carolina 29503
 (843) 669-2401

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

)
IN THE COURT OF COMMON PLEAS
THIRTEENTH JUDICIAL CIRCUIT
FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL D. WICKER
CASE NO.: 08-CP-23-2321

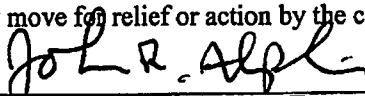
GARRY HOYT

vs.

COLLABORATIVEMED, LLC, and
RICHARD L. GROUNDSELL
Defendant.)

2014 AUG 6 AM 11 11
Plaintiff,)

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

Plaintiff's Attorney: John R. Alphin, Bar No. 72583 Address: Strom Law Firm, 2110 Beltline Blvd. Columbia, South Carolina 29204 Phone: 803-252-4800 Fax 803-252-4801 E-mail: jalphin@stromlaw.com Other: _____		Defendant's Attorney: O.W. Bannister, Bar No. _____ Address: Bannister & Wyatt, LLC, 401 Pettigru Street Greenville, South Carolina 29601 Phone: 864-298-0084 Fax _____ E-mail: _____ Other: _____	
☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)			
SECTION I: Hearing Information			
Nature of Motion: Motion for new trial Estimated Time Needed: 30 Court Reporter Needed: ☒ YES / ☐ NO			
SECTION II: Motion/Order Type			
☒ Written motion attached ☐ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.  Signature of Attorney for ☒ Plaintiff / ☐ Defendant August 1, 2014 Date submitted			
SECTION III: Motion Fee			
☒ PAID - AMOUNT: \$ _____ ☐ EXEMPT: (check reason) ☐ Rule to Show Cause in Child or Spousal Support ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: _____ ☐ Other: _____			
JUDGE'S SECTION			
☐ Motion Fee to be paid upon filing of the attached order. ☐ Other: _____		JUDGE CODE _____ Date: _____	
CLERK'S VERIFICATION			
Collected by: _____ Date Filed: _____ ☐ MOTION FEE COLLECTED: \$ _____ ☐ CONTESTED - AMOUNT DUE: \$ _____			

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) FOR THE THIRTEENTH JUDICIAL DISTRICT
CIVIL ACTION NO.: 08-CP-23-2321

GARRY HOYT,)

Plaintiff,)

vs.)

COLLABORATIVEMED, LLC,)
RICHARD L. GROUNSELL,)

Defendants.)

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL B. WICKENS
2014 AUG 6 AM 11 11

**MOTION FOR NEW TRIAL OR, IN THE ALTERNATIVE,
MOTION TO AMEND OR ALTER JUDGMENT**

Comes now Plaintiff, by and through his undersigned counsel of record, and moves this Honorable Court for an Order granting a new trial or amending the judgment to address Plaintiff's central cause of action for breach of fiduciary duty, which was never addressed by the Court's Judgment filed on July 29, 2014 and received by Plaintiff's counsel on July 31, 2014. This motion is brought pursuant to Rule 59(a) and Rule 59(e) of the South Carolina Rules of Civil Procedure. In support of the Motion, Plaintiff shows as follows:

1. Plaintiff filed a Motion for Partial Summary Judgment and prior to trial argued, in part, that he was entitled to a judgment as a matter of law on his breach of fiduciary duty claim. The Court deferred ruling until after trial and still has not ruled on the motion. The remaining claims for partial summary judgment, however, were addressed in the July 29, 2014 Order.
2. Plaintiff's claim for breach of fiduciary duty and the factual support was addressed throughout the Trial and in closing argument at trial. Plaintiff's Proposed Order in

this case also addressed this Claim at length. However, Plaintiff's Claim was not decided upon in the Final Order.

3. Defendant Grounsell's Self-Dealing and Failure to Notify Plaintiff of the May 18, 2006 Shareholders' Meeting to Ratify the Self-Dealing Constitutes a Breach of Fiduciary Duty.

- a. Dr. Bode and Plaintiff Hoyt testified that following several meetings, Dr. Bode, Plaintiff Garry Hoyt and Defendant Richard Grounsell agreed to form GlucoTec for marketing of the Glucommander in hospitals nationwide and agreed to share ownership in the company in equal one-third shares. (Transcript 16, 51.) Defendant Grounsell caused to be filed the articles of incorporation for a new South Carolina Corporation, GlucoTec, Inc., on or about March 28, 2006. (Plaintiff's Exhibit 1, Articles of Incorporation; Transcript 105.) Defendant Grounsell identified Dr. Bruce Bode and Garry Hoyt, and a number of employees as founding shareholders. (Transcript 106-07.)
- b. According to the testimony of both Dr. Bode and Plaintiff Hoyt, in May 2006, Defendant Grounsell informed Dr. Bode and Garry Hoyt that each (Dr. Bode, Garry Hoyt and Defendant Grounsell) would receive 250,000 founders' shares in GlucoTec, Inc. In order to allow the employees to receive stock in GlucoTec, Dr. Bode, Plaintiff, and Defendant Grounsell agreed to change the ownership agreement and become one-fourth shareholders. In addition to these founders' shares, employees of GlucoTec also received shares with Hank Durschlag receiving 60,000 shares, Robert Booth receiving 100,000

shares, Anthony Ethridge receiving 50,000 shares and Defendant Grounsell's two sons each receiving 50,000 shares. (Transcript 17, 52; Defendant's Exhibit 1—Shareholders' Agreement.)

4. Notwithstanding the shareholders' agreement to each be one fourth owners of GlucoTec, on or about March 24, 2006, Defendant Grounsell caused to be transferred 18,129,066 shares in GlucoTec to Defendant CollaborativeMed, a South Carolina limited liability company controlled by Defendant Grounsell and his family. (Plaintiff's Exhibit 5, Stock Subscription Dated March 24, 2006; Transcript 111.)

- a. Dr. Bode explained that he understood that 14 million shares of the stock was for the intellectual property for the Glucommander, which was merely housed in CollaborativeMed, a shell company, while GlucoTec was formed. (Transcript at 23, 44.) While this transfer occurred in March, 2006, it was not ratified by the stockholders until a special meeting on May 18, 2006. At the time of this special shareholders' meeting, Defendant Grounsell was the president and sole director of GlucoTec. (Plaintiff's Exhibit 8, March 24, 2006 Shareholders' Meeting Minutes.)

- b. Defendant Grounsell testified that he did not abstain from voting on this interested director transaction. Rather, he stepped out of the meeting and directed Hank Durshlag to vote his shares. (Transcript 138.) Likewise, Clark Grounsell was set to receive 20% of whatever stock CollaborativeMed received and both Defendant Grounsell and Clark Grounsell testified that he also voted his shares at the May 18, 2006 meeting in favor of the transaction. (Transcript 134, 163.)

5. This interested director transaction was voted on at a shareholders meeting on May 18, 2006. The shareholders' meeting was invalid because neither Plaintiff Hoyt nor Dr. Bruce Bode received written notice of the shareholder meeting that took place on May 18, 2006. Moreover, neither received notice of the purpose of the meeting nor an opportunity to appoint a proxy. (Transcript at 24, 55.) The bylaws, however, require written notice of a shareholders' meeting be provided. (Plaintiff's Exhibit 4, Bylaws of GlucoTec, Inc. at 2, 6.)

- a. In his testimony, Defendant Grounsell confirmed that he did not have any record of written notice. Instead, initially Defendant Grounsell testified during the Plaintiff's case in chief that he assumed that notice was emailed by Lori LaPoint, secretary for GlucoTec. (Transcript 120.)
- b. Lori LaPoint, however, testified that she did not send Plaintiff notice of the May 11, 2006 and May 18, 2006 meetings. (Transcript 169.)
- c. During his case in chief, Defendant Grounsell changed his testimony, stating that "Mr. Durshlag was in charge of that project to get in touch with them [Dr. Bode and Plaintiff]." (Transcript 191.) Such a change in testimony seriously diminishes Defendant Grounsell's testimony with respect to notice of the shareholder meeting.
- d. Also with respect to notice, Defendant Grounsell's son, Clark Grounsell testified that he did not know if he received notice of either the May 11, 2006 or May 18, 2006 meetings. (Transcript 163.)
- e. Both Dr. Bode and Plaintiff testified that they would not have voted to give shares of GlucoTec to CollaborativeMed. (Transcript 24, 55.)

6. In defense, Defendant Grounsell repeatedly testified that neither Dr. Bode nor Plaintiff were shareholders at the time because they had not signed a non-compete agreement or written a check for their founder's shares. (Transcript 111.) However, both Dr. Bode and Plaintiff were treated as shareholders on March 24, 2006 when Defendant Grounsell was elected as sole director of GlucoTec. (Plaintiff's Exhibit 8, March 24, 2006 Shareholder's Meeting Minutes.) In fact, according to the minutes, Dr. Bode and Plaintiff authorized Defendant Grounsell to file the Articles of Incorporation. (Plaintiff's Exhibit 8, March 24, 2006 Shareholder's Meeting Minutes.) Additionally, Defendant Grounsell's contention that the non-compete agreement was required to be signed based upon his decision as a director is controverted by the May 11, 2006 meeting minutes, which states that the shareholders approved a resolution that non-compete agreements must be executed. (Plaintiff's Exhibit 7, May 11, 2006 Shareholders' Meeting Minutes.) Again, neither Dr. Bode nor Plaintiff Hoyt were sent notice of the meeting as required by the bylaws.
7. A fiduciary relationship, as established under South Carolina law, arises where a trust is placed in another party and accepted. Specifically, "[a] fiduciary relationship exists when one reposes special confidence in another, so that the latter, in equity and good conscience, is bound to act in good faith and with due regard to the interests of the one reposing confidence." O'Shea v. Lesser, 308 S.C. 10, 416 S.E.2d 629, 631 (S.C. 1992); see also Island Car Wash, Inc., v. Norris, 292 S.C. 595, 599, 358 S.E.2d 150, 152 (S.C. App. 1987) ("A fiduciary relationship exists when one has a special confidence in another so that the latter, in equity and good conscience, is bound to act in good faith.") This fiduciary relationship also applies to promoters of a corporation

during the pre-incorporation stage. Duncan v. Brookview House, Inc., 262 S.C. 449, 456, 205 S.E.2d 707, 710 (1974).

8. A director of a corporation has a fiduciary duty to the shareholders of a corporation. In recognition of this fiduciary duty, the South Carolina legislature has imposed requirements on a director taking an action that is in conflict with the interests of the corporation and its shareholders. S.C. Code Ann. § 33-8-310 permits an interested director transaction only if one of the following is true:

- (1) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors, and the board of directors or a committee authorized, approved or ratified the transaction;
- (2) The material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction; or
- (3) The transaction was fair to the corporation.

S.C. Code Ann. § 33-8-310(a). The transfer of stock here was not fair to the corporation and at the time of the transaction, Defendant Grounsell was the only director.¹ Thus, only subsection 2 could be applicable here through a special meeting of the shareholders.

9. Title 33 of the South Carolina Code sets forth the requirements for a special meeting of the shareholders of a South Carolina Corporation. Pursuant to S.C. Code Ann. § 33-7-105(a) provides that shareholders must receive notice of the date, time, and place of any annual or special meeting no fewer than ten days nor more than sixty

¹ The stock transfer was unfair to the corporation. GlucoTec was an undercapitalized company and Defendant Grounsell and Defendant CollaborativeMed sold their shares of stock to individuals for their profit in lieu of selling GlucoTec shares, which eliminated potential stock sales that could have been made by GlucoTec from its private placement initiatives. (Transcript 143.)

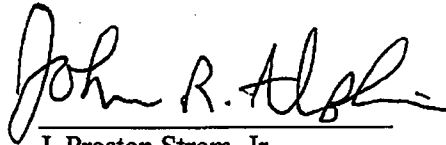
days before the meeting date. Moreover, for a special meeting, the notice must include a description of the purpose for which the meeting was called. S.C. Code Ann. § 33-7-105(c). S.C. Code Ann. § 33-7-102(d) provides that at a special meeting, "[o]nly business within the purposed described in the meeting notice required by Section 33-7-105(c) may be conducted at the special shareholders' meeting. Under S.C. Code Ann. § 33-1-410(a), notice must be in writing unless oral notice is reasonable under the circumstances. Nonetheless, notice of a shareholder meeting is effective if by mailing it to the shareholder's address shown in the corporation's current record of shareholders. S.C. Code Ann. § 33-1-410(c). Section 33-1-410(g) provides that the Articles of Incorporation or bylaws control if they are not inconsistent with South Carolina law. Thus, Articles of Incorporation or bylaws can require written notice.

10. In this case, by failing to provide notice to the shareholders including Plaintiff as required by the bylaws and South Carolina law, prior to the shareholder's vote in Defendant Grounsell's interested director transaction to transfer in 18,129,066 shares of stock to a company he maintained a controlling interest causes this transaction to be void.
11. As set forth above, there is no evidence of written notice tendered to Plaintiff Hoyt as required under South Carolina law and the corporation's bylaws. As established, Plaintiff Hoyt was entitled to a 25% stake in the corporation. Because Defendant Grounsell breached his fiduciary to Plaintiff Hoyt, Defendant should be required to tender 25% of the 18,129,066 shares, or 4,532,266 shares of stock to Plaintiff Hoyt.

Wherefore, Plaintiff requests a new trial, or in the alternative, an amended judgment to address his breach of fiduciary duty claim.

RESPECTFULLY SUBMITTED, this 1st day of August, 2014.

STROM LAW FIRM, LLC

A handwritten signature in black ink, appearing to read "John R. Alphin", written over a horizontal line.

J. Preston Strom, Jr.
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John R. Alphin
2110 Beltline Boulevard
Columbia, South Carolina 29204
Tel: 803.252.4800
Fax: 803.252.4801

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Court of Common Pleas

W. Jeffrey Young, Circuit Court Judge

Appellate Case No. 2015-001123
Case No. 2008-CP-23-0231

Garry Hoyt,

Appellant,

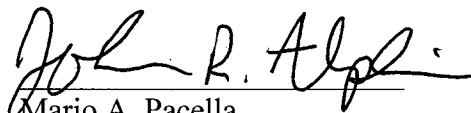
v.

CollaborativeMed, LLC and
Richard L. Grounsell,

Respondents.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.



Mario A. Pacella

John R. Alphin

STROM LAW FIRM, LLC

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Columbia, South Carolina 29204

(803)252-4800

Attorneys for Appellant