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

FORM 10-QSB

(X) Quarterly report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.

For the quarterly period ended September 30, 2002.

( ) Transition report pursuant to Section 13 or 15(d) of the Exchange Act for the transition period from _____ _____ to _____ .

Commission File Number: 333-72097

NeoGenomics, Inc.
(F/K/A American Communications Enterprises, Inc.)
(Exact name of registrant as specified in charter)

Nevada	**74-2897368**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1085 Business Lane Suite 8, Naples, FL 34110

(Address of principal executive offices)

(941) 923-1949

(Registrant's Telephone Number, Including Area Code)

Check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES (X) NO ( )

State the number of shares outstanding of each of the issuer's classes of common equity, as of September 30, 2002.

440,677,012

Transitional Small Business Disclosure Format:

YES ( ) NO (X)

NeoGenomics, Inc.
(A Development Stage Enterprise)

INDEX TO FORM 10-QSB

PART I

FORWARD-LOOKING STATEMENTS

Certain statements contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial results and plans for future business development activities, and are thus prospective. These statements appear in a number of places in this Form 10-QSB and include all statements that are not statements of historical fact regarding intent, belief or our current expectations, with respect to, among other things: (i) our financing plans; (ii) trends affecting our financial condition or results of operations; (iii) our growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words "may," "would," "could," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," and similar expressions and variations thereof are intended to identify forward-looking statements.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond our ability to control. Actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Among the key risks, assumptions and factors that may affect operating results, performance and financial condition are changes in technology, fluctuations in our quarterly results, ability to continue and manage our growth, liquidity and other capital resources issues, competition and the other factors discussed in detail in our filings with the Securities and Exchange Commission.

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2002
(unaudited)

ASSETS

CURRENT ASSETS:	
Cash	$ 23,563
Accounts receivable (net of allowance for doubtful accounts of $710)	30,883
Inventory	16,347
Due from shareholder	3,750
Deposits	3,916
Total current assets	78,459
PROPERTY AND EQUIPMENT (net of accumulated depreciation of $31,577)	389,990
TOTAL	$ 468,449

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:	
Accounts payable	$ 209,805
Accrued expenses	23,559
Accrued payroll	19,133
Due to affiliates	121,594
Total current liabilities	374,091
STOCKHOLDERS' DEFICIT:	
Common stock, $.001 par value, 500,000,000 shares authorized; 440,677,012 shares issued and outstanding	440,678
Additional paid-in capital	12,100,086
Deferred stock compensation	(2,315,154)
Deficit accumulated during the development stage	(10,131,252)
Total stockholders' deficit	(94,358)
TOTAL	$ 468,449

See notes to consolidated financial statements.

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Nine-Months Ended September 30, 2002	For the Period June 1, 2001 (date of incorporation) to September 30, 2001	For the Three-Months Ended September 30, 2002	For the Three-Months Ended September 30, 2001	For the Period June 1, 2001 (date of incorporation) to September 30, 2002
REVENUE	$ 36,353	$ 1,000	$ 27,869	$ 1,000	$ 37,353

COST OF REVENUE	136,762	-	61,033	-	136,761
GROSS (DEFICIT) PROFIT	(100,409)	1,000	(33,164)	1,000	(99,408)
OPERATING EXPENSES:					
Stock based compensation	1,535,748	7,155,000	491,916	-	9,466,349
General and administrative	378,332	196	190,949	196	530,095
Research and development	34,190	-	15,258	-	34,190
Interest expense	4,608	-	911	-	4,609
Total operating expenses	1,952,878	7,155,196	699,034	196	10,035,243
NET INCOME (LOSS)	$ (2,053,287)	$(7,154,196)	$ (732,198)	$ 804	$ (10,134,651)
NET INCOME (LOSS) PER SHARE-					
Basic and Diluted	$ (0.005)	$ (0.03)	$ (0.002)	$ 0.00	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -					
Basic and Diluted	413,806,400	238,500,000	428,784,100	238,500,000	

See notes to consolidated financial statements.

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Nine-Months Ended September 30, 2002	For the Period June 1, 2001 (date of incorporation) to September 30, 2001	For the Period June 1, 2001 (date of incorporation) to September 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (2,053,287)	$ (7,154,196)	$(10,134,653)
Adjustments to reconcile net loss to net cash provided (used in) operating activities:			
Depreciation	31,504	-	31,577
Amortization of deferred stock compensation	1,475,748	-	1,721,346
Stock based compensation and consulting	176,769	7,155,000	7,891,771
Provision for bad debts	710	-	710
Non-cash expenses	2,075	-	28,575
Changes in assets and liabilities, net:			
Decrease (increase) in deposits	(2,616)	-	(516)
Increase in inventory	(16,347)	-	(16,347)
Increase in receivables	(31,592)	-	(3)
Increase in accounts payable and other liabilities	126,671	1,500	141,357
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(290,365)	2,304	(367,772)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(338,817)	-	(341,717)
Cash acquired in acquisition	-	-	209
NET CASH USED IN INVESTING ACTIVITIES	(338,817)	-	(341,508)
CASH FLOWS FROM FINANCING ACTIVITIES-			
Advances from affiliates, net	579,279	-	736,593

Increase in Due from Stockholder	(3,750)	-	(3,750)
NET CASH USED IN FINANCING ACTIVITIES	575,529	-	732,843
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(53,653)	2,304	23,563
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	77,216	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 23,563	$ 2,304	$ 23,563
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 758	$ -	$ 758
Income taxes paid	$ -	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Stock issued in acquisition of American Communications Enterprises:			
Accounts payable	$ -	$ -	$ 14,216
Advances from stockholder subsequently converted to common stock	-	-	156,916
Total	$ -	$ -	$ 171,132
Stockholder advances converted to common stock	$ 600,000	$ -	$ 600,000
Equipment financed through payables	$ 79,850	$ -	$ 79,850
Deferred compensation on grants of stock options	$ -	$ -	$ 4,036,500

See notes to consolidated financial statements.

NeoGenomics, Inc.
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE A - ORGANIZATION AND DESCRIPTION OF BUSINESS

NeoGenomics, Inc. ("NEO") was incorporated under the laws of the state of Florida on June 1, 2001 and on November 14, 2001, agreed to be acquired by American Communications Enterprises, Inc. ("ACE"). ACE was formed in 1998 and succeeded to NEO's name on January 14, 2002. As a result of this acquisition, the accompanying consolidated financial statements include the accounts of NEO and ACE (collectively referred to as "we", "us", "our"). All significant intercompany accounts and balances have been eliminated in consolidation.

For financial statement purposes, the acquisition has been treated as a reverse acquisition and a recapitalization with NEO being treated as the acquirer. In connection therewith, ACE issued 238,500,000 shares of its common stock to NEO's founder and sole stockholder in exchange for all of NEO's issued and outstanding common shares. The value of these shares, which was based on the number, and fair value of shares issued ($0.03 per share based on the price at which ACE's shares were trading at that time), has been included in stock based compensation and in the accompanying statement of operations. Immediately before the acquisition, ACE had 131,733,896 shares outstanding and liabilities in excess of

assets of approximately $170,000. Since the transaction was accounted for as a purchase the deficiency of $170,000 was reflected as an adjustment to stockholders' equity as of the acquisition date.

As a result thereof, all references to the number of shares and par value in the accompanying financial statements and notes thereto have been adjusted to reflect the reverse acquisition, including the authorized number of shares of our common stock and its par value as though all such changes had been completed as of June 1, 2001.

We are considered to be a development stage (as defined in Financial Accounting Standards Board Statement No. 7) biotech company organized for the principal purpose of developing genomic tools for women's diseases, such as ovarian cancer, and the early diagnosis of neonatal illness. We have not yet commenced a significant level of operations, and most of our accounting policies and procedures have not yet been established.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The reported amounts of revenues and expenses during the reporting period may be affected by the estimates and assumptions we are required to make. Actual results could differ from our estimates.

Basis of Presentation

Our accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-QSB and Rule 10-1 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). Accordingly, these consolidated financial statements do not include all of the footnotes required by accounting principles generally accepted in the United States of America. In our opinion, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair presentation have

been included. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002. The accompanying consolidated financial statements and the notes thereto should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2001 contained in our Form 10-KSB.

NOTE B - GOING CONCERN

Our consolidated financial statements were prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have incurred significant losses since our inception, and have experienced, and continue to experience, negative operating margins and negative cash flows from operations. In addition, we expect to have ongoing requirements for substantial additional capital investment to implement our business plan. We expect to seek additional funding through the issuance of debt or equity securities. However, there can be no assurance that we will be successful in these efforts. These factors, among others, indicate that we may be unable to continue as a going concern.

Our financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

NOTE C - RELATED PARTY TRANSACTIONS

Advances and Loans

During the third quarter of 2002, we received net advances from Tampa Bay Financial, Inc. ("TBF"), one of our stockholders, of $225,600. These advances were made pursuant to an agreement to purchase our common shares. They are non-interest bearing, unsecured, and will be converted into shares of our common stock at $0.033 per share. During August 2002, we converted $300,000 in advances to 9,000,000 shares of our common stock. At September 30, 2002, we owed TBF approximately $5,000.

We occasionally borrow funds from the Naples Women's Center ("NWC"), a company owned by our president, to meet our short-term cash needs. These amounts have been advanced to us with a stated interest rate of 8% and are due upon demand. During the third quarter of 2002, we repaid approximately $1,500 of these advances. At September 30, 2002, we owed NWC approximately $77,000.

Consulting Agreement

During the period November 2001 through September 2002, TBF provided us with consulting services and paid certain of our expenses, including the salary of our chief financial officer and costs incurred in preparing required filings under securities laws. During the period November 2001 through September 2002, expenses related to this agreement were $75,000. During the third quarter of 2002, we repaid $60,000 to TBF through the issuance of our common stock.

NOTE D - COMMITMENT

During September 2002, we entered into a collaborative research effort with Ciphergen Biosystems. If a patented product or service results from this research, the patenting party will be obligated to pay a 4% royalty to the other party. As part of agreement, we have agreed to purchase supplies and equipment approximating $128,000 over the next eight months. They have committed to award us with a $100,000 research grant, which was received in October 2002.

Item 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements for the three and nine months ended September 30, 2002, and the period June 1, 2001 (date of incorporation) to September 30, 2002, included with this Form 10-QSB.

Information related to our predecessor entity, American Communications Enterprises, Inc. ("ACE"), has been omitted. ACE was formed in 1998 for the purpose of operating radio stations and businesses within the communications industry. ACE later changed its focus to genomics, which included acquiring a private company desiring to become public. In November 2001, ACE and NeoGenomics, Inc., a Florida Corporation ("NeoGenomics") entered into a Plan of Exchange pursuant to which ACE acquired NeoGenomics. For financial statement purposes, the merger has been treated as a reverse acquisition with NeoGenomics being treated as the acquirer.

Readers are referred to the cautionary statement, which addresses forward-looking statements made by us.

NeoGenomics, Inc. is considered to be in the development stage as defined in Financial Accounting Standards Board Statement No. 7. It is currently in the process of developing genomic tools for women's diseases.

Critical Accounting Policies

Our critical accounting policies, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements for the fiscal year ended December 31, 2001 included in our Form 10-KSB. We have consistently applied these policies in all material respects. At this stage of our development, these policies primarily address matters of expense recognition. Although we anticipate that revenue recognition issues will become critical in future years, the small amount of revenue that we have earned at this stage minimizes the impact of any judgments regarding revenue recognition.

Management does not believe that our operations to date have involved uncertainty of accounting treatment, subjective judgment, or estimates, to any significant degree.

Results of Operations for the three months ended September 30, 2002

We commenced operations on June 1, 2001. As a result we have not yet generated any significant revenues.

During the three months ended September 30, 2002, we generated revenues and costs of revenues of approximately $28,000 and $61,000 and we incurred a net loss of approximately $732,200, which includes non-cash stock based compensation expense of approximately $492,000. These expenses consist of the amortization of deferred stock options, which were issued in November 2001 and other stock based compensation and consulting. We believe our gross margin will improve if we add additional business. Our general and administrative expenses were approximately $191,000 and are mainly comprised of administrative services expenses, wages and depreciation. Interest expenses were approximately $900 and are mainly comprised of interest payable on advances from a related party.

Having completed our first full quarter of laboratory operations, testing revenues have begun to show increases in the third quarter. We billed $27,869 for 83 tests in the quarter ended September 30, 2002, including 28 tests for were cystic fibrosis, that are currently being subcontracted to other laboratories, which are included as service charges to the patients.

Revenues per test are a function of both the nature of the test and who the payer (Medicare, Medicaid, third party insurer, etc.). Our policy is to record amounts billed at the amounts we expect to be collected based on published or contracted amounts and prior experience with the payer.

We have established a reserve for uncollectible amounts based on estimates of what we will collect from co-payments and those procedures performed that are not covered by insurance.

Results of Operations for the nine months ended September 30, 2002

During the nine months ended September 30, 2002, we generated revenues and costs of revenues of approximately $36,300 and $136,800, and we incurred a net loss of approximately $2,053,000 which includes non-cash stock based compensation expense of approximately $1,536,000. These expenses consist of the amortization of deferred stock options, which were issued in November 2001, and other stock based compensation and consulting. Our negative gross margin reflects costs incurred to obtain certification and is expected to improve as our sales increase. Our general and administrative expenses were approximately $378,300 and are mainly comprised of administrative services expenses, wages and depreciation. Interest expenses were approximately $4,600 and are mainly comprised of interest payable on advances from a related party.

Results of Operations for the period from June 1, 2001 to September 30, 2002

During the period from June 1, 2001 to September 30, 2002, we generated revenues and costs of revenues of approximately $37,300 and $137,000, and we incurred a net loss of approximately $10,135,000. Our net loss included non-cash stock based compensation expense of approximately $9,466,000. This expense consisted of the amortization of deferred stock options, which were issued in November 2001 and other stock based compensation and consulting. Our general and administrative expenses were approximately $530,000. They were mainly comprised of administrative service expenses, wages and depreciation. Interest expense was approximately $4,600, and was primarily comprised of interest payable on advances from a related party.

Future Periods

Management expects that research expenses will increase substantially in 2002 and in future years, as we expand our research and development activities. We also expect that our other operating expenses will grow over time in connection

with the expansion of our laboratory facility.

Liquidity and Capital Resources

During the nine months ended September 30, 2002, our operating activities used approximately $290,000 in cash. This amount primarily represented cash used to pay general and administrative expenses associated with our operations. We spent approximately $339,000 on new equipment. We were able to finance operations primarily through net advances of approximately $579,000 received from a significant shareholder and other affiliates. At September 30, 2002, we had cash and cash equivalents of approximately $23,500.

At the present time, we have very limited cash resources. We do not anticipate that we will generate significant cash flow from operating activities until 2003. As a result, we anticipate that we will require at least $300,000 in additional working capital financing during the next 12 months in order to meet our working capital requirements during this period. We currently plan to finance our operations through the acquisition of borrowings and the sale of shares of our common stock to Tampa Bay Financial, Inc. and other investors.

In May 2002, Tampa Bay Financial, Inc. agreed to purchase 45,000,000 shares of our common stock for a price of $0.0333 per share, or a total of $1,500,000. As of the date of this report, TBF has provided $700,000 under this agreement. In November 2002, a dispute arose between the Company and TBF with respect to the parties' obligations to each other. As a result of this dispute, TBF informed the Company that they would not make any further payments under the May 2002 agreement until the dispute is resolved. Since that time, the Company and TBF have been engaged in negotiations regarding the resolution of this dispute. In the event that the Company and TBF are unable to reach agreement, the Company will seek funding from other sources.

There can be no assurance that the Company will obtain further funding from TBF or another source. If the Company is unable to obtain funding, the Company will be required to curtail or discontinue operations.

Capital Expenditures

Management is currently researching a possible capital asset purchase that would take place before year-end. This expenditure would be approximately $150,000 and would be based on current market conditions and the overall impact the equipment would have on operations. We plan to fund these expenditures through the sale of shares to third parties.

Staffing

If we receive sufficient funding, we plan to increase our workforce. Currently, we have seven full-time employees. We hired a laboratory technician and plan to add an additional laboratory technician to assist us in operations. Management has added three employees during 2002. We expect the cost of these additional employees will be between $100,000 and $150,000 over the next 12 months.

Research Plans

The Company is in the initial stages of a project to identify a bio-marker for pre-eclampsia, a disease which kills 60,000 pregnant women each year. In connection with this project, the Company has purchased $180,000 of equipment and committed to purchasing labor, supplies and equipment approximating $128,000 over the next eight months. The Company has obtained a $100,000 research grant commitment to offset these costs. The research grant was received in October 2002.

CAUTIONARY STATEMENT

This Form 10-QSB, press releases and certain information provided periodically in writing or orally by our officers or our agents contain statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of

1934. The words expect, anticipate, believe, goal, plan, intend, estimate and similar expressions and variations thereof if used are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-QSB and in other places, particularly, Management's Discussion and Analysis or Results of Operations, and include statements regarding the intent, belief or current expectations us, our directors or our officers with respect to, among other things: (i) our liquidity and capital resources; (ii) our financing opportunities and plans and (iii) our future performance and operating results. Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. The factors that might cause such differences include, among others, the following: (i) any material inability of us to successfully internally develop our products; (ii) any adverse effect or limitations caused by Governmental regulations; (iii) any adverse effect on our positive cash flow and abilities to obtain acceptable financing in connection with our growth plans; (iv) any increased competition in business; (v) any inability of us to successfully conduct our business in new markets; and (vi) other risks including those identified in our filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise the forward looking statements made in this Form 10-QSB to reflect events or circumstances after the date of this Form 10-QSB or to reflect the occurrence of unanticipated events.

Item 3 - CONTROLS AND PROCEDURES

Within 90 days prior to the date of filing of this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective for the gathering, analyzing and disclosing the information we are required to disclose in the reports we file under the Securities Exchange Act of 1934, within the time periods specified in the SEC's rules and forms. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date of this evaluation.

PART II. - OTHER INFORMATION

Item 1. Legal Proceedings

NONE

Item 2. Changes in Securities

In the third quarter of 2002, we issued the following: 17,677,012 shares of common stock in exchange for employment and consulting services valued at $176,769, and 9,000,000 shares of common stock in exchange for the cancellation of $300,000 in cash advances. All of the stock was issued to a small group of sophisticated investors in a transaction that the Company believes was exempt from registration under Rule 506 promulgated under the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

NONE

Item 4. Submission of Matters to a Vote of Securities Holders

NONE

Item 5. Other Information

NONE

Item 6. Exhibits and Reports on Form 8-K

10.8 Research and License Agreement Between Neogenomics, Inc. and Ciphergen Biosystems, Inc.
99.1 Certification pursuant to section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NeoGenomics, Inc.

By:/s/Michael T. Dent, M.D. November 19, 2002
Michael T. Dent, M.D.
(President and Chief Executive Officer)

By:/s/Matthew A. Veal November 19, 2002
Matthew A. Veal
(Chief Financial Officer)

CERTIFICATION

I, Michael T. Dent, M.D., certify that:

1. I, and the registrant's other certifying officer have reviewed this quarterly report on Form 10QSB of Neogenomics, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such

statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial position, results of operations, and cash flows of the issuer as of, and for, the periods presented in this quarterly report.

4. I, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures for the issuer and we have:

(i) designed such disclosure controls and procedures to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(ii) evaluated the effectiveness of the issuer's disclosure controls and procedures as of September 30, 2002; and

(iii)presented in the report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I, and the registrant's other certifying officer, have disclosed, based on my most recent evaluation, to the issuer's auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data and have identified for the issuer's auditors any material weaknesses in internal controls; and

(ii)any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I, and the registrant's other certifying officer, have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

November 19, 2002

/s/ Michael T. Dent, M.D.
Michael T. Dent, M.D.
President and CEO

CERTIFICATION

I, Matthew A. Veal, certify that:

1. I, and the registrant's other certifying officer have reviewed this quarterly report on Form 10QSB of Neogenomics, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such

statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial position, results of operations, and cash flows of the issuer as of, and for, the periods presented in this quarterly report.

4. I, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures for the issuer and we have:

(i) designed such disclosure controls and procedures to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(ii) evaluated the effectiveness of the issuer's disclosure controls and procedures as of September 30, 2002; and

(iii)presented in the report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I, and the registrant's other certifying officer, have disclosed, based on my

most recent evaluation, to the issuer's auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data and have identified for the issuer's auditors any material weaknesses in internal controls; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I, and the registrant's other certifying officer, have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

November 19, 2002

/s/ Matthew A. Veal
Matthew A. Veal
CFO

RESEARCH AND LICENSE AGREEMENT BETWEEN NEOGENOMICS, INC. AND CIPHERGEN BIOSYSTEMS, INC.

THIS AGREEMENT (THIS "**AGREEMENT**") is effective as of _____, 2002 ("**EFFECTIVE DATE**") by and between NEOGENOMICS, INC., a _____ having its principal place of business at _____ ("**NEOGENOMICS**"), and CIPHERGEN BIOSYSTEMS, INC., a Delaware corporation having its principal place of business at 6611 Dumbarton Circle, Fremont, California 94555 ("**CIPHERGEN**," and together with NEOGENOMICS, the "**PARTIES**").

RECITALS

WHEREAS, NEOGENOMICS has research objectives related to producing the technology (the "**TECHNOLOGY**") described at Appendix A ("Technology");

WHEREAS, NEOGENOMICS desires to further its research pertaining to the TECHNOLOGY by collaborating with CIPHERGEN, who has developed a surface enhanced laser desorption/ionization system ("**SELDI**," a technology described in United States Patent Application 08/068,896 and all patents and applications claiming priority thereto, including but not limited to, U.S. Patent No. 5,719,060 and U.S. Patent 6,225,047) and certain related know-how and capacities that are uniquely enabling in the investigation of biomarkers;

WHEREAS, CIPHERGEN is willing to collaborate with NEOGENOMICS to further the research pertaining to the TECHNOLOGY in exchange for the necessary ownership and/or licenses to commercially develop, manufacture, use, sell and distribute products that incorporate the resulting TECHNOLOGY throughout the world; and

WHEREAS, in consideration of NEOGENOMICS research pertaining to the TECHNOLOGY and in consideration of CIPHERGEN's contribution to the development of the TECHNOLOGY, each of NEOGENOMICS and CIPHERGEN desire to grant to each other the necessary ownership and/or licenses for each to commercially develop, manufacture, use, sell and distribute products that incorporate the resulting TECHNOLOGY throughout the world, subject to certain royalty payments described herein;

NOW THEREFORE, in consideration of the foregoing premises and of the faithful performance of the covenants herein contained, the PARTIES agree as follows:

ARTICLE 1. DEFINITIONS

1.1 **"ACCOUNTING PERIOD"** means the periods for which royalty payments are due as provided for in Article 7 ("Royalties Payable").

1.2 **"ACTIVE FUNCTIONAL ELEMENT"** means any material or process optimized for the detection of a specific biomarker or pattern of biomarkers using a CONSUMABLE PRODUCT. Materials or processes used for the detection of biomolecules, in general, with a CONSUMABLE PRODUCT, such as buffers, controls, standards, software, protein chip surface chemistries and the like that are used in multiple kits, are not ACTIVE FUNCTIONAL ELEMENTS.

1.3 **"AFFILIATE"** means any company or other legal entity other than a PARTY hereto, whether formed in the U.S. or abroad, that controls or is controlled by such PARTY. The term "control" means direct or indirect ownership of at least fifty percent of voting stock, with the powers to direct or cause the direction of the management and policies of a entity, whether through the ownership or voting securities, by contract or otherwise.

1.4 **"AGREEMENT"** shall have the meaning set forth in the heading first written above.

1.5 **"AGREEMENT YEAR"** shall mean the twelve (12) month period beginning on the EFFECTIVE DATE and each succeeding twelve (12) month period

thereafter for the term of the AGREEMENT, which includes the term of the licenses granted hereunder. If not otherwise specified, terms involving time periods shall be applied pro rata according to any time frame in which less than the full specified period is involved.

1.6 **"CIPHERGEN PATENT-BASED PROCESS"** means any process or improvement thereof that is conducted by CIPHERGEN and covered by any claim among the PATENT RIGHTS hereunder.

1.7 **"CIPHERGEN PATENT-BASED PRODUCT"** means any machine, manufacture, composition of matter, or improvement thereof that is produced by CIPHERGEN and covered by any claim among the PATENT RIGHTS hereunder. This term does not include computer databases or non-consumable instrument platforms.

1.8 **"CIPHERGEN PATENT-BASED SERVICE"** means the use of any CIPHERGEN PATENT-BASED PRODUCT or CIPHERGEN PATENT-BASED PROCESS by CIPHERGEN, its CIPHERGEN AFFILIATES, SUBLICENSEES or customers to generate materials or information for a customer for a fee. This includes, without limitation, providing clinical diagnostic services, providing material screening services such as in drug discovery, and providing information services.

1.9 **"COLLABORATIVE RESEARCH"** shall have the meaning set forth in Section 2.1 ("Research Work Plans") which is: scientific research, as enabled by CIPHERGEN's SELDI system and related know-how and capacities, in

the development of the TECHNOLOGY, performed by the PARTIES under this AGREEMENT.

1.10 **"CONFIDENTIAL INFORMATION"** shall have the meaning set forth in Section 4.1 ("Definition of "CONFIDENTIAL INFORMATION").

1.11 **"CONSUMABLE PRODUCT"** means a product used in a biomarker detection assay that undergoes physical alteration or transformation in the course of such assay and is permanently disposed of after one use or after a limited number of uses.

1.12 **"FIELD OF RESEARCH"** shall have the meaning set forth in Section 2.1 ("Research Work Plans"), which is: scientific research, as enabled by CIPHERGEN's SELDI system and related know-how and capacities, in the development of the TECHNOLOGY.

1.13 **"FIRST COMMERCIAL SALE"** means in each country the first sale of any PATENT-BASED PRODUCT or PATENT-BASED SERVICE by LICENSEE PARTY, its AFFILIATES or SUBLICENSEES, following approval of its marketing by the appropriate governmental agency for the country in which the sale is to be made and, when governmental approval is not required, the first sale in that country.

1.14 **"INVENTION"** means any new and useful process, machine, manufacture, composition of matter, or improvement thereof that is created in connection with the Collaborative Research hereunder and that may be patentable or otherwise protected under title 35, United States Code, or any novel variety plant that is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

1.15 **"LICENSE"** shall mean a grant by one PARTY as the "LICENSOR PARTY" to the other PARTY as the "LICENSEE PARTY" to a non-exclusive worldwide license, including the right to sublicense, under PATENT RIGHTS, to make, use, offer to sell, sell or import, or to have done any of the foregoing, any INVENTION in the FIELD OF RESEARCH, within the terms of this AGREEMENT, to the extent LICENSOR PARTY is permitted to do so by law, by its policies and procedures.

1.16 **"LICENSOR PARTY"** shall mean the PARTY who is or is to grant a license to PATENT RIGHTS hereunder.

1.17 **"LICENSEE PARTY"** shall mean the PARTY who is to receive a license to

PATENT RIGHTS hereunder.

1.18 **"NEOGENOMICS PATENT-BASED PROCESS"** means any process or improvement thereof that is conducted by NEOGENOMICS and covered by any claim among the PATENT RIGHTS hereunder.

1.19 **"NEOGENOMICS PATENT-BASED PRODUCT"** means any drug, manufacture, composition of matter, or improvement thereof that is produced by NEOGENOMICS and covered by any claim among the PATENT RIGHTS hereunder.

1.20 **"NEOGENOMICS PATENT-BASED SERVICE"** means the use of any NEOGENOMICS PATENT-BASED PRODUCT or NEOGENOMICS PATENT-BASED PROCESS by NEOGENOMICS, its NEOGENOMICS AFFILIATES, SUBLICENSEES or customers to generate materials or information for a customer for a fee. This includes, without limitation, providing clinical diagnostic services, providing material screening services such as in drug discovery, and providing information services.

1.21 **"NEOGENOMICS MATERIALS"** shall have the meaning set forth in Section 3.1 ("Transfer of NEOGENOMICS MATERIALS").

1.22 **"NET SALES"** shall have the meaning set forth below:

(a) Scope of Revenues Included. Subject to the exclusions and exceptions set forth herein, NET SALES means the gross revenue collected by ROYALTY-PAYING PARTY, its AFFILIATE, or SUBLICENSEE for the sale or distribution of any ROYALTY-PAYING PARTY LICENSED PRODUCT(S) or ROYALTY-PAYING PARTY LICENSED SERVICE(S), less the following amounts paid out by ROYALTY-PAYING PARTY, its AFFILIATE or SUBLICENSEE or credited against the amounts received by them from the sale or distribution of ROYALTY-PAYING PARTY LICENSED PRODUCT(S) or ROYALTY-PAYING PARTY LICENSED SERVICE(S):

(i) discounts allowed;

(ii) returns;

(iii) transportation and insurance charges or allowances;

(iv) customs, duties and similar charges; and

(v) sales, transfer and other excise or use taxes, or other governmental charges levied on or measured by the sales but not franchise or income taxes of any kind whatsoever.

(b) Exclusion of AFFILIATE Sales. Transfer of ROYALTY-PAYING PARTY LICENSED PRODUCT(S) or ROYALTY-PAYING PARTY LICENSED SERVICE(S) to an AFFILIATE for sale by the AFFILIATE shall not be considered a sale; in the case of such a transfer the net sales price shall be based on the gross billing price of the ROYALTY-PAYING PARTY LICENSED PRODUCT(S) or ROYALTY-PAYING PARTY LICENSED SERVICE by the AFFILIATE as invoiced to its customer.

(c) Non-Invoiced Exceptions and Exclusions. Every commercial use or disposition of any ROYALTY-PAYING PARTY LICENSED PRODUCT or ROYALTY-PAYING PARTY LICENSED SERVICE excluding any use for:

(i) assuring product testing or control; or

(ii) promotional distribution to potential users ; or

(iii) distribution to researchers by or on behalf of ROYALTY-PAYING PARTY or any of its ROYALTY-PAYING PARTY AFFILIATES or SUBLICENSEES;

or

(iv) obtaining regulatory approvals,

in addition to a bona fide sale to a bona fide customer (not to be construed as including ROYALTY-PAYING PARTY or any such AFFILIATE or SUBLICENSEE), shall be considered a sale of such ROYALTY-PAYING PARTY LICENSED PRODUCT or ROYALTY-PAYING PARTY LICENSED SERVICE at the net sales price then payable in an arm's length transaction.

(d) Additional Terms Related to Royalties Payable by CIPHERGEN.

(i) Proportionality of IP for Revenue Definition. In the event any CIPHERGEN PATENT-BASED PRODUCT contains an ACTIVE FUNCTIONAL ELEMENT covered by a patent claim other than a claim included among the PATENT RIGHTS described hereunder, or any CIPHERGEN PATENT-BASED SERVICE employs such an ACTIVE FUNCTIONAL ELEMENT covered by a patent claim other than a claim included among the PATENT RIGHTS described hereunder, NET SALES for such CIPHERGEN PATENT-BASED PRODUCT or CIPHERGEN PATENT-BASED SERVICE shall be calculated by multiplying the net sales price of such CIPHERGEN PATENT-BASED PRODUCT or CIPHERGEN PATENT-BASED SERVICE by the fraction A over A+B where "A" is the number of ACTIVE FUNCTIONAL ELEMENTS covered by a PATENT RIGHT hereunder and "B" is the number of ACTIVE FUNCTIONAL ELEMENTS covered by a patent which is not part of PATENT RIGHTS hereunder.

(ii) Reagent Rental Plan Exclusion. NET SALES shall not include the full price of CONSUMABLE PRODUCTS sold under a REAGENT RENTAL PLAN (as defined below). Instead, the value of NET SALES in such circumstances shall be adjusted to reflect the reasonable price of such CONSUMABLE PRODUCTS less the amortized cost of any CIPHERGEN products bundled with such products as part of the REAGENT RENTAL PLAN.

1.23 **"PATENT-BASED PROCESS"** means either or both a CIPHERGEN PATENT-BASED PROCESS and a NEOGENOMICS PATENT-BASED PROCESS, depending on context.

1.24 **"PATENT-BASED PRODUCT"** means either or both a CIPHERGEN PATENT-BASED PRODUCT and a NEOGENOMICS PATENT-BASED PRODUCT, depending on context.

1.25 **"PATENT-BASED SERVICE"** means either or both a CIPHERGEN PATENT-BASED SERVICE and a NEOGENOMICS PATENT-BASED SERVICE, depending on context.

1.26 **"PATENT RIGHT"** means any United States patent application (including any division, continuation, or continuation-in-part thereof), any foreign patent, application or equivalent corresponding thereto, and any Letters Patent or the equivalent thereof issuing thereon or reissue or extension thereof, that contains one or more claims to any INVENTION.

1.27 **"REAGENT RENTAL PLAN"** means a method of payment for a CIPHERGEN product such as computer hardware or software wherein the up front or initial cost of such product to the customer is zero or de minimis and the actual cost of the product is recovered by CIPHERGEN from the customer by means of an increased price for CONSUMABLE PRODUCTS used with or in connection with such product. Thus, in essence, the cost of such product to the customer is amortized over the term of the plan and captured by CIPHERGEN in the increased charge paid by the customer for CONSUMABLE PRODUCTS. The amount of revenue attributed to the CONSUMABLE PRODUCT and to the amount of CIPHERGEN equipment products amortized over the CONSUMABLE PRODUCT revenues shall reflect the prices of these products when sold independently.

1.28 **"RESEARCH RESULTS"** shall have the meaning set forth in Section 3.1 ("Transfer of NEOGENOMICS MATERIALS").

1.29 **"RESEARCH WORK PLANS"** shall have the meaning set forth in Section 2.1 ("Research Work Plans").

1.30 **"ROYALTY-PAYING PARTY"** shall mean the PARTY who is obligated to pay royalties hereunder.

1.31 **"ROYALTY-RECEIVING PARTY"** shall mean the PARTY who is entitled to receive royalties hereunder.

1.32 **"SELDI"** shall have the meaning set forth in the Recitals.

1.33 **"SUBLICENSEE"** means any non-AFFILIATE third party who is licensed by a PARTY hereto to make, have made, use or sell any PATENT-BASED PRODUCT, PATENT-BASED SERVICE, or use any PATENT-BASED PROCESS.

1.34 **"TECHNOLOGY"** shall have the meaning set forth in the Recitals above.

1.35 **"VALID CLAIM"** means a claim of any patent issuing on a PATENT RIGHT, which claim has not been declared invalid or unenforceable by a patent office or by a court of competent jurisdiction in any un-appealed and un-appealable decision.

1.36 Use of Plural and Gender. The use herein of the plural shall include the singular, and the use of the masculine shall include the feminine.

ARTICLE 2. COLLABORATIVE RESEARCH

2.1 Research Work Plans. From time to time for the duration of the term of Article 2 ("COLLABORATIVE RESEARCH") in accordance with Section 10.1 ("Term of COLLABORATIVE RESEARCH"), NEOGENOMICS and CIPHERGEN may agree to engage together in scientific research, as enabled by CIPHERGEN's SELDI system and related know-how and capacities, in the development of the TECHNOLOGY (research in the development of the TECHNOLOGY, the "**FIELD OF RESEARCH**"; and all such scientific research performed by the PARTIES under this AGREEMENT, the "**COLLABORATIVE RESEARCH**"). In connection with any such COLLABORATIVE RESEARCH, the PARTIES shall work together to produce a mutually agreeable work plan that describes in detail the objectives, scope, nature, timeline, milestones, procedures, equipment, materials, personnel, and, when applicable, the estimated market value of CIPHERGEN services, that are involved in the research to be conducted. Each such work plan that is duly executed by both the PARTIES (a "**RESEARCH WORK PLAN**") shall be attached to this AGREEMENT at Appendix B ("Research Work Plans") and shall be considered to be part of this AGREEMENT. Subject to the terms of this AGREEMENT, each of the PARTIES agrees to use reasonable efforts to carry out their respective responsibilities in each RESEARCH WORK PLAN at its own cost and expense and without charge to the other PARTY unless otherwise specifically set forth in such RESEARCH WORK PLAN. The PARTIES shall also cooperate and render research assistance to each other, including making their respective personnel available at reasonable times, in order to carry out the RESEARCH WORK PLANS efficiently and to avoid any unnecessary duplication of efforts.

2.2 Modifications. RESEARCH WORK PLANS may be modified only upon mutual written agreement of the PARTIES, and any such mutual written agreement shall be attached to, and considered part of, this Agreement.

2.3 Representatives and Meetings. Each of the PARTIES shall designate a representative (a "Representative") as set forth at Appendix C ("Representatives") to coordinate the COLLABORATIVE RESEARCH hereunder. Such Representatives shall meet regularly and as necessary to discuss the progress of the COLLABORATIVE RESEARCH and to report any research data, formulas, process or other information relating to the development of TECHNOLOGY and produced during the course of the COLLABORATIVE RESEARCH ("**RESEARCH RESULTS**").

2.4 CIPHERGEN Activities in the FIELD OF RESEARCH. NEOGENOMICS hereby acknowledges and accepts CIPHERGEN's current and potential future relationships with third parties ("Third Party Researchers") in conducting research that is in, or substantially similar to, the FIELD OF RESEARCH. CIPHERGEN shall endeavor to disclose to NEOGENOMICS any such relationship with any third parties as they arise. While CIPHERGEN is already subject to obligations of confidentiality to NEOGENOMICS pursuant to Article 4 ("Confidentiality and Publication Rights") and the other related provisions hereunder, CIPHERGEN hereby covenants to take such actions, mutually agreeable to both PARTIES, that prevent any conflict of interest during the term of Article 2 ("COLLABORATIVE RESEARCH") hereunder.

2.5 Outside Activities and Funding. Both NEOGENOMICS and CIPHERGEN shall be free at any time, without restrictions of any kind:

(a) to engage in research outside of the FIELD OF RESEARCH and seek funding for such research from any source, including without limitation, any commercial collaborator; and

(b) to seek additional funding for the COLLABORATIVE RESEARCH hereunder from any state or federal agency or any private or public foundation (except for any foundation that is owned or operated in whole or in part by a commercial entity other than either of the PARTIES), provided that the terms and conditions of such additional funding are not in conflict with the terms and conditions of this AGREEMENT, including but not limited to, either PARTY's rights in and to the COLLABORATIVE RESEARCH and the RESEARCH RESULTS thereof.

ARTICLE 3. TRANSFER OF NEOGENOMICS MATERIALS

3.1 Transfer of NEOGENOMICS MATERIALS. In connection with the COLLABORATIVE RESEARCH conducted hereunder, NEOGENOMICS shall promptly supply to CIPHERGEN, in accordance with the terms of the Research Work Plans, certain biological or chemical materials or substances, including data derived therefrom, in which NEOGENOMICS has full ownership or licensable rights (the "**NEOGENOMICS MATERIALS**"). The NEOGENOMICS MATERIALS that transferred hereunder are anticipated by the PARTIES to include, without limitation, those materials specifically set forth at Appendix D ("Anticipated Materials").

3.2 Terms of Transfer.

(a) Arrangements and Costs. NEOGENOMICS is responsible for all arrangements and covering all costs related to the transfer of NEOGENOMICS MATERIALS to CIPHERGEN.

(b) Representations and Warranties. NEOGENOMICS hereby represents and warrants that:

(i) NEOGENOMICS MATERIALS transferred hereunder are obtained by NEOGENOMICS in accordance with all applicable laws, regulations or ethical standards;

(ii) NEOGENOMICS has all necessary rights to transfer and dispose of NEOGENOMICS MATERIALS as contemplated hereunder;

(iii) NEOGENOMICS MATERIALS transferred herewith are free of highly contagious diseases, including without limitation: HIV, Hepatitis B

and Hepatitis C;

(iv) NEOGENOMICS is transferring NEOGENOMICS MATERIALS to CIPHERGEN in a manner and by a means that assures the biological or chemical integrity of NEOGENOMICS MATERIALS and the safety of CIPHERGEN employees and agents; and

(v) NEOGENOMICS shall deliver, together with NEOGENOMICS MATERIALS, complete and accurate information regarding the nature and contents of NEOGENOMICS MATERIALS, including without limitation, all health and safety information and instructions required for the safe and appropriate handling of NEOGENOMICS MATERIALS.

(c) Indemnification. NEOGENOMICS agrees to defend, indemnify and hold harmless CIPHERGEN, its officers, directors, employees and agents against any claims, actions or demands resulting from NEOGENOMICS's breach of the foregoing representations and warranties concerning NEOGENOMICS MATERIALS.

(d) Acknowledgement. NEOGENOMICS understands and acknowledges that any and all parts of NEOGENOMICS MATERIALS may be consumed or otherwise rendered unusable in the course of the activities to be undertaken by CIPHERGEN in performance of the COLLABORATIVE RESEARCH and that CIPHERGEN may not be able to return to NEOGENOMICS any or all of NEOGENOMICS MATERIALS after the completion of COLLABORATIVE RESEARCH. CIPHERGEN shall not be liable for any damage to, or consumption of, NEOGENOMICS MATERIALS.

3.3 Access to Facilities. For the purpose of facilitating the COLLABORATIVE RESEARCH, each PARTY (the "HOST PARTY"), at such HOST PARTY's reasonable convenience, shall permit the duly authorized employees or representatives of the other PARTY (the "VISITING PARTY") to visit the HOST PARTY's laboratories or other facilities where any COLLABORATIVE RESEARCH is conducted.

3.4 CIPHERGEN's Rights to Use and Transfer NEOGENOMICS MATERIALS. NEOGENOMICS hereby grants to CIPHERGEN all necessary rights and licenses required for CIPHERGEN to analyze, use or consume NEOGENOMICS MATERIALS and any intellectual property embodied therein in any manner necessary to perform the COLLABORATIVE RESEARCH. NEOGENOMICS also

prohibits CIPHERGEN from transferring NEOGENOMICS MATERIALS to third parties, except that CIPHERGEN may transfer NEOGENOMICS MATERIALS to third parties:

(a) without any required consent from NEOGENOMICS, if solely for the purpose of obtaining chemical, physical or biological analysis or characterization of such NEOGENOMICS MATERIALS in connection with the COLLABORATIVE RESEARCH, provided that such third parties agree in writing: (i) to use such NEOGENOMICS MATERIALS only for the purpose of the agreed upon analysis or characterization, and (ii) not to transfer or grant access to such NEOGENOMICS MATERIALS, or any non-public information regarding such NEOGENOMICS MATERIALS, to any other person or entity, and

(b) provided that CIPHERGEN has obtained the written consent of NEOGENOMICS, in the following cases: (i) where a journal requires dissemination of NEOGENOMICS MATERIALS or related non-public information as a condition of publication regarding such materials, and (ii) where CIPHERGEN is placing any NEOGENOMICS MATERIALS in any depository in support of any patent application to be filed pursuant to this AGREEMENT.

3.5 Patentability of NEOGENOMICS MATERIALS. Prior to any CIPHERGEN transfer of any NEOGENOMICS MATERIALS to any third party pursuant to this Article 3 ("Transfer of NEOGENOMICS MATERIALS"), CIPHERGEN shall use reasonable efforts to consider the patentability of such NEOGENOMICS MATERIALS, and CIPHERGEN shall cooperate, when

appropriate, prior to CIPHERGEN's transfer of any NEOGENOMICS MATERIALS to any third party, with NEOGENOMICS in NEOGENOMICS's efforts to file patents protecting such NEOGENOMICS MATERIALS.

3.6 Restrictions on NEOGENOMICS Transfer of NEOGENOMICS MATERIALS. For the duration of the term of Article 2 ("COLLABORATIVE RESEARCH") in accordance with Section 10.1 ("Term of COLLABORATIVE RESEARCH"), NEOGENOMICS shall not distribute, or knowingly allow to be distributed, NEOGENOMICS MATERIALS to for-profit entities, or persons known to be employed thereby or consulting or performing research therefore, in a field pertaining to COLLABORATIVE RESEARCH, except that NEOGENOMICS may distribute NEOGENOMICS MATERIALS to third parties:

(a) without any required consent from CIPHERGEN, solely for the purpose of obtaining chemical, physical or biological analysis or characterization of such NEOGENOMICS MATERIALS in connection with the COLLABORATIVE RESEARCH, provided that such third parties agree in writing: (i) not to transfer or grant access to such NEOGENOMICS MATERIALS or any non-public information regarding such NEOGENOMICS MATERIALS to any other person or entity and (ii) to use such NEOGENOMICS MATERIALS only for the purpose of the agreed upon analysis

or characterization and not to disclose such analysis or characterization to any third party; and

(b) provided that NEOGENOMICS has obtained the written consent of CIPHERGEN, in the following cases: (i) where a journal requires dissemination of NEOGENOMICS MATERIALS or related non-public information as a condition of publication regarding such materials, and (ii) where NEOGENOMICS is placing any NEOGENOMICS MATERIALS in any depository in support of any patent application on RESEARCH RESULTS to be filed pursuant to this AGREEMENT.

ARTICLE 4. CONFIDENTIALITY AND PUBLICATION RIGHTS

4.1 Definition of "CONFIDENTIAL INFORMATION." Subject to the limitations set forth in this Article 4 ("Confidentiality and Publication Rights"), information disclosed by either PARTY shall be deemed to be "**CONFIDENTIAL INFORMATION**" only if such information (a) in written or other tangible form, is marked or labeled as "CONFIDENTIAL" or includes a similar legend sufficient to notify the receiving Party that such information is subject to the terms of this AGREEMENT, and/or (b) as disclosed other than in writing, is identified as confidential by the disclosing PARTY at the time of disclosure and is confirmed in writing as confidential within thirty (30) days after such disclosure. Each PARTY's designated REPRESENTATIVES shall coordinate the process of identifying each such PARTY's CONFIDENTIAL INFORMATION. Notwithstanding the foregoing, all information embodied in, or connected to, the NEOGENOMICS MATERIALS and the RESEARCH RESULTS shall be automatically considered to be CONFIDENTIAL INFORMATION by both PARTIES, unless otherwise set forth in this AGREEMENT or the PARTIES otherwise agree in writing. CONFIDENTIAL INFORMATION may include, without limitation, any information, process, technique, algorithm, program, design, drawing, formula or test data relating to any research project, work in process, future development, engineering, manufacturing, marketing, servicing, financing or personnel matter relating to either PARTY, either PARTY's present or future products, sales, suppliers, customers, employees, investors, or business, whether in oral, written, graphic or electronic form.

4.2 Exceptions. CONFIDENTIAL INFORMATION shall not include information that receiving PARTY can demonstrate by competent written proof: (i) is now, or hereafter becomes, through no act or failure to act on the part of such receiving PARTY, generally known or available; (ii) is known by the receiving PARTY at the time of receiving such information; (iii) is hereafter furnished to the receiving PARTY by a third party, as a matter of right and without restriction on

disclosure; (iv) is independently developed by the receiving PARTY without any breach of this AGREEMENT; or (v) is the subject of a written permission to disclose provided by the disclosing PARTY.

4.3 Confidentiality Obligations. Each PARTY shall maintain in trust and confidence and not disclose to any third party or use for any unauthorized purpose any CONFIDENTIAL INFORMATION received from the

other PARTY. Both PARTIES may use such CONFIDENTIAL INFORMATION only to the extent required to accomplish the purposes of this AGREEMENT. Neither PARTY shall use CONFIDENTIAL INFORMATION received from the other PARTY for any purpose or in any manner, which would constitute a violation of any laws or regulations of the United States. CONFIDENTIAL INFORMATION supplied hereunder shall not be reproduced in any form except as required to accomplish the intent of this AGREEMENT.

4.4 Standard of Care. Each PARTY represents and warrants that it shall protect CONFIDENTIAL INFORMATION received from the other PARTY with the same degree of care that it uses to protect its own CONFIDENTIAL INFORMATION from unauthorized use or disclosure, but in no case, with less then a commercially reasonable standard of care. Each PARTY shall advise its employees or agents who might have access to the other PARTY's CONFIDENTIAL INFORMATION of the confidential nature thereof and shall obtain from each of such employees and agents an agreement to abide by confidentiality terms less stringent than this AGREEMENT. Neither PARTY shall disclose any of the other PARTY's CONFIDENTIAL INFORMATION to any officer, employee or agent who does not have a need for such information.

4.5 Return of CONFIDENTIAL INFORMATION. All CONFIDENTIAL INFORMATION (including all copies thereof) shall remain the property of the disclosing PARTY, except to the extent such CONFIDENTIAL INFORMATION constitutes an INVENTION owned in part by the recipient PARTY pursuant to Section 5.2 ("Ownership"). In any case, CONFIDENTIAL INFORMATION shall be returned to disclosing PARTY after the receiving PARTY's need for it has expired, or upon request of disclosing PARTY, and in any event, upon completion or termination of all the COLLABORATIVE RESEARCH conducted under this AGREEMENT, except for one copy of each disclosure that may be retained in the archives of the receiving PARTY solely for the purposes of compliance with, or fulfillment of, this AGREEMENT.

4.6 Authorized Disclosures. Notwithstanding any other provision of this AGREEMENT, disclosure of CONFIDENTIAL INFORMATION shall not be precluded if such disclosure:

(a) is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof, provided that the responding PARTY shall first have given notice to the other PARTY hereto and shall have made a reasonable effort to obtain a protective order requiring that the CONFIDENTIAL INFORMATION so disclosed be used only for the purposes for which the order was issued;

(b) is otherwise required by law; or

(c) is otherwise required to establish rights or enforce obligations under this AGREEMENT, but only to the extent that any such disclosure is necessary.

4.7 Publication Procedures.

(a) Submission for Review. Each PARTY (the "Publishing PARTY") agrees to submit to the other PARTY (the "Reviewing PARTY") for review, an early draft of each:

(i) Article or manuscript first disclosing or describing any NEOGENOMICS MATERIALS or RESEARCH RESULTS at least thirty (30) days prior to Publishing PARTY's planned submission for publication; and

(ii) Abstract, oral presentation or poster disclosing or describing any NEOGENOMICS MATERIALS or RESEARCH RESULTS at least seven (7) days prior to Publishing PARTY's planned submission for publication (each such thirty (30) day or seven (7) day period, a "Review Period" and each such early draft, a "Prospective Publication").

(b) Review. The Reviewing PARTY shall have the right to review each such Prospective Publication during the applicable Review Period and advise the Publishing PARTY as to the patentability of any INVENTIONS disclosed therein. The PARTIES agree to cooperate with each other to carry out the appropriate actions required to file PATENT RIGHTS claiming such INVENTIONS in accordance with the terms of this AGREEMENT. After each applicable Review Period, the Publishing PARTY shall have the right to submit its Prospective Publication for publication, unless in the Reviewing PARTY's sole opinion, any INVENTION or commercially important know-how, whether patentable or unpatentable, is revealed in such Prospective Publication, in which case the Publishing PARTY agrees to work together in good faith with the Reviewing PARTY to resolve Reviewing PARTY's concerns and to delay publication for up to ninety (90) days from the end of the applicable Review Period in order to do so.

(c) Filings Required by the Government. This Section 4.7 ("Publication Procedures") shall not be applicable to the filing by either PARTY of any report required by any governmental authority pertaining to the COLLABORATIVE RESEARCH.

ARTICLE 5. PATENTS

5.1 INVENTION Disclosure. In accordance with CIPHERGEN patent policies and procedures, each employee of CIPHERGEN who during the course of, or otherwise in connection with, the COLLABORATIVE RESEARCH, with or without

the involvement of NEOGENOMICS creates or discovers an INVENTION shall report such INVENTION to CIPHERGEN and shall assign all of such employee's rights, title and interest in such INVENTION to CIPHERGEN. In accordance with NEOGENOMICS patent policies and procedures, each NEOGENOMICS employee who during the course of, or otherwise in connection with, the COLLABORATIVE RESEARCH shall make an INVENTION, with or without the involvement of CIPHERGEN or any of CIPHERGEN's employees, shall promptly report such INVENTION to NEOGENOMICS and shall assign all of such NEOGENOMICS employee's rights, title and interest in such INVENTION to NEOGENOMICS.

5.2 Ownership. INVENTIONS made solely by NEOGENOMICS employees shall be owned solely by NEOGENOMICS, and NEOGENOMICS shall solely own any related PATENT RIGHTS. INVENTIONS made solely by CIPHERGEN and CIPHERGEN employees shall be owned solely by CIPHERGEN, and CIPHERGEN shall solely own any related PATENT RIGHTS. INVENTIONS made jointly by any NEOGENOMICS employee(s) and CIPHERGEN employee(s) shall be jointly owned by CIPHERGEN and NEOGENOMICS. The PARTIES agree that for each INVENTION jointly owned by them, each PARTY shall own a one-half (1/2) undivided interest in such INVENTION and each related PATENT RIGHT. Each of NEOGENOMICS and CIPHERGEN shall each be allowed to sell, license or otherwise transfer its respective PATENT RIGHTS without the consent of the other; provided however, that each PARTY's rights in this respect are subject to the terms and conditions of this

AGREEMENT, including without limitation, each of the PARTY's rights to licenses in PATENT RIGHTS hereunder in subsequent Articles.

5.3 Patent Applications. Each PARTY shall promptly advise the other in writing of each INVENTION disclosed to such PARTY. Representatives of each PARTY shall then discuss with each other whether, and in what countries, a patent application or applications pertaining to such INVENTION should be filed. In consultation with CIPHERGEN, NEOGENOMICS shall have the first right to prepare, file, prosecute and maintain, in the United States and countries throughout the world, patent applications and patents concerning INVENTIONS that are owned solely by NEOGENOMICS. In consultation with NEOGENOMICS, CIPHERGEN shall have the first right to prepare, file, prosecute and maintain, in the United States and countries throughout the world, patent applications and patents concerning INVENTIONS that are either solely by CIPHERGEN or jointly owned by NEOGENOMICS and CIPHERGEN. In the case of such INVENTIONS owned jointly by NEOGENOMICS and CIPHERGEN, CIPHERGEN shall prosecute such patent applications on behalf of and in the name of both PARTIES. The titles, serial numbers and other identifying data of any patent applications claiming an INVENTION filed pursuant to this Agreement shall be listed in Appendix E ("PATENT RIGHTS"), as updated by the PARTIES from time to time.

5.4 Costs of Patent Prosecution. Each PARTY shall pay for all costs and expenses incurred in connection with the filing, prosecution and maintenance of PATENT RIGHTS concerning INVENTIONS that are owned solely by

such PARTY hereunder. For costs and expenses incurred with respect to filing, prosecution and maintenance of PATENT RIGHTS concerning INVENTIONS that jointly owned by the PARTIES hereunder, NEOGENOMICS shall reimburse CIPHERGEN for one-half (1/2) all such costs and expenses. Such reimbursement from NEOGENOMICS shall be paid to CIPHERGEN on a reasonable periodic basis to be determined by the PARTIES.

5.5 Patent Counsel. In connection with CIPHERGEN's preparation, filing, prosecution and maintenance of patent applications for INVENTIONS owned jointly by NEOGENOMICS and CIPHERGEN, CIPHERGEN shall choose patent counsel who is reasonably acceptable to NEOGENOMICS. CIPHERGEN agrees to send NEOGENOMICS, in a timely manner, copies of all correspondence with such patent counsel and shall give NEOGENOMICS an opportunity to comment thereon before filing with any patent office. Whenever possible, such solicited NEOGENOMICS comments will be acted upon in the prosecution and maintenance of the patent applications and patents.

5.6 NEOGENOMICS Prosecution of Patents. In the event that NEOGENOMICS is not satisfied with CIPHERGEN's prosecution of a patent application for INVENTIONS owned jointly by NEOGENOMICS and CIPHERGEN, and CIPHERGEN is not willing to make changes to satisfy NEOGENOMICS on such issues, NEOGENOMICS may file a patent continuation at its own expense. In any country where CIPHERGEN elects not to file a patent application or to pay expenses associated with filing, prosecuting, or maintaining a patent application or patent for INVENTIONS owned solely by NEOGENOMICS or jointly by NEOGENOMICS and CIPHERGEN, NEOGENOMICS may file, prosecute, and/or maintain a patent application or patent at its own expense. In the event that CIPHERGEN decides not to pursue the preparation, filing, prosecution and/or maintenance of any patent or patent application in a particular country for INVENTIONS owned jointly by NEOGENOMICS and CIPHERGEN, CIPHERGEN agrees to assign all of its right and interest in such patentable INVENTION to NEOGENOMICS and NEOGENOMICS may pursue such patent solely in its name at its sole expense. Any such patent prosecuted by NEOGENOMICS under this Section 5.6 ("NEOGENOMICS Prosecution of Patents") shall not constitute a PATENT RIGHT hereunder and thereby, shall not be PATENT-BASED to CIPHERGEN under Article 6 ("CIPHERGEN License Options/ Grants") hereunder.

5.7 Representatives. Correspondence related to INVENTIONS, PATENT RIGHTS, and any other patent applications and patents issues shall be directed to the following individuals:

For NEOGENOMICS:

For CIPHERGEN:

John Storella, Esq.
Vice President for Intellectual Property
Ciphergen Biosystems, Inc.
6611 Dumbarton Circle
Fremont, CA 94555

5.8 Extensions. NEOGENOMICS and CIPHERGEN will cooperate in applying for an extension of the term of any patent included within PATENT RIGHTS, if appropriate, under the Drug Price Competition and Patent Term Restoration Act of 1984. CIPHERGEN will prepare all such documents, and NEOGENOMICS will execute such documents and will take such additional action as CIPHERGEN may reasonably request in connection therewith.

5.9 Patent Marking. CIPHERGEN will mark all CIPHERGEN PATENT-BASED PRODUCTS made, used, or sold under the terms of this AGREEMENT, or their containers, in accordance with the applicable patent marking laws, and NEOGENOMICS will mark all NEOGENOMICS PATENT-BASED PRODUCTS made, used, or sold under the terms of this AGREEMENT, or their containers, in accordance with the applicable patent marking laws.

ARTICLE 6. LICENSE GRANTS

6.1 Cross-License Grants. As to each PATENT RIGHT that is owned in whole or in part by a PARTY or in which a PARTY has a licensable right, such PARTY (as the "LICENSOR PARTY") hereby grants to the other PARTY hereto and any AFFILIATE of such other PARTY designated in writing by such other PARTY (such other PARTY, as the "LICENSEE PARTY") any and all non-exclusive worldwide rights and LICENSES under the relevant PATENT RIGHTS so as to allow the LICENSEE PARTY full freedom to operate with respect to any PATENT RIGHTS described hereunder.

6.2 No Conflict. Notwithstanding any other provision of the license grants made pursuant to this AGREEMENT or the AGREEMENT, each PARTY represents that to the best of its knowledge, as of the EFFECTIVE DATE, there is no agreement in effect between each such PARTY and any third party (not including the government of the United States of America) that prohibits such PARTY from granting to other PARTY the LICENSES set forth in Section 6.1 ("Cross-License Grant"). Each PARTY also agrees not to enter into any future agreement with a third party under terms that will prevent each PARTY from granting LICENSES under PATENT RIGHTS in accordance with Section 6.1 ("Cross-License Grants").

6.3 Mutual Covenant Not to License Any Third Parties. Each of the PARTIES hereby covenants not to grant LICENSES under PATENT RIGHTS to any third parties at any time without the express written consent of the other PARTY.

6.4 Clarification of Intent. The PARTIES acknowledge that the intent of this Article 6 ("License Grants") is to allow each PARTY to fully practice any of the PATENT RIGHTS anywhere in the world without interference from the other PARTY and to assure that only the PARTIES and no third parties have any right, license or interest in or to the PATENT RIGHTS unless both PARTIES shall agree in writing otherwise.

ARTICLE 7. ROYALTIES PAYABLE

7.1 Royalty Rates. The PARTIES shall pay each other royalties as follows:

(a) For each NEOGENOMICS PATENT-BASED PRODUCT, NEOGENOMICS shall pay to CIPHERGEN a royalty of four percent (4%) of NET SALES on such NEOGENOMICS PATENT-BASED PRODUCT;

(b) For each NEOGENOMICS PATENT-BASED SERVICE, NEOGENOMICS shall pay to CIPHERGEN a royalty of four percent (4%) of NET SALES on such NEOGENOMICS PATENT-BASED SERVICES;

(c) For each CIPHERGEN PATENT-BASED PRODUCT, CIPHERGEN shall pay to NEOGENOMICS, a royalty of four percent (4%) of NET SALES on such CIPHERGEN PATENT-BASED PRODUCT; and

(d) For each CIPHERGEN PATENT-BASED SERVICE, CIPHERGEN shall pay to NEOGENOMICS, a royalty of four percent (4%) of NET SALES on such CIPHERGEN PATENT-BASED SERVICE.

Each of CIPHERGEN and NEOGENOMICS referred to as the "ROYALTY-PAYING PARTY" or the "ROYALTY-RECEIVING PARTY" hereunder in accordance with the foregoing.

7.2 Anti-Stacking Provision. If either PARTY is required to pay a royalty or royalties to any third party for technology in connection with the manufacture, use, sale or marketing of a PATENT-BASED PRODUCT and/or a PATENT-BASED SERVICE hereunder, the royalty rate payable hereunder shall be reduced by one half (1/2) of the aggregate rate of such third party royalties, but in no event shall the royalty rate be reduced more than fifty percent (50%) under this paragraph. This paragraph shall specifically exclude (that is, shall not be applied to) royalties paid to any party for a claim covering an ACTIVE FUNCTIONAL ELEMENT.

7.3 Market Condition Provision. In the event that the royalties paid in accordance with the forgoing is such a significant factor in the return realized by the ROYALTY-PAYING PARTY as to diminish such party's capability

to respond to competitive pressures in the market, the other PARTY agrees to consider a reasonable reduction in the royalty as to each PATENT-BASED PRODUCT and/or PATENT-BASED SERVICE for the period during which such market condition exists. Factors determining the size of the reduction will include profit margin on PATENT-BASED PRODUCTS and/or PATENT-BASED SERVICES development.

7.4 Record Keeping. Each of the PARTIES shall keep, and shall cause each of its AFFILIATES and SUBLICENSEES, if any, to keep, full and accurate books of account containing all particulars that may be necessary for the purpose of calculating all royalties payable to the ROYALTY-RECEIVING PARTY. Such books of account shall be kept at their principal place of business and, with all necessary supporting data shall, during all reasonable times for the three (3) years next following the end of the calendar year to which each shall pertain, be open for inspection at reasonable times by ROYALTY-PAYING PARTY or its designee at ROYALTY-PAYING PARTY's expense for the sole purpose of verifying royalty statements or compliance with this AGREEMENT.

7.5 Quarterly Delivery of Records. Each ROYALTY-PAYING PARTY shall deliver to the ROYALTY-RECEIVING PARTY a full and accurate accounting to include at least the following information:

(a) Quantity of each PATENT-BASED PRODUCTS and/ or PATENT-BASED SERVICES sold or leased (by country) by such ROYALTY-PAYING PARTY, and its AFFILIATES or SUBLICENSEES;

(b) Total receipts for each PATENT-BASED PRODUCT and/or PATENT-BASED SERVICE (by country);

(c) Quantities of each PATENT-BASED PRODUCT and/or PATENT-BASED SERVICE:

1. used by ROYALTY-PAYING PARTY and its AFFILIATES or SUBLICENSEES; or

2. sold to the United States Government for which the government requires a reduction in the net sales price as a result of its license under 35 U.S.C.ss.204.

7.6 Payment of Royalties. In each year the amount of royalty due shall be calculated semiannually as of June 30 and December 31 ("ACCOUNTING PERIOD") and shall be paid semiannually within the sixty (60) days next following such date, every such payment shall be supported by the accounting prescribed in Section 7.5 ("Quarterly Delivery of Records") and shall be made in United States currency. Whenever for the purpose of calculating royalties conversion from any foreign currency shall be required, such conversion shall be at the rate of exchange thereafter published in the Wall Street Journal for the business day closest to the applicable June 30 or December 31, as the case may be.

7.7 One Royalty Per PATENT-BASED PRODUCT or PATENT-BASED SERVICE. Only one royalty shall be due and payable for any PATENT-BASED PRODUCT or PATENT-BASED SERVICE subject to royalty under this AGREEMENT regardless of the number of PATENT RIGHTS covering such PATENT-BASED PRODUCT or PATENT-BASED SERVICE, its manufacture and use.

7.8 Currency. If the transfer of or the conversion into United States Dollar Equivalents of any such remittance in any such instance is not lawful or possible, the payment of such part of the royalties as is necessary shall be made by the deposit thereof, in the currency of the country where the sale was made on which the royalty was based, to the credit and account of the ROYALTY-RECEIVING PARTY or its nominee, in any commercial bank or trust company located in that country, prompt notice of which shall be given by the ROYALTY-PAYING PARTY.

7.9 Taxes. Any tax required to be withheld by the ROYALTY-PAYING PARTY under the laws of any foreign country for the account of the ROYALTY-RECEIVING PARTY, shall be promptly paid by the ROYALTY-PAYING PARTY for and on behalf of the ROYALTY-RECEIVING PARTY to the appropriate governmental authority, and the ROYALTY-PAYING PARTY shall use its best efforts to furnish the ROYALTY-RECEIVING PARTY with proof of payment of such tax. Any such tax actually paid on the ROYALTY-RECEIVING PARTY's behalf shall be deducted from royalty payments due the ROYALTY-RECEIVING PARTY.

7.10 Interest on Late Payments. The royalty payments due under the AGREEMENT shall, if overdue, bear interest until payment at a per annum rate equal to one percent (1%) above the prime rate in effect at Citibank on the due date, not to exceed the maximum permitted by law. The payments of such interest shall not preclude the ROYALTY-RECEIVING PARTY from exercising any other rights it may have as a consequence of the lateness of any royalty payment.

ARTICLE 8. INFRINGEMENT

8.1 Obligation to Notify. Each PARTY shall notify the other promptly in writing when any infringement of the PATENT RIGHTS by another is uncovered or suspected.

8.2 Control of Suit Concerning PATENT RIGHTS. NEOGENOMICS hereby grants CIPHERGEN the right to bring suit under its own name to enforce any PATENT RIGHT for which CIPHERGEN is the sole or partial owner hereunder. CIPHERGEN shall have the first right to enforce the PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep NEOGENOMICS informed as to the status thereof. CIPHERGEN may, in its sole judgment and at its own expense, institute suit against any such infringer or alleged infringer and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof and recover, for its account, any damages, awards or settlements resulting there from, subject to Section 8.4 ("Cooperation") below. This right to sue for infringement shall not be used in an arbitrary or capricious manner. NEOGENOMICS shall

reasonably cooperate in any such litigation at CIPHERGEN's expense. NEOGENOMICS shall join such suit as a named party at CIPHERGEN's request. If CIPHERGEN elects not to enforce the PATENT RIGHTS in a specific instance, then it shall so notify NEOGENOMICS in writing within six (6) months of receiving notice that an infringement exists, and NEOGENOMICS may, in its sole judgment and at its own expense, take steps to enforce any such patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting there from, subject to Section 8.4 ("Cooperation") below.

8.3 Control of Suit Concerning PATENT RIGHTS. CIPHERGEN hereby grants NEOGENOMICS the right to bring suit under its own name to enforce any PATENT RIGHT for which NEOGENOMICS is the sole owner hereunder. NEOGENOMICS shall have the first right to enforce the PATENT RIGHTS against any infringement or alleged infringement thereof, and shall at all times keep CIPHERGEN informed as to the status thereof. NEOGENOMICS may, in its sole judgment and at its own expense, institute suit against any such infringer or alleged infringer and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof and recover, for its account, any damages, awards or settlements resulting therefrom, subject to Section 8.4 ("Cooperation") below. This right to sue for infringement shall not be used in an arbitrary or capricious manner.

CIPHERGEN shall reasonably cooperate in any such litigation at NEOGENOMICS's expense. CIPHERGEN shall join such suit as a named party at NEOGENOMICS's request. If NEOGENOMICS elects not to enforce the PATENT RIGHTS in a specific instance, then it shall so notify CIPHERGEN in writing within six (6) months of receiving notice that an infringement exists, and CIPHERGEN may, in its sole judgment and at its own expense, take steps to enforce any such patent and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover, for its own account, any damages, awards or settlements resulting there from, subject to Section 8.4 ("Cooperation") below.

8.4 Cooperation. In the event one PARTY shall initiate or carry on legal proceedings to enforce any PATENT RIGHTS against any alleged infringer, the other PARTY shall fully cooperate with and supply all assistance reasonably requested by the PARTY initiating or carrying on such proceedings. The PARTY who institutes any suit to protect or enforce any PATENT RIGHTS shall have sole control of that suit and shall bear the reasonable expenses (excluding legal fees) incurred by said other PARTY in providing such assistance and cooperation as is requested pursuant to this paragraph. The PARTY initiating or carrying on such legal proceedings shall keep the other PARTY informed of the progress of such proceedings and said other PARTY shall be entitled to counsel in such proceedings but at its own expense. Any award paid by third PARTIES as the result of such proceedings (whether by way of settlement or otherwise) shall first be applied to reimbursement of the out of pocket legal fees and expenses incurred by either PARTY (with the initiating PARTY's fees paid first), and then the remainder shall go to the initiating PARTY unless the nature of the infringement is such that the

infringer has diluted the sales base for both PARTIES, in which case the remainder shall be shared between the PARTIES in proportion with each PARTY's losses.

ARTICLE 9. INDEMNIFICATION, INSURANCE, AND DISCLAIMER OF WARRANTIES

9.1 Indemnification.

(a) Each PARTY as the "LICENSEE PARTY" shall indemnify, defend and hold harmless the other PARTY as the "LICENSOR PARTY" and its directors, trustees, officers, medical and professional staff, employees, and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any liability, damage, loss or expense (including reasonable attorney's fees and expenses of litigation) incurred by or imposed upon the Indemnitees or any one of them in connection with any claims, suits, actions, demands or judgments arising out of any theory of product liability (including, but not limited to, actions in the form of tort warranty, or strict liability) concerning any PATENT-BASED PRODUCT, PATENT-BASED PROCESS, or PATENT-BASED SERVICE made, used or sold pursuant to any right or license granted to such LICENSEE PARTY by such LICENSOR PARTY under this AGREEMENT or rising out of any other activities to be carried out pursuant to this AGREEMENT.

(b) The LICENSEE PARTY's indemnification under subsection (a) above shall not apply to any liability, damage, loss or expense to the extent that it is attributable to the negligent activities, reckless misconduct or intentional misconduct of the Indemnitees.

(c) The LICENSEE PARTY agrees, at its own expense, to provide attorneys reasonably acceptable to the LICENSOR PARTY to defend against any actions that are brought or filed against any Indemnitee and that are within the scope of LICENSEE PARTY's indemnification obligation, whether or not such actions are rightfully brought.

9.2 Insurance.

(a) Beginning at the time that a PATENT-BASED PRODUCT, PATENT-BASED PROCESS or PATENT-BASED SERVICE is being commercially distributed or sold (other than for the purpose of obtaining regulatory approvals) by LICENSEE PARTY or by a SUBLICENSEE, AFFILIATE or agent of LICENSEE PARTY, LICENSEE PARTY shall at its sole cost and expense, procure and maintain policies of comprehensive general liability insurance in amounts not less than two million US dollars ($2,000,000) per incident and two million US dollars ($2,000,000) annual aggregate and naming LICENSOR PARTY as an additional insured. Such comprehensive general liability insurance shall provide:

(i) product liability coverage; and

(ii) broad form contractual liability coverage for LICENSEE PARTY indemnification under Section 9.1 ("Indemnification") of this AGREEMENT. If LICENSEE PARTY elects to self-insure all or part of the limits described above (including deductibles or retentions which are in excess of two hundred fifty thousand US dollars ($250,000) annual aggregate) such self-insurance programs shall be acceptable to LICENSOR PARTY. The minimum amounts of insurance coverage required herein shall not be construed to create a limit on LICENSEE PARTY's liability with respect to its indemnification obligations under Section 9.1 ("Indemnification") of this AGREEMENT.

(b) LICENSEE PARTY shall provide LICENSOR PARTY with written evidence of the insurance required hereunder upon request of LICENSOR PARTY. LICENSEE PARTY shall provide LICENSOR PARTY with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance.

(c) LICENSEE PARTY shall maintain the comprehensive general liability insurance required herein during the period that any LICENSEE PARTY PATENT-BASED PRODUCT, LICENSEE PARTY PATENT-BASED PROCESS, or LICENSEE PARTY PATENT-BASED SERVICE, relating to, or developed pursuant to, this AGREEMENT is being commercially distributed or sold (other than for the purpose of obtaining regulatory approvals) by LICENSEE PARTY or by a SUBLICENSEE, AFFILIATE, or

agent of LICENSEE PARTY.

9.3 Authority to Enter Agreement. CIPHERGEN and NEOGENOMICS each represent and warrant that they have the authority to enter into this AGREEMENT.

9.4 Disclaimers. OTHER THAN AS EXPRESSLY SET FORTH HEREIN, CIPHERGEN and NEOGENOMICS MAKE TO EACH OTHER NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING THE SUCCESS OR QUALITY OF THE COLLABORATIVE RESEARCH CONDUCTED HEREUNDER AND ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT WITH RESPECT TO THE RESEARCH COLLABORATION AS CONDUCTED HEREUNDER OR THE INFORMATION RESULTING THEREFROM.

9.5 Acknowledgement of Litigation. Notwithstanding any other provision of this AGREEMENT, including Section 9.1 ("Indemnification"), NEOGENOMICS and CIPHERGEN acknowledge that CIPHERGEN is engaged in litigation with Molecular Analytical Systems, Inc., LumiCyte, Inc., T. William Hutchens and certain unnamed defendants. The subject matter of that litigation is a

dispute over the scope of CIPHERGEN's rights to SELDI technology. Both PARTIES acknowledge that litigation is uncertain and, accordingly, the PARTIES agree that CIPHERGEN shall have no liability to NEOGENOMICS in the event a court of competent jurisdiction determines that CIPHERGEN does not possess the rights necessary to fully implement this AGREEMENT. In the event a court makes such a final determination, CIPHERGEN may, without liability to NEOGENOMICS, immediately discontinue any or all aspects of its participation in this AGREEMENT; provided, however, that CIPHERGEN shall take any reasonably necessary steps within its power to minimize disruption to NEOGENOMICS business and research activities.

ARTICLE 10. TERMINATION

10.1 Term of Collaborative Research. Subject to Section 10.3 ("Default on COLLABORATIVE RESEARCH") below, the obligation of the PARTIES to participate in COLLABORATIVE RESEARCH under Article 2 ("COLLABORATIVE RESEARCH") will have an initial term of two (2) years, and will automatically extend for additional terms of one (1) year each, unless terminated by either PARTY by written notice to the other PARTY at least three (3) months prior to the end of the then current term. Notwithstanding the foregoing, either PARTY may choose to terminate the obligation of the PARTIES to participate in COLLABORATIVE RESEARCH under Article 2 ("COLLABORATIVE RESEARCH") at any time after the first AGREEMENT YEAR for any reason; provided that such PARTY gives NEOGENOMICS six (6) months notice prior to the desired date of termination.

10.2 Default on COLLABORATIVE RESEARCH. If either PARTY shall materially default in performing any of its COLLABORATIVE RESEARCH obligations under any RESEARCH WORK PLAN or any other provision of this AGREEMENT, the non-defaulting PARTY may give notice of the default to the defaulting PARTY. Unless such default is corrected within sixty (60) days after such notice, the notifying PARTY may terminate Article 2 ("COLLABORATIVE RESEARCH") of this AGREEMENT upon thirty (30) days prior written notice, unless the breach is disputed by the PARTY notified of default, in which case the issue is to be settled in accordance with Section 11.3 ("Choice of Law; Arbitration"). Any termination of Article 2 ("COLLABORATIVE RESEARCH") shall not affect the continuance of rights and obligations of the PARTIES under any other provision of this AGREEMENT.

10.3 Return of Materials. Pursuant to Section 4.5 ("Return of CONFIDENTIAL INFORMATION"), upon any termination of the COLLABORATIVE RESEARCH hereunder, each PARTY as the "LICENSOR PARTY" shall promptly return CONFIDENTIAL INFORMATION of such other PARTY as the "LICENSEE PARTY".

10.4 Terms of Patent Licenses. Unless otherwise terminated pursuant to Section 10.5 ("LICENSEE PARTY Termination of Licenses") or Section 10.6 ("LICENSOR PARTY Termination of Licenses"), the licenses to PATENT RIGHTS granted hereunder will continue on a country-by-country basis until the date of expiration of the last to expire patent included within PATENT RIGHTS in each such country.

10.5 LICENSEE PARTY Termination of Licenses. The LICENSEE PARTY may at any time terminate any or all licenses granted pursuant to this AGREEMENT on a patent-by-patent and country-by-country basis upon thirty (30) days prior written notice to the LICENSOR PARTY. Any such termination shall not relieve such PARTY of the obligation to fulfill any RESEARCH WORK PLAN hereunder.

10.6 LICENSOR PARTY Termination of Licenses. Unless sooner terminated, LICENSOR PARTY shall have the right to terminate the licenses and rights granted to LICENSEE PARTY in any country under this AGREEMENT in the event that after the FIRST COMMERCIAL SALE of LICENSEE PARTY PATENT-BASED PRODUCTS AND/OR LICENSEE PARTY PATENT-BASED SERVICES in such country there is a continuous two (2) year period in which no LICENSEE PARTY PATENT-BASED PRODUCTS AND/OR LICENSEE PARTY PATENT-BASED SERVICES are sold in such country, provided that such sale is not prevented by force majeure, government regulation or intervention, or institution of a lawsuit by a third party.

10.7 Default on Licensing Obligations. If either PARTY shall materially default in performing any of its obligations concerning licenses under this AGREEMENT, the non-defaulting PARTY may give notice of the default to the defaulting PARTY. Unless such default is corrected within sixty (60) days after such notice, the notifying PARTY may terminate the pertinent article or sections of this AGREEMENT upon thirty (30) days prior written notice, unless the breach is disputed by the PARTY notified of default, in which case the issue is to be settled in accordance with Section 11.3 ("Choice of Law; Arbitration"). Any termination of the pertinent articles or sections shall not affect the continuance of rights and obligations of the PARTIES under any other provision of this AGREEMENT.

10.8 LICENSEE PARTY Right to Sell Inventory. For a period of one (1) year after any termination of any license hereunder, LICENSEE PARTY shall be entitled to finish any work-in-progress and to sell any completed inventory of LICENSEE PARTY PATENT-BASED PRODUCTS AND/OR LICENSEE PARTY PATENT-BASED SERVICES covered by this AGREEMENT so long as LICENSEE PARTY complies with the applicable terms and conditions as set forth in this AGREEMENT.

10.9 Effect of Termination on Sublicenses. In the event that the licenses granted hereunder are terminated, any related sublicenses granted by LICENSEE PARTY shall remain in full force and effect, provided that the SUBLICENSEE is not then in breach of its sublicense agreement and the

SUBLICENSEE agrees to be bound to LICENSOR PARTY as the licensor under the terms and conditions of the sublicense agreement.

ARTICLE 11. MISCELLANEOUS

11.1 Entire AGREEMENT. This AGREEMENT constitutes the entire understanding between the PARTIES with respect to the subject matter hereof, and supersedes and replaces all prior agreements, understandings, writing, and discussions between the PARTIES relating to such subject matter.

11.2 Representatives. In order to facilitate implementation of this AGREEMENT, NEOGENOMICS and CIPHERGEN designate certain individuals to act on their behalf with respect to this AGREEMENT for specific matters in accordance with Appendix C ("Representatives").

11.3 Choice of Law; Arbitration.

(a) This AGREEMENT shall be governed by and construed and interpreted in accordance with the laws of California and the United States of America.

(b) For any and all claims, disputes, or controversies arising under, out of, or in connection with this AGREEMENT, including any dispute relating to patent validity or infringement, which the PARTIES shall be unable to resolve within sixty (60) days, the PARTY raising such dispute shall promptly advise the other PARTY of such claim, dispute or controversy in a writing that describes in reasonable detail the nature of such dispute. By not later than ten (10) business days after the recipient has received such notice of dispute, each PARTY shall have selected for itself a representative who shall have the authority to bind each such PARTY and shall additionally have advised the other PARTY in writing of the name and title of such representative. By not later than twenty (20) business days after the date of such notice of dispute, such representatives shall schedule a date for engaging in an alternative dispute resolution ("ADR") process. Thereafter, the representatives of the PARTIES shall engage in good faith in an ADR process. If the representatives of the PARTIES have not been able to resolve the dispute within thirty (30) business days after the termination of the ADR, the PARTIES shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of California or in the United States District Courts for California, to whose jurisdiction for such purposes NEOGENOMICS and CIPHERGEN each irrevocably consents and submits. Notwithstanding the foregoing, nothing in this Section 11.3 ("Choice of Law; Arbitration") shall be construed to waive any rights or timely performance of any obligations existing under this AGREEMENT.

11.4 Waiver. This AGREEMENT may be amended and any of its terms and conditions may be waived only by a written instrument executed by both PARTIES or, in the case of a waiver, by the PARTY waiving compliance. No waiver by either

PARTY of any condition or term shall constitute a continuing waiver of such condition or term or a waiver of any other condition or term.

11.5 Successors. This AGREEMENT shall be binding upon and inure to the benefit of and be enforceable by the PARTIES hereto and their respective successors and permitted assigns.

11.6 Force Majeure. Any delays in or failures of performance by either PARTY under this AGREEMENT shall not be considered a breach of this AGREEMENT if and to the extent caused by occurrences beyond the reasonable control of the PARTY affected, including but not limited to: Acts of God; acts, regulations or laws of any government; strikes or other concerted acts of workers; fires; floods; explosions; riots; wars; rebellion; terrorist acts; and sabotage; and any time for performance hereunder shall be extended by the actual time of delay caused by such occurrence.

11.7 Publicity. Neither PARTY shall use the name of the other or of any staff member, employee or student or any adaptation thereof in any advertising, promotional or sales literature or publicity without the prior written approval of; for NEOGENOMICS, _____; and for CIPHERGEN, Vice President of Business Development.

11.8 Assignment. This AGREEMENT shall not be assignable by either PARTY without the other PARTY's written consent, except that each PARTY without approval by the other PARTY, may assign or transfer its interest or any part thereof under this AGREEMENT to a wholly-owned subsidiary or partnership of which such PARTY is the general partner or any assignee or purchaser of the portion of such PARTY's business associated with the licenses and rights granted under this AGREEMENT. In the event of any such transfer, the transferee shall assume and be bound by the provisions of this AGREEMENT.

11.9 Severability of Provisions. If any provision of this AGREEMENT is or becomes invalid, is ruled illegal by any court of competent jurisdiction or

is deemed unenforceable under then current applicable law from time to time in effect during the term hereof, the remainder of this AGREEMENT shall not be affected thereby provided that neither PARTY's rights under this AGREEMENT are materially affected. Furthermore, in lieu of each such provision that is invalid, illegal, or unenforceable, the PARTIES shall amend this AGREEMENT to substitute or add a valid, legal and enforceable provision that shall be as similar as possible in economic and business objectives as intended by the PARTIES to such invalid, illegal or enforceable provision.

11.10 Notices. Any notice or communication required by this AGREEMENT shall be deemed made if mailed first class postage prepaid to the individuals so designated, except for notices pertaining to breach or termination, which shall be made by prepaid, first class, certified mail, return receipt requested.

IN WITNESS WHEREOF, NEOGENOMICS AND CIPHERGEN have each caused this instrument to be executed.

NEOGENOMICS, INC.

By: _____ Date:_____
Name:
Title:

CIPHERGEN BIOSYSTEMS, INC.

By: _____ Date: _____
Name: Robert Maurer
Title: Vice President of Business Development

APPENDIX A

TECHNOLOGY

The discovery, validation, and characterization of novel biomarkers for diagnostic or therapeutic uses in the treatment of preeclampsia/ toxemia.

APPENDIX B

RESEARCH WORK PLANS

WORKPLAN #1

Type of Study: Study of Preeclampsia/ Toxemia

Details of Study: This workplan describes the initial discovery phase of a biomarker discovery project. Biomarker validation and assay development (such as a diagnostic) are dependent on the results of the initial discovery phase and therefore are beyond the scope of this workplan. The initial discovery phase of the biomarker discovery project will encompass the acquisition by Neogenomics of clinical specimens (serum), both disease and control, as determined by the principal investigators of the project. The specimens will be processed using standard serum fractionation protocols and additional protocols if indicated. These procedures will be performed on a robot. Ciphergen will provide up to one week of on-site technical assistance performing the profiling protocols and using the robot for said purpose. Data will be acquired using the ProteinChip(R)system. Ciphergen will provide oversight of the data analysis and, at its discretion, utilize multiple analytical tools to determine the optimal set of biomarkers leading to classification of pre-eclampsia. The principal investigators of this study will determine whether to pursue these biomarkers into the next phases of development. If such a decision is made, additional workplans covering those tasks will be drawn up.

Estimated Term of Work: 4 to 6 months

Contributions: CIPHERGEN shall provide technical assistance and data analysis assistance and will provide $100,000 to NEOGENOMICS in the purchase of CIPHERGEN's ProteinChip(R)arrays and related consumables at then-current user pricing. NEOGENOMICS covenants to purchase a full $100,000 on CIPHERGEN's ProteinChip(R)arrays and related consumables within 6 months of the EFFECTIVE DATE of the AGREEMENT.

NEOGENOMICS will supply samples, clinical information, laboratory personnel, and laboratory equipment (including a

Biomarker system and robotics system purchased previously from CIPHERGEN) for the performance of these studies.

IN WITNESS WHEREOF, NEOGENOMICS AND CIPHERGEN have each caused this instrument to be executed.

NEOGENOMICS, INC.

By: _____ Date:_____
Name:
Title:

CIPHERGEN BIOSYSTEMS, INC.

By: _____ Date: _____
Name: Robert Maurer
Title: Vice President of Business Development

APPENDIX C

REPRESENTATIVES

The PARTIES' respective representatives with respect to certain matters shall be as follows:

(a) With respect to the identification of CONFIDENTIAL INFORMATION, for NEOGENOMICS, _____ and for CIPHERGEN, _____.

(b) With respect to matters concerning the conduct of COLLABORATIVE RESEARCH, budgets, manuscripts for publication, written transmittal of RESEARCH RESULTS and MATERIALS: for NEOGENOMICS _____; for CIPHERGEN, Vice President for Research and Development.

(c) With respect to any RESEARCH WORK PLAN appended hereto, all royalty payments, the form of any Confidentiality AGREEMENT to be signed: for NEOGENOMICS, Vice President for Administration and Finance; for CIPHERGEN, Vice President of Business Development.

(d) With respect to any amendment of or waiver under this AGREEMENT, any written notice or other communication pertaining to the AGREEMENT: for NEOGENOMICS, Vice President for Administration and Finance; for CIPHERGEN, Vice President of Business Development.

The foregoing designations may be superseded from time to time by alternative designations made by: for NEOGENOMICS, President; for CIPHERGEN, Chief Executive Officer.

APPENDIX D

ANTICIPATED MATERIALS

APPENDIX E

PATENT RIGHTS

Exhibit 99.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the quarterly filing of Neogenomics, Inc., a Nevada corporation (the "Company"), on Form 10-QSB for the period ended September 30, 2002, as filed with the Securities and Exchange Commission (the "Report"), I, Michael T. Dent, M.D President and CEO of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael T. Dent, M.D.
Michael T. Dent, M.D.
President and CEO
November 19, 2002

Exhibit 99.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the quarterly filing of Neogenomics, Inc., a Nevada corporation (the "Company"), on Form 10-QSB for the period ended September 30, 2002, as filed with the Securities and Exchange Commission (the "Report"), I, Matthew A. Veal, CFO of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Matthew A. Veal
Matthew A. Veal
CFO
November 19, 2002