NEOGENOMICS INC
Form DEFM14A
November 13, 2015
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

**NeoGenomics, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

x Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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November 13, 2015

Dear Fellow Stockholder:

NeoGenomics, Inc. ( NeoGenomics, we, us or our ), NeoGenomics Laboratories, Inc. ( NeoGenomics Laboratories GE Medical Holding AB ( GE Medical ), a subsidiary of General Electric Company ( GE ), have entered into a Stock Purchase Agreement, dated October 20, 2015 (as such agreement may be amended time to time, the Purchase Agreement ), pursuant to which NeoGenomics (through NeoGenomics Laboratories) proposes to acquire from GE Medical all of the issued and outstanding shares of common stock, par value $0.01 per share, of Clarient, Inc., a wholly owned subsidiary of GE Medical, for an aggregate purchase price of approximately $301.4 million (the Transaction ). The purchase price consists of (a) cash consideration of $80.0 million, (b) 15,000,000 shares of our common stock, par value $0.001 per share (the NEO Common Shares ), and (c) 14,666,667 shares of our Series A convertible preferred stock, par value $0.001 per share (the NEO Preferred Shares , and together with the NEO Common Shares, the NEO Shares ), as such number of shares may be adjusted as described in the accompanying proxy statement. The NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, and the NEO Shares would represent 32.9% of our post-closing voting power, in each case based on the number of shares of common stock issued and outstanding on November 6, 2015. As of November 6, 2015, we had no shares of preferred stock issued or outstanding.

On behalf of the Board of Directors of NeoGenomics, we cordially invite you to attend a special meeting of our stockholders, which will be held on December 21, 2015 at 10:00 a.m. Eastern Time, at the Hyatt Regency Coconut Point Resort located at 5001 Coconut Road, Bonita Springs, Florida 34134. At the special meeting, you will be asked to consider and vote upon:

(1) a proposal to approve the issuance of the NEO Shares to GE Medical in the Transaction (the Stock Issuance );

(2) a proposal to approve an amendment to Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of common stock by 150.0 million shares to an aggregate of 250.0 million shares (the Authorized Common Stock Charter Amendment );

(3) a proposal to approve an amendment to Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of preferred stock by 40.0 million shares to an aggregate of 50.0 million shares (the Authorized Preferred Stock Charter Amendment );

(4) a proposal to approve and adopt the Purchase Agreement and the Transaction contemplated thereby (the Transaction Proposal );

(5) a proposal to approve an amendment and restatement of our Amended and Restated Equity Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the plan by 3.0 million shares to an aggregate of 12.5 million shares and to clarify provisions regarding

restrictions of the repricing of options and stock appreciation rights (collectively, the Equity Incentive Plan Amendment ); and

(6) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

Stockholders of record at the close of business on November 6, 2015 are entitled to receive notice of, and to vote at, the special meeting and any adjournment or postponement thereof.

**AFTER CAREFUL CONSIDERATION, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE PROPOSALS PRESENTED AT THE SPECIAL MEETING.**

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**Approval of each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is a condition to closing the Transaction.**

This proxy statement provides you with detailed information about NeoGenomics, Clarient and the Transaction. You may obtain additional information about us from documents that we have filed with the U.S. Securities and Exchange Commission as described under *Where You Can Find More Information* beginning on page 164 of the accompanying proxy statement. We strongly encourage you to carefully read the accompanying proxy statement and the information incorporated by reference into the accompanying proxy statement. Before deciding how to vote on the proposals to be presented at the special meeting, you should consider the information contained in the section entitled *Risk Factors* beginning on page 29 of the accompanying proxy statement.

**It is very important that your vote be represented at the special meeting, regardless of the number of shares of our common stock that you own.** Even if you plan to attend the special meeting, we urge you to submit your vote promptly. You may vote your shares via a toll-free telephone number, over the Internet, or by marking, signing and dating your proxy card and returning it in the envelope provided, as described in further detail herein. Voting by telephone, over the Internet or by proxy card will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend the special meeting.

Thank you for your cooperation and continued support.

On behalf of the Board of Directors,

Douglas M. VanOort
*Chairman of the Board of Directors and*

*Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the proposed Stock Issuance in connection with the Transaction or determined whether the accompanying proxy statement is accurate or complete. Any representation to the contrary is a criminal offense.**

These proxy materials are first being mailed to stockholders of record on or about November 16, 2015.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**December 21, 2015**

A special meeting of stockholders of NeoGenomics, Inc. ( NeoGenomics, we, us or our ) will be held on December 2 2015 at 10:00 a.m. Eastern Time, at the Hyatt Regency Coconut Point Resort located at 5001 Coconut Road, Bonita Springs, Florida 34134. At the special meeting, you will be asked to consider and vote upon:

(1) a proposal to approve the issuance (the Stock Issuance ) of 15,000,000 shares of our common stock, par value $0.001 per share (the NEO Common Shares ) and 14,666,667 shares of our Series A convertible preferred stock, par value $0.001 per share, as such number of shares may be adjusted as described in the accompanying proxy statement (the NEO Preferred Shares , and together with the NEO Common Shares, the NEO Shares ), to GE Medical Holding AB ( GE Medical ), pursuant to the Stock Purchase Agreement, dated October 20, 2015 (as such agreement may be amended from time to time the Purchase Agreement ), by and among NeoGenomics, NeoGenomics Laboratories, Inc. and GE Medical, pursuant to which NeoGenomics (through a wholly owned subsidiary) proposes to acquire from GE Medical all of the issued and outstanding shares of common stock, par value $0.01 per share, of Clarient, Inc. (the Transaction );

(2) a proposal to approve an amendment to Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of common stock by 150.0 million shares to an aggregate of 250.0 million shares (the Authorized Common Stock Charter Amendment );

(3) a proposal to approve an amendment to Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of preferred stock by 40.0 million shares to an aggregate of 50.0 million shares (the Authorized Preferred Stock Charter Amendment );

(4) a proposal to approve and adopt the Purchase Agreement and the Transaction contemplated thereby (the Transaction Proposal );

(5) a proposal to approve an amendment and restatement of our Amended and Restated Equity Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the plan by 3.0 million shares to an aggregate of 12.5 million shares and to clarify provisions regarding restrictions on the repricing of options and stock appreciation rights (collectively, the Equity Incentive Plan Amendment ); and

(6) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

The accompanying proxy statement provides you detailed information about these items of business.

Stockholders will also transact such other business as may properly come before the special meeting or any adjournment or postponement thereof. At this time, our Board of Directors knows of no other proposals or matters that will be presented at the special meeting.

Only stockholders of record at the close of business on November 6, 2015 are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. **Approval of each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is a condition to closing the Transaction.**

**AFTER CAREFUL CONSIDERATION, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE PROPOSALS PRESENTED AT THE SPECIAL MEETING.**

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**YOUR VOTE IS IMPORTANT!**

Whether or not you plan to attend the special meeting, we hope you will vote as soon as possible. Whether or not you plan to attend, please vote before the special meeting using the Internet, telephone or by signing, dating and mailing the proxy card in the pre-paid envelope, to ensure that your vote will be counted. Please review the instructions on each of your voting options described in the accompanying proxy statement. Your proxy may be revoked before the vote at the special meeting by following the procedures outlined in the accompanying proxy statement.

On behalf of the Board of Directors,

Douglas M. VanOort
*Chairman of the Board of Directors*

*and Chief Executive Officer*

12701 Commonwealth Drive, Suite 9

Fort Myers, Florida 33913

November 13, 2015

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## ADDITIONAL INFORMATION

Additional business and financial information about NeoGenomics can be found in documents previously filed by us with the U.S. Securities and Exchange Commission (the SEC ). This information is available to you without charge at the SEC s website at *www.sec.gov.* In addition to receiving the proxy statement from NeoGenomics in the mail or obtaining the information on the SEC s website, our stockholders will also be able to obtain a proxy statement, free of charge, from NeoGenomics at its website, *www.neogenomics.com*, or by requesting copies in writing or by e-mail using the following contact information:

NeoGenomics, Inc.

12701 Commonwealth Drive, Suite 9

Fort Myers, Florida 33913

Attention: Fred Weidig, Corporate Secretary

fweidig@neogenomics.com

You may also request additional copies from our proxy solicitor, Alliance Advisors, LLC, using the following contact information:

Alliance Advisors, LLC

200 Broadacres Drive

3rd Floor

Bloomfield, NJ 07003

See *Where You Can Find More Information* beginning on page 164 for more information about the documents previously filed by us with the SEC and incorporated herein by reference.

In addition, if you have questions about the Transaction, you may contact our proxy solicitor, Alliance Advisors, LLC, by telephone at (855) 325-6670 (toll-free) or via email at evote@viewproxy.com.

All information contained in the accompanying proxy statement regarding Clarient, Inc., its wholly owned subsidiary Clarient Diagnostic Services, Inc. ( Clarient Diagnostic Services ), and the business of Clarient, which is conducted primarily through Clarient Diagnostic Services and the variable interest entities Clarient Pathology Services, Inc. and GE Clarient Diagnostic Services, Ltd., was provided by GE Medical and Clarient.

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**Annexes**

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## SUMMARY

*This summary highlights some of the information in the annexes attached to, and the documents incorporated by reference into, this proxy statement. It does not contain all of the information that is important to you. We urge you to read this proxy statement, as well as the annexes to and the documents incorporated by reference into this proxy statement, carefully and in their entirety to understand fully the Purchase Agreement, the Transaction, the Stock Issuance and the proposals to be presented at the special meeting. The parenthetical page references included below direct you to a more complete description of the topics presented in this summary. See Where You Can Find More Information beginning on page* 164 *of this proxy statement.*

*Except as otherwise noted, references herein to Clarient refer to the business of Clarient , Inc., which is conducted primarily through Clarient Diagnostic Services, Inc. and the variable interest entities Clarient Pathology Services, Inc. and GE Clarient Diagnostic Services, Ltd.*

**Special Meeting of NeoGenomics Stockholders (See page 38)**

A special meeting of stockholders of NeoGenomics, Inc. ( NeoGenomics, we, us or our ) will be held on December 2 2015 at 10:00 a.m. Eastern Time, at the Hyatt Regency Coconut Point Resort located at 5001 Coconut Road, Bonita Springs, Florida 34134, for the following purposes:

to approve the issuance (the Stock Issuance ) of 15,000,000 shares of our common stock, par value $0.001 per share (the NEO Common Shares ), and 14,666,667 shares of our Series A convertible preferred stock, par value $0.001 per share (the NEO Preferred Shares , and together with the NEO Common Shares, the NEO Shares ), as such number of shares may be adjusted as described in the accompanying proxy statement, to GE Medical Holdings AB ( GE Medical ) pursuant to the Stock Purchase Agreement, dated October 20, 2015 (as such agreement may be amended from time to time the Purchase Agreement ), by and among NeoGenomics, NeoGenomics Laboratories, Inc. and GE Medical, pursuant to which NeoGenomics (through a wholly owned subsidiary) proposes to acquire from GE Medical all of the issued and outstanding shares of common stock, par value $0.01 per share, of Clarient, Inc. (the Transaction );

to approve an amendment to Article Fourth(A) of our Article of Incorporation to increase our authorized shares of common stock by 150.0 million shares to an aggregate of 250.0 million shares (the Authorized Common Stock Charter Amendment );

to approve an amendment to Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of preferred stock by 40.0 million shares to an aggregate of 50.0 million shares (the Authorized Preferred Stock Charter Amendment );

a proposal to approve and adopt the Purchase Agreement and the Transaction contemplated thereby (the Transaction Proposal );

to approve an amendment and restatement of our Amended and Restated Equity Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the plan by 3.0 million shares to an aggregate of 12.5 million shares and to clarify provisions regarding restrictions on the repricing of options and stock appreciation rights (collectively, the Equity Incentive Plan Amendment ); and

to adjourn the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

Approval of each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is a condition to closing the Transaction.

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Only stockholders at the close of business on November 6, 2015 (the Record Date ) are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Such stockholders are entitled to one vote on each matter submitted to stockholders at the special meeting for each share of our common stock held as of the Record Date. At the close of business on the Record Date, there were 60,618,252 shares of our common stock issued and outstanding, and entitled to vote at the special meeting, held by 530 holders of record.

Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of each of the Stock Issuance, the Equity Incentive Plan Amendment, the Transaction Proposal and the proposal to adjourn the special meeting. Abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of these proposals and unvoted shares will have no effect on the outcome of the proposals.

Provided a quorum is present, the affirmative vote of the majority of the outstanding shares of common stock is required for the approval of each of the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment. Since these proposals must be approved by a majority of the outstanding shares, abstentions and unvoted shares will have the same effect as voting against the proposals.

If you do not provide voting instructions to your brokerage firm, bank, broker-dealer or other similar organization with respect to the proposals to approve any of the foregoing proposals, such organization may not exercise discretion and would be prohibited from voting your shares of common stock with respect to those proposals. In such case, if such organization signs and returns a proxy with respect to your shares of common stock, but does not vote on such proposals, your shares will be reflected as broker non-votes. Such broker non-votes will be counted for purposes of determining whether there is a quorum. Assuming a quorum is present, broker non-votes will have no effect on the proposals to approve the Stock Issuance, the Equity Incentive Plan Amendment, the Transaction Proposal or the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies. Since the proposals to approve the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment must be approved by a majority of our outstanding shares, broker non-votes will have the same effect as votes against these proposals.

This solicitation is made on behalf of our Board of Directors (the Board ), and we will pay the costs of solicitation. Copies of solicitation materials will be furnished to banks, brokerage firms and other custodians, nominees and fiduciaries holding shares in their names that are beneficially owned by others so that they may forward the solicitation materials to such beneficial owners upon request. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to our stockholders. In addition to the solicitation of proxies by mail, our directors, officers and employees may solicit proxies by telephone, electronic mail, letter, facsimile or in person. No additional compensation will be paid to these individuals for any such services, except that we have agreed to pay Aspen Capital Advisors, LLC, for which Steven Jones, our Executive Vice President, Finance and a member of the Board, is managing director, $250 thousand, plus reasonable fees and disbursements, for certain services, including assisting us in soliciting the stockholder approval required to consummate the Transaction. The payment of this fee is subject to the consummation of the Transaction. See *The Transaction Interests of Certain Persons in the Transaction* for additional information. We have engaged Alliance Advisors, LLC to assist in the solicitation of proxies for the special meeting and will pay Alliance Advisors, LLC a fee of approximately $8,500, plus reimbursement of out-of-pocket expenses.

**The Transaction (See page 42)**

On October 20, 2015, NeoGenomics, NeoGenomics Laboratories and GE Medical entered into the Purchase Agreement. Pursuant to the Purchase Agreement, NeoGenomics Laboratories, our wholly owned subsidiary, will

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acquire from GE Medical all of the issued and outstanding shares of common stock, par value $0.01 per share, of Clarient, Inc. for an aggregate purchase price of approximately $301.4 million, based on the closing price of our common stock on November 10, 2015, the most recent practicable date prior to the date of this proxy statement. The purchase price consists of (1) $80.0 million cash, (2) the NEO Common Shares, totaling 15.0 million shares of NeoGenomics common stock, and (3) the NEO Preferred Shares, totaling 14,666,667 shares of NeoGenomics Series A Preferred Stock, as such number of shares may be adjusted as described in this proxy statement. By delivering notice to GE Medical not later than two business days prior to the closing date of the Transaction, we have the right to increase the amount of the cash portion of the purchase price by up to $110.0 million, which we may fund, in whole or in part, by public or private sale of common stock or certain debt securities, as described under *Proposal No. 4 Transaction Proposal*. Any such increase in the cash consideration will result in a corresponding reduction in the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any such increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares. The cash portion of the purchase price to be paid at the closing of the Transaction will be adjusted to account for any increase in the cash portion of the purchase price as discussed above, estimated differences in working capital at the closing of the Transaction compared to the target working capital of $27.0 million, certain indebtedness and cash and cash equivalents of Clarient.

Concurrent with the closing of the Transaction, NeoGenomics and GE Medical will enter into the Investor Board Rights, Lockup And Standstill Agreement (the Investor Rights Agreement ) governing certain rights of and restrictions on GE Medical in connection with the shares of our common stock that GE Medical will own following the Transaction.

NeoGenomics and GE Medical also will enter into the Registration Rights Agreement (the Registration Rights Agreement ) providing GE Medical customary demand and piggyback registration rights with respect to the NEO Common Shares and any shares of our common stock issuable upon conversion of the NEO Preferred Shares.

We, or our affiliates, have entered into or will enter into at or prior to the closing of the Transaction certain additional agreements with GE or certain of its affiliates, including a Transition Services Agreement, each as described under *Other Agreements*.

**The Companies (See page 43)**

*NeoGenomics, Inc.*

We operate a network of cancer-focused genetic testing laboratories whose mission is to improve patient care through exceptional genetic and molecular testing services. Our vision is to become America s premier cancer genetic testing laboratory by delivering uncompromising quality, exceptional service and innovative products and services. We maintain our principal executive offices at 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913. Our telephone number is (239) 768-0600.

*Clarient*

Clarient specializes in advanced oncology diagnostic services, as well as nucleic acid sequencing and other genomic services. Clarient is located in Aliso Viejo, California and Houston, Texas. Clarient combines innovative technologies, clinically meaningful diagnostic tests, pathology expertise and genomics capabilities to provide services that assess and characterize cancer for physicians treating their patients as well as for biopharmaceutical companies in the process of clinically testing various therapies. Clarient conducts its business through Clarient Diagnostic Services, Inc., a wholly owned subsidiary of Clarient, Inc., which is wholly owned indirectly by General Electric Company ( GE ). The

principal executive offices of Clarient are located at 31 Columbia, Alisa Viejo, California 92656. Its telephone number is (949) 425-5700.

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*GE Medical*

GE Medical is a holding company of businesses managed within GE Healthcare, a division of GE that also comprises controlled subsidiaries of GE. GE Healthcare provides essential healthcare technologies with expertise in medical imaging, software and information technology, patient monitoring and diagnostics, drug discovery, biopharmaceutical manufacturing technologies and performance improvement solutions primarily for hospitals, medical facilities, pharmaceutical and biotechnology companies, and life science research worldwide. GE Medical is the parent company of Clarient. The principal executive offices of GE Medical are located at Björkgatan 30, 75184 Uppsala, Sweden. Its telephone number is +46 18 6120000.

**Board Recommendation (See page 53)**

After discussion and deliberation based on the information considered during its evaluation of the proposed transaction with GE Medical, the Board unanimously (i) determined that the Transaction is fair to and in the best interests of NeoGenomics and our stockholders, (ii) approved the Purchase Agreement and the other agreements to be entered into in connection with the Transaction and (iii) directed that the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment, the Transaction Proposal and the Equity Incentive Plan Amendment be submitted for consideration by our stockholders at the special meeting. **Accordingly, the Board recommends that you vote FOR each of the proposals included in this proxy statement.**

**Reasons for the Transaction (See page 53)**

In developing its recommendation that our stockholders vote in favor of the proposal, the Board considered many factors, including the benefits described in this proxy statement and the positive and negative factors described in the section of this proxy statement entitled *The Transaction Reasons for the Transaction*, and unanimously determined that the Transaction is fair to and in the best interests of NeoGenomics and our stockholders and approved the Purchase Agreement and the other documents to be entered into as part of the Transaction. The Board believes that the Transaction will be beneficial because it is expected to, among other things enhance our cancer diagnostic testing capabilities, provide us with greater capability of combined medical staff and research and development teams and broaden our geographical access to clients. We also believe that, given the favorable strategic fit and potential to generate sizable cost synergies, the Transaction will be accretive to our 2016 cash earnings per share (net income adjusted for non-cash items including stock-based compensation, depreciation and amortization), excluding costs of the Transaction and integration activities.

**Opinion of Houlihan Lokey (See page 58)**

On October 19, 2015, Houlihan Lokey Capital, Inc., which we refer to as Houlihan Lokey, verbally rendered its opinion to the Board (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion addressed to the Board dated October 19, 2015), as to the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement.

**Houlihan Lokey s opinion was directed to the Board (in its capacity as such) and only addressed the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement and did not address any other aspect or implication of the Transaction or any other agreement, arrangement or understanding. The summary of Houlihan Lokey s opinion in this proxy statement is qualified in its entirety by reference to the full text of its written opinion, which is attached as *Annex F* to this proxy statement and describes the procedures followed, assumptions**

**made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with the preparation of its opinion. However, neither**

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**Houlihan Lokey s opinion nor the summary of its opinion and the related analyses set forth in this proxy statement are intended to be, and do not constitute, advice or a recommendation to the Board, any security holder of NeoGenomics or any other person as to how to act or vote with respect to any matter relating to the Transaction. See *The Transaction Opinion of Houlihan Lokey* .**

**NeoGenomics Board Following the Transaction (See page 68)**

In connection with the Transaction, the Board has been increased from eight to ten directors in order to satisfy a closing condition under the Purchase Agreement. One of the vacancies created by such increase will be filled after the closing by a director recommended by GE Medical for approval by the Nominating and Corporate Governance Committee of the Board pursuant to the Investor Rights Agreement.

**Impact of the Stock Issuance on Existing NeoGenomics Stockholders (See page 68)**

The Stock Issuance will dilute the ownership and voting interests of our existing stockholders. As of the Record Date, there were approximately 60.6 million shares of our common stock issued and outstanding. Upon the closing of the Transaction, we will issue to GE Medical 15.0 million shares of common stock and 14,666,667 shares of Series A Preferred Stock as such number of shares may be adjusted as described elsewhere in this proxy statement. The NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, based on the number of our outstanding shares as of the Record Date. In addition, the NEO Preferred Shares will, with certain exceptions, vote with shares of our common stock as a single class on an as converted basis. Accordingly, if we issue all of the NEO Preferred Shares (and based on the number of our outstanding shares as of the Record Date), the NEO Shares issued to GE Medical will represent 32.9% of our total voting power upon closing of the Transaction, with our current stockholders owning the remaining 67.1% of the total voting power. Therefore, the ownership and voting interests of our existing stockholders will be proportionately reduced. In addition, after the third anniversary of the closing of the Transaction, holders of the Series A Preferred Stock will be permitted, under certain circumstances, to convert such shares into shares of common stock. Any such conversion will further dilute the ownership interests of our stockholders.

In connection with the execution of the Purchase Agreement, the Board amended our bylaws to opt out of Nevada Revised Statutes Sections 78.378 - 78.3793 and 78.411 - 78.444, which provide certain anti-takeover protections for Nevada corporations. Further, under the terms of the Investor Rights Agreement, we will be prohibited from implementing a stockholder rights plan, unless such plan specifically permits GE Medical and certain of its affiliates to beneficially own the percentage of our outstanding voting stock they own as of the date of the adoption of such stockholder rights plan, plus any increase in such percentage resulting from shares of voting stock acquired or that may be acquired pursuant to the terms of the Series A Preferred Stock or pursuant to certain participation rights contained in the Investor Rights Agreement.

**Material United States Federal Income Tax Consequences of the Transaction to NeoGenomics Stockholders (See page 69)**

Because our existing stockholders do not participate in the Transaction, they will not recognize gain or loss in connection with the Transaction with respect to their shares of our common stock.

**Accounting Treatment of the Transaction (See page 69)**

We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America ( GAAP ). Under GAAP, the Transaction will be accounted for by applying the acquisition method with

NeoGenomics treated as the acquirer.

**Appraisal Rights (See page 69)**

None of our stockholders will be entitled to exercise appraisal rights or to demand payment for his, her or its shares of our common stock in connection with the Transaction.

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**Regulatory Approvals and Clearances (See page 69)**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ), and the rules and regulations promulgated thereunder, the Transaction may not be completed until certain required information and materials have been furnished to the Antitrust Division of the U.S. Department of Justice (the DOJ ) and the U.S. Federal Trade Commission (the FTC ) and certain waiting period requirements have expired or been terminated. On October 29, 2015, each of NeoGenomics, NeoGenomics Laboratories and GE Medical filed a pre-merger notification and report form pursuant to the HSR Act with the DOJ and the FTC.

**Federal Securities Law Consequences; Restrictions on Transfer (See page 69)**

The NEO Shares will be issued to GE Medical in a private placement transaction under the exemption from registration provided under Section 4(a)(2) of the Securities Act of 1933, as amended (the Securities Act ), as the offer and sale of the NEO Shares does not involve a public offering of our common stock or preferred stock. We have determined that GE Medical is an accredited investor within the meaning of Rule 501(a) under the Securities Act. The certificates representing the NEO Shares will bear legends that such securities have not been registered under the Securities Act or the securities laws of any state and may not be sold or transferred in the absence of an effective registration statement under the Securities Act and applicable state securities laws or an exemption from registration thereunder.

In addition, the NEO Shares will be subject to further restrictions on transfer and GE Medical will be entitled to certain registration rights as described in more detail in *The Investor Board Rights, Lockup And Standstill Agreement* and *Other Agreements Registration Rights Agreement* on pages 87 and 92, respectively.

**Financing of the Transaction (See page 70)**

We expect to pay the $80.0 million of cash consideration and related fees and expenses of the Transaction using (i) $10.0 million of borrowings under a new senior secured revolving credit facility (the Revolving Credit Facility ), (ii) $55.0 million from the proceeds of a new senior secured term loan facility (the Term Loan Facility and, together with the Revolving Credit Facility, the Credit Facilities ) and (iii) the remainder from other available cash. Concurrent with the execution of the Purchase Agreement, we entered into commitment letters providing for the Credit Facilities.

**The Purchase Agreement (See page 72)**

The Purchase Agreement, which is attached to this proxy statement as *Annex A*, is described in more detail under the section entitled *The Stock Purchase Agreement* beginning on page 72. We urge you to read the Purchase Agreement in its entirety because the Purchase Agreement and not this proxy statement is the legal document governing the Transaction.

*Closing Conditions*

The closing of the Transaction is subject to various customary closing conditions, including, among others:

- our stockholders approving the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal;

the absence of any order of any governmental authority that prohibits or materially restrains the transactions, including HSR Act approval and the absence of any proceeding brought by any government authority pending before any court of competent jurisdiction seeking such an order;

expiration or termination of the waiting periods under applicable antitrust laws; and

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the absence of the occurrence of a material adverse effect on the business of Clarient since the date of the Purchase Agreement.

*Representations and Warranties; Covenants*

The Purchase Agreement contains customary representations and warranties made by each of NeoGenomics, NeoGenomics Laboratories and GE Medical.

The parties have also agreed to various covenants in the Purchase Agreement, including, among others, covenants:

- to conduct their respective operations in the ordinary course of business consistent with past practice from the date of the Purchase Agreement until the closing of the transaction;
- restricting, subject to certain limitations, our ability to solicit or enter into certain alternative transactions prior to closing; and
- to use reasonable best efforts to cause their respective closing conditions to be met as promptly as practicable.

*Termination; Termination Fees*

The Purchase Agreement contains certain termination rights for both NeoGenomics and GE Medical and further provides that we must pay to GE Medical certain termination fees upon termination of the Purchase Agreement under the following circumstances:

In the event the Purchase Agreement is terminated by NeoGenomics or GE Medical as a result of (a) the closing of the Transaction not being completed by July 20, 2016 (the Outside Date ) or (b) the issuance of a final, nonappealable order of any governmental authority pursuant to antitrust laws permanently restraining or prohibiting the closing, then NeoGenomics is obligated to pay GE Medical $15.0 million; provided that, (1) in the case of the preceding clause (a) only, at the time of such termination, the closing conditions relating to obtaining required approvals, providing required notices and expiration or termination of waiting periods imposed by any governmental authority shall not have been satisfied and (2) in the case of clause (b) only, GE Medical shall not be entitled to such payment if GE Medical is then in material breach of certain of its obligations relating to obtaining regulatory and other authorizations and consents.

In the event the Purchase Agreement is terminated by GE Medical as a result of the failure of NeoGenomics or NeoGenomics Laboratories to obtain proceeds pursuant to the commitment letters for the Credit Facilities sufficient to fund the cash consideration and all other fees and expenses as may be necessary to consummate the transactions contemplated by the Purchase Agreement when all of NeoGenomics conditions to closing (other than conditions which are to be satisfied by actions taken at the closing) have been satisfied,

NeoGenomics is obligated to pay GE Medical $15.0 million.

In the event the Purchase Agreement is terminated by GE Medical or NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, Authorized Common Charter Amendment, or the Authorized Preferred Stock Charter Amendment, NeoGenomics is obligated to pay GE Medical $3.0 million.

In the event the Purchase Agreement is terminated by GE Medical as a result of the occurrence of a Triggering Event, NeoGenomics is obligated to pay GE Medical $15.0 million.

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In the event the Purchase Agreement is terminated:

- by GE Medical as a result of the breach by NeoGenomics of any of its representations or warranties or a failure by NeoGenomics to comply with any covenant or agreement that would cause the closing condition relating to truth of representations and performance of covenants not to be satisfied, and such closing condition is incapable of being satisfied by the Outside Date;

- by GE Medical or NeoGenomics as a result of a failure to close by the Outside Date and the closing conditions relating to receipt of required approvals, the making of required notices and the expiration or termination of waiting periods imposed by any government authority have been satisfied; or

- by GE Medical or NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment;

and

- a Parent Acquisition Proposal (as defined in the Purchase Agreement) has been made after the date of the Purchase Agreement and within 12 months of the termination of the Purchase Agreement, NeoGenomics (a) enters into a definitive agreement with respect to a Parent Acquisition Proposal or (b) consummates a Parent Acquisition Proposal;

then NeoGenomics is obligated to pay GE Medical $15.0 million; provided, that any amounts previously paid by NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment shall be credited against such amount.

*Indemnification*

Subject to certain exceptions and other provisions, we and GE Medical have agreed to indemnify each other for breaches of representations and warranties, breaches of covenants and certain other matters. The indemnification provided by each party to the other with respect to breaches of representations and warranties, other than certain fundamental representations and healthcare-related fundamental representations, is subject to a cap on losses of $50.0 million and applies only to such losses in excess of $2.0 million in the aggregate, each of which cap and deductible amounts is subject to certain exceptions. The indemnification provided by each party to the other with respect to breaches of representations and warranties of certain healthcare-related fundamental representations is subject to a cap on losses of $50.0 million and applies at the point such losses exceed $2.0 million in the aggregate, after which indemnification is available from the first dollar of loss, each of which cap and basket amounts is subject to certain exceptions.

**The Investor Rights Agreement (See page 87)**

The agreed form of Investor Rights Agreement, which is attached to this proxy statement as *Annex B*, is described in more detail under the section entitled *The Investor Board Rights, Lockup And Standstill Agreement* beginning on page 87. We urge you to read the Investor Rights Agreement in its entirety because the Investor Rights Agreement and not

this proxy statement is the primary legal document that will govern certain rights of and restrictions on GE Medical in connection with the NEO Shares that GE Medical will own following the Transaction.

*GE Medical Representation on the NeoGenomics Board of Directors*

We are required to use commercially reasonable efforts to appoint, within ten business days of the closing of the Transaction, one director designated by GE Medical to the Board; provided that such designee meets the

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director qualification requirements set forth in the Investor Rights Agreement. Thereafter, for so long as GE Medical, or GE and its subsidiaries (collectively, the GE Parties ) continue to beneficially own in the aggregate at least 10% of our then-outstanding voting stock, GE Medical will be entitled to designate for nomination one director for election at each annual or special meeting of our stockholders at which directors of the Board are to be elected and at which the seat held by GE Medical s designee is subject to election. We refer to each such meeting as an election meeting.

Subject to the director qualification requirements set forth in the Investor Rights Agreement, we are required to appoint GE Medical s designee to the Board, include such designee on the management nomination slate, recommend that our stockholders vote in favor of such designee, and use commercially reasonable efforts to cause the election of such designee at each election meeting.

GE Medical must vote all shares of our voting stock beneficially owned by it in favor of the management nomination slate. However, GE Medical s obligation to do so will expire upon the earlier of:

- the date on which GE Medical s director designation rights terminate pursuant to the Investor Rights Agreement; and
- our material breach of any of our obligations under the Investor Rights Agreement which breach is incurable or remains uncured 10 business days following notice thereof from GE Medical.

*Board Observer Rights*

For so long as the GE Parties continue to beneficially own at least 20% of the Company s then-outstanding voting stock, GE will be entitled to have one representative of the GE Parties acceptable to us attend all meetings of the Board (and any committees upon which GE Medical s designee sits that are held incident with such Board meeting), in a non-voting observer capacity, and such representative will receive copies of all notices, minutes, consents and other materials we provide to our directors in connection with such meeting. We may exclude such representative from access to any of such materials or meetings or portions thereof if we believe that any such material or portion thereof is a trade secret or similar confidential information or such exclusion is necessary to preserve the attorney-client privilege.

*General Standstill Provisions*

For a period of 48 months following the closing of the Transaction, unless specifically approved by us or earlier terminated in accordance with the Investor Rights Agreement, none of the GE Parties will, directly or indirectly, acquire or agree, whether by purchase, tender or exchange offer, to acquire ownership of any shares of our common stock, except the NEO Shares, any shares issued or issuable upon conversion of the NEO Preferred Shares or as a result of the terms of the NEO Preferred Shares, any shares issued or issuable as a result of any stock split, stock dividend, right, warrant, or other distribution, recapitalization or offering made available by us to holders of our voting stock or shares acquired pursuant to the participation rights provided in the Investor Rights Agreement.

*Transfer Restrictions*

None of the GE Parties may, without our prior written consent, sell or transfer any of the NEO Shares, or engage in any hedging or other transaction designed to or that reasonably could be expected to lead to or result in the disposition of the NEO Shares, until the earlier of (a) two years from the closing of the Transaction and (b) the date which is

6 months after we have redeemed all of the Series A Preferred Stock, unless such prohibitions are earlier terminated in accordance with the Investor Rights Agreement. However, this restriction will not apply to any of the following dispositions, among others:

dispositions by one GE Party to another in compliance with the Investor Rights Agreement;

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dispositions by the GE Parties during any three month period that in the aggregate satisfy the volume limitations under Rule 144 of the Securities Act;

dispositions resulting from the exercise of any rights under the piggyback registration provisions in the Registration Rights Agreement;

dispositions to NeoGenomics or any of our affiliates;

dispositions pursuant to a tender offer, exchange offer, merger, consolidation, amalgamation or other reorganization involving NeoGenomics or our voting stock;

dispositions following any of a third party or group s announcement of its intention to acquire, its entrance into an agreement to acquire, or its acquisition of 25% or more of our outstanding voting stock;

dispositions following a third party or group s entrance into an agreement to acquire, or announcement of its intention to acquire, all or substantially all of our assets;

dispositions following a third party or group s offer, or announcement of its intention to make an offer, to acquire control of NeoGenomics or to elect two or more directors to the Board or otherwise engage in a transaction that would require approval of our stockholders;

dispositions following a third party or group s assistance or encouragement of any other person to engage in, or to announce its intention to engage in, any of the transactions contemplated in any of the three preceding bullets;

dispositions following our entrance into an agreement with respect to our consolidation, merger, amalgamation, reorganization or otherwise in which we would be merged into or combined with another person, unless immediately following the consummation of such transaction our stockholders immediately prior to the consummation of such transaction would continue to hold 60% or more of all of the outstanding common stock or other securities entitled to vote for the election of directors of the surviving or resulting entity in such transaction or any direct or indirect parent thereof; and

dispositions following our public announcement of our intention to do any of the actions set forth in the preceding five bullets or other public announcement of our intention to explore strategic alternatives, or any public announcement indicating that we are actively seeking a change in control of NeoGenomics.

*Anti-Takeover Provisions*

We may not implement a stockholder rights plan of a type commonly known as a poison pill unless such plan specifically permits the GE Parties to beneficially own the percentage of our outstanding voting stock they own as of

the date of adoption of such plan, plus any increase in such percentage resulting from shares of voting stock acquired or that may be acquired pursuant to the terms of the Series A Preferred Stock, or as a result of any stock dividend, stock split or other recapitalization of NeoGenomics, or pursuant to the participation rights provided in the Investor Rights Agreement.

**Other Agreements**

We, or certain of our affiliates, will also enter into certain other agreements in connection with the Transaction, each of which is described in more detail under the section entitled *Other Agreements* beginning on page 92. We urge you to read each of these agreements in its entirety because each of these agreements and not this proxy statement provide certain additional rights to each of the parties or their affiliates.

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*Registration Rights Agreement*

Pursuant to the terms of the Registration Rights Agreement, the form of which is attached to this proxy statement as *Annex C*, we are required to file on or before the earlier of (i) 21 months following the closing of the Transaction and (ii) 6 months after we redeem all of the Series A Preferred Stock held by GE Medical, a shelf registration statement for the offer and sale on a continuous or delayed basis of certain securities held by GE Medical and any other person to whom GE Medical transferred such securities pursuant to a permitted transfer. The agreement also provides GE Medical with customary demand and piggyback registration rights, subject to certain limitations.

*Voting Agreements*

GE Medical has entered into voting agreements (the Voting Agreements ), the form of which is attached to this proxy statement as *Annex D*, with our executive officers and directors, pursuant to which the executive officers and directors have agreed to vote certain of their shares of common stock in accordance with the terms of the Voting Agreements. An aggregate of 4,918,774 shares of our common stock are subject to the Voting Agreements, comprised of 2,053,774 shares of our common stock (including 6,400 shares acquired by a director after his execution of his Voting Agreement and prior to the Record Date) and 2,865,000 shares issuable pursuant to the exercise of options, warrants and other rights to acquire shares of our common stock. None of such options, warrants and other rights were exercised prior to the Record Date, and, as a result, an aggregate of 2,053,744 shares outstanding as of the Record Date are subject to the Voting Agreements, which represents 3.4% of our issued and outstanding shares as of the Record Date. The Voting Agreements provide, among other things, that the individuals will vote the shares subject to such Voting Agreements through the earlier of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal and the termination of the Purchase Agreement in favor of each of the proposals included in this proxy statement.

*Lockup Agreement*

Each of Douglas VanOort, our Chief Executive Officer and Chairman of the Board, and Steven Jones, our Executive Vice President Finance and a member of the Board, entered into a lockup agreement pursuant to which they agreed, subject to certain exceptions, not to sell or transfer any shares of their NeoGenomics common stock or securities convertible into, exchangeable or exercisable for, or that represent the right to receive such shares, for six months after the closing of the Transaction.

*Transition Services Agreement*

Pursuant to the terms of a Transition Services Agreement entered into between NeoGenomics and GE (the Transition Services Agreement ), GE has agreed that it or certain of its affiliates will provide us certain transition services with respect to the transition to NeoGenomics of Clarient s business.

*Transitional Trademark License Agreement*

Prior to or at the closing of the Transaction, Clarient will enter into a transitional trademark license agreement with Monogram Licensing, Inc. and Monogram Licensing International, Inc., subsidiaries of GE. Under the agreement, Clarient will receive a non-exclusive, royalty-free, worldwide license to use certain trademarks owned by Monogram Licensing and Monogram Licensing International for a period of up to 6 months, while Clarient phases out the licensed trademarks and rebrands.

*MultiOmyx License Agreement*

Prior to or at the closing of the Transaction, Clarient will enter into a technology license agreement with GE Healthcare Bio-Sciences Corp. Under the agreement, Clarient will receive an exclusive, royalty-bearing license

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in the United States to use the licensed patents and technical information in conjunction with fluorescent-based tissue staining systems for purposes of performing research, discovery and development of therapeutics and for providing in-vitro diagnostic testing services. The agreement also will grant Clarient a non-exclusive license in the United States to use software programs that process and analyze raw data generated using the MultiOmyx Technology (as defined therein). The agreement terminates 20 years from the effective date, or upon expiry of the last licensed patent, whichever occurs later. Clarient may terminate the agreement without cause any time after the tenth anniversary of the effective date of the agreement, and GE Healthcare Bio-Sciences Corp. may terminate the agreement without cause if certain milestones are not met in the seventh year of the agreement.

**Summary Historical Financial Data**

*Summary Historical Consolidated Financial Data of NeoGenomics*

The following table presents summary historical consolidated financial data as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, derived from our audited consolidated financial statements, which are included in our annual report on Form 10-K for the year ended December 31, 2014 and incorporated by reference into this proxy statement. The table also presents summary historical consolidated financial data as of December 31, 2012 and for the years ended December 31, 2011 and 2010 derived from audited consolidated financial statements that are not included in or incorporated by reference into this proxy statement. Additionally, the table presents summary historical consolidated financial data as of September 30, 2015 and for the nine months ended September 30, 2015 and 2014, derived from our unaudited condensed consolidated financial statements, which are included in our quarterly report on Form 10-Q for the quarterly period ended September 30, 2015 and incorporated by reference into this proxy statement. In the opinion of our management, the unaudited interim information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial position and operating results for the periods presented. Results for interim periods should not be considered indicative of results for any other periods or for the year.

The information presented below is only a summary. The historical results are not necessarily indicative of results that can be expected for any future period. The summary financial data set forth below should be read in conjunction with *Management s Discussion and Analysis of Financial Condition and Results of Operations* and the historical consolidated financial statements and notes thereto for 2014, 2013 and 2012, which are included in our annual report on Form 10-K for the year ended December 31, 2014, and *Management s Discussion and Analysis of Financial Condition and Results of Operations* and the historical condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2015, which are included in our quarterly report on Form 10-Q for the quarterly period ended September 30, 2015, and, in each case, are incorporated by reference in this proxy statement.

| | Nine Months Ended September 30, | | Year Ended December 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2014 | 2013 | 2012 | 2011 | 2010 |
| | (in thousands, except share data) | | | | | | |
| **Statement of Operations Data:** | | | | | | | |
| Net revenue | $ 72,523 | $ 62,070 | $ 87,069 | $ 66,467 | $ 59,867 | $ 43,484 | $ 34,371 |
| (Loss) income from operations | (419) | 899 | 2,218 | 3,174 | 1,211 | (409) | (2,963) |
| Net (loss) income | (1,062) | 85 | 1,132 | 2,033 | 65 | (1,177) | (3,303) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Net (loss) income per share basic | (0.02) | 0.00 | 0.02 | 0.04 | 0.00 | (0.03) | (0.09) |
| Net (loss) income per share diluted | (0.02) | 0.00 | 0.02 | 0.04 | 0.00 | (0.03) | (0.09) |

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| | As of September 30, | | As of December 31, | | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2014 | 2013 | 2012 |
| | (in thousands) | | | | |
| **Balance Sheet Data:** | | | | | |
| Cash and cash equivalents | $ 33,966 | $ 34,366 | $ 33,689 | $ 4,834 | $ 1,868 |
| Working capital(1) | 45,529 | 43,289 | 44,119 | 13,168 | 823 |
| Total assets | 83,741 | 78,820 | 81,106 | 39,916 | 30,071 |
| Total liabilities | 21,892 | 19,755 | 20,701 | 18,205 | 20,855 |
| Total stockholders equity | 61,849 | 59,065 | 60,405 | 21,711 | 9,216 |

(1) Working capital is calculated as current assets minus current liabilities.

*Summary Historical Combined Carve-Out Financial Data of Clarient (See page 136)*

The following table presents the summary historical combined carve-out financial data of Clarient:

As of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012, derived from Clarient s audited combined carve-out financial statements, which are included in this proxy statement;

As of September 30, 2015 and for the nine months ended September 30, 2015 and 2014, derived from Clarient s unaudited condensed combined carve-out interim financial statements, which are included in this proxy statement; and

As of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2011 and 2010, derived from Clarient s unaudited combined carve-out information not included in this proxy statement.

In the opinion of Clarient s management, the unaudited interim information reflects all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of financial position and operating results for the periods presented. Results for interim periods should not be considered indicative of results for any other periods or for the year.

The information below is only a summary. The historical results presented below are not necessarily indicative of results that can be expected for any future period. The summary financial data set forth below should be read in conjunction with *Clarient Management s Discussion and Analysis of Financial Condition and Results of Operations* beginning on page 138 and Clarient s historical combined carve-out financial statements and notes thereto included in this proxy statement.

| | Nine Months Ended September 30, | | Year Ended December, 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2014 | 2013 | 2012 | 2011 | 2010 (1) |
| | (in thousands) | | | | | | |
| **Statement of Operations Data:** | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Net sales | $ 88,470 | $ 93,005 | $ 127,224 | $ 125,702 | $ 139,721 | $ 133,805 | $ 106,704 |
| Income (loss) from operations | (52,798) | (20,145) | (24,539) | (350,395) | (42,507) | 658 | (22,078) |
| Net loss | (54,219) | (24,081) | (28,833) | (350,996) | (29,536) | (5,057) | (22,565) |

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| | As of September 30, 2015 | 2014 | As of December 31, 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|
| | | | (in thousands) | | | |
| **Balance Sheet Data:** | | | | | | |
| Cash and cash equivalents | $ 1,102 | $ 1,279 | $ 56 | $ 320 | $ 42 | $ 8,240 |
| Working capital | 5,521 | 8,474 | 7,380 | 31,929 | 38,294 | 69,486 |
| Total assets(2) | 310,276 | 372,041 | 395,616 | 698,042 | 640,825 | 670,270 |
| Total liabilities | 47,949 | 52,040 | 59,282 | 41,882 | 40,349 | 69,278 |
| Net parent investment(2) | 262,327 | 320,001 | 336,334 | 656,160 | 600,476 | 600,992 |

(1) Clarient was acquired by GE on December 22, 2010. The statement of operations data for the year ended December 31, 2010 reflects Clarient s operations as a stand-alone company and does not contain adjustments related to the acquisition or accounting for a business combination, such as depreciation and amortization related to fair value adjustments. Clarient s management believes that bifurcation of the 2010 results into predecessor and successor periods and the impact of acquisition accounting for the post-acquisition period in 2010 would not result in a more meaningful presentation of statement of operations data. Balance sheet data for all periods presented and statement of operations data presented for periods subsequent to 2010 reflect the impact of the acquisition and underlying accounting. Therefore, comparisons of 2010 data and subsequent periods are impacted by a variety of factors related to being a subsidiary as compared with a stand-alone public company.

(2) Total assets and, as a result, net parent investment, decreased significantly due in part to impairments of goodwill and other intangible assets of $42.1 million during the nine months ended September 30, 2015, $294.4 million during the year ended December 31, 2013 and $11.8 million during the year ended December 31, 2012.

**Summary Unaudited Pro Forma Combined Financial Data (See page 153)**

The following table reflects the pro forma effect of the acquisition of Clarient by NeoGenomics, including the borrowing of $65.0 million of additional debt on the balance sheet of NeoGenomics as of September 30, 2015, and the statements of operations of NeoGenomics for the nine months ended September 30, 2015 and the year ended December 31, 2014. The summary unaudited pro forma combined financial data is prepared as if the acquisition of Clarient had been consummated as of September 30, 2015, for purposes of the unaudited pro forma combined balance sheet, and on January 1, 2014, for purposes of the unaudited pro forma combined statements of operations.

This information is only a summary. We are providing the summary unaudited pro forma combined financial data for informational purposes only. It does not necessarily represent or indicate what the financial position and results of operations of NeoGenomics would actually have been had the acquisition and other pro forma adjustments in fact occurred at the dates indicated. It also does not necessarily represent or indicate the future financial position or results of operations NeoGenomics will achieve after the acquisition of Clarient.

You should read the summary unaudited pro forma combined financial data together with the other information and the accompanying notes that are included or incorporated by reference elsewhere in this document.

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| | Nine Months Ended September 30, 2015 | Year Ended December 31, 2014 |
|---|---|---|
| | (in thousands) | |
| **Unaudited Pro Forma Combined Statement of Operations Data:** | | |
| Revenues | $ 160,993 | $ 214,293 |
| Net loss | (50,063) | (6,400) |
| Loss per common share: | | |
| Basic | (0.73) | (0.19) |
| Diluted | (0.73) | (0.19) |

(a) During the nine months ended September 30, 2015, Clarient recorded an impairment of goodwill which negatively impacted net loss by $42.1 million.

| | |
|---|---|
| **Unaudited Pro Forma Combined Balance Sheet Data as of September 30, 2015:** | |
| Total assets | $ 415,883 |
| Long-term debt | 60,343 |

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## QUESTIONS AND ANSWERS

*The following questions and answers are intended to address briefly some commonly asked questions regarding the Transaction and the proposals included in this proxy statement. These questions and answers, as well as the summary beginning on page 1, are not meant to be a substitute for the information contained in the remainder of this proxy statement, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement. Stockholders are urged to carefully read this entire proxy statement, including the attached annexes. You should pay special attention to Special Note Concerning Forward-Looking Statements beginning on page 27 and Risk Factors beginning on page 29.*

**Q: Why am I receiving this document?**

A: On October 20, 2015, we entered into the Purchase Agreement with GE Medical, pursuant to which we agreed to acquire all of the issued and outstanding shares of common stock of Clarient, Inc. a wholly owned subsidiary of GE Medical. For more information, see *The Transaction*. Approval of our stockholders of each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal, each of which is described in this proxy statement, is a condition to closing the Transaction. Accordingly the NeoGenomics Board of Directors (the Board ) is soliciting your proxy to vote at the special meeting in order to obtain approval of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal.

In addition, the Board is soliciting your proxy to vote on proposals to approve (a) an amendment to our Amended and Restated Equity Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the plan and to clarify provisions regarding restrictions on the repricing of options and stock appreciation rights, and (b) adjournments of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the proposals described in this proxy statement.

This document contains important information about NeoGenomics, Clarient and the Transaction, and you should read it, and the documents incorporated by reference into this proxy statement, carefully and in their entirety.

**Q: When and where is the special meeting?**

A: The special meeting will be held on December 21, 2015 at 10:00 a.m. local time, at the Hyatt Regency Coconut Point Resort located at 5001 Coconut Road, Bonita Springs, Florida 34134.

We provide additional information relating to the special meeting in the section below entitled *The Special Meeting of NeoGenomics Stockholders* beginning on page 38.

**Q: Who is eligible to vote at the special meeting?**

A: If you are a NeoGenomics stockholder of record as of the close of business on November 6, 2015, the record date for the special meeting (the Record Date ), you are entitled to receive notice of, and to vote at, the special meeting. At the close of business on the Record Date, there were 60,618,252 shares of our common stock issued and outstanding. Each outstanding share of our common stock is entitled to one vote.

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**Q: What matters will be voted on at the special meeting, and how does the Board recommend that I vote?**

A: You are being asked to vote on the following matters:

| | Proposal | Board s Recommendation | Page (*for more information*) |
|---|---|---|---|
| (1) | *Stock Issuance*: to approve the issuance of the 15,000,000 NEO Common Shares and 14,666,667 NEO Preferred Shares to GE Medical, pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, pursuant to which NeoGenomics (through a wholly owned subsidiary) proposes to acquire from GE Medical all of the issued and outstanding shares of common stock of Clarient, Inc. | FOR | 105 |
| (2) | *Authorized Common Stock Charter Amendment*: to approve an amendment of Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of common stock by 150.0 million shares to an aggregate of 250.0 million shares. | FOR | 107 |
| (3) | *Authorized Preferred Stock Charter Amendment*: to approve an amendment of Article Fourth(A) of our Articles of Incorporation to increase our authorized shares of preferred stock by 40.0 million shares to an aggregate of 50.0 million shares. | FOR | 109 |
| (4) | *Transaction Proposal*: to approve and adopt the Purchase Agreement and the Transaction contemplated thereby; | FOR | 111 |
| (5) | *Equity Incentive Plan Amendment*: to approve an amendment and restatement of our Amended and Restated Equity Incentive Plan to increase the authorized number of shares of common stock available and reserved for issuance under the plan by 3.0 million shares to an aggregate of 12.5 million shares and to clarify provisions regarding restrictions on the repricing of options or stock appreciation rights. | FOR | 113 |
| (6) | *Adjournment*: to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals. | FOR | |

**Q: Why is stockholder approval required for the stock issuance?**

A: Our common stock is listed on, and we are subject to the rules and regulations of, the NASDAQ Capital Market ( NASDAQ ).

NASDAQ rules require stockholder approval prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if (a) the common stock, or securities convertible into common stock, that we

issue has or will have upon issuance voting power equal to or in excess of 20% of the voting power of our securities outstanding before the issuance or (b) the number of shares of common stock, or securities convertible into common stock, to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance. In addition, NASDAQ rules require stockholder approval prior to the issuance of securities in a private placement if the number of shares of common stock, or securities convertible into common stock, to be issued is or will be equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock.

We are proposing to issue 15.0 million shares of our common stock and 14,666,667 shares of Series A Preferred Stock, which are convertible into common stock, to GE Medical pursuant to the Purchase

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Agreement. We have the right to increase the cash consideration by up to $110.0 million using the proceeds from the sale of common stock or certain debt securities, as described under *Proposal No. 4 Transaction Proposal*, and reduce the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares. The number of shares we will issue will exceed 20% of both the voting power and the number of shares of our common stock outstanding before the issuance. Accordingly, at the special meeting, we are asking holders of shares of our common stock to consider and vote on the Stock Issuance to satisfy NASDAQ rules.

Stockholder approval of the Stock Issuance is a condition to completion of the Transaction pursuant to the Purchase Agreement, and we believe the Transaction is beneficial to our stockholders for a number of reasons. See *The Transaction Reasons for the Transaction* for a description of these reasons.

**Q: Why am I being asked to approve charter amendments to increase the number of authorized shares of both common stock and preferred stock?**

A: Our Articles of Incorporation currently authorize us to issue 100.0 million shares of common stock and 10.0 million shares of preferred stock. As of the Record Date, we had approximately 60.6 million shares of common stock outstanding and no shares of preferred stock outstanding. We also had approximately 5.5 million shares of common stock reserved for issuance pursuant to outstanding options, 650,000 shares of common stock reserved for issuance pursuant to outstanding warrants and approximately 1.5 million shares of common stock reserved for new issuances pursuant to our equity compensation plans without giving effect to any stockholder approval of the Equity Incentive Plan Amendment.

If the Transaction is consummated, we expect to issue 15.0 million shares of common stock to GE Medical, resulting in approximately 75.6 million shares of our common stock being issued and outstanding immediately after the consummation of the Transaction, based on approximately 60.6 million shares of our common stock outstanding as of the Record Date. To allow for additional authorized common stock to support our growth and provide flexibility for future corporate needs, at the special meeting we are asking our stockholders to consider and vote on the Authorized Common Stock Charter Amendment to amend Article Fourth(A) of our Articles of Incorporation to increase the number of shares of common stock we are authorized to issue by 150.0 million shares, to an aggregate of 250.0 million authorized shares of common stock.

In addition, we currently do not have a sufficient number of authorized shares of preferred stock to issue the 14,666,667 shares of Series A Preferred Stock to GE Medical in connection with the Transaction. Under the terms of the Series A Preferred Stock, dividends will accrue quarterly on outstanding shares of Series A Preferred Stock commencing on the first anniversary of closing in the form of additional shares of Series A Preferred Stock ( PIK Dividends ). If none of the shares of Series A Preferred Stock are redeemed prior to the automatic conversion of such Series A Preferred Stock into shares of our common stock on the tenth anniversary of closing, we may be required to issue an additional 10,775,454 shares of Series A Preferred Stock as PIK Dividends from the first anniversary of closing through the date of automatic conversion. Accordingly, even if stockholder approval of the Stock Issuance is received, we would not be able to consummate the Transaction in the absence of stockholder approval of the Authorized Preferred Stock Charter Amendment to amend Article Fourth(A) of our Articles of Incorporation to increase the number of shares of preferred stock we are authorized to issue by 40.0 million shares, to an aggregate of 50.0 million authorized shares of preferred stock.

Stockholder approval of each of the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment is a condition to closing the Transaction pursuant to the Purchase Agreement.

**Q: Why is stockholder approval required for the Transaction Proposal?**

A: Stockholder approval of the Transaction Proposal is a condition to the completion of the Transaction pursuant to the Purchase Agreement. We believe that the Transaction would unite two complementary businesses to offer hospitals, community based pathology practices and clinicians expanded cancer-related

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laboratory testing services, and that the Transaction would result in a number of anticipated benefits. If our stockholders do not approve the Transaction Proposal, we may be unable to consummate the Transaction.

**Q: What will happen if our stockholders vote to approve the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal?**

A: If each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is approved and all required authorizations, clearances, consents and governmental approvals are obtained, subject to the satisfaction or waiver of the other closing conditions, we expect the Transaction to be completed near the end of 2015 or early 2016.

**Q: What will happen if our stockholders do not vote to approve the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal?**

A: Stockholder approval of each of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is a condition to the consummation of the Transaction. If any of these proposals is not approved, the Purchase Agreement may be terminated by NeoGenomics or GE Medical. In the event of termination for failure of our stockholders to approve each of the Stock Issuance, the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment, we will be required to pay to GE Medical a $3.0 million termination fee. We provide additional information relating to termination rights under the Purchase Agreement in the section below entitled *The Stock Purchase Agreement* beginning on page 72.

**Q: Why is NeoGenomics proposing to engage in the Transaction?**

A: We believe that the Transaction would unite two complementary businesses to offer hospitals, community-based pathology practices and clinicians, expanded cancer-related laboratory testing services, and that the Transaction would result in the following anticipated benefits, among others:

enhanced cancer diagnostic testing capabilities, combining the best products and services of each company into a single source of advanced cancer genetic testing services for the benefit of hospitals, community-based pathology practices and clinicians, and the patients they treat;

greater capability of combined medical staff and research and development teams to continue to invest in innovation to create a sustainable leadership position in the rapidly evolving field of cancer genetics testing;

greater capability with combined expertise, information systems and processes to compete in the high growth area of biopharmaceutical testing for the benefit of current and new biopharmaceutical customers;

broadened geographical access to clients for the benefit of managed care organizations, accountable care organizations and large health care delivery systems;

the ability to cross-sell products and services to each company s current customer base;

increased scale of laboratory operations, information technology, and medical staff to drive greater productivity and efficiencies to be a lowest cost provider, and to offer constantly improving service for the benefit of clients;

the ability to achieve significant cost synergies by applying best practices, eliminating duplicative processes, increasing volume of testing and reducing high fixed-cost infrastructure;

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increased ability to optimize administrative, regulatory and compliance resources to meet the increasing demands on laboratories by regulatory organizations; and

greater size, with annual pro forma revenues of approximately $225.0 million and estimated Adjusted EBITDA of between $33.0 and $38.0 million, as well as higher market capitalization.

Furthermore, we believe that, given the favorable strategic fit and potential to generate sizable cost synergies, the Transaction will be accretive to our 2016 cash earnings per share (net income adjusted for non-cash items including stock-based compensation, depreciation and amortization), excluding costs of the Transaction and integration activities.

**Q: Are there risks associated with the Transaction?**

A: Yes. The material risks associated with the Transaction that are known to us are discussed in the section entitled *Risk Factors* beginning on page 29.

**Q: What will GE Medical receive as consideration in the Transaction?**

A: Upon the closing of the Transaction, NeoGenomics (through a wholly owned subsidiary) will acquire from GE Medical all of the issued and outstanding shares of Clarient, Inc. s common stock for an aggregate purchase price of approximately $301.4 million, based on the closing price of our common stock on November 10, 2015, the most recent practicable date prior to the date of this proxy statement. The purchase price consists of (a) cash consideration of $80.0 million, (b) the NEO Common Shares, totaling 15.0 million shares of our common stock and (c) the NEO Preferred Shares, totaling 14,666,667 shares of our Series A Preferred Stock. We have the right to increase the cash consideration by up to $110.0 million using the proceeds from the sale of common stock or certain debt securities, as described under *Proposal No. 4 Transaction Proposal* , and reduce the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares.

**Q: What will happen to my NeoGenomics common stock upon completion of the Transaction?**

A: Each outstanding share of our common stock will be unaffected by the Transaction and will remain outstanding. Holders of our common stock will continue to hold the shares that they currently hold.

**Q: Will the stock issuance dilute the existing stockholders percentage of ownership in NeoGenomics?**

A: Yes. The Stock Issuance will dilute your existing holdings of our common stock. As of the Record Date, there were approximately 60.6 million shares of our common stock issued and outstanding. If we consummate the Transaction, we will issue 15.0 million shares of our common stock and 14,666,667 shares of our Series A

Preferred Stock. The NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, based on the number of our outstanding shares as of the Record Date. In addition, the NEO Preferred Shares will, with certain exceptions, vote with shares of our common stock as a single class on an as converted basis. Accordingly, if we issue all of the NEO Preferred Shares (and based on the number of our outstanding shares as of the Record Date), the NEO Shares issued to GE Medical will represent 32.9% of our total voting power upon closing of the Transaction, with our current stockholders owning the remaining 67.1% of the total voting power. Therefore, the ownership and voting interests of our existing stockholders will be proportionately reduced.

In addition, after the first anniversary of the closing of the Transaction, dividends will begin to accrue quarterly on outstanding shares of Series A Preferred Stock in the form of PIK Dividends, adding to the number of shares of Series A Preferred Stock outstanding. Furthermore, after the third anniversary of the closing, holders of the Series A Preferred Stock will be permitted, under certain circumstances, to convert such shares into shares of our common stock. Any addition of shares of Series A Preferred Stock through PIK Dividends and any conversion of Series A Preferred Stock into our common stock will further dilute the ownership interests of our stockholders. See *Description of Capital Stock Preferred Stock Series A Preferred Stock* .

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**Q: Do I, as a stockholder of NeoGenomics, have dissenters or appraisal rights?**

A: No. Our existing stockholders do not have rights of appraisal or similar rights of dissenters with respect to any of the proposals to be voted on at the special meeting.

**Q: Other than the Purchase Agreement, what other agreements have been or will be entered into in connection with the proposed Transaction?**

A: In connection with our entry into the Purchase Agreement, GE Medical has entered into the Voting Agreements with our executive officers and directors, the form of which is attached hereto as *Annex D*. An aggregate of 4,918,774 shares of our common stock are subject to the Voting Agreements, comprised of 2,053,774 shares of our common stock (including 6,400 shares acquired by a director after his execution of his Voting Agreement and prior to the Record Date) and 2,865,000 shares issuable pursuant to the exercise of options, warrants and other rights to acquire shares of our common stock. None of such options, warrants and other rights were exercised prior to the Record Date, and, as a result, an aggregate of 2,053,744 shares outstanding as of the Record Date are subject to the Voting Agreements, which represents 3.4% of our issued and outstanding shares as of the Record Date. Pursuant to the terms of the Voting Agreements, the parties thereto agreed to, among other things, vote the shares subject to such Voting Agreements in favor of the proposals included in this proxy statement. The Voting Agreements are described more fully below in the section entitled *Other Agreements Voting Agreements* beginning on page 93.

In addition, in connection with our entry into the Purchase Agreement, each of Douglas VanOort, our Chief Executive Officer and Chairman of the Board, and Steven Jones, our Executive Vice President Finance and a member of the Board, entered into a lock-up agreement with GE Medical pursuant to which they agreed, subject to certain exceptions, to not sell any of their shares of our common stock or any other of our equity securities for a period of six months following the closing of the Transaction. The lockup agreements are described more fully below in the section entitled *Other Agreements Lock-up Agreement* beginning on page 95.

Concurrent with the closing of the Transaction, NeoGenomics and GE Medical will enter into the Investor Rights Agreement, the form of which is attached hereto as *Annex B*. The Investor Rights Agreement includes certain director appointment and nomination rights, as well as Board observer rights, in favor of GE Medical, and obligates GE Medical, subject to certain limitations, to vote its shares of our common stock in favor of the Board s director slate at each stockholders meeting at which directors are to be elected. The Investor Rights Agreement also provides for certain restrictions on GE Medical s ability to acquire additional shares of our common stock for a period of 48 months following the closing of the Transaction. In addition, the Investor Rights Agreement includes limitations on transfers by GE Medical of shares of our common stock during the two years following the closing of the Transaction, subject to certain exceptions. The Investor Rights Agreement is described more fully below in the section entitled *The Investor Board Rights, Lockup And Standstill Agreement* beginning on page 87.

Concurrent with the closing of the Transaction, GE Medical and NeoGenomics will enter into the Registration Rights Agreement, the form of which is attached hereto as *Annex C*. Pursuant to the terms of the Registration Rights Agreement, we are required to file on or before the earlier of (i) 21 months following the closing of the Transaction and (ii) 6 months after we redeem all of the NEO Preferred Shares held by GE Medical, a shelf registration statement for the offer and sale of the NEO Common Shares and any shares of our common stock issuable upon conversion of the NEO Preferred Shares. The agreement also provides GE Medical with customary demand and piggyback registration rights with respect to such shares. The Registration Rights Agreement is described more fully below in the

section entitled *Other Agreements Registration Rights Agreement* beginning on page 92.

Concurrent with the closing of the Transaction, we will enter into the Transition Services Agreement with GE. Pursuant to the terms of the Transition Services Agreement, GE will, on a transitional basis, provide us with certain support services and other assistance after the consummation of the Transaction. The Transition Services Agreement is described more fully below in the section entitled *Other Agreements Transition Services Agreement* beginning on page 95.

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Concurrent with the closing of the Transaction, Clarient will enter into a transitional trademark license agreement with Monogram Licensing, Inc. and Monogram Licensing International, Inc., subsidiaries of GE. Under the agreement, Clarient will receive a non-exclusive, royalty-free, worldwide license to use certain trademarks owned by Monogram Licensing and Monogram Licensing International for a period of up to 6 months, while Clarient phases out the licensed trademarks and rebrands.

Concurrent with the closing of the Transaction, Clarient will enter into a technology license agreement with GE Healthcare Bio-Sciences Corp. Under the agreement, Clarient will receive an exclusive, royalty-bearing license in the United States to use the licensed patents and technical information in conjunction with fluorescent-based tissue staining systems for purposes of performing research, discovery and development of therapeutics and for providing in-vitro diagnostic testing services. The agreement also will grant Clarient a non-exclusive license in the United States to use software programs that process and analyze raw data generated using the MultiOmyx Technology (as defined therein). The agreement terminates 20 years from the effective date, or upon expiry of the last licensed patent, whichever occurs later. Clarient may terminate the agreement without cause any time after the tenth anniversary of the effective date of the agreement, and GE Healthcare Bio-Sciences Corp. may terminate the agreement without cause if certain milestones are not met in the seventh year of the agreement.

We will also enter into the Credit Facilities, which will provide for a term loan in an aggregate principal amount of $55.0 million, and a senior secured revolving credit facility for up to $25.0 million. These agreements are described more fully in the section entitled *The Transaction Financing of the Transaction* beginning on page 70.

**Q: Are there restrictions on the resale of the NEO Shares issued to GE Medical in connection with the Transaction?**

A: Yes. The NEO Shares will be considered restricted securities under Rule 144 of the Securities Act. The NEO Common Shares will be subject to the further restrictions on transfer contained in the Investor Rights Agreement. Among other restrictions, during the two years following the closing of the Transaction, GE Medical may not transfer any shares of our common stock that it owns, subject to certain exceptions. Additionally, under the Registration Rights Agreement, we are not obligated to file a registration statement until the earlier of (a) 21 months following the closing of the Transaction and (b) 6 months after we redeem all of the NEO Preferred Shares held by GE Medical.

The NEO Preferred Shares will be subject to the further restrictions on transfer pursuant to the Certificate of Designations for the Series A Preferred Stock. Under the Certificate of Designations, the NEO Preferred Shares may not be transferred without our written consent, subject to certain exceptions for transfers to affiliates of the NEO Preferred Shares holder.

**Q: Will NeoGenomics senior management team change following the completion of the Transaction?**

A: No. Upon the closing of the Transaction, NeoGenomics senior management team will remain in place with Douglas M. VanOort continuing as Chief Executive Officer.

**Q: Will the NeoGenomics Board of Directors change following the completion of the Transaction?**

A: Yes. Though Douglas VanOort will continue as Chairman of the Board, the Purchase Agreement provides that, as a condition to the closing of the Transaction, the Board must consist of 10 members, an increase from eight prior to our execution of the Purchase Agreement. Pursuant to the Investor Rights Agreement, we are required to use commercially reasonable efforts to appoint, within 10 business days of the closing of the Transaction, one director designated by GE Medical to fill one of the vacancies created by such increase. The Investor Rights Agreement contains additional provisions regarding GE Medical s rights to designate an individual for nomination to the Board as described more fully in the section below entitled *The*

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*Investor Board Rights, Lockup And Standstill Agreement* *GE Medical Representation on the NeoGenomics Board of Directors* beginning on page 87.

**Q: What are the material U.S. federal income tax consequences of the Transaction?**

A: Because our existing stockholders do not participate in the Transaction, they will not recognize gain or loss in connection with the Transaction with respect to their shares of our common stock.

**Q: Why am I being asked to approve the Equity Incentive Plan Amendment?**

A: The Board is seeking approval to amend the Equity Incentive Plan to add 3.0 million shares of our common stock to the reserve available for new awards and to clarify provisions regarding no repricing of options or stock appreciation rights. The Board believes that the Equity Incentive Plan has been effective in attracting and retaining highly-qualified employees and other key contributors to our business, and that the awards granted under the plan have provided an incentive that aligns the economic interests of plan participants with those of our stockholders.

As of the Record Date, we had outstanding stock options to acquire approximately 5.5 million shares of common stock and approximately 1.1 million shares of common stock reserved for future issuance under the Equity Incentive Plan. Assuming consummation of the Transaction, we will significantly increase our headcount. As a result, we believe the increase in the number of shares reserved and available under the Equity Incentive Plan is necessary to ensure we have sufficient shares reserved and available to provide an incentive to these new employees that aligns their economic interests with those of our stockholders.

**Q: Is the closing of the Transaction contingent upon the stockholders approving the Equity Incentive Plan Amendment?**

A: No. Although the Board believes that the proposal is important to provide NeoGenomics additional tools to enhance stockholder value, the consummation of the Transaction is not contingent upon the approval by our stockholders of the Equity Incentive Plan Amendment.

**Q: What other matters may arise at the special meeting?**

A: Other than the six proposals described in this proxy statement, we do not expect any other matters to be presented for a vote at the special meeting. If any other matter is properly brought before the special meeting, your proxy gives authority to the individuals named in the proxy to vote on such matters in their discretion.

**Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

A: If your shares are registered in your name as evidenced and recorded in the stock ledger maintained by us and Standard Registrar & Transfer Company, our transfer agent, you are a stockholder of record. If your shares are held in the name of your broker, bank or other nominee, these shares are held in street name and you are the beneficial owner.

If you are a stockholder of record and you have requested printed proxy materials, we have enclosed a proxy card for you to use. If you hold our shares in street name through one or more banks, brokers or other nominees, you will receive the Meeting Notice, together with voting instructions, from the third party or parties through which you hold your shares. If you requested printed proxy materials, your broker, bank or other nominee has enclosed a voting instruction card for you to use in directing the broker, bank or other nominee regarding how to vote your shares.

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**Q: How do stockholders vote?**

A: You may vote by any of the following methods:

*In person*. Stockholders of record and beneficial stockholders with shares held in street name may vote in person at the special meeting. If you hold shares in street name, you must obtain a proxy from the stockholder of record authorizing you to vote your shares and bring it to the meeting along with proof of beneficial ownership of your shares. A photo ID is required to vote in person.

*By mail*. If you elected to receive printed proxy materials by mail, you may vote by signing and returning the proxy card provided. Please allow sufficient time for mailing if you decide to vote by mail.

*By Internet or telephone*. You may also vote over the Internet at www.cesvote.com or vote by telephone at (888) 693-8683. Please see proxy card for voting instructions.

**Q: How do the stockholders change or revoke their vote?**

A. You may change your vote as follows:

*Stockholders of record.* You may change or revoke your vote by submitting a written notice of revocation to: NeoGenomics, Inc., 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913, Attention: Fred Weidig, Corporate Secretary, or by submitting another proxy card before the conclusion of the special meeting. For all methods of voting, the last vote cast will supersede all previous votes.

*Beneficial owners of shares held in street name* . You may change or revoke your voting instructions by following the specific directions provided to you by your bank or broker or other nominee.

**Q: What quorum requirement applies?**

A: On the Record Date, November 6, 2015, 60,618,252 shares of our common stock were issued and outstanding. The presence in person or by proxy of persons entitled to vote a majority of shares of our outstanding common stock at the special meeting constitutes a quorum. Your shares of our common stock will be counted as present at the special meeting for purposes of determining whether there is a quorum if you vote by telephone, by Internet or by submitting a properly executed proxy card by mail, or you vote in person at the special meeting. Abstaining votes and broker non-votes are counted for purposes of establishing a quorum.

**Q: What vote is required to approve the proposals?**

A: The following are the voting requirements for each proposal:

*Proposal No. 1: Stock Issuance*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Stock Issuance. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the proposal. Unvoted shares will have no effect on the outcome of the proposal.

*Proposal No. 2: Authorized Common Stock Charter Amendment*. Provided a quorum is present, the affirmative vote of the majority of the outstanding shares is required for the approval of the Authorized Common Stock Charter Amendment. Since this proposal must be approved by a majority of the outstanding shares, broker non-votes (if any), abstentions and unvoted shares will have the same effect as voting against the proposal.

*Proposal No. 3: Authorized Preferred Stock Charter Amendment.* Provided a quorum is present, the affirmative vote of the majority of the outstanding shares is required for the approval of the Authorized

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Preferred Stock Charter Amendment. Since this proposal must be approved by a majority of the outstanding shares, broker non-votes (if any), abstentions and unvoted shares will have the same effect as voting against the proposal.

*Proposal No. 4: Transaction Proposal.* Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Transaction Proposal. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the proposal. Unvoted shares will have no effect on the outcome of the proposal.

*Proposal No. 5: Equity Incentive Plan Amendment*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Equity Incentive Plan Amendment. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the vote on the proposal. Unvoted shares will have no effect on the outcome of the proposal.

*Proposal No. 6: Adjournment*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals. Accordingly, if a quorum is present, broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the vote on the proposal. Unvoted shares will have no effect on the outcome of the proposal.

If a quorum is not present, however, the affirmative vote of a majority of the shares present in person or by proxy, and entitled to vote, is required for the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals. Accordingly, if a quorum is not present, broker non-votes (if any) and abstentions will have the same effect as voting against the proposal. Unvoted shares will have no effect on the outcome of the proposal.

**Q: What is a broker non-vote ?**

A: Brokers holding shares of our common stock for beneficial owners have the authority to vote on certain routine matters, in their discretion, in the event they have not received instructions from the beneficial owners. However, when a proposal is not a routine matter and a broker has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the broker may not vote the shares for that proposal. A broker non-vote occurs when a broker holding shares for a beneficial owner signs and returns a proxy with respect to those shares of stock held in a fiduciary capacity, but does not vote on a particular matter because the broker does not have discretionary voting power with respect to that matter and has not received instructions from the beneficial owner.

None of the proposals included in this proxy statement is considered a routine matter. Accordingly, if you do not provide voting instructions to your broker with respect to a proposal, the broker may not exercise discretion and is prohibited from giving a proxy to vote your shares with respect to such proposal. Shares reflected as broker non-votes

will be counted for purposes of determining whether there is a quorum at the special meeting. Assuming a quorum is present, broker non-votes (if any) will have no effect on the proposals to approve the Stock Issuance, the Equity Incentive Plan Amendment, the Transaction Proposal and the adjournment of the special meeting, but will have the same effect as votes against the proposals to approve the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment.

**Q: Who will solicit and pay the cost of soliciting proxies from NeoGenomics stockholders?**

A: This solicitation is made on behalf of the Board, and we will pay the costs of solicitation. Copies of solicitation materials will be furnished to banks, brokerage firms and other custodians, nominees and

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fiduciaries holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners upon request. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to our stockholders. In addition to the solicitation of proxies by mail, our directors, officers and employees may solicit proxies by telephone, facsimile or personal interview. No additional compensation will be paid to these individuals for any such services, except that we have agreed to pay Aspen Capital Advisors, LLC, for which Steven Jones, our Executive Vice President, Finance and a member of the Board, is managing director, $250 thousand, plus reasonable fees and disbursements, for certain services, including assisting us in soliciting the stockholder approval required to consummate the Transaction. The payment of this fee is subject to the consummation of the Transaction. See *The Transaction Interests of Certain Persons in the Transaction* for additional information. We have engaged Alliance Advisors, LLC to assist in the solicitation of proxies for the special meeting and will pay Alliance Advisors, LLC a fee of $8,500, plus reimbursement of out-of-pocket expenses.

**Q: Where can I obtain copies of these proxy materials?**

A: You can obtain copies of these proxy materials, free of charge, from us at our website, *www.neogenomics.com*, or by requesting copies in writing or by e-mail at: NeoGenomics, Inc., 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913, Attention: Fred Weidig, Corporate Secretary.
You may also request additional copies from our proxy solicitor, Alliance Advisors, LLC, at: 200 Broadacres Drive, 3rd Fl., Bloomfield, NJ 07003.

**Q: When is this proxy statement being mailed?**

A: This proxy statement is first being mailed to stockholders of record on or about November 16, 2015.

**Q: What do I need to do now?**

A: Please read this proxy statement carefully and vote either in person by attending the special meeting or by proxy. To vote by proxy, you may vote your shares via a toll-free telephone number, over the Internet, or by marking, signing and dating your proxy card and returning it to us in the envelope provided. If you vote by proxy, the proxy will instruct the persons named in the proxy to vote your shares of our common stock at the special meeting as you direct. If you submit a proxy that does not indicate how you wish to vote, the proxy will be voted **FOR** each proposal. We encourage you to vote your shares of common stock as soon as possible so that your shares may be represented at the special meeting.

**Q: Who can help answer my questions?**

A:

If you have any questions about the matters described in this proxy statement, or if you need additional copies of this proxy statement or the enclosed proxy card, you should contact Alliance Advisors, LLC, our proxy solicitor, by telephone at (855) 325-6670 (toll-free) or via email at evote@viewproxy.com.

**Q: Where can I find more information about NeoGenomics?**

A: You can find more information about us from the documents that we have filed with the SEC described in the section entitled *Where You Can Find More Information* beginning on page 164.

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## SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS

The information in this proxy statement and the documents incorporated by reference into this proxy statement contain forward-looking statements and information within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ), which are subject to the safe harbor created by those sections. These forward-looking statements include, but are not limited to, statements regarding potential acquisitions, including the planned acquisition of Clarient; statements regarding expected synergies and benefits of the planned acquisition of Clarient; expectations about future business plans, prospective performance and opportunities; statements regarding regulatory approvals; statements regarding the expected timing of the completion of the planned acquisition of Clarient; and statements about our strategies. The words anticipates, believes, estimates, expects, intends, may, plans, projects, will, would and similar expressions are in forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that could cause our actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including the following risks and uncertainties:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the transaction agreements;
- risks related to the financing necessary to complete the Transaction and the additional indebtedness incurred;
- the risk that the necessary stockholder approval may not be obtained;
- the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated;
- the risk that the proposed Transaction will not be consummated in a timely manner;
- risks that any of the closing conditions to the proposed Transaction may not be satisfied or may not be satisfied in a timely manner;
- risks related to disruption of management time from ongoing business operations due to the proposed Transaction;
- risks related to Clarient s internal control structure;

risks related to the addition of a significant stockholder and changes to the composition of our board of directors following the proposed Transaction;

failure to realize the benefits expected from the proposed Transaction;

failure to promptly and effectively integrate the acquisition;

the effect of the announcement of the proposed Transaction on our ability and that of Clarient to retain customers and retain and hire key personnel, maintain relationships with strategic partners, and on their operating results and businesses generally; and

the matters set forth under *Risk Factors* beginning on page 29.

Additional factors that could affect these forward-looking statements are discussed in our filings with the SEC, including without limitation, information under the captions *Management s Discussion and Analysis of Financial Condition and Results of Operations* and *Risk Factors* . See the section entitled *Where You Can Find More Information* beginning on page 164 for more information about the documents incorporated by reference into this proxy statement.

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Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect our management s beliefs and assumptions only as of the date hereof. Any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that may cause actual performance and results to differ materially from those predicted. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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## RISK FACTORS

*In addition to the other information included in or incorporated by reference into this proxy statement, you should carefully consider the material risks described below in deciding whether to vote for approval of the proposals presented at the special meeting. Additional risks and uncertainties not presently known to us or that we currently believe not to be material may also adversely affect us following the Transaction. For additional risks related to us, please see our Annual Report on Form 10-K filed with the SEC on March 3, 2015, as amended on April 30, 2015, which is incorporated by reference herein. If any of these risks or uncertainties actually occurs, our business, financial condition or operating results could be materially harmed. In that case, the trading price of our common stock could decline or we may be forced to cease operations.*

**Failure to complete the Transaction could negatively impact our business, financial condition, results of operations or stock prices.**

Completion of the Transaction is conditioned upon the satisfaction of certain closing conditions, including stockholder approval of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal. The required conditions to closing may not be satisfied in a timely manner, if at all, or, if permissible, waived. If the Transaction is not completed for these or any other reasons, our ongoing business may be adversely affected and will be subject to a number of risks and consequences, including the following:

- we may be required, under certain circumstances, to pay GE Medical a termination fee of up to $15.0 million pursuant to the terms of the Purchase Agreement, as more fully described under *The Stock Purchase Agreement Termination Fees* beginning on page 83;

- we must pay the substantial fees and expenses we incurred related to the Transaction, such as legal, accounting, consulting, financing, printing and synergy planning fees and expenses, even if the Transaction is not completed;

- matters relating to the Transaction may require substantial commitments of time and resources by our management, which could otherwise have been devoted to other opportunities that may have been beneficial to us;

- the market price of our common stock may decline to the extent that the current market price reflects a market assumption that the Transaction will be completed;

- we may experience negative reactions to the termination of the Transaction from customers, business partners, lenders and employees; and

- we would not realize any of the anticipated benefits of having completed the Transaction.

Furthermore, any delay in the completion of the Transaction, or any uncertainty about its completion, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**We may be unable to obtain the financing necessary to complete the Transaction.**

The obligations of the lenders under the Credit Facilities to provide the financing for the Transaction will be subject to a number of conditions, which may not be achieved. These conditions include (i) the consummation of the Transaction on the terms and conditions set forth in the Purchase Agreement, (ii) the absence of a material adverse effect with respect to NeoGenomics and Clarient, (iii) a consolidated total funded leverage multiple of NeoGenomics, after giving pro forma effect to completion of the Transaction, of not more than 3.75 times pro forma adjusted EBITDA for the trailing twelve month period as of the closing date, and (iv) the administrative agent under each Credit Facility having a perfected lien and security interest on our assets. If any of the conditions are not satisfied and we fail to receive the financing under the Credit Facilities, we may be unable to complete the Transaction.

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**We will incur substantial additional indebtedness in connection with the Transaction.**

We expect to incur $65.0 million of additional indebtedness under the Credit Facilities in order to pay the cash consideration and related fees and expenses in connection with the Transaction. Following the Transaction, we will also have $15.0 million of available borrowing capacity under the Revolving Credit Facility. As a result, following the Transaction we will have indebtedness that is substantially greater than our indebtedness prior to the Transaction. This higher level of indebtedness may:

- require us to dedicate a greater percentage of our cash flows to payments on our debt, thereby reducing the availability of cash flow to fund capital expenditures, pursue other acquisitions or investments in new technologies, make stock repurchases and for general corporate purposes;
- increase our vulnerability to general adverse economic conditions, including increases in interest rates as the borrowings bear interest at variable rates or if such indebtedness is refinanced at a time when interest rates are higher; and
- limit our flexibility in planning for, or reacting to, changes in or challenges relating to our businesses and industry, creating competitive disadvantages compared to other competitors with lower debt levels and borrowing costs.

We cannot assure you that cash flows, combined with additional borrowings under any future credit facility, will be available in an amount sufficient to enable us to repay our indebtedness, or to fund other liquidity needs.

In addition, we may incur substantial additional indebtedness in the future, which could cause the related risks to intensify. We may need to refinance all or a portion of our indebtedness on or before their respective maturities. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we are unable to refinance our debt, we may default under the terms of our indebtedness, which could lead to an acceleration of the debt. We do not expect that we could repay all of our outstanding indebtedness if the repayment of such indebtedness was accelerated.

In addition, for so long as any shares of our Series A Preferred Stock remain outstanding, in the event that we issue any other shares of capital stock or any unsecured debt securities for cash, we are required to apply at least 50% of the net cash proceeds to redeem shares of Series A Preferred Stock at the conversion price of $7.50 per share, subject to adjustments. See *Series A Preferred Stock Redemption at Option of the Holder Upon Future Capital Raise.* As a result, our ability to repay our outstanding indebtedness will be constrained by the fact that we will only receive half of the net cash proceeds from certain capital raising activities for as long as any of our Series A Preferred Stock remains outstanding.

**While the Transaction is pending, we will be subject to contractual limitations that could adversely affect our business.**

The Purchase Agreement restricts us from taking certain specified actions while the Transaction is pending without GE Medical s consent. These restrictions may prevent us from pursuing otherwise attractive business opportunities and making other changes to our business prior to closing of the Transaction or termination of the Purchase Agreement. See *The Stock Purchase Agreement Interim Covenants* beginning on page 75.

**The Transaction may result in a loss of customers and strategic alliances.**

As a result of the Transaction, some of our customers or strategic partners or those of Clarient may terminate their respective business relationships with us following the Transaction. In addition, potential customers or strategic partners may delay entering into, or decide not to enter into, a business relationship with us because of the Transaction. If customers or strategic alliances are adversely affected by the Transaction, our business and financial performance following the Transaction would suffer.

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**Uncertainties associated with the Transaction may cause a loss of management personnel and other key employees which could adversely affect our future business and operations following the Transaction.**

NeoGenomics and Clarient are dependent on the experience and industry knowledge of our respective officers, contracted pathologists and other key employees to execute our business plans. Our success after the Transaction will depend in part upon our ability to retain key management personnel and other key employees, including contracted ones. NeoGenomics and Clarient s current and prospective employees may experience uncertainty about their roles within NeoGenomics or other concerns regarding our operations following the Transaction, any of which may have an adverse effect on our ability to attract or retain key management and other key personnel. Accordingly, no assurance can be given that we will be able to attract or retain key management personnel and other key employees until the Transaction is completed or following the Transaction to the same extent that we have previously been able to attract or retain such employees.

**The Transaction is subject to a number of conditions, including the absence of certain legal or regulatory actions and the expiration or termination of any waiting or notice period under applicable antitrust laws. Any imposition of conditions to completion of the Transaction by a legal or regulatory authority could impair our ability to complete the Transaction on a timely basis, result in abandonment of the Transaction or otherwise have a material adverse effect on us.**

Completion of the Transaction is conditioned upon, among other matters, the absence of certain legal or regulatory actions and the receipt of certain governmental authorizations, consents, orders, clearances or other approvals. Notwithstanding termination of the waiting period under the Hart-Scott-Rodino Act, at any time before the closing of the Transaction, the U.S. Department of Justice, the U.S. Federal Trade Commission or others could take action under the antitrust laws with respect to the Transaction, including seeking to enjoin the completion of the Transaction or to require the divestiture of certain of our assets or those of Clarient. There can be no assurance that a challenge to the Transaction on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful. Any imposition of conditions to completion of the Transaction by a legal or regulatory authority could impair our ability to complete the Transaction on a timely basis, result in abandonment of the Transaction or otherwise have a material adverse effect on us. In addition, if we were to proceed with the Transaction despite the imposition of regulatory conditions or restrictions, our business, financial condition, results of operations, cash flows and the price of our common stock following completion of the Transaction could be adversely affected.

**Our right to recover for certain breaches of the covenants, agreements, representations and warranties made by GE Medical in the Purchase Agreement are limited.**

Pursuant to the Purchase Agreement, all covenants, agreements, representations and warranties made by the parties in the Purchase Agreement will survive for a period of 15 months following the closing of the Transaction, subject to certain exceptions for the fundamental representations. Subject to the terms, conditions and limitations set forth in the Purchase Agreement, GE Medical will indemnify us against any losses that are suffered or incurred by us resulting from or arising out of a breach of GE Medical s representations or warranties or covenants contained in the Purchase Agreement. However, other than instances of fraud and breaches of certain fundamental representations, GE Medical will not be liable for any losses unless and until the aggregate amount of losses that are suffered or incurred by us exceed $2.0 million, and then only for losses incurred by us that are in excess of this amount, subject to a limit on GE Medical s maximum aggregate liability for breaches of representations other than certain fundamental representations of $50.0 million. If we incur any material losses for which GE Medical will not provide indemnification, or if our losses are in excess of GE Medical s maximum aggregate liability, our financial condition could be materially and adversely affected.

We also have agreed to indemnify GE Medical for any breaches of our representations, warranties or covenants contained in the Purchase Agreement, subject to similar deductibles and limitations, including the maximum aggregate liability for breaches of representations other than certain fundamental representations of

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$50.0 million. If we are required to indemnify GE Medical for a material amount pursuant to the Purchase Agreement, our financial condition could be materially and adversely affected.

For more information, see *The Stock Purchase Agreement Limitations on Indemnification* beginning on page 85.

**Any delay in completing the Transaction may reduce or eliminate the benefits expected to be achieved thereunder.**

In addition to the required regulatory approvals and clearances, the Transaction is subject to a number of other conditions beyond our control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied.

Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the Transaction for a significant period of time or prevent it from occurring. Any delay in completing the Transaction could cause us not to realize some or all of the synergies and other benefits that we expect to achieve if the Transaction is successfully completed within its expected time frame. A delay could also increase the likelihood of customer and employee attrition prior to the Transaction being closed.

**The anticipated benefits of the Transaction may not be realized, which may adversely affect the value of our common stock.**

To be successful after the Transaction, we will need to combine and integrate our operations with those of Clarient. Integration will require substantial management attention and could detract attention from the day-to-day business of the combined company. We could encounter difficulties in the integration process, such as difficulties offering products and services across our expanded portfolio, the need to revisit assumptions about reserves, revenues, capital expenditures and operating costs, including synergies, the loss of key employees or customers or the need to address unanticipated liabilities. In addition, we cannot be assured that all of the goals and anticipated benefits of the Transaction will be achievable, particularly as the achievement of the benefits are in many important respects subject to factors that we do not control. These factors would include such things as the reactions of third parties with whom we enter into contracts and do business and the reactions of investors and analysts.

If we cannot integrate our business and that of Clarient successfully, we may fail to realize the expected benefits of the Transaction. We could also encounter additional transaction and integration costs, may fail to realize all of the benefits anticipated in the Transaction or be subject to other factors that affect preliminary estimates. Any of these factors could cause a decrease in our cash earnings per share or decrease and contribute to a decrease in the price of our common stock.

**We expect to incur substantial expenses related to the Transaction and the integration of Clarient with our business.**

We expect to incur a number of non-recurring costs in connection with the transaction, including financing costs and legal, banking, accounting and other professional fees. We also expect to incur integration costs associated with combining the companies and the achievement of synergies, which may be material. We are in the process of assessing such costs. There are many factors beyond our control that could affect the total amount or the timing of our transaction and integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. To the extent our transaction expenses are higher than anticipated or our integration costs are material, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

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**We may be unable to make, on a timely basis, necessary changes to our internal control structure resulting from the Transaction.**

Following completion of the Transaction, Clarient will be included in our reporting under the Exchange Act. Under the Sarbanes-Oxley Act of 2002, we must maintain effective disclosure controls and procedures and internal control over financial reporting. Clarient s internal control structure was previously assessed with regard to the broader environment of GE and was not subject to a stand-alone review for compliance within the requirements of the Sarbanes-Oxley Act. We will migrate Clarient s operations to our system of internal controls subsequent to the closing of the Transaction. Therefore, we may face difficulties or experience delays in developing changes or potentially necessary improvements to Clarient s internal controls and accounting systems in order to ensure compliance with the requirements of the Sarbanes-Oxley Act. We may need to commit substantial resources, including substantial time from existing accounting personnel and from external consultants, to implement additional procedures and improved controls. This in turn could have an adverse effect on our business, results of operations, or financial condition, harm our reputation, or otherwise cause a decline in investor confidence and our stock price.

**We may be unable to integrate Clarient s business with our own successfully. The Clarient business operates in a manner different from our own.**

The Transaction involves the combination of two companies that currently operate as independent companies. Following the Transaction, we will be required to devote significant management attention and resources to integrating Clarient s business practices and operations with our own. Potential difficulties we may encounter as part of the integration process include the following:

- the potential inability to successfully combine Clarient s business with our own in a manner that permits us to achieve the cost synergies expected to be achieved when expected, or at all, and other benefits anticipated to result from the Transaction;

- challenges optimizing the customer information and technology of the two companies, including the goal of consolidating to one laboratory information system and one billing system;

- challenges effectuating the diversification strategy, including challenges achieving revenue growth from sales of each company s products and services to the customers of the other company;

- complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;

- the potential disruption of, or the loss of momentum in, each company s ongoing businesses before the completion of the Transaction;

costs and challenges related to the integration of Clarient s internal controls over financial reporting with ours; and

potential unknown liabilities and unforeseen increased expenses or delays associated with the Transaction.

In addition, Clarient s business is operated in a manner different from the manner in which we operate our business, particularly with regard to digital pathology, immunohistochemistry, clinical trials and more professional component pathology work. We have limited experience managing operations similar to those of Clarient and the loss of Clarient management personnel and key employees could have an adverse effect on our ability to integrate and operate the Clarient business. We and Clarient have operated and, until the completion of the Transaction, will continue to operate independently. It is possible that the integration process could result in diversion of the attention of each company s management which could adversely affect each company s ability

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to maintain relationships with customers, suppliers, employees and other constituencies or our ability to achieve the anticipated benefits of the Transaction, or could reduce each company s earnings or otherwise adversely affect our business and financial results following the Transaction.

**The Transaction will result in changes to our Board that may influence our strategy and operations after the closing as compared to our strategy and operations prior to the Transaction.**

If we complete the Transaction, the composition of our Board will change. In connection with the Transaction, the authorized number of directors on the Board was increased from eight to ten directors, with one of the vacancies created by such increase to be filled after the closing by a director selected for appointment to the Board by GE Medical pursuant to the Investor Rights Agreement. In addition, while we have no current plans to appoint an additional director to fill the remaining vacancy, we may do so at any time. It is possible that the addition of new directors may influence our business strategy and operating decisions following completion of the Transaction.

**If the market price of our common stock increases prior to the completion of the Transaction, the market value of the our shares will increase correspondingly and, therefore, the fair value of the purchase price for Clarient will increase correspondingly.**

The number of shares of our common stock to be issued in connection with the Transaction will not be adjusted in the event of any increase or decrease in the market price of our common stock before the closing of the Transaction. As a result, the market value of our shares, as reflected in the market price of our common stock, may be substantially higher at the time of the closing of the Transaction than the market value at the time our Board approved the Transaction and the Purchase Agreement. The market price of our common stock may fluctuate due to, among other things, changes in our business, operations or prospects, market assessments of the likelihood of completion of the Transaction, the timing of the completion of the Transaction, investors views of the prospects for the combined entity, general market and economic conditions and other factors.

**Current stockholders will have reduced ownership and voting interests after the Transaction.**

We will issue to GE Medical 15.0 million shares of our common stock and 14,666,667 Series A Preferred Stock (as such number may be adjusted) as consideration in the Transaction. The NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, based on the number of our outstanding shares as of the Record Date. In addition, the NEO Preferred Shares will, in addition to their rights to vote separately on certain matters, vote with shares of our common stock as a single class on an as converted basis. Accordingly, if we issue all of the NEO Preferred Shares (and based on the number of our outstanding shares as of the Record Date), the NEO Shares issued to GE Medical will represent 32.9% of our total voting power upon closing of the Transaction, with our current stockholders owning the remaining 67.1% of the total voting power. As a result, the ownership and voting interests in us of our current stockholders will be significantly reduced immediately following the Transaction, and may be further reduced upon the conversion of shares of Series A Preferred Stock (including any additional shares of Series A Preferred Stock issued as PIK Dividends) into common stock if such preferred stock is not first redeemed. This reduction in ownership and voting interests will decrease the ability of our current stockholders to influence the election of directors and other matters. In addition, our current stockholders may experience dilution in their interest in our earnings per share.

After the third anniversary of the closing of the Transaction, holders of the Series A Preferred Stock will be permitted, under certain circumstances, to convert such shares into shares of common stock. Any such conversion will further dilute the ownership interests of our stockholders. See *Description of Capital Stock Preferred Stock Series A Preferred Stock* beginning on page 99.

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**The increase in our authorized capital stock as part of the Transaction will enable our Board to issue common stock without further stockholder approval and issue preferred stock with rights that may have an adverse effect on our common stockholders.**

In order to issue the shares of common stock and the Series A Preferred Stock as consideration in the Transaction, we are seeking the approval of our stockholders to, among other things, amend our Articles of Incorporation to (a) increase our authorized shares of common stock by 150.0 million shares to an aggregate of 250.0 million authorized shares of common stock and (b) increase our authorized shares of preferred stock by 40.0 million shares to an aggregate of 50.0 million shares of undesignated preferred stock, of which 14,666,667 shares will be designated Series A Preferred Stock and issued to GE Medical upon the closing of the Transaction and up to 10,775,454 shares may be designated Series A Preferred Stock if required to be issued as PIK Dividends.

The increases in our authorized shares of common stock and our preferred stock exceed the amount necessary for purposes of the Transaction. We may issue the additional shares of common stock, or securities convertible into shares of our common stock, following the completion of the Transaction, without further stockholder approval, subject to certain limitations imposed by NASDAQ. Any such issuances could be dilutive to our stockholders and could cause the price of our common stock to decline. In addition, the Board will have the authority, without further action by the holders of common stock, to issue the remaining shares of undesignated preferred stock in one or more series with rights and preferences designated from time to time by the Board. The Board may authorize the issuance of such preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. Furthermore, the existence of the authorized but unissued shares of preferred stock will enable the Board to render more difficult or to discourage a change of control of our company or changes in our management that our stockholders may deem advantageous.

**GE Medical will have significant influence over us and actions requiring general stockholder approval.**

Assuming the issuance of all of the NEO Shares, GE Medical will own approximately 32.9% of our total voting power immediately following the closing of the Transaction, based on the number of our outstanding shares as of the Record Date. This percentage may increase upon the conversion of shares of Series A Preferred Stock (including any additional shares of Series A Preferred Stock issued as PIK Dividends) into common stock if such preferred stock is not first redeemed. In connection with the Transaction, GE Medical will have the right to designate after the closing one director on our Board. In addition, the Investor Rights Agreement we will enter into with GE Medical at the closing of the Transaction will contain certain rights in favor of GE Medical, including requiring GE Medical s approval before we can further increase the size of our Board and providing GE Medical with the right to participate in future rights offerings to our current stockholders as if the NEO Preferred Shares had been converted into shares of common stock. The terms of the Series A Preferred Stock to be issued to GE Medical will provide that, without GE Medical s consent, we may not, among other things, repurchase outstanding shares of our common stock, or engage in certain other transactions. See *Description of Capital Stock Preferred Stock Series A Preferred Stock* beginning on page 99 for a discussion of the rights and preferences of the Series A Preferred Stock.

As a result, GE Medical will have significant influence over matters requiring stockholder approval, including future amendments to our Amended and Restated Articles of Incorporation or other significant or extraordinary transactions. GE Medical s interests may differ from the interests of our other stockholders with respect to certain matters.

In addition, having GE Medical as a significant stockholder may have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from seeking to acquire, a majority of our outstanding shares of common stock or control of the Board through a proxy solicitation.

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**Future sales of our common stock by GE Medical following the closing of the Transaction, or the perception that such sales may occur, could cause our stock price to decline.**

The shares of common stock we issue to GE Medical as consideration in the Transaction are restricted, but GE Medical may sell such shares following the Transaction under certain circumstances. Concurrent with the closing of the Transaction, we and GE Medical will enter into the Investor Rights Agreement, which will limit GE Medical s ability to sell its shares of our common stock for the specified lockup period, subject to volume limitations under Rule 144 under the Securities Act and other exceptions. We will also at the time of closing of the Transaction enter into a Registration Rights Agreement with GE Medical pursuant to which we are to file, upon expiration of the lockup period, a registration statement for the resale of common stock by GE Medical, which registration statement when declared effective will allow GE Medical to sell a significant number of shares of our common stock in a short period of time. The sale of a substantial number of shares of our common stock by GE Medical or our other stockholders or the perception that such sales may occur could cause our stock price to decline, make it more difficult for us to raise funds through future offerings of our common stock or acquire other businesses using our common stock as consideration.

**Our future results will suffer if we do not effectively manage our expanded operations following the Transaction.**

The Transaction is expected to result in a combined company with annual revenues in excess of $225.0 million. Our future success depends, in part, upon our ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that we will be successful following the Transaction.

**Our future results following the Transaction may differ materially from the unaudited pro forma financial information included in this proxy statement.**

The unaudited pro forma combined financial information contained in this proxy statement is presented for purposes of presenting our historical financial statements with Clarient s historical combined carve-out financial statements as adjusted to give effect to the Transaction, and is not necessarily indicative of the financial condition or results of operations of the combined companies following the Transaction. The unaudited pro forma combined financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Clarient s acquired assets and liabilities. The purchase price allocation reflected in this proxy statement is preliminary, and final allocation of the purchase price will be based upon the fair value of the assets and liabilities of Clarient as of the date of the completion of the Transaction. Such final purchase price allocations may also change since we are issuing shares of our commons stock in connection with the Transaction, and the market value of such shares at the closing of the Transaction may vary from the market value used in such preliminary purchase price allocations. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect our financial condition and results of operations following the Transaction. The Transaction will significantly increase net identifiable intangible assets and goodwill, which will be reviewed at least annually for impairment. Impairment may result from, among other things, deterioration in performance of the acquired company, customer attrition, adverse market conditions, adverse changes in applicable laws or regulations, including changes that restrict the activities of the acquired business, and a variety of other circumstances. Any change in our financial condition or results of operations may adversely affect the price of our common stock.

**Clarient may have liabilities that are not known, probable or estimable at this time.**

As a result of the Transaction, Clarient will become an indirect wholly owned subsidiary of ours, and we will effectively assume all of its past liabilities, whether or not asserted. There could be unasserted claims or assessments that we failed or were unable to discover or identify in the course of performing due diligence

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investigations of Clarient. In addition, there may be liabilities that are neither probable nor estimable at this time which may become probable and estimable in the future. We may learn additional information about Clarient that adversely affects us, such as unknown, unasserted or contingent liabilities and issues relating to compliance with applicable laws, including federal healthcare laws. For example, Clarient from time to time receives payments from the U.S. government. If the U.S. government were to assert that Clarient were not entitled to receive such payments in the amount provided, or at all, in light of applicable billing guidance, the government could impose fines and penalties, in addition to recovery of the overpayments, under federal healthcare laws. Any of the foregoing, individually or in the aggregate, could have a material adverse effect on our business.

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## SPECIAL MEETING OF NEOGENOMICS STOCKHOLDERS

We are furnishing this proxy statement to our stockholders as part of the solicitation of proxies by the Board for use at the special meeting of NeoGenomics stockholders to be held on December 21, 2015, and at any adjournment or postponement thereof. This proxy statement is first being mailed to stockholders of record on or about November 16, 2015.

### Date, Time and Place

The special meeting of NeoGenomics stockholders will be held on December 21, 2015 at 10:00 a.m. local time, at the Hyatt Regency Coconut Point Resort located at 5001 Coconut Road, Bonita Springs, Florida 34134.

### Purpose of the Special Meeting

At the special meeting, NeoGenomics stockholders will be asked to approve:

- the Stock Issuance;
- the Authorized Common Stock Charter Amendment;
- the Authorized Preferred Stock Charter Amendment;
- the Transaction Proposal;
- the Equity Incentive Plan Amendment; and
- the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

Stockholder approval of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal is a condition to closing the Transaction pursuant to the Purchase Agreement.

Under our bylaws, the business to be conducted at the special meeting will be limited to the purposes stated in the notice to stockholders provided with this proxy statement, except that each of the Board, the Chairman of the Board and our chief executive officer has the authority to submit additional matters to the stockholders.

### Voting; Quorum

Only stockholders of record at the close of business on November 6, 2015 are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Such stockholders are entitled to one vote on each matter submitted to stockholders at the special meeting for each share of our common stock held as of the Record

Date. At the close of business on the Record Date, there were 60,618,252 shares of our common stock issued and outstanding, and entitled to be voted at the special meeting, held by 530 holders of record. The presence at the special meeting, in person or by proxy, of the holders of a majority of the shares of our common stock issued and outstanding as of the Record Date will constitute a quorum.

All votes will be tabulated by the inspector of election appointed for the special meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. A broker non-vote occurs when a broker holding shares for a beneficial owner signs and returns a proxy with respect to those shares of stock held in a fiduciary capacity but does not vote on a particular matter because such broker does not have discretionary voting power with respect to that matter and has not received voting instructions from the beneficial owner. See *Voting Procedure Beneficial Owners of Shares Held in Street Name* below. Abstentions and broker non-votes are counted as present for purposes of determining whether there is a quorum for the transaction of business. Assuming a quorum is present, broker non-votes (if any) will have no effect on the

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proposals relating to the Stock Issuance, the Equity Incentive Plan Amendment, the Transaction Proposal or the adjournment of the special meeting, but will have the same effect as votes against the proposals relating to the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment.

The following are the voting requirements for each proposal:

*Proposal No. 1: Stock Issuance*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Stock Issuance. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of this proposal. Unvoted shares will have no effect on the outcome of this proposal.

*Proposal No. 2: Authorized Common Stock Charter Amendment*. Provided a quorum is present, the affirmative vote of a majority of the outstanding shares of common stock is required for the approval of the Authorized Common Stock Charter Amendment. Since this proposal must be approved by a majority of the outstanding shares of common stock, broker non-votes (if any), abstentions and unvoted shares will have the same effect as voting against this proposal.

*Proposal No. 3: Authorized Preferred Stock Charter Amendment*. Provided a quorum is present, the affirmative vote of a majority of the outstanding shares of common stock is required for the approval of the Authorized Preferred Stock Charter Amendment. Since this proposal must be approved by a majority of the outstanding shares of common stock, broker non-votes (if any), abstentions and unvoted shares will have the same effect as voting against this proposal.

*Proposal No. 4: Transaction Proposal.* Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Transaction Proposal. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the proposal. Unvoted shares will have no effect on the outcome of the proposal.

*Proposal No. 5: Equity Incentive Plan Amendment*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the Equity Incentive Plan Amendment. Broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the vote on this proposal. Unvoted shares will have no effect on the outcome of this proposal.

*Proposal No. 6: Adjournment*. Provided a quorum is present, the affirmative vote of a majority of the votes cast in person or by proxy is required for the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals. Accordingly, if a quorum is present, broker non-votes (if any) and abstentions will be counted for purposes of determining whether there is a quorum but will have no effect on the outcome of the vote on the proposal. Unvoted shares will have no effect on the outcome of the

proposal.

If a quorum is not present, however, the affirmative vote of a majority of the shares present in person or by proxy, and entitled to vote, is required for the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals. Accordingly, if a quorum is not present, broker non-votes (if any) and abstentions will have the same effect as voting against the proposal. Unvoted shares will have no effect on the outcome of the proposal.

**Voting Procedure**

*Stockholders of Record.* If your shares of our common stock are registered directly in your name with our transfer agent, Standard Registrar & Transfer Company, you are a stockholder of record. You may vote in person at the special meeting or by proxy. There are four ways stockholders of record can vote by proxy: (a) by

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telephone (by following the instructions on the proxy card); (b) via the Internet (by following the instructions on the proxy card); (c) by completing and returning the proxy card enclosed with these proxy materials prior to the special meeting; or (d) in person (by submitting a signed proxy card at the special meeting). Unless there are different instructions on the proxy card, all shares represented by valid proxies (and not revoked before they are voted) will be voted at the special meeting:

**FOR** the Stock Issuance;

**FOR** the Authorized Common Stock Charter Amendment;

**FOR** the Authorized Preferred Stock Charter Amendment;

**FOR** the Transaction Proposal;

**FOR** the Equity Incentive Plan Amendment; and

**FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

*Beneficial Owners of Shares Held in Street Name.* If your shares of our common stock are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the beneficial owner of shares held in street name, and such organization forwarded to you this proxy statement. Beneficial owners of shares held in street name can vote by proxy by following the instructions on the voting instruction form. Beneficial owners of shares held in street name can vote by proxy, by telephone or by Internet (so long as telephone or Internet voting is made available by the organization holding your account). The organization holding your account is considered the stockholder of record for purposes of voting at the special meeting. If you do not provide such organization with specific voting instructions, under the rules of the various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If such organization does not receive instructions from you on how to vote your shares on a non-routine matter, the organization will inform our inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker non-vote.

None of the proposals included in this proxy statement is considered a routine matter. Accordingly, if you do not provide voting instructions to your broker with respect to a proposal in this proxy statement, your broker may not exercise discretion and is prohibited from giving a proxy to vote your shares with respect to such proposal. Further effects of a broker non-vote are described under *Voting; Quorum* above.

**YOUR VOTE IS IMPORTANT. PLEASE VOTE WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON.**

**Even if you plan to attend the special meeting, we encourage you to read this proxy statement and the documents incorporated by reference into this proxy statement and submit your vote promptly so that your**

**shares of common stock will be represented and voted in accordance with your instructions.** Voting by telephone, via the Internet or by mailing your proxy card will not prevent you from voting in person, but will ensure that your vote is counted, if, for whatever reason, you are unable to attend the special meeting.

You may revoke your proxy at any time before it is actually voted at the special meeting by:

- delivering written notice of revocation to NeoGenomics, Inc., 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913, Attention: Fred Weidig, Corporate Secretary;
- submitting a later dated proxy; or
- attending the special meeting and voting in person.

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Your attendance at the special meeting will not, by itself, constitute a revocation of your proxy. You may also be represented by another person present at the special meeting by executing a form of proxy designating that person to act on your behalf.

Shares may only be voted by or on behalf of the record holder of shares as indicated in our stock transfer records. If you are a beneficial owner of our shares, but those shares are held of record by another person such as a brokerage firm or bank, then you must provide voting instructions to the appropriate record holder so that such person can vote the shares. In the absence of such voting instructions from you, the record holder may not be entitled to vote those shares.

**Adjournments and Postponement**

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any signed proxies we receive in which no voting instructions are provided on such matter will be voted **FOR** the adjournment proposal. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

**Solicitation**

This solicitation is made on behalf of the Board, and we will pay the costs of solicitation. Copies of solicitation materials will be furnished to banks, brokerage firms and other custodians, nominees and fiduciaries holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners upon request. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to our stockholders. In addition to the solicitation of proxies by mail, our directors, officers and employees may solicit proxies by telephone, electronic mail, letter, facsimile or in person. No additional compensation will be paid to these individuals for any such services, except that we have agreed to pay Aspen Capital Advisors, LLC, for which Steven Jones, our Executive Vice President, Finance and a member of the Board, is managing director, $250 thousand, plus reasonable fees and disbursements, for certain services, including assisting us in soliciting the stockholder approval required to consummate the Transaction. The payment of this fee is subject to the consummation of the Transaction. See *The Transaction Interests of Certain Persons in the Transaction* for additional information. We have engaged Alliance Advisors, LLC to assist in the solicitation of proxies for the special meeting and will pay Alliance Advisors, LLC a fee of approximately $8,500, plus reimbursement of out-of-pocket expenses.

**Recommendation of the NeoGenomics Board of Directors**

**AFTER CAREFUL CONSIDERATION, THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE PROPOSALS INCLUDED IN THIS PROXY STATEMENT.**

**Stockholder Proposals for 2016 Annual Meeting**

To have a proposal intended to be presented at our 2016 Annual Meeting of Stockholders be considered for inclusion in the proxy statement and form of proxy relating to that meeting, a stockholder must deliver written notice of such proposal in writing to the Corporate Secretary at our corporate headquarters no later than December 31, 2015. Such proposal must also comply with the requirements as to form and substance established by the SEC for such a proposal to be included in the proxy statement. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

**Assistance**

If you need assistance in completing your proxy card or have suggestions regarding the special meeting, please contact Alliance Advisors, LLC, our proxy solicitor, by telephone at (855) 325-6670 (toll-free) or via email at evote@viewproxy.com.

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## THE TRANSACTION

*At the special meeting, our stockholders will be asked to consider and vote upon proposals to approve the Stock Issuance and the Transaction. Set forth below in this section, and in the section entitled The Stock Purchase Agreement beginning on page 72, is a discussion of the proposed Transaction, including a description of the terms and conditions of the Purchase Agreement. You should review these sections carefully in connection with your consideration of the proposals included in this proxy statement.*

### General Description of the Transaction

On October 20, 2015, NeoGenomics, NeoGenomics Laboratories and GE Medical entered into the Purchase Agreement.

Pursuant to the Purchase Agreement, NeoGenomics Laboratories, a wholly owned subsidiary of NeoGenomics, will acquire from GE Medical all of the issued and outstanding shares of common stock, par value $0.01 per share, of Clarient, Inc. for an aggregate purchase price of approximately $301.4 million, based on the closing price of our common stock on November 10, 2015, the most recent practicable date prior to the date of this proxy statement. The purchase price consists of (1) $80.0 million in cash, (2) the NEO Common Shares, totaling 15.0 million shares of NeoGenomics common stock, and (3) the NEO Preferred Shares, totaling 14,666,667 shares of NeoGenomics Series A Preferred Stock. By delivering notice to GE Medical not later than two business days prior to the closing date of the Transaction, we have the right to increase the amount of the cash portion of the purchase price by up to $110.0 million, which we may fund, in whole or in part, by public or private sale of common stock or certain debt securities, as described under *Proposal No. 4 Transaction Proposal* . Any such increase in the cash consideration will result in a corresponding reduction in the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any such increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares. The cash portion of the purchase price to be paid at the closing of the Transaction will be adjusted to account for any increase in the cash portion of the purchase price as discussed above, estimated differences in working capital at the closing of the Transaction compared to the target working capital of $27.0 million, certain indebtedness of Clarient and cash and cash equivalents of Clarient.

Upon closing of the Transaction, Clarient will become a wholly owned subsidiary of NeoGenomics Laboratories. The Board believes that the Transaction will be beneficial because it is expected to result in the following anticipated benefits, among others:

- enhanced cancer diagnostic testing capabilities, combining the best products and services of each company into a single source of advanced cancer genetic testing services for the benefit of hospitals, community-based pathology practices and clinicians, and the patients they treat;

- greater capability of combined medical staff and research and development teams to continue to invest in innovation to create a sustainable leadership position in the rapidly evolving field of cancer genetics testing;

- greater capability with combined expertise, information systems and processes to compete in the high growth area of biopharmaceutical testing for the benefit of current and new biopharmaceutical customers;

broadened geographical access to clients for the benefit of managed care organizations, accountable care organizations and large health care delivery systems;

the ability to cross-sell products and services to each company s current customer base;

increased scale of laboratory operations, information technology, and medical staff to drive greater productivity and efficiencies to be a lowest cost provider, and to offer constantly improving service for the benefit of clients;

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- the ability to achieve significant cost synergies by applying best practices, eliminating duplicative processes, increasing volume of testing and reducing high fixed-cost infrastructure;

- increased ability to optimize administrative, regulatory and compliance resources to meet the increasing demands on laboratories by regulatory organizations; and

- greater size, with annual pro forma revenues of approximately $225.0 million and estimated Adjusted EBITDA of between $33.0 and $38.0 million, and higher market capitalization.

In addition, we believe that, given the favorable strategic fit and potential to generate sizable cost synergies, the Transaction will be accretive to our 2016 cash earnings per share (net income adjusted for non-cash items including stock-based compensation, depreciation and amortization), excluding costs of the Transaction and integration activities.

The closing of the Transaction is subject to various customary closing conditions, including regulatory approval and approval of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal by our stockholders. The Purchase Agreement contains customary representations and warranties made by each of NeoGenomics, NeoGenomics Laboratories and GE Medical and contains certain termination rights for both NeoGenomics and GE Medical, which provide that NeoGenomics must pay certain termination fees to GE Medical under certain circumstances.

Concurrent with the closing of the Transaction, NeoGenomics and GE Medical also will enter into the Investor Rights Agreement and the Registration Rights Agreement. The Investor Rights Agreement will govern certain rights of and restrictions on GE Medical in connection with the NEO Shares that GE Medical will own following the Transaction. Among other things, the Investor Rights Agreement includes certain director appointment and nomination rights in favor of GE Medical and obligates GE Medical, subject to certain limitations, to vote its shares of our common stock in favor of the Board s director slate at each stockholders meeting at which directors are to be elected. The Investor Rights Agreement also provides for certain restrictions on GE Medical s ability to acquire additional shares of NeoGenomics common stock during the 48 month period following closing of the Transaction. In addition, the Investor Rights Agreement includes limitations on transfers by GE Medical of shares of our common stock for a period ending on the earlier of (a) two years from the closing of the Transaction and (b) 6 months after we have redeemed all of the NEO Preferred Shares. Pursuant to the terms of the Registration Rights Agreement, we are required to file on or before the earlier of (i) 21 months following the closing of the Transaction and (ii) 6 months after we redeem all of the NEO Preferred Shares held by GE Medical, a registration statement for the offer and sale of the NEO Common Shares and any shares of our common stock issuable upon conversion of the NEO Preferred Shares. The agreement also provides GE Medical with customary demand and piggyback registration rights with respect to such shares.

In order to finance the Transaction, we will enter into the Term Loan Facility, which will provide for a term loan in an aggregate principal amount of $55.0 million, and the Revolving Credit Facility for up to $25.0 million.

The Purchase Agreement, Investor Rights Agreement, the Registration Rights Agreement and certain other agreements entered into in connection with the Transaction are discussed more fully below.

**The Companies**

*NeoGenomics, Inc.*

We operate a network of cancer-focused genetic testing laboratories whose mission is to improve patient care through exceptional genetic and molecular testing services. Our vision is to become America s premier cancer genetic testing laboratory by delivering uncompromising quality, exceptional service and innovative products and services. We have laboratory locations in Ft. Myers and Tampa, Florida; Fresno, Irvine, and West Sacramento, California; and Nashville, Tennessee, and currently offer cytogenetic, fluorescence in-situ hybridization, flow cytometry, immunohistochemistry and molecular testing services, as well as pathology consultation services.

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The cancer testing services we offer to community-based pathologists are designed to be a natural extension of, and complementary to, the services that they perform within their own practices. We believe our relationship as a non-competitive partner to community-based pathology practices and hospital pathology labs empowers them to expand their breadth of testing and provide a menu of services that matches or exceeds the level of service found in academic centers of excellence around the country. Community-based pathology practices and hospital pathology labs may order certain testing services on a technical component only basis, which allows them to participate in the diagnostic process by performing the professional component interpretation services without having to hire laboratory technologists or purchase the sophisticated equipment needed to perform the technical component of the tests. We also support our pathology clients with interpretation and consultative services on difficult or complex cases and provide overflow interpretation services when requested by clients.

In areas where we do not provide services to community-based pathology practices and/or hospital pathology labs, we may directly serve oncology, dermatology, urology and other clinician practices that prefer to have a direct relationship with a laboratory for cancer-related genetic and molecular testing services. We typically service these types of clients with a global service offering where we perform both the technical and professional components of the tests ordered. However, in certain instances larger clinician practices have internalized pathology interpretation services, and our tech-only service offering allows these larger clinician practices to also participate in the diagnostic process by performing the professional component interpretation services on technical component only testing performed by us.

NeoGenomics has one of the most extensive molecular testing menus of any laboratory in the world. This includes over 120 tests including NeoTYPE panels, which allow pathologists and oncologists a comprehensive view of multiple genes that can help to guide the proper treatment of cancer patients. Our molecular testing offerings have helped to attract new clients including leading academic and university hospitals. Our research and development department has expertise in bringing up new molecular tests, and is constantly working to expand and upgrade our test offerings. NeoGenomics is committed to innovation and to maintaining its leadership position in the field of cancer genetic testing.

NeoGenomics, Inc. (formerly known as American Communications Enterprises, Inc.) is a Nevada corporation that was incorporated in 1998. Our principal executive offices are located at 12701 Commonwealth Drive, Suite 9, Fort Myers, Florida 33913. Our telephone number is (239) 768-0600.

*Clarient*

Clarient specializes in advanced oncology diagnostic services, as well as nucleic acid sequencing and other genomic services. Clarient is located in Aliso Viejo, California and Houston, Texas. Clarient combines innovative technologies, clinically meaningful diagnostic tests, pathology expertise and genomics capabilities to provide services that assess and characterize cancer for physicians treating their patients, as well as for biopharmaceutical companies in the process of clinically testing various therapies. Clarient conducts its business through Clarient Diagnostic Services, Inc., a wholly owned subsidiary of Clarient, Inc., which is wholly owned indirectly by GE.

Clarient s focus is on cancer diagnostic services within the competitive clinical laboratories sector in which it operates. Clarient commercializes its services through its developed channels with community pathologists, oncologists, universities, hospitals and pharmaceutical researchers. Clarient s diagnostics tests utilize biomarkers which are present in human tissues, cells, or fluids to aid in understanding a cancer patient s diagnosis, prognosis, and expected outcome from the use of specific therapeutics. Clarient believes that diagnostic tests which utilize biomarkers help bring clarity at critical decision-making points related to cancer treatment for healthcare providers and the biopharmaceutical industry.

Clarient is a Delaware corporation that was incorporated in 1993. Its principal executive offices are located at 31 Columbia, Alisa Viejo, California 92656. Its telephone number is (949) 425-5700.

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*GE Medical*

GE Medical is a holding company of businesses managed within GE Healthcare, a division of GE that also comprises controlled subsidiaries of GE. GE Healthcare provides essential healthcare technologies with expertise in medical imaging, software and information technology (IT), patient monitoring and diagnostics, drug discovery, biopharmaceutical manufacturing technologies and performance improvement solutions primarily for hospitals, medical facilities, pharmaceutical and biotechnology companies, and life science research worldwide.

GE Medical is a private limited company (*privat aktiebolag*) organized under the laws of the Kingdom of Sweden founded in 2003. Its principal executive offices are located at Björkgatan 30, 75184 Uppsala, Sweden. Its telephone number is +46 18 6120000.

GE Medical is the parent company of Clarient (a wholly owned subsidiary of GE).

**Background of the Transaction**

As part of their ongoing oversight and management of our business, the Board and our senior management regularly review and assess our business performance, prospects and risks and periodically consider and adjust our long-term goals and overall strategic direction. In the course of these discussions, the Board and senior management have evaluated, in light of then-current economic, regulatory, competitive and other conditions, the possibility and advisability of pursuing various strategic alternatives that might complement and strengthen our business and enhance stockholder value. At Board meetings during the first three quarters of 2014, our senior management, who were familiar with Clarient s operations in the cancer diagnostics industry, had identified Clarient as a potential acquisition target or strategic partner based on the complementary nature of Clarient s business.

On November 6, 2014, following a series of discussions with other directors and members of our senior management, Douglas VanOort, our Chief Executive Officer and Chairman of the Board, contacted Jeffrey Immelt, the Chairman and Chief Executive Officer of General Electric Company, to discuss the possibility of a strategic transaction involving NeoGenomics and Clarient, which is an indirect wholly owned subsidiary of General Electric Company managed through GE Healthcare.

Following his initial contact with Mr. Immelt, Mr. VanOort was introduced to Markus Ewert, the Executive Vice President, Business Development of GE Healthcare, and on November 20, 2014, Mr. VanOort held a telephonic meeting with Mr. Ewert and Yves Dubaquié, the Managing Director, Business Development, GE Healthcare Life Sciences, to discuss our interest in exploring the possibility of a strategic transaction with Clarient. During the conversation, Messrs. VanOort, Ewert and Dubaquié agreed that combining the capabilities of NeoGenomics and Clarient could be beneficial to both companies and agreed that it would be mutually desirable to further explore potential transaction structures.

Our senior management continued discussions with GE Healthcare representatives following the November 20, 2014 telephonic meeting, including a meeting held on January 13, 2015, at which Mr. VanOort and Steven Jones, one of our directors and our Executive Vice President of Finance, met in person with Messrs. Ewert and Dubaquié to discuss and explore the potential financial implications and possible synergies and strategic benefits that might arise from a combination of NeoGenomics and Clarient.

On January 20, 2015, we entered into a confidential non-disclosure agreement with GE Healthcare. Over the following two weeks, our senior management and GE Healthcare representatives exchanged high-level financial information and other high-level business diligence materials. During this period, our senior management began to

formulate and refine the basic terms under which we might consider acquiring Clarient. On February 3, 2015, Messrs. VanOort and Jones contacted Messrs. Ewert and Dubaquié to communicate a preliminary indication of interest, subject to additional, more detailed due diligence procedures, for our acquisition of Clarient for $251.6 million, consisting of $125.8 million in cash and $125.8 million worth of common stock.

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At a regularly scheduled Board meeting on February 6, 2015, our senior management updated the Board on the nature and substance of management s discussions with GE Healthcare and reviewed with the Board structure and strategy for our acquisition of Clarient. Following the discussion at the meeting, the Board directed senior management to continue to explore the potential acquisition.

On February 12, 2015, Messrs. VanOort and Jones spoke by telephone with Mr. Ewert, Mr. Dubaquié, Travis Lacey, a Managing Director, Business Development, GE Healthcare, and Kevin O Neill, Chief Financial Officer, GE Healthcare Life Sciences. During the telephonic meeting, the representatives of GE Healthcare provided their initial response to our preliminary indication of interest, indicating that GE Healthcare did not consider the proposed purchase price sufficient to support moving forward with the transaction. After the meeting, Mr. VanOort provided an update to the Board regarding GE Healthcare s response.

Following the February 12, 2015 telephonic discussion, our senior management, after reviewing additional financial and other diligence information regarding Clarient received from GE Healthcare, reevaluated the amount that we might be willing to offer to acquire Clarient. Based on the new information, senior management determined, based upon their background, knowledge and experience in the industry and consistent with prior instructions from the Board, that we could increase our proposed purchase price to $349 million, consisting of $157 million in cash and $192 million of convertible preferred stock with a conversion price of $5.22 per share, subject to successful completion of our due diligence activities.

On February 16, 2015, Messrs. VanOort and Jones communicated our revised proposal to GE Healthcare in a telephonic discussion with Messrs. Ewert, Dubaquié, Lacey and O Neill. Based on the revised proposal, the GE Healthcare representatives indicated GE Healthcare would be willing to move forward with further negotiations. The parties discussed the potential synergies and timing of the transaction as well as the percentage ownership of our equity securities that GE Healthcare would hold following our issuance of preferred stock in the transaction. Following the meeting, Mr. VanOort provided an update to the Board delineating the revised proposal and indicating the intention of NeoGenomics and GE Healthcare to continue to negotiate and to evaluate the potential transaction.

On February 23, 2015, Mr. VanOort met with Kieran Murphy, the President and Chief Executive Officer of GE Healthcare Life Sciences, to continue discussions regarding the potential transaction. Following the meeting, Mr. VanOort provided the Board with an update on his discussion with Mr. Murphy.

In March and the first half of April 2015, our senior management engaged in several in-person and telephonic meetings with GE Healthcare representatives during which the participants arranged and performed additional due diligence on both parties and discussed strategic planning and the post-closing integration of Clarient and NeoGenomics. On March 17, 2015, and March 31, 2015, Mr. VanOort provided the Board with additional updates regarding the status of discussions with GE Healthcare.

At a regularly scheduled Board meeting on April 16, 2015, our senior management updated the Board regarding the status of discussions and due diligence activities surrounding the potential transaction with Clarient. The Board received detailed presentations regarding the possible transaction, including a review and analysis of the revised proposal by senior management. After the discussion, the Board directed senior management to evaluate additional transaction considerations and to conduct further due diligence.

Following the April 16, 2015 Board meeting, Mr. VanOort contacted Cindy Collins, the Chief Executive Officer of Clarient, to discuss our acquisition proposal and our proposed strategy for the combined companies. On April 20, 2015, Mr. Lacey called Mr. VanOort to confirm GE Healthcare s continued desire to pursue the proposed transaction. Mr. Lacey advised Mr. VanOort that GE Healthcare intended to engage Leerink Partners LLC as financial advisor and

Paul Hastings LLP as legal counsel in connection with the proposed transaction.

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From April 24, 2015 through the first half of May 2015, representatives of NeoGenomics and GE Healthcare engaged in a number of discussions regarding transaction terms, due diligence on both parties, required financial statements and transaction timing. On May 6, 2015, Mr. VanOort provided an update to the Board regarding the status of negotiations and the anticipated delivery date of combined carve-out financial statements of Clarient.

On May 12, 2015, our senior management discussed with Crowe Horwath LLP, an independent registered public accounting firm, the financial statement and other accounting requirements associated with the stockholder approval process that would be needed to consummate the proposed transaction.

On May 15, 2015, Mr. VanOort held a telephonic meeting with Doug Brown, Senior Managing Director, Investment Banking of Leerink, to discuss the status of the preparation of Clarient s combined carve-out financial statements. In response to a suggestion by Mr. Brown that we might need to reaffirm our proposed purchase price before proceeding with in-depth due diligence meetings, Mr. VanOort explained that we would need additional information from GE Healthcare before we would be comfortable reaffirming the proposed terms.

On May 22, 2015, Mr. Lacey advised Mr. VanOort that KPMG LLP, an independent registered public accounting firm engaged by GE Healthcare, had commenced its audit process for the combined carve-out financial statements of Clarient. On May 27, 2015, Mr. VanOort contacted Mr. Lacey to discuss, among other things, entry into an exclusivity agreement.

On June 2, 2015, Mr. VanOort provided an update to the Board on the status of the negotiations and the then-existing expectations regarding the timing of preparation of the combined carve-out financial statements of Clarient.

On June 16, 2015, our senior management met with GE Healthcare representatives and advisors, including representatives of Leerink, to discuss the proposed terms and timing of the transaction and the strategy of the combined companies. On June 17, 2015, our senior management participated in management presentations with GE Healthcare and Clarient representatives and advisors, during which, among other things, GE Healthcare representatives provided information to us regarding Clarient. In addition, our senior management also discussed the background of NeoGenomics and additional information with GE Healthcare representatives and advisors. Later that day, Mr. VanOort and George Cardoza, our Chief Financial Officer, held a meeting with Mr. Lacey and a representative of Leerink during which, among other things, Mr. Lacey proposed that Paul Hastings begin to prepare the first draft of a definitive stock purchase agreement for the proposed transaction. During this discussion, GE Healthcare representatives requested that we reaffirm the proposed purchase price during the week of July 6, 2015 based on Clarient s preliminary carve-out financials.

On June 23, 2015, Mr. VanOort, Mr. Cardoza and Fred Weidig, our Principal Accounting Officer, met with GE Healthcare representatives and financial and accounting advisors for GE Healthcare, to discuss the combined carve-out financial statements and the timeline and scope of the audit of those financial statements.

On July 1, 2015, Mr. VanOort provided an update to the Board regarding the status of discussions and due diligence surrounding the proposed transaction. The update included due diligence findings relating to Clarient s preliminary financial results and recommended that the proposed purchase price be reduced to account for such findings. In follow-up informal communications with senior management, our directors expressed support for the reduction in the proposed purchase price.

During July 2015, our senior management and GE Healthcare representatives continued mutual due diligence and negotiations regarding the potential transaction. On July 10, 2015, Mr. VanOort held a telephonic conversation with Mr. Ewert during which Mr. VanOort discussed the progress of the transaction, GE Healthcare s post-closing

ownership of our capital stock and the strategy for the combined companies and Mr. Ewert expressed continued support for continuing discussions regarding the transaction.

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On July 14, 2015, Mr. VanOort had a telephonic meeting with Mr. Brown of Leerink to discuss alternative structures and the proposed purchase price. In particular, Mr. VanOort informed Mr. Brown that the Board, based on the due diligence conducted by our senior management including our review and analysis of Clarient s carve-out financials, had expressed concern about the operating results of Clarient compared to our original assumptions and supported a reduction in our proposed purchase price for Clarient.

On July 16, 2015, the Board held a regularly scheduled meeting at which representatives of K&L Gates LLP, our legal counsel, were present. At the meeting, the Board reviewed a detailed summary of due diligence findings and the negotiations between NeoGenomics and GE Healthcare regarding the structure and value of the proposed transaction. Following discussion of the summary and presentations by senior management, the Board expressed support for the submission to GE Healthcare of a revised proposal to acquire Clarient for $301 million, of which up to $80 million would be in cash (including funds to be borrowed) and the remainder would be comprised of equity securities.

On July 17, 2015, in accordance with the directions of the Board, Messrs. VanOort and Jones discussed with Mr. Brown of Leerink a revised proposal to acquire Clarient for $301 million, of which $80 million would be in cash and the remainder would consist of preferred stock having an issue price equal to the greater of $7.50 per share and 115% of the 20-day average closing price of our common stock prior to the execution of the stock purchase agreement. Messrs. VanOort and Jones explained our debt-financing capacity and the potential terms of the preferred stock. Mr. Brown, after consulting with GE Healthcare regarding the revised proposal, contacted Mr. VanOort to discuss GE Healthcare s concerns and possible alternative structures. On July 18, 2015, Mr. VanOort provided an update to the Board regarding the status of the negotiations for the potential transaction.

On July 20, 2015, Mr. Brown contacted Mr. VanOort to discuss GE Healthcare s deliberations and to discuss alternative structures in which the proposed purchase price would be comprised of relatively equal amounts of cash, common stock and preferred stock. Mr. VanOort expressed support for the use of common stock as one of the components of the transaction consideration and suggested that the parties further explore possible structures that would include common stock.

On July 22, 2015, Mr. Brown of Leerink, after consultation with GE Healthcare, contacted Mr. VanOort to advise Mr. VanOort that GE Healthcare did not accept the proposal we had made on July 17, 2015 and counter proposed a purchase price of $330 million, comprised of $100 million in cash, $150 million of common stock and $80 million of preferred stock. During the call, Mr. VanOort advised Mr. Brown that GE Healthcare s counterproposal was not acceptable. In response, Mr. Brown requested that we consider alternatives and then provide a revised proposal. On July 23, 2015, Mr. Brown again contacted Mr. VanOort to discuss the proposed structure and GE Healthcare s willingness to enter into an exclusivity agreement, subject to reaching an understanding on transaction terms.

On July 28, 2015, the Board held a special telephonic meeting, attended by representatives of K&L Gates, at which Messrs. VanOort and Jones provided an update on the status of the transaction negotiations and discussed a suitable revised proposal in response to GE Healthcare s proposal of July 22. Following the presentation and related deliberations, the Board directed senior management to submit to GE Healthcare a counterproposal of $305 million, comprised of $80 million cash, $100 million of common stock and $125 million of preferred stock. The common stock would be issued at the greater of $7.00 or a 10% premium to a 20 day average closing price prior to closing of the transaction. The preferred stock would convert into common at the greater of $7.50 or a 15% premium to the 20 day average closing price prior to closing of a transaction and would automatically convert into our common stock if the common stock traded at or above a 25% premium to the conversion price for 20 days.

On July 29, 2015, Messrs. VanOort and Jones contacted representatives of Leerink to discuss the counterproposal approved by the Board and subsequently submitted the counterproposal to Messrs. Lacey and

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Murphy. Later that day, Mr. Brown contacted Mr. VanOort to discuss GE Healthcare s concerns regarding the Board-approved counterproposal and suggested that additional shares of common stock be issued and that the conversion price of the preferred stock be revised.

On July 30, 2015, Mr. VanOort held a telephonic meeting with Messrs. Lacey, Murphy and Brown. During the call, Mr. Murphy expressed GE Healthcare s desire to be a partner in the combined companies and to explore potential growth initiatives for the combined companies. Mr. Murphy indicated that GE Healthcare was receptive to the overall valuation but suggested that the number of shares of common stock included in the proposed purchase consideration be fixed at 16 million.

On July 31, 2015, the Board held a special telephonic meeting, in which representatives of K&L Gates participated, to receive an update on the transaction negotiations. Messrs. VanOort and Jones reviewed the details of the most recent GE Healthcare proposal and provided an outline of a new counterproposal of $296 million, which would consist of $80 million in cash, 15 million shares of common stock, and $125 million of preferred stock with a conversion price equal to the greater of $7.50 per share and 115% of the 20-day average closing price of our common stock prior to the execution of the stock purchase agreement. The preferred stock would be convertible into common stock at our option at any time after our common stock trades above 125% of the preferred stock s conversion price for 20 consecutive days and at any time after 3 years from the issue date. The Board expressed its support for this revised proposal and, at the direction of the Board, senior management conveyed the counterproposal to GE Healthcare promptly after the Board meeting.

On August 3 and 4, 2015, Mr. Brown had multiple discussions with Mr. VanOort to discuss our latest counterproposal, GE Healthcare s concerns with the terms of the preferred stock, and possible alternative consideration structures. In particular, Mr. Brown conveyed GE Healthcare s request that the preferred stock be redeemable by us within five years of issuance at a redemption price equal to the conversion price plus any paid-in-kind dividends. If the preferred stock were not redeemed within the first five years, the preferred stock and any paid-in-kind dividends would automatically convert into common stock at the original conversion price. No paid-in-kind dividends would be due or payable within the first year after issuance. Mr. VanOort confirmed that we would consider the proposal.

On August 6, 2015, our senior management provided GE Healthcare with a summary of proposed terms that reflected consideration with a total estimated value of $295 to $300 million, which would be comprised of $80 million in cash, 15 million shares of common stock having a value of $90 million based on the August 5, 2015 closing price of our common stock, and $125 million of preferred stock with a conversion price equal to the greater of $7.00 and 115% of the 20-day average closing price of our common stock prior to the execution of the stock purchase agreement. Beginning on Jan 1, 2018, the preferred stock dividends would accrue quarterly in arrears at 2.0%, 3.0%, and 4.0% per annum in 2018, 2019 and 2020, respectively. The preferred stock would also be redeemable at our option at any time at the conversion price and would automatically convert into common stock at the earlier of a change of control or December 31, 2020 if it were still outstanding. Additionally, we requested a 30-day period of exclusivity to begin upon our receipt of Clarient s audited combined carve-out financial statements.

On August 7, 2015, our senior management, representatives of K&L Gates and representatives of GE Healthcare discussed the summary of proposed terms we had provided on August 6, 2015, and exchanged revised drafts of the summary of terms to reflect discussions during the course of the day. The terms were revised to increase cash consideration from $80 million to $85 million, remove our option to force conversion of GE Healthcare s preferred shares into common shares, cause paid-in-kind dividends to begin accruing on January 1, 2017 at 4.0% per annum, and require that 50% of any proceeds from our future equity issuances be used to redeem shares of preferred stock issued to GE Healthcare. The parties confirmed their mutual understanding of these revised terms, subject to continuing due diligence by both parties and negotiation of definitive documentation. GE Healthcare indicated to us

that it was prepared to move forward with negotiations of definitive terms, to expand the scope of due diligence activities and to complete the audit of the combined carve-

out financial statements for Clarient for calendar years 2012, 2013 and 2014. On August 8, 2015, Mr. VanOort provided an update to the Board as to, among other things, the revised summary of terms reflecting the then-current deal structure that would be the basis for negotiations of definitive terms.

On August 11, 2015, the Board held a special telephonic meeting at which our senior management updated the Board regarding the status of discussions surrounding the potential transaction, including the recent progress in resolving deal structure issues. At the meeting, the Board approved our engagement of Stephens Inc. to assist with the arrangement of bank financing to help fund the proposed transaction. The Board selected Stephens based on, among other things, the firm s familiarity with NeoGenomics, its reputation in providing favorable debt financing terms and our senior management s recommendation following conversations with Stephens and other potential arrangers. Following presentations and discussions at the meeting, the Board directed senior management to continue to pursue discussions regarding the potential transaction on the terms discussed.

On August 13, 2015, Messrs. VanOort and Jones contacted Houlihan Lokey to discuss the possible engagement to provide a financial opinion in connection with the proposed transaction and the terms and conditions of such an engagement. Following that conversation, senior management identified Houlihan Lokey as the preferred firm to provide a financial opinion based upon, among other things, the firm s general reputation and expertise, its expertise in similar transactions, the proposed terms of its engagement and available information regarding terms of its financial advisory engagements in recent comparable transactions. On August 14, 2015, Mr. VanOort discussed the possible retention of Houlihan Lokey with Raymond Hipp, the Chair of the Board s Audit Committee, and, separately, Lynn Tetrault, the Chair of the Board s Nominating and Corporate Governance Committee. Later that day, we formally engaged Stephens and, on August 17, 2015, Houlihan Lokey, based in part on Mr. VanOort s conversations with Mr. Hipp and Ms. Tetrault.

Through the remainder of August and September, representatives and advisors of NeoGenomics and GE Healthcare engaged in a number of discussions regarding, among other things, due diligence on both parties, the preparation of the combined carve-out financial statements of Clarient, and potential synergies and financial projections of the combined companies. Over this period, we continued discussions with GE Healthcare regarding an exclusivity agreement and the transaction terms and we engaged in several meetings with Stephens and potential lenders to arrange bank financing for the transaction. On August 21, 2015, Mr. VanOort provided an update to the Board on the status of due diligence and discussions surrounding the potential transaction and financing.

On August 28, 2015, Paul Hastings provided to NeoGenomics and K&L Gates initial drafts of the exclusivity agreement and the stock purchase agreement. On September 2, 2015, Mr. VanOort described to GE Healthcare representatives certain issues with the terms and conditions of the stock purchase agreement and discussed the timing of a revised draft.

On September 4, 2015, Mr. VanOort met with Mr. Murphy and John Flannery, the President and Chief Executive Officer of GE Healthcare, to discuss various transaction-related matters and the merits of combining the two businesses.

On September 8, 2015, Mr. Lacey contacted Mr. VanOort to continue negotiations regarding the terms and conditions of an exclusivity arrangement. On September 9, 2015, Paul Hastings delivered to NeoGenomics and K&L Gates a revised version of the exclusivity agreement, which provided customary exclusivity terms for a period commencing on the date of execution and extending through the earlier of (a) 20 days commencing on the date on which we received Clarient s audited combined carve-out financial statements and (b) November 6, 2015. The agreement also included a summary of the terms of the transaction. On September 10, 2015, we entered into the exclusivity agreement in the form provided by Paul Hastings on September 9, 2015.

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On September 10, 2015, NeoGenomics and K&L Gates held a conference call to discuss the terms of the stock purchase agreement and revised terms to be presented to GE Healthcare. On September 11, 2015, K&L Gates, at our direction, provided a revised draft of the stock purchase agreement to Paul Hastings.

On September 12, 2015, Mr. Ewert contacted Mr. VanOort to propose an alternative structure regarding the terms of the preferred stock consideration. Mr. Ewert conveyed GE Healthcare s request that the preferred stock convert into common stock at $7.00 per share, be convertible into common stock at GE Healthcare s option if the common stock traded above $8.50 for 20 consecutive trading days, and be mandatorily redeemable seven years after issuance. Mr. Ewert also conveyed to Mr. VanOort that GE Healthcare would consider including a graduated discount for early redemption.

On September 13, 2015, our senior management met with representatives of Clarient and GE Healthcare in California to tour Clarient s main facility.

On September 14, 2015, Paul Hastings provided initial drafts of the investor rights, registration rights and voting agreements relating to the transaction. The following day, representatives of NeoGenomics and GE Healthcare, together with representatives of K&L Gates and Paul Hastings, met to discuss the drafts of the stock purchase agreement and ongoing diligence items.

On September 20, 2015, Mr. Lacey contacted Mr. VanOort to discuss the status of the negotiations and to inquire about our response to GE Healthcare s proposals to revise the preferred stock terms. Mr. VanOort advised Mr. Lacey that the proposal was still undergoing review by our senior management and advisors. On September 22, 2015, Mr. VanOort provided the Board with an update summarizing the status of the discussions with GE Healthcare.

On September 23, 2015, the Board s Audit Committee held a meeting, attended by representatives of Stephens, at which the status and terms of the bank financing for the transaction were reviewed. Throughout the day and over the course of the ensuing week, representatives of NeoGenomics and GE Healthcare, together with representatives of K&L Gates and Paul Hastings, discussed, among other things, the status of the transaction, the terms of the stock purchase agreement, the proposed preferred stock terms and purchase price adjustments based on changes to the forecasted 2015 financial results of Clarient.

On September 25, 2015, GE Healthcare delivered to NeoGenomics the audited combined carve-out financial statements of Clarient, including a statement of operations for 2012, 2013 and 2014, as well as balance sheets as of December 31, 2013 and 2014.

On September 28, 2015, Mr. VanOort, following discussions with other members of our senior management, contacted Mr. Brown to discuss a possible change in the purchase price resulting from our view, based on due diligence of Clarient s anticipated 2015 financial results. Additionally, Mr. VanOort discussed with Mr. Ewert and Mr. Brown certain terms of the preferred stock, including an extension of the term of the preferred stock to 10 years, an early redemption discount that would decrease over time, and a payment-in-kind feature that would begin two years following closing and increase each year thereafter.

On September 30, 2015, our senior management met with representatives of GE Healthcare, together with representatives of K&L Gates and Paul Hastings, to continue negotiations surrounding the potential transaction. Following the meeting, Mr. Ewert met with Mr. VanOort to propose changes in the transaction structure. The proposed transaction consideration would include $85 million of cash, 15 million common shares and $125 million of preferred stock. The terms of the preferred stock would include a conversion price of $7.50, a $15 million discount if the preferred stock is redeemed in the first year, which would decline each year until no discount was available in the

fifth year, and a payment-in-kind dividend rate of 4% in the second through fourth year, which would increase by 1.0% annually to 10.0% in the tenth year.

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Later that day, Mr. VanOort reconvened with Mr. Ewert and provided a counterproposal in which the cash consideration would be reduced from $85 million to $70 million and the value of the preferred stock would be reduced from $125 million to $100 million, but would include similar features that Mr. Ewert proposed to Mr. VanOort earlier in the day. The amount of common stock remained unchanged. Mr. Ewert, on behalf of GE Healthcare, rejected this counterproposal, but agreed to continue discussions on the documentation the following day. The following day, the parties continued negotiations regarding the terms of the stock purchase agreement and related agreements.

On October 3, 2015, Mr. Ewert contacted Mr. VanOort with a counterproposal that reflected a reduction in the value of the preferred stock from $125 million to $115 million and no reduction in the amount of cash or common stock consideration. Mr. VanOort responded, on our behalf, that this counterproposal would not be acceptable.

On October 5, 2015, Mr. VanOort contacted Mr. Ewert to propose a new purchase price consisting of $75 million in cash, $110 million of preferred stock and 16.0 million shares of common stock, which had an approximate value of $96 million based on the October 2, 2015, closing price of our common stock. During the call, Mr. Ewert indicated that the cash component was not acceptable and that a gap in purchase price expectations remained.

On October 6, 2015, Mr. Murphy contacted Mr. VanOort to discuss the status of the business and a willingness to accept consideration consisting of $80 million in cash, $110 million of preferred stock and 15.0 million shares of common stock. The terms agreed to with respect to the preferred stock consisted of a 10 year term, a $7.50 conversion price, an early redemption discount of $10 million in the first year, declining to $2.5 million in the fourth year, a paid-in-kind dividend that would begin in the second year through the fourth year at 4% and increase by 1.0% annually for the remainder of the term. Additionally, after year three, if the common stock trades above $8.00 for 30 consecutive trading days, GE Healthcare would have the right to convert the preferred stock into common stock at the conversion price. Messrs. Jones and Murphy then held a telephonic meeting to discuss implications of the cash component of the purchase price. Later that day, the Board convened a special meeting by telephone to receive an update from Mr. VanOort on the status of the negotiations with GE Healthcare and the Board instructed Mr. VanOort to continue to negotiate the terms of a definitive agreement with GE Healthcare.

On October 7, 2015, GE Healthcare delivered to NeoGenomics the unaudited combined carve-out financial statements as of June 30, 2015 and the six months then ended. In addition, on October 7, 2015, Mr. Cardoza forwarded to the Board the audited and unaudited carve-out financial statements of Clarient and a summary of the due diligence work performed by NeoGenomics and its advisors.

On October 9, 2015, Messrs. VanOort and Jones held a telephonic meeting with Mr. Murphy and GE Healthcare s internal legal counsel, to continue discussions regarding the terms and conditions of the stock purchase agreement and related agreements.

On October 13, 2015, Messrs. Jones and Cardoza and GE Healthcare, together with representatives of K&L Gates and Paul Hastings, met to discuss the drafts of the stock purchase agreement, the related agreements and ongoing diligence items.

On October 14 and 15, 2015, the Board held a regularly scheduled meeting attended by representatives of each of K&L Gates and Houlihan Lokey. At the meeting, our senior management provided the Board with a detailed update on the status of discussions regarding the potential acquisition of Clarient. Representatives of Houlihan Lokey discussed its preliminary financial analyses with the Board. The Board was also updated as to the results of the due diligence activities performed over the past several weeks and engaged in an extensive discussion of the due diligence findings and how risks were addressed in the stock purchase agreement. In addition, senior management discussed with the Board the then-proposed terms and conditions of the stock purchase agreement and related agreements.

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Over the course of October 16 through October 19, 2015, the parties continued negotiation of the Transaction documentation, during which time NeoGenomics senior management provided periodic updates to the Board of the status of such negotiations.

The Board met on October 19, 2015 to further consider the proposed Transaction and related documents. At the invitation of the Board, members of NeoGenomics senior management and representatives of NeoGenomics legal and financial advisors also attended the meeting. NeoGenomics counsel reviewed with the Board their fiduciary duties in the context of the proposed Transaction. NeoGenomics counsel then summarized the material terms of the proposed form of Purchase Agreement and related agreements, including, among other things, the purchase price, financing, closing date, Clarient liabilities assumed, Clarient management agreements and other employment matters, regulatory and other authorizations, stockholder approval, termination fees, etc. At the request of the Board, Houlihan Lokey then reviewed and discussed its financial analyses. Thereafter, at the request of the Board, Houlihan Lokey verbally rendered its opinion to the Board (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion addressed to the Board dated October 19, 2015), as to the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement.

During the remainder of October 19 and continuing through October 20, 2015, the parties and their representatives finalized the Purchase Agreement and related agreements. The parties executed the Purchase Agreement and related agreements on October 20, 2015.

**Board Recommendations Relating to the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal**

After discussion and deliberation based on the information considered during its evaluation of the proposed transaction with GE Medical, the Board unanimously determined (i) that the Transaction is fair to and in the best interests of NeoGenomics and our stockholders, (ii) approved the Purchase Agreement, and the other agreements to be entered into in connection with the Transaction, and (iii) directed that the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment, the Transaction Proposal and the Equity Incentive Plan Amendment be submitted for consideration by our stockholders at the special meeting. Accordingly, the Board recommends that you vote as follows:

**FOR** the proposal to approve the Stock Issuance;

**FOR** the proposal to approve the Authorized Common Stock Charter Amendment;

**FOR** the proposal to approve the Authorized Preferred Stock Charter Amendment;

**FOR** the proposal to approve the Transaction Proposal;

**FOR** the proposal to approve the Equity Incentive Plan Amendment; and

**FOR** the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

For more information regarding the factors considered by the Board in reaching its decision, see the section entitled *The Transaction Reasons for the Transaction* below.

**Reasons for the Transaction**

As described above in this section entitled *Background of the Transaction*, the Board evaluated the Transaction, the Purchase Agreement and the other documents to be entered into as part of the Transaction, and consulted with our senior management and our legal, financial and other advisors. In reaching its decision to approve the Transaction, the Purchase Agreement and the other documents to be entered into as part of the

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Transaction, the Board discussed and considered a variety of factors weighing positively in favor of the Transaction, including the following:

*Strategic Benefits.* The Board considered our senior management s belief that the Transaction would further our vision to become America s premier cancer genetic testing laboratory. In this regard, the Board took into account our senior management s belief that the Transaction would unite two complementary businesses to offer hospitals, community-based pathology practices, and clinicians expanded cancer-related laboratory testing services. More specifically, the Board considered our senior management s belief that the Transaction would result in the following anticipated benefits, among others:

- enhanced cancer diagnostic testing capabilities as a result of combining the best products and services of each company into a single source of advanced cancer genetic testing services for the benefit of hospitals, community-based pathology practices and clinicians, and the patients they treat;

- greater capability of combined medical staff and research and development teams to continue to invest in innovation to create a sustainable leadership position in the rapidly evolving field of cancer genetics testing;

- greater capability with combined expertise, information systems and processes to compete in the high growth area of biopharmaceutical testing for the benefit of current and new biopharmaceutical customers;

- broadened geographical access to clients for the benefit of managed care organizations, accountable care organizations and large health care delivery systems;

- the ability to cross-sell products and services to each company s current customer base;

- increased scale of laboratory operations, information technology, and medical staff to drive greater productivity and efficiencies to be a lowest cost provider, and to offer constantly improving service for the benefit of clients;

- the ability to achieve significant cost synergies by applying best practices, eliminating duplicative processes, increasing volume of testing and reducing high fixed-cost infrastructure;

- increased ability to optimize administrative, regulatory and compliance resources to meet the increasing demands on laboratories by regulatory organizations; and

- greater size, with annual pro forma revenues of approximately $225.0 million and estimated Adjusted EBITDA of between $33.0 and $38.0 million, as well as to accelerate revenue growth and higher market capitalization.

We believe that, given the favorable strategic fit and potential to generate sizable cost synergies, the Transaction will be accretive to our 2016 cash earnings per share (net income adjusted for non-cash items including stock-based compensation, depreciation and amortization), excluding costs of the Transaction and integration activities.

*Consideration.* The Board evaluated the Transaction consideration, taking into account the total value as well as the equity and cash components of consideration. The consideration was determined through an arms length negotiation between GE Medical and NeoGenomics and was approved by the Board.

*Financing.* The Board considered our senior management s belief that it could finance the Transaction, and create a capital structure for the combined company following the completion of the Transaction that we believe will allow achievement of the strategic benefits described above. Specifically, the Board considered the terms of the commitment letter for the term loan and the revolving credit facility.

*Addition of a Significant Committed Stockholder.* The Board considered that GE Medical will own approximately 19.8% of the post-closing issued and outstanding shares of our common stock, and approximately

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32.9% of the post-closing voting power, based on the number of our outstanding shares as of the Record Date. GE Medical will be our single largest stockholder and will be actively involved at the Board level following its selection of a new director for appointment to the Board, reflecting GE Medical s commitment to and belief in NeoGenomics and thereby retaining some of the benefits of GE Medical s industry experience and relationships for the combined company.

*Terms of the Stock Purchase Agreement and Investor Rights Agreement.* In addition to evaluating the reasonableness of the Transaction consideration, the Board considered the overall terms of the Purchase Agreement, the Investor Rights Agreement and the Registration Rights Agreement, including the parties respective representations, warranties, covenants and conditions to their respective obligations in such agreements. In particular, the Board considered the fact that NeoGenomics and GE Medical are obligated to indemnify each other for a number of items, including breaches of certain representations and warranties, breaches of covenants and certain other matters.

The Board also considered its ability, under the Purchase Agreement, to consider certain alternative proposals for strategic transactions prior to the closing of the Transaction, and its ability to withdraw its recommendation that stockholders vote in favor of the Stock Issuance, the Common Stock Charter Amendment, the Preferred Stock Charter Amendment and the Transaction Proposal if the Board determines that the failure to change its recommendation would result in a breach of its fiduciary duties. Additionally, the Board considered the reasonableness of the termination fee and expense reimbursement payable in the event that certain termination events would occur, including in connection with the Board s right to terminate the Transaction to enter into an alternative transaction.

The Board further considered that under the Investor Rights Agreement:

- For a period of 48 months following the closing of the Transaction, none of GE Medical, GE or any subsidiary of GE will be permitted to acquire additional shares of our common stock, with certain exceptions.

- GE Medical will be entitled to select one new director for appointment to the Board as of the closing of the Transaction, and following the closing of the Transaction, for so long as GE Medical, GE and its subsidiaries, collectively, beneficially own at least 10% of our then-outstanding voting stock, GE Medical will be entitled to appoint one nominee to serve as a director on the Board, who must be acceptable to the Nominating and Corporate Governance Committee of the Board. We will be required to include such nominee in our slate of nominees and recommend that the stockholders vote in favor of such individual. GE will further be permitted to appoint one Board observer.

*Restrictions on Resales of Stock Issued in the Transaction; Registration Rights.* Another important consideration for the Board was the fact that the NEO Shares issued in connection with the Transaction will be restricted securities under Rule 144 of the Securities Act and subject to the further restrictions on transfer contained in the Investor Rights Agreement. Among other things, the Board considered that none of GE Medical or GE or any of its subsidiaries may transfer any of the NEO Common Shares or shares of our common stock issuable upon conversion of the NEO Preferred Shares until the earlier of two years from the date of the Purchase Agreement and the date that is 6 months after we have redeemed all of the NEO Preferred Shares, subject to certain exceptions. Any demand registration rights to GE Medical or GE will not be available until after the second anniversary of the closing of the Transaction. The Board considered our senior management s assessment that restrictions on resale of our common stock and the registration rights would help minimize the risk of adverse effects on the market price of our common stock caused by the sale of such stock held by any of GE Medical, GE or any of its affiliates following the Transaction or by the

perception that such sales could occur.

*Stockholder Approval.* The Board considered that our stockholders will have the opportunity to vote on the Transaction, on the issuance of the NEO Shares in connection with the Transaction and that such stockholder approval of such issuance is a condition to our obligation to complete the Transaction.

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*Likelihood of Completion of the Transaction.* The Board considered the likelihood of the Transaction being completed, including the terms of the Purchase Agreement and other factors that, taken as a whole, provide a significant degree of assurance that the Transaction will be completed. In particular, the Board considered (a) the likelihood that the conditions required to be satisfied prior to completion of the Transaction will be fulfilled, (b) that we have obtained committed financing for the Transaction as contemplated by the Purchase Agreement, with customary conditions, from reputable financing sources and (c) that both parties have made commitments in the Purchase Agreement with respect to obtaining regulatory clearances, including clearances under the HSR Act, and the relative likelihood of obtaining such regulatory clearances.

*Strategic Alternatives.* The Board considered our senior management s review of potential strategic alternatives and determined that the value offered in connection with the Transaction was more favorable to our stockholders than the potential value that might have resulted from any other strategic opportunity reasonably available to us, including not pursuing any acquisition or other strategic transaction.

*Opinion of Houlihan Lokey.* The Board considered the financial analysis reviewed by Houlihan Lokey with the Board as well as the oral opinion of Houlihan Lokey rendered to the Board on October 19, 2015 (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion addressed to the Board dated October 19, 2015), as to the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement. See *The Transaction Opinion of Houlihan Lokey* beginning on page 58.

*Due Diligence.* The Board considered the scope of the due diligence investigation of Clarient conducted by members of our senior management and our legal, financial and other advisors, and evaluated the results.

*Impact of the Transaction on Customers and Employees.* The Board evaluated the expected impact of the Transaction on our customers and employees and the benefits that would be derived from the Transaction by (a) expanding our diagnostic testing capabilities, (b) generating additional testing volume and cross-selling opportunities and (c) providing more opportunities for employees in a larger company.

*Other Reasons for the Transaction.* The reasons in favor of the Transaction considered by the Board also include, but are not limited to, the following:

- our senior management s belief that in order to continue to be successful in the cancer genetics industry, it will be important to achieve sufficient scale to enable us to operate in an increasingly competitive market with changing reimbursement dynamics;

- the Board s knowledge of the current and expected future environment in which we operate and will continue to operate, including national and local economic conditions, the competitive environment of the medical testing laboratory industry, and the likely effect of these factors on our potential growth, development, productivity, profitability and strategic options;

- the Board s review, with the assistance of its advisors, of the structure of the Transaction and the financial and other terms of the Purchase Agreement;

the anticipated increase in interest from new investors because of the combined company s larger size, efficiencies and scope of operations; and

the potential for future increased trading liquidity for our stockholders.

In addition, the Board took into account a number of potentially negative factors in its deliberations concerning the Transaction with GE Medical, including the following considerations:

the possible effect of a public announcement of the Transaction on NeoGenomics and Clarient s operations, clients, customers, business partners and employees and each company s ability to attract and retain key management and employees;

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the possible effect of the Transaction on our stock price, including any effect on the stock price caused by the public announcement of the Transaction, and the potential decline in the stock price caused by the issuance of additional shares of common stock or preferred stock in connection with the proposed Transaction;

the fact that, if the Transaction is not completed, (a) the trading price of our common stock could be adversely affected, (b) significant transaction and opportunity costs will have been incurred by us attempting to complete the Transaction, (c) clients, customers, business partners and employees of ours may be lost, (d) our business may be disrupted and (e) our prospects could be perceived to be adversely affected;

the fact that the Purchase Agreement restricts the conduct of our business prior to completion of the Transaction, requires us to operate our business in the ordinary course, and limits our ability to undertake other acquisitions, issue shares of common stock or to incur additional indebtedness, which may delay or prevent our ability to take advantage of business opportunities that could arise prior to the completion of the Transaction;

the possibility that litigation might be initiated in regard to the Transaction that could be potentially expensive and burdensome to defend;

our obligations under the Purchase Agreement to pay GE Medical, under specified circumstances, termination fees of up to $15.0 million;

the challenges inherent in the combination of two businesses of the size and scope of NeoGenomics and Clarient, and the size of the companies relative to each other, including, the following:

- the possibility that integration costs may be material;
- the possible diversion of management s attention for an extended period of time;
- the potential disruption of, or the loss of momentum in, each company s ongoing businesses before the completion of the Transaction; and
- complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies, and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a manner that minimizes any adverse impact on clients, customers, employees and other constituencies;

the risk that the economic benefits, cost savings and other synergies that are anticipated as a result of the Transaction are not fully realized or take longer to realize than expected;

the risk that NeoGenomics or GE Medical may be unable to obtain antitrust or other regulatory clearances required for the Transaction, or that required antitrust or other regulatory clearances may delay the Transaction or result in the imposition of conditions that could adversely affect the operations of the combined company or cause the parties to abandon the Transaction;

the impact of the issuance of shares of common stock and preferred stock as consideration for the Transaction on our existing stockholders, including dilution of their ownership and voting interests;

the risk that certain liabilities associated with the Transaction have not been discovered or will be greater than anticipated; and

other risks of the type and nature described in the section entitled *Risk Factors* on page 29.

After consideration of these factors, the Board determined that the potential negative factors were significantly outweighed by the potential benefits of the Transaction to our stockholders.

The foregoing discussion of information and factors considered by the Board is not intended to be exhaustive. In light of the variety of factors considered in connection with its evaluation of the Transaction, the

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Purchase Agreement and the other documents to be entered into as part of the Transaction, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Rather, the Board viewed its determinations and recommendations as being based on the totality of information and factors presented to and considered by the Board. Moreover, each member of the Board applied his or her own personal business judgment to the process and may have given different weight to different factors.

For the reasons set forth above, the Board approved the Transaction, the Purchase Agreement, the Investor Rights Agreement and the Registration Rights Agreement, and directed that the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment, the Transaction Proposal and the Equity Incentive Plan Amendment be submitted for consideration by our stockholders at the special meeting, determined that the Transaction was advisable and in the best interest of our stockholders and recommends that our stockholders vote as follows:

**FOR** the proposal to approve the Stock Issuance;

**FOR** the proposal to approve the Authorized Common Stock Charter Amendment;

**FOR** the proposal to approve the Authorized Preferred Stock Charter Amendment;

**FOR** the proposal to approve the Transaction Proposal;

**FOR** the proposal to approve the Equity Incentive Plan Amendment; and

**FOR** the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional votes and proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

This explanation of the Board s reasons for the Transaction and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described in the section entitled *Special Note Concerning Forward-Looking Statements* on page 27.

**Opinion of Houlihan Lokey**

On October 19, 2015, Houlihan Lokey verbally rendered its opinion to the Board (which was subsequently confirmed in writing by delivery of Houlihan Lokey s written opinion addressed to the Board dated October 19, 2015), as to the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement.

**Houlihan Lokey s opinion was directed to the Board (in its capacity as such) and only addressed the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement and did not address any other aspect or implication of the Transaction or any other agreement, arrangement or understanding. The summary of Houlihan Lokey s**

**opinion in this proxy statement is qualified in its entirety by reference to the full text of its written opinion, which is attached as *Annex F* to this proxy statement and describes the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in connection with the preparation of its opinion. However, neither Houlihan Lokey s opinion nor the summary of its opinion and the related analyses set forth in this proxy statement are intended to be, and do not constitute, advice or a recommendation to the Board, any security holder of NeoGenomics or any other person as to how to act or vote with respect to any matter relating to the Transaction.**

In arriving at its opinion, Houlihan Lokey, among other things:

reviewed the draft dated October 12, 2015 of the Purchase Agreement;

reviewed certain publicly available business and financial information relating to NeoGenomics and Clarient that Houlihan Lokey deemed to be relevant;

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reviewed certain information relating to the historical, current and future operations, financial condition and prospects of NeoGenomics and Clarient made available to Houlihan Lokey by NeoGenomics and Clarient, including (a) (i) financial projections prepared by the management of NeoGenomics relating to NeoGenomics for the fiscal years ending 2015 through 2025 and (ii) financial projections prepared by the management of each of GE Medical and Clarient, as adjusted and extrapolated by the management of NeoGenomics, relating to Clarient for the fiscal years ending 2015 through 2025, which we refer to as the Adjusted Clarient Projections, and (b) certain forecasts and estimates of potential cost savings, operating efficiencies, revenue effects and other synergies expected to result from the Transaction, all as prepared by the management of NeoGenomics, which we refer to as the Synergies;

spoke with certain members of the management of each of NeoGenomics, GE Medical and Clarient and certain of their representatives and advisors regarding the respective businesses, operations, financial condition and prospects of NeoGenomics and Clarient, the Transaction and related matters;

compared the financial and operating performance of NeoGenomics and Clarient with that of other public companies that Houlihan Lokey deemed to be relevant;

considered the publicly available financial terms of certain transactions that Houlihan Lokey deemed to be relevant;

reviewed the current and historical market prices and trading volume for certain of NeoGenomics publicly traded securities, and the current and historical market prices and trading volume of the publicly traded securities of certain other companies that Houlihan Lokey deemed to be relevant;

compared the relative contributions of NeoGenomics and Clarient to certain financial statistics of the combined company on a pro forma basis;

reviewed a certificate addressed to Houlihan Lokey from senior management of NeoGenomics which contains, among other things, representations regarding the accuracy of the information, data and other materials (financial or otherwise) provided to, or discussed with, Houlihan Lokey by or on behalf of NeoGenomics; and

conducted certain other financial studies, analyses and inquiries and considered certain other information and factors as Houlihan Lokey deemed appropriate.

Houlihan Lokey relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to Houlihan Lokey, discussed with or reviewed by Houlihan Lokey, or publicly available, and did not assume any responsibility with respect to such data, material and other information. In addition, management of NeoGenomics advised Houlihan Lokey, and Houlihan Lokey assumed, that the financial projections (and adjustments thereto) reviewed by Houlihan Lokey had been reasonably prepared in good faith on bases reflecting the then best currently available estimates and judgments of the management of each of NeoGenomics, Clarient and GE Medical as to the future financial results and condition of

NeoGenomics and Clarient, and Houlihan Lokey expressed no opinion with respect to such projections or the assumptions on which they were based. Furthermore, upon the advice of the management of NeoGenomics, Houlihan Lokey assumed that the estimated Synergies reviewed by Houlihan Lokey had been reasonably prepared in good faith on bases reflecting the then best currently available estimates and judgments of the management of each of NeoGenomics, GE Medical and Clarient and that the Synergies would be realized in the amounts and the time periods indicated thereby, and Houlihan Lokey expressed no opinion with respect to the Synergies or the assumptions on which they were based. Houlihan Lokey relied upon and assumed, without independent verification, that there had been no change in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of NeoGenomics or Clarient since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to Houlihan Lokey that would be material to Houlihan Lokey s analyses or Houlihan Lokey s opinion, and that there was no information or any facts that would make any of the information reviewed by Houlihan Lokey incomplete or misleading.

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Houlihan Lokey relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the Purchase Agreement and all other related documents and instruments that are referred to therein were true and correct, (b) each party to the Purchase Agreement and such other related documents and instruments would fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction would be satisfied without waiver thereof, and (d) the Transaction would be consummated in a timely manner in accordance with the terms described in the Purchase Agreement and such other related documents and instruments, without any amendments or modifications thereto. Houlihan Lokey relied upon and assumed, without independent verification, that (i) the Transaction would be consummated in a manner that complies in all respects with all applicable foreign, federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction would be obtained and that no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would result in the disposition of any assets of NeoGenomics or Clarient, or otherwise have an effect on the Transaction, NeoGenomics or Clarient or any expected benefits of the Transaction that would be material to Houlihan Lokey s analyses or Houlihan Lokey s opinion. Houlihan Lokey also relied upon and assumed, without independent verification, at the direction of NeoGenomics, that any adjustments to the consideration pursuant to the Purchase Agreement would not be material to Houlihan Lokey s analyses or Houlihan Lokey s opinion. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that the final form of the Purchase Agreement would not differ in any respect from the draft of the Purchase Agreement identified above.

Furthermore, in connection with Houlihan Lokey s opinion, Houlihan Lokey had not been requested to make, and had not made, any independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of NeoGenomics, Clarient or any other party, nor was Houlihan Lokey provided with any such appraisal. Houlihan Lokey did not estimate, and expressed no opinion regarding, the liquidation value of any entity or business. Houlihan Lokey had undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which NeoGenomics or Clarient was or may be a party or was or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which NeoGenomics or Clarient was or may be a party or was or may be subject.

Houlihan Lokey had not been requested to, and did not, (a) initiate or participate in any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the Transaction, the securities, assets, businesses or operations of NeoGenomics or any other party, or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Board or any other party with respect to alternatives to the Transaction. Houlihan Lokey s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Houlihan Lokey as of, the date of Houlihan Lokey s opinion. Houlihan Lokey had not undertaken, and was under no obligation, to update, revise, reaffirm or withdraw Houlihan Lokey s opinion, or otherwise comment on or consider events occurring or coming to Houlihan Lokey s attention after the date of Houlihan Lokey s opinion. Houlihan Lokey did not express any opinion as to what the value of NEO Common Shares actually would be when issued pursuant to the Transaction or the price or range of prices at which NEO Common Shares may be purchased or sold, or otherwise be transferable, at any time. Houlihan Lokey had assumed that the NEO Common Shares to be issued in the Transaction to GE Medical will be listed on NASDAQ. At our direction, Houlihan Lokey relied upon and assumed, without independent verification, that the NEO Preferred Shares to be issued as part of the consideration were worth approximately $110.0 million.

Houlihan Lokey s opinion was furnished for the use of the Board (in its capacity as such) in connection with its evaluation of the Transaction and may not be used for any other purpose without Houlihan Lokey s prior written consent. Houlihan Lokey s opinion was not intended to be, and did not constitute, a recommendation to the Board, any security holder or any other party as to how to act or vote with respect to any matter relating to the Transaction or otherwise.

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Houlihan Lokey had not been requested to opine as to, and Houlihan Lokey s opinion did not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of the Board, NeoGenomics, our security holders or any other party to proceed with or effect the Transaction, (ii) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion or aspect of, the Transaction or otherwise (other than the consideration to the extent expressly specified therein), (iii) the fairness of any portion or aspect of the Transaction to the holders of any class of securities, creditors or other constituencies of NeoGenomics, or to any other party, except if and only to the extent expressly set forth in the last sentence of Houlihan Lokey s opinion, (iv) the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available for NeoGenomics, Clarient or any other party, (v) the fairness of any portion or aspect of the Transaction to any one class or group of NeoGenomics or any other party s security holders or other constituents vis-à-vis any other class or group of NeoGenomics or such other party s security holders or other constituents (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders or other constituents), (vi) whether or not NeoGenomics, Clarient, their respective security holders or any other party is receiving or paying reasonably equivalent value in the Transaction, (vii) the solvency, creditworthiness or fair value of NeoGenomics, Clarient or any other participant in the Transaction, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (viii) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transaction, any class of such persons or any other party, relative to the consideration or otherwise. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It was assumed that such opinions, counsel or interpretations had been or would be obtained from the appropriate professional sources. Furthermore, Houlihan Lokey relied, with the consent of the Board, on the assessments by NeoGenomics, Clarient and their respective advisors, as to all legal, regulatory, accounting, insurance and tax matters with respect to NeoGenomics, Clarient and the Transaction or otherwise.

In preparing its opinion to the Board, Houlihan Lokey performed a variety of analyses, including those described below. The summary of Houlihan Lokey s analyses is not a complete description of the analyses underlying Houlihan Lokey s opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytical methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither Houlihan Lokey s opinion nor its underlying analyses is readily susceptible to summary description. Houlihan Lokey arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, methodology or factor. While the results of each analysis were taken into account in reaching Houlihan Lokey s overall conclusion with respect to fairness, Houlihan Lokey did not make separate or quantifiable judgments regarding individual analyses. Accordingly, Houlihan Lokey believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, methodologies and factors, without considering all analyses, methodologies and factors, could create a misleading or incomplete view of the processes underlying Houlihan Lokey s analyses and opinion.

In performing its analyses, Houlihan Lokey considered general business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company, transaction or business used in Houlihan Lokey s analyses for comparative purposes is identical to NeoGenomics, Clarient or the proposed Transaction and an evaluation of the results of those analyses is not entirely mathematical. As a consequence, mathematical derivations (such as the high, low, mean and median) of financial data are not by themselves meaningful and in selecting the ranges of multiples to be applied were considered in conjunction with experience and the exercise of judgment. The estimates contained in the financial forecasts prepared by the management of NeoGenomics and the implied reference range values indicated by Houlihan Lokey s analyses

are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to

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reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond the control of NeoGenomics. Much of the information used in, and accordingly the results of, Houlihan Lokey s analyses are inherently subject to substantial uncertainty.

Houlihan Lokey s opinion was only one of many factors considered by the Board in evaluating the proposed Transaction. Neither Houlihan Lokey s opinion nor its analyses were determinative of the consideration or of the views of the Board or management with respect to the Transaction or the consideration. Under the terms of its engagement by NeoGenomics, neither Houlihan Lokey s opinion nor any other advice or services rendered by it in connection with the proposed Transaction or otherwise, should be construed as creating, and Houlihan Lokey should not be deemed to have, any fiduciary duty to the Board, NeoGenomics, Clarient, any security holder or creditor of NeoGenomics or Clarient or any other person, regardless of any prior or ongoing advice or relationships. The type and amount of consideration payable in the Transaction were determined through negotiation between Clarient and NeoGenomics, and the decision to enter into the Purchase Agreement was solely that of the Board.

The following is a summary of the material financial analyses performed by Houlihan Lokey in connection with the preparation of its opinion and reviewed with the Board on October 19, 2015. The order of the analyses does not represent relative importance or weight given to those analyses by Houlihan Lokey. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Houlihan Lokey s analyses.

For purposes of its analyses, Houlihan Lokey reviewed a number of financial and operating metrics, including:

Enterprise Value generally, the value as of a specified date of the relevant company s outstanding equity securities (taking into account outstanding options and other securities convertible, exercisable or exchangeable into or for equity securities of the company) plus the amount of its net debt (the amount of its outstanding indebtedness, preferred stock, capital lease obligations and non-controlling interests less the amount of cash and cash equivalents on its balance sheet).

EBITDA generally, the amount of the relevant company s earnings before interest, taxes, depreciation and amortization for a specified time period.

Unless the context indicates otherwise, enterprise values and equity values used in the selected companies analysis described below were calculated using the closing price of NEO Common Shares and the common stock of the selected companies listed below as of October 16, 2015, and transaction values for the selected transactions analysis described below were calculated on an enterprise value basis based on the announced transaction equity price and other public information available at the time of the announcement. The estimates of the future financial and operating performance of Clarient relied upon for the financial analyses described below were based on the Adjusted Clarient Projections. See *The Transaction Certain Financial Projections and Estimated Synergies*. The estimates of the future financial and operating performance of the selected companies listed below were based on certain publicly available research analyst estimates for those companies.

*Selected Companies Analysis*. Houlihan Lokey reviewed certain data for selected companies, with publicly traded equity securities, that Houlihan Lokey deemed relevant.

The financial data reviewed included:

Enterprise value as a multiple of revenue for the most recently completed 12-month period for which financial information had been made public, which we refer to as LTM;

Enterprise value as a multiple of estimated revenue for the next fiscal year for which financial information has not been made public, which we refer to as NFY; and

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Enterprise value as a multiple of estimated revenue for the fiscal year following NFY, which we refer to as NFY+1.

Although none of the companies under the selected companies analysis is directly comparable to Clarient, the selected companies are laboratory testing companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business that, for the purposes of its analysis, Houlihan Lokey and the management of NeoGenomics considered generally relevant in evaluating Clarient. The foregoing criteria were consistently applied to all selected companies. Information for each of the selected public companies was based on each company s most recent publicly available financial information and closing share prices as of October 16, 2015.

The selected companies and resulting data were as follows:

Cancer Genetics, Inc.

Enzo Biochem Inc.

Foundation Medicine, Inc.

Genomic Health Inc.

Laboratory Corp. of America Holdings

Myriad Genetics, Inc.

NeoGenomics, Inc.

Quest Diagnostics Inc.

Sequenom, Inc.

Sonic Healthcare Limited

Veracyte, Inc.

**Enterprise Value to:**

| | LTM Revenue | NFY Revenue | NFY+1 Revenue |
|---|---|---|---|
| Low | 1.73x | 1.71x | 1.52x |
| High | 6.34x | 5.30x | 3.48x |
| Median | 2.56x | 2.25x | 2.14x |
| Mean | 3.01x | 2.70x | 2.35x |

Taking into account the results of the selected companies analysis, Houlihan Lokey applied selected multiple ranges of 1.50x to 2.50x LTM revenue, 1.50x to 2.50x estimated NFY revenue and 1.25x to 2.25x estimated NFY+1 revenue to corresponding financial data for Clarient. The selected companies analysis indicated implied equity value reference ranges for Clarient of approximately $191 million to $318 million based on the selected range of multiples of LTM revenue, approximately $186 million to $310 million based on the selected range of multiples of NFY revenue and approximately $170 million to $306 million based on the selected range of multiples of NFY+1 revenue, as compared to the proposed Transaction consideration of approximately $282 million, based on the one month average closing price per share of NEO Common Shares, and approximately $278 million, based on the closing stock price per share of NEO Common Shares on October 16, 2015.

*Selected Transactions Analysis*. Houlihan Lokey considered certain financial terms of certain transactions involving laboratory testing companies that Houlihan Lokey deemed relevant.

The financial data reviewed included transaction value as a multiple of LTM revenue.

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The selected transactions and resulting data were as follows:

| Date Announced | Target | Acquiror |
|---|---|---|
| 6/4/15 | Bio-Reference Laboratories Inc. | Opko Health, Inc. |
| 11/3/14 | Covance Inc. | Laboratory Corp. of America Holdings |
| 7/8/14 | Path Logic, Inc. | NeoGenomics, Inc. |
| 2/4/14 | Crescendo Bioscience, Inc. | Myriad Genetics, Inc.* |
| 10/22/13 | PLUS Diagnostics, Inc. | Miraca Life Sciences, Inc. |
| 6/25/13 | CML Healthcare Inc. | LifeLabs, Inc. |
| 3/6/13 | Althea Technologies, Inc. | Ajinomoto Co., Inc. |
| 1/30/13 | BioClinica, Inc. | JLL Partners |
| 6/4/12 | MEDTOX Scientific Inc. | Laboratory Corp. of America Holdings |
| 9/8/11 | Caliper Life Sciences, Inc. | PerkinElmer Inc. |
| 1/24/11 | Genoptix, Inc. | Novartis Finance Corporation |
| 9/13/10 | Esoterix Genetic Laboratories, LLC | Laboratory Corp. of America Holdings |
| 2/4/10 | Medhold NV | Sonic Healthcare Limited |

| | Transaction Value/LTM Revenue |
|---|---|
| Low | 0.61x |
| High | 4.35x |
| Median | 2.16x |
| Mean | 2.23x |

* Excluded from low, high, mean and median data.

Taking into account the results of the selected transactions analysis, Houlihan Lokey applied selected multiple ranges of 1.60x to 2.25x LTM revenue to corresponding financial data for Clarient. The selected transactions analysis indicated implied equity value reference ranges of approximately $204 million to $286 million for Clarient based on the selected range of multiples of LTM revenue, as compared to the proposed Transaction consideration of approximately $282 million, based on the one month average closing price per share of NEO Common Shares, and approximately $278 million, based on the closing stock price per share of NEO Common Shares on October 16, 2015.

*Discounted Cash Flow Analysis*. Houlihan Lokey performed a discounted cash flow analysis of Clarient by calculating the estimated net present value of the projected unlevered, after-tax free cash flows of Clarient based on the Adjusted Clarient Projections. Houlihan Lokey calculated terminal values for Clarient by applying a range of terminal value EBITDA multiples of 8.0x to 12.0x to Clarient s fiscal year 2025 estimated EBITDA. The present values of Clarient s projected future cash flows and terminal values were then calculated using discount rates ranging from 8.0% to 10.0%. The discounted cash flow analysis indicated an implied equity value reference range of approximately $163 million to $253 million for Clarient without Synergies and approximately $326 million to $470 million for Clarient with Synergies, as compared to the proposed Transaction consideration of approximately $282 million, based on the one month average closing price per share of NEO Common Shares, and approximately $278 million, based on the closing stock price per share of NEO Common Shares on October 16, 2015.

***Other Matters***

Houlihan Lokey was engaged by NeoGenomics to provide an opinion to the Board as to the fairness, from a financial point of view, to NeoGenomics of the consideration to be paid by NeoGenomics in the Transaction pursuant to the Purchase Agreement. We engaged Houlihan Lokey based on Houlihan Lokey s experience and reputation. Houlihan Lokey is regularly engaged to render financial opinions in connection with mergers, acquisitions, divestitures, leveraged buyouts, and for other purposes. Pursuant to its engagement by

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NeoGenomics, Houlihan Lokey is entitled to an aggregate fee of $350,000 for its services, a portion of which became payable upon the execution of Houlihan Lokey s engagement letter and the balance of which became payable upon the delivery of Houlihan Lokey s opinion. No portion of Houlihan Lokey s fee is contingent upon the successful completion of the Transaction. NeoGenomics has also agreed to reimburse Houlihan Lokey for certain expenses and to indemnify Houlihan Lokey, its affiliates and certain related parties against certain liabilities and expenses, including certain liabilities under the federal securities laws, arising out of or related to Houlihan Lokey s engagement.

In the ordinary course of business, certain of Houlihan Lokey s employees and affiliates, as well as investment funds in which they may have had financial interests or with which they may have co-invested, may have acquired, held or sold, long or short positions, or traded, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, NeoGenomics, GE, or any other party that may be involved in the Transaction and their respective affiliates or any currency or commodity that may be involved in the Transaction.

Houlihan Lokey and certain of its affiliates have in the past provided and are currently providing investment banking and financial advisory and/or other financial or consulting services to GE and certain affiliates of GE, for which Houlihan Lokey and certain of its affiliates had received, and may receive, compensation. Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and/or other financial or consulting services to NeoGenomics, other participants in the Transaction or certain of their respective affiliates in the future, for which Houlihan Lokey and certain of its affiliates may receive compensation. Furthermore, in connection with bankruptcies, restructurings, and similar matters, Houlihan Lokey and certain of its affiliates may have in the past acted, may currently be acting and may in the future act as financial advisor to debtors, creditors, equity holders, trustees, agents and other interested parties (including, without limitation, formal and informal committees or groups of creditors) that may have included or represented and may include or represent, directly or indirectly, or may be or have been adverse to, NeoGenomics, GE, other participants in the Transaction or certain of their respective affiliates, for which advice and services Houlihan Lokey and such affiliates have received and may receive compensation.

**Certain Financial Projections and Estimated Synergies**

Neither NeoGenomics nor Clarient make public any projections for its future financial performance, earnings or other prospective financial information, other than, in the case of NeoGenomics, limited short-term guidance regarding its then-current annual revenues and earnings per share. However, in connection with the negotiation and execution of the Purchase Agreement, management of GE Medical and Clarient initially prepared certain non-public internal financial projections regarding Clarient s anticipated future operating results for the years ended 2015 through 2018. These financial projections were adjusted downward by NeoGenomics based on various discussions between the management teams of GE Medical, Clarient and NeoGenomics regarding risks and uncertainties associated with Clarient s business. As standalone projections for Clarient, these projections exclude the impact of expected synergies resulting from the combination of the NeoGenomics and Clarient businesses. In addition, management of NeoGenomics prepared certain forecasts and estimates of potential cost savings, operating efficiencies, revenue effects and other synergies expected to result from the Transaction. The adjusted financial projections for Clarient and estimated synergies for the combined company (together, the Projections ) summarized below were provided to Houlihan Lokey, our financial advisor, in connection with its analyses and preparation of its financial opinion, and to the Board in connection with its consideration of the Transaction.

The Projections, while presented with numerical specificity, necessarily were based on numerous variables and assumptions that are inherently uncertain and many of which are beyond our control. Since the Projections cover multiple years, by their nature, they become subject to greater uncertainty with each successive year. Further, the Projections are based on a variety of estimates and assumptions regarding NeoGenomics and Clarient s business, industry performance, general business, economic, market and financial conditions and other matters, all of which are

difficult to predict and many of which are beyond NeoGenomics and Clarient s control.

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Economic and business environments can and do change quickly, which adds a significant level of uncertainty as to whether the financial results portrayed in the Projections will be achieved. Accordingly, there can be no assurance that the assumptions made in preparing the Projections will prove accurate. If the assumptions used in preparing the Projections do not prove accurate, the Projections will not be accurate. You should not regard the inclusion of these Projections in this proxy statement as an indication that NeoGenomics, GE Medical, Clarient or any of their respective affiliates or representatives considered or consider the Projections to be necessarily predictive of actual future events, and you should not rely on them as such. It is expected that there will be differences between actual and projected results and actual and estimated synergies, and actual results and estimated synergies may be materially greater or less than those contained in the Projections. It is highly likely that the contribution of Clarient s business to our consolidated results will lead to results that differ from Clarient s performance on a standalone basis, and therefore it is difficult to predict how our results will be affected by the combination of Clarient s business and NeoGenomics business. None of NeoGenomics, GE Medical or Clarient nor any of their respective affiliates or representatives has made or makes any representations to any person regarding the ultimate performance of NeoGenomics or Clarient compared to the information contained in the Projections. Neither NeoGenomics, Clarient nor, after completion of the Transaction, the combined company undertakes any obligation, except as required by law, to update or otherwise revise the Projections to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

The Projections were not prepared for use in this proxy statement or with a view toward public disclosure. These Projections also were not prepared in accordance with GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither NeoGenomics independent registered public accounting firm nor Clarient s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Projections set forth below, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for, and disclaim any association with, the prospective financial information and estimated synergies. Furthermore, the Projections do not take into account any circumstances or events occurring after the date of their preparation and none of NeoGenomics, GE Medical or Clarient intend to update these Projections. Readers of this proxy statement are therefore cautioned not to place undue reliance on the Projections. All Projections contained in this proxy statement are forward-looking statements, and these and other forward-looking statements are expressly qualified in their entirety by the risks and other factors described or referred to in the sections entitled *Special Note Concerning Forward-Looking Statements* and *Risk Factors* beginning on pages 27 and 29, respectively.

*Financial Projections*

The following table presents the prospective financial information of Clarient contained in the Projections (with dollar figures in millions):

| | For the Year Ended December 31, | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2015E** | **2016E** | **2017E** | **2018E** | **2019E** | **2020E** | **2021E** | **2022E** | **2023E** | **2024E** | **2025E** |
| Revenue | $ 123.8 | $ 135.9 | $ 144.7 | $ 154.6 | $ 167.9 | $ 183.7 | $ 199.0 | $ 214.5 | $ 230.7 | $ 248.0 | $ 265.9 |
| EBITDA | $ 9.5 | $ 17.2 | $ 20.0 | $ 25.0 | $ 25.8 | $ 28.7 | $ 30.3 | $ 30.6 | $ 32.5 | $ 33.2 | $ 34.4 |
| EBIT | $ (2.1) | $ 1.7 | $ 2.6 | $ 4.9 | $ 11.6 | $ 12.3 | $ 14.0 | $ 14.1 | $ 15.2 | $ 15.5 | $ 16.4 |

In these selected financial projections, we present Clarient s EBITDA and EBIT, which were calculated in a manner consistent with our EBITDA and EBIT. We define EBITDA as net income from continuing operations before

(a) interest expense, (b) tax expense (c) depreciation and amortization expense and (d) impairment charges. We define EBIT as net income from continuing operations before (1) interest expense, (2) tax expense and (3) impairment charges. Neither EBITDA nor EBIT is determined in accordance with GAAP and each

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should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. Our management believes that because EBITDA and EBIT exclude (A) certain non-cash expenses and (B) expenses that are not reflective of core operations, these measures provide investors with a more consistent measurement of operating performance and trends across reporting periods. For these reasons, our management uses EBITDA and EBIT to measure performance.

*Estimated Synergies*

The following table presents our estimated synergies with Clarient (with dollar figures in millions):

| | For the Year Ended December 31, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2015[(1)]** | **2016E** | **2017E** | **2018E** | **2019E** | **2020E** | **2021E** | **2022E** | **2023E** | **2024E** | **2025E** | **Terminal** |
| Revenue Synergies | $ 0.0 | $ 0.0 | $ 5.2 | $ 6.2 | $ 6.4 | $ 6.5 | $ 6.5 | $ 6.6 | $ 6.7 | $ 6.7 | $ 6.8 | $ 6.8 |
| Cost of Sales Synergies | 0.0 | 4.6 | 5.9 | 5.5 | 8.6 | 11.5 | 11.4 | 11.4 | 11.3 | 11.3 | 11.2 | 11.2 |
| Sales and Marketing Synergies | 0.0 | 1.4 | 5.4 | 8.5 | 9.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| General & Administrative | 0.0 | 0.0 | 1.7 | 2.5 | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Total Net Annual Savings | $ 0.0 | $ 6.0 | $ 18.2 | $ 22.7 | $ 27.9 | $ 32.9 | $ 32.9 | $ 32.9 | $ 32.9 | $ 32.9 | $ 33.0 | $ 33.0 |
| Taxes(2) | 0.0 | (2.3) | (7.1) | (8.8) | (10.9) | (12.8) | (12.8) | (12.8) | (12.9) | (12.8) | (12.9) | (12.9) |
| Deferred Taxes Payable(3) | 0.0 | 0.0 | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | 0.0 |
| Net After-Tax Savings | $ 0.0 | $ 3.7 | $ 9.0 | $ 11.7 | $ 14.9 | $ 17.9 | $ 17.9 | $ 18.0 | $ 18.0 | $ 18.0 | $ 18.0 | $ 20.1 |

(1) Represents a 3-month stub period.
(2) Tax rate of 39.0% per NeoGenomics management.
(3) Assumes taxes payable on intangible assets as NeoGenomics will not take a Section 338(h)(10) election.

**Interests of Certain Persons in the Transaction**

Except as described below, none of our directors or executive officers have any interests in the Transaction that may be different from, or in addition to, the interests of our stockholders generally.

*Discretionary Bonuses*

On November 11, 2015, the Board considered and approved, at the recommendation of the Compensation Committee, discretionary cash bonuses to four of our executive officers. Each of these bonuses was granted in recognition of the

officer s extraordinary services in connection with the Transaction and related financing, and is contingent upon the closing of the Transaction. The following table sets forth the amount of each such bonus:

| **Name and Principal Position** | **Bonus ($)** |
|---|---|
| Steven C. Jones<br>*Executive Vice President, Finance* | 500,000(1) |
| George A. Cardoza<br>*Chief Financial Officer* | 100,000 |
| Edwin F. Weidig III<br>*Director of Finance and Principal Accounting Officer* | 50,000 |
| Jennifer Balliet<br>*Vice President of Human Resources* | 50,000 |

(1) Payable to Aspen Capital Advisors, LLC, for which Mr. Jones is managing director, pursuant to a consulting agreement entered into between Aspen Capital Advisors, LLC and NeoGenomics on November 11, 2015. See *Consulting Agreement* for a description of this agreement.

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*Consulting Agreement*

In recognition of services relating to the Transaction performed to date by Steven Jones, our Executive Vice President, Finance and a member of the Board, and in order to secure his continued services through the completion of the Transaction, on November 11, 2015, we entered into a consulting agreement with Aspen Capital Advisors, LLC ( Aspen ), for which Mr. Jones is managing director. Pursuant to the agreement, Aspen will provide us with certain consultative and related services, including (i) negotiating and finalizing the transaction documentation associated with the Transaction, (ii) negotiating and finalizing bank credit agreements in connection with securing the bank financing for the Transaction, (iii) updating financial models that can be used in connection with finalizing the financing for the Transaction and establishing appropriate and responsible levels for the covenants that will be part of the bank credit agreements, (iv) updating our investor materials to inform the investment community about the benefits of the Transaction, (v) assisting us in soliciting the stockholder approval required to consummate the Transaction and (vi) such other matters as may be mutually agreed upon from time to time.

For Aspen s services under the agreement, we will pay Aspen $500 thousand, $250 thousand of which is for assisting with the negotiation and finalization of the bank credit agreements for the Transaction and the remainder for assisting with the Transaction. The foregoing payments are subject to the consummation of the Transaction. We will, without regard to the consummation of the Transaction, reimburse Aspen for all fees and disbursements reasonably incurred by it in connection with the services performed under the agreement. The agreement will terminate on the date the Transaction is consummated or otherwise terminated. We have agreed to indemnify Aspen for any losses incurred by it in connection with the performance of the services.

**NeoGenomics Board of Directors Following the Transaction**

In connection with our execution of the Purchase Agreement, the Board was increased from eight to ten directors, with one of the vacancies created by such increase to be filled after the closing by a director designated for appointment to the Board by GE Medical pursuant to the Investor Rights Agreement. Such appointment will be subject in all respects to the terms and conditions contained in the Investor Rights Agreement.

See *The Investor Board Rights, Lockup And Standstill Agreement GE Medical Representation on the NeoGenomics Board of Directors* beginning on page 87 for a further discussion of GE Medical s rights and our obligations with respect to GE Medical s nominee for appointment or election to the Board.

**Impact of the Stock Issuance on Existing NeoGenomics Stockholders**

The Stock Issuance will dilute the ownership and voting interests of our existing stockholders. As of the Record Date, there were approximately 60.6 million shares of our common stock issued and outstanding. Upon the closing of the Transaction, we will issue 15.0 million shares of common stock and 14,666,667 shares of Series A Preferred Stock. The NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, based on the number of our outstanding shares as of the Record Date. In addition, the NEO Preferred Shares will, with certain exceptions, vote with shares of our common stock as a single class on an as converted basis. Accordingly, if we issue all of the NEO Preferred Shares (and based on the number of our outstanding shares as of the Record Date), the NEO Shares issued to GE Medical will represent 32.9% of our total voting power upon closing of the Transaction, with our current stockholders owning the remaining 67.1% of the total voting power. Therefore, the ownership and voting interests of our existing stockholders will be proportionately reduced.

In addition, after the first anniversary of the closing of the Transaction, dividends will begin to accrue quarterly on outstanding shares of Series A Preferred Stock in the form of PIK Dividends, adding to the number of shares of Series

A Preferred Stock outstanding. After the third anniversary of the closing, holders of the Series A Preferred Stock will be permitted, under certain circumstances, to convert such shares (including shares issued as PIK Dividends) into shares of common stock. Any such conversion will further dilute the ownership interests of our stockholders. See *Description of Capital Stock Preferred Stock Series A Preferred Stock* .

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Concurrent with the execution of the Purchase Agreement, the Board amended our bylaws to opt out of Nevada Revised Statutes Sections 78.378 - 78.3793 and 78.411 - 78.444, which provide certain anti-takeover protections for Nevada corporations. Further, under the terms of the Investor Rights Agreement, we will be prohibited from implementing a stockholder rights plan, unless such plan specifically permits GE Medical and certain of its affiliates to beneficially own the percentage of our outstanding voting stock they own as of the date of the adoption of such stockholder rights plan, plus any increase in such percentage resulting from shares of voting stock acquired or that may be acquired pursuant to the terms of the Series A Preferred stock or pursuant to certain participation rights.

**Material United States Federal Income Tax Consequences of the Transaction to NeoGenomics Stockholders**

Because our existing stockholders do not participate in the Transaction, they will not recognize gain or loss in connection with the Transaction with respect to their shares of our common stock.

**Accounting Treatment of the Transaction**

We prepare our financial statements in accordance with GAAP. Under GAAP, the Transaction will be accounted for by applying the acquisition method with NeoGenomics treated as the acquirer.

**Appraisal Rights**

None of our stockholders will be entitled to exercise appraisal rights or to demand payment for his, her or its shares of our common stock in connection with the Transaction.

**Regulatory Approvals and Clearances**

Under the HSR Act, and the rules and regulations thereunder, the Transaction may not be completed until required information and materials have been furnished to the DOJ and the FTC, and certain waiting period requirements have expired or been terminated. On October 29, 2015, each of NeoGenomics, GE Medical and Clarient filed a pre-merger notification and report form pursuant to the HSR Act with the DOJ and the FTC. At any time before the closing of the Transaction, the DOJ, the FTC or others could take action under the antitrust laws with respect to the Transaction, including seeking to enjoin the completion of the Transaction or to require the divestiture of certain assets of NeoGenomics or Clarient. There can be no assurance that a challenge to the Transaction on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

**Federal Securities Law Consequences; Restrictions on Transfer**

If the Stock Issuance is approved, the NEO Shares will be issued to GE Medical in a private placement transaction under the exemption from registration provided under Section 4(a)(2) of the Securities Act, as the offer and sale of the NEO Shares does not involve a public offering of our common stock or preferred stock. We have determined that GE Medical is an accredited investor within the meaning of Rule 501(a) under the Securities Act. The certificates representing the NEO Shares will bear legends that such securities have not been registered under the Securities Act or the securities laws of any state and may not be sold or transferred in the absence of an effective registration statement under the Securities Act and applicable state securities laws or an exemption from registration thereunder.

In addition, the NEO Shares will be subject to further restrictions on transfer and GE Medical will be entitled to certain registration rights as described in more detail in *The Investor Board Rights, Lockup And Standstill Agreement* and *Other Agreements Registration Rights Agreement* on pages 87 and 92, respectively.

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**Financing of the Transaction**

We expect to pay the $80.0 million of cash consideration and related fees and expenses of the Transaction using (i) $10.0 million of borrowings under the Revolving Credit Facility, (ii) $55.0 million from the proceeds of the Term Loan Facility and (iii) the remainder from other available cash. Concurrent with the execution of the Purchase Agreement, we entered into commitment letters providing for the Credit Facilities. The following is a summary of selected material provisions of these commitment letters. The rights and obligations of the parties are governed by the express terms and conditions of these agreements and not by this summary or any other information in this proxy statement. This discussion is qualified in its entirety by reference to the complete text of the commitment letters, which we have filed with the SEC. See *Where You Can Find More Information* on page 164. We urge all stockholders to read these agreements carefully and in their entirety before making any decisions regarding the proposals included in this proxy statement.

***Revolving Credit Facility***

On or prior to the closing of the Transaction, NeoGenomics Laboratories will enter into the Revolving Credit Facility providing for up to $25.0 million of revolving loans with Well Fargo Bank, N.A., as agent. The facility provides a letter of credit subfacility for an amount to be agreed upon. Borrowings under the revolver and the letter of credit subfacility will be limited to a borrowing base comprised of 85% of the expected net value of certain billed and unbilled accounts less reserves established by Wells Fargo, as agent.

The interest rate for borrowings under the Revolving Credit Facility will be, at our election, (i) (A) a base rate equal to the greatest of the prime rate, the federal funds rate plus 0.5% and the three month LIBOR rate plus 1% plus (B) an applicable margin ranging from 2.0% to 2.5% or (ii) the (A) LIBOR rate plus (B) an applicable margin ranging from 3.0% to 3.5%. We will also pay 0.25% per year on any unused portion of the revolver. We and all of our present and future subsidiaries (other than NeoGenomics Laboratories) will be guarantors under the Revolving Credit Facility.

The Revolving Credit Facility will contain the following customary financial covenants: (i) maintenance of a maximum senior leverage ratio (senior indebtedness (including the outstanding amounts under the Credit Facilities), plus capitalized lease obligations, divided by EBITDA) of not more than 3.75 to 1.0, (ii) maintenance of a minimum consolidated fixed charge coverage ratio (EBITDA less unfinanced capital expenditures, divided by the sum of cash interest expense, scheduled payments of principal on indebtedness, taxes and restricted payments) of at least 1.1 to 1.0 and (iii) maintenance of a minimum cash velocity equal to or greater than 80%.

The Revolving Credit Facility will also contain various affirmative and negative covenants, such as the delivery of financial statements, tax authority compliance, maintenance of property, limitations on additional debt, restriction of dividends and other standard clauses.

The Revolving Credit Facility has a maturity of five years. In addition, the Revolving Credit Facility provides for mandatory prepayment in the event that the borrowing base is less than the aggregate amount of the advances outstanding under the revolver and any letters of credit, which prepayment will be equal to the amount necessary to remedy the over-advance.

The availability of the loans under the Revolving Credit Facility is subject to the satisfaction (or waiver) of the conditions set forth therein, including:

the absence of a Company Material Adverse Change and a Buyer Material Adverse Change, since December 31, 2014;

our having a senior leverage ratio, after giving pro forma effect to the Transaction and the financing thereof, of not more than 3.75 to 1.0;

our deposit of not less than $15.0 million into a restricted account to remain on deposit until after the consummation of the Transaction on the closing date;

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the consummation of the Transaction in accordance with the terms of the Purchase Agreement;

the delivery by NeoGenomics of customary documentation;

the agent having a perfected lien on and security interest in the assets of NeoGenomics and Clarient, subject to customary exceptions; and

the payment of relevant fees and expenses.

***Term Loan Facility***

On or prior to the closing of the Transaction, NeoGenomics Laboratories will enter into the $55.0 million Term Loan Facility with AB Private Credit Investors LLC, as administrative agent. The interest rate for borrowings under the Term Loan Facility will be LIBOR plus 7.00% per annum, with a minimum LIBOR of 1.00%. Interest on borrowings under the facility will be reduced to LIBOR plus 6.50% upon the later of (i) our achieving maximum total leverage of less than 2.0 to 1.0 and (ii) January 1, 2017. We and all of our present and future subsidiaries other than NeoGenomics Laboratories will be guarantors under the Term Loan Facility.

The Term Loan Facility will contain the following customary financial covenants: (i) maintenance of a maximum total leverage ratio, and (ii) maintenance of a minimum consolidated fixed charge coverage ratio.

The Term Loan Facility will also contain various affirmative and negative covenants, such as the delivery of financial statements, tax authority compliance, maintenance of property, limitations on additional debt, restriction of dividends and other standard clauses.

The Term Loan Facility has a maturity of five years. In addition, the Term Loan Facility provides for annual amortization payments in an amount equal to 1.0% of the original principal amount of the term loan, paid quarterly, and customary mandatory prepayments with (i) proceeds of assets sales and recovery events, (ii) proceeds of certain debt and equity issuances, (iii) proceeds of certain extraordinary receipts, (iv) a portion of certain tax refunds and insurance proceeds, and (v) a portion of excess cash flow.

The availability of the loans under the Term Loan Facility is subject to the satisfaction (or waiver) of the conditions set forth therein, including:

the absence of a Company Material Adverse Change and a Buyer Material Adverse Change, since December 31, 2014;

our having consolidated total funded leverage, after giving pro forma effect to the Transaction and the financing thereof, of not more than 3.75 to 1.0;

the consummation of the Transaction in accordance with the terms of the Purchase Agreement;

the delivery by NeoGenomics of customary documentation;

the agent having a perfected lien on and security interest in the assets of NeoGenomics and Clarient, subject to customary exceptions; and

the payment of relevant fees and expenses.

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## THE STOCK PURCHASE AGREEMENT

*The following is a summary of the material provisions of the Purchase Agreement. The following description of the Purchase Agreement is subject to, and qualified in its entirety by reference to, the Purchase Agreement, which is attached to this proxy statement as Annex A and is incorporated by reference into this document. This summary may not contain all of the information about the Purchase Agreement that may be important to you. You are urged to read the Purchase Agreement carefully and in its entirety, as it is the legal document governing the Transaction.*

### Terms of the Transaction

Each of the GE Medical, NeoGenomics and NeoGenomics Laboratories boards of directors has approved the Purchase Agreement, which provides for the acquisition of all of the issued and outstanding common stock of Clarient Inc. by NeoGenomics Laboratories, a wholly owned subsidiary of NeoGenomics, from GE Medical. Each share of Clarient Inc. common stock has a par value of $0.01. The Transaction constitutes a taxable purchase of Clarient Inc. s issued and outstanding common stock for U.S. federal income tax purposes.

In consideration of Clarient Inc. s common stock, we will pay to GE Medical $80.0 million in cash (subject to adjustment as described below) and deliver to GE Medical 15,000,000 shares of our common stock and 14,666,667 shares of our Series A Preferred Stock (subject to adjustment as described below). The common stock portion of the purchase price has a fair value of $121.4 million, based on the closing price of our common stock on November 10, 2015, the most recent practicable date prior to the date of this proxy statement. The preferred stock portion of the purchase price has an estimated fair value of $100.0 million, based on the redemption value of the shares, including the expected discount for early redemption, among other things.

By delivering notice to GE Medical not later than two business days prior to the closing date of the Transaction, we have the right to increase the amount of the cash portion of the purchase price by up to $110.0 million, which we may fund, in whole or in part, by public or private sale of common stock or debt that is not convertible into, or exchangeable or exercisable for, our equity interests or those of any of our subsidiaries. Any such increase in the cash consideration will result in a corresponding reduction in the number of shares of Series A Preferred Stock to be issued as consideration by an amount calculated by dividing the amount of any such increase in the cash consideration by $7.50, which is the conversion price of the Series A Preferred Stock.

The cash portion of the purchase price to be paid at the closing of the Transaction will be adjusted to account for any increase in the cash portion of the purchase price as discussed in the preceding paragraph, estimated differences in working capital at the closing of the Transaction compared to the target working capital of $27.0 million, certain indebtedness of Clarient, and cash and cash equivalents of Clarient. Following the closing of the Transaction, the cash portion of the purchase price will be adjusted for changes in Clarient s working capital and Clarient s indebtedness and cash position as of the date of closing of the Transaction. If the sum of such closing working capital and cash and cash equivalents, less such indebtedness, as of the closing of the Transaction is greater than the sum of the working capital and cash and cash equivalents, less indebtedness, as estimated prior to the closing of the Transaction, we will pay GE Medical the difference. If such amounts are less than the sum so estimated prior to the closing of the Transaction, GE Medical will pay us the difference. It is anticipated that GE Medical and Clarient will satisfy all indebtedness of Clarient and distribute all of Clarient s cash to GE Medical immediately prior to closing.

### Representations and Warranties

The representations and warranties described below were made solely for the benefit of the parties to the Purchase Agreement and may represent an allocation of contractual risk between NeoGenomics and GE Medical rather than

establishing matters as facts, and may be subject to standards of materiality that differ from standards relevant to investors. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully

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reflected in public disclosures by NeoGenomics or GE Medical. If specific material facts arise that contradict the representations, warranties or covenants in the Purchase Agreement, we will disclose those material facts in the public filings that we make with the SEC if we determine that we have a legal obligation to do so. The representations and warranties and other provisions of the Purchase Agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this proxy statement and in the documents incorporated by reference into this proxy statement. For more information please see *Where You Can Find More Information* on page 164.

**Representations and Warranties Made by GE Medical**

The Purchase Agreement contains customary representations and warranties of GE Medical relating to the business of Clarient, and GE Medical s ownership of Clarient. GE Medical s representations and warranties survive the closing of the Transaction as detailed in *Representation and Warranty Survival* on page 84.

GE Medical has made representations and warranties regarding, among other things:

- corporate matters, including due organization and qualification of GE Medical, Clarient, Inc. and Clarient Diagnostic Services;
- capital structure of Clarient, Inc. and Clarient Diagnostic Services;
- its authority relative to execution and delivery of the Purchase Agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the Transaction;
- required governmental filings and consents;
- financial statements and the absence of undisclosed liabilities;
- the absence of certain changes or events with respect to Clarient;
- litigation;
- compliance with applicable laws and permits;
- compliance with healthcare laws;
- compliance with anti-money laundering and similar laws;

intellectual property;

environmental matters;

certain material contracts, customers and suppliers;

labor, employment and employee benefit matters;

tax matters;

assets and properties;

continuity of management of Clarient and pathologists providing services to Clarient;

bank accounts;

insurance policies;

the absence of broker fees;

warranty claims; and

accounts receivable.

**Representations and Warranties Made by NeoGenomics and NeoGenomics Laboratories**

The Purchase Agreement contains customary representations and warranties of NeoGenomics relating to NeoGenomics and NeoGenomics Laboratories business and certain matters related to the approval of the

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Transaction and the financing transactions contemplated by the commitment letters for the Credit Facilities. NeoGenomics representations and warranties survive the closing of the Transaction as detailed in *Representation and Warranty Survival* on page 84.

We have made representations and warranties regarding, among other things:

- corporate matters, including due organization and qualification of NeoGenomics and NeoGenomics Laboratories;
- authority relative to execution and delivery of the Purchase Agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the transactions contemplated thereby;
- required governmental filings and consents;
- the Stock Issuance;
- compliance with applicable laws and permits;
- compliance with healthcare laws;
- compliance with anti-money laundering and similar laws;
- our status as an accredited investor and our investment in Clarient;
- our financing of the transaction;
- the absence of undisclosed broker fees;
- our solvency after the consummation of the Transaction;
- the required vote of our stockholders to approve the Stock Issuance and the increase in the authorized shares of our common stock and preferred stock;

the accuracy of information included in this proxy statement;

our SEC reports, financial statements, and internal controls;

our capital structure;

the absence of undisclosed liabilities;

the absence of certain changes or events;

litigation;

intellectual property;

environmental matters;

employment and employee benefit matters;

tax matters;

assets and properties;

receipt of the opinion of Houlihan Lokey regarding the fairness of consideration paid for Clarient from a financial point of view;

the recommendation of our Board of Directors to our stockholders to approve the Stock Issuance and the increase in the authorized shares of our common stock and preferred stock; and

the absence of certain anti-takeover provisions.

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**Interim Covenants**

GE Medical has agreed to cause Clarient to abide by certain customary actions relating to Clarient s business operations prior to the closing. These interim covenants include conducting Clarient s operations in the ordinary course of business consistent with past practice, except as required by applicable law or as otherwise contemplated by the Purchase Agreement (including the disclosure schedules thereto). Additionally, GE Medical agreed to certain customary restrictions with respect to actions Clarient may take, which generally have the effect of preserving the value of Clarient until the closing.

Similarly, prior to the closing of the Transaction, we have agreed to conduct our own operations in the ordinary course of business consistent with past practice, except as required by applicable law or as otherwise contemplated by the Purchase Agreement (including the disclosure schedules thereto), and to cause our subsidiaries, including NeoGenomics Laboratories, to do the same. We have also agreed to refrain from taking certain actions prior to the closing, including amending our governing documents (except to increase our authorized common stock and preferred stock and to create and issue the Series A Preferred Stock), issuing equity securities other than in connection with the financing of the Transaction or in connection with certain employee benefits, acquiring any corporation or other business organization or any assets, other than purchases of inventory and other non-material assets in the ordinary course of business or pursuant to existing contracts, and disposing of any corporation or other business entity or any assets, other than sales or dispositions of finished goods inventory in the ordinary course of business consistent with past practice.

**Cooperation**

NeoGenomics, NeoGenomics Laboratories and GE Medical agreed to, during the period prior to closing, refrain from taking any actions that would reasonably be expected to impair, delay or impede the closing and to use reasonable best efforts to cause their respective closing conditions to be met as promptly as practicable. The parties further agreed to keep each other reasonably apprised of the status of the matters relating to the completion of the Transactions.

**Proxy Statement**

We are required to prepare and file this proxy statement within 10 days following the signing of the Purchase Agreement, to use our reasonable best efforts to respond promptly to any comments of the SEC and to mail this proxy statement no later than 5 business days following the later of resolution of the SEC comments and the expiration of a 10-day waiting period following the initial filing of this proxy statement.

We are required to include in this proxy statement the recommendation of the Board to our stockholders that the Purchase Agreement and the Transaction, taken together, are advisable and in the best interests of our stockholders, subject to certain exceptions related to the fiduciary duties of the Board.

**Stockholder Approval**

We are required to hold the special meeting as promptly as practicable, and in any event within 45 days, following the mailing of this proxy statement. We are further required to use reasonable best efforts to solicit from our stockholders proxies in favor of the proposals included herein. If we have not received proxies representing a sufficient number of shares to approve the proposals included herein, we may be required to postpone or adjourn the meeting to a date not more than 10 days from the initial date of the meeting.

**Regulatory and Other Authorizations; Consents**

NeoGenomics and GE Medical are obligated to use their commercially reasonable efforts to obtain from governmental authorities any governmental consents, permits and orders necessary or appropriate for the

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performance of their respective obligations under the Purchase Agreement, including taking various actions with respect to the HSR Act and other laws and regulations and the rules of NASDAQ. On October 29, 2015, each of NeoGenomics, NeoGenomics Laboratories and GE Medical filed a pre-merger notification and report form pursuant to the HSR Act with the DOJ and the FTC.

At GE Medical s request, we are required to contest, until it becomes final and nonappealable, any ruling, order or other action of any government authority or any other person challenging the Transaction, provided that such required efforts shall not include any obligation to agree to or to implement any divestiture of any assets or business operations, or any restraint or limitation upon the business operations of NeoGenomics or GE Medical.

**Non-Solicitation; Exclusivity**

*Parent Acquisition Proposal*

For the purposes of the Purchase Agreement, Parent Acquisition Proposal means, other than the transactions contemplated by the Purchase Agreement or other proposal or offer from GE Medical or any of its affiliates, any expression of interest, proposal or offer (whether or not in writing) involving: (a) the sale, lease, exchange, transfer, license, disposition (including by way of liquidation or dissolution of NeoGenomics or any of its subsidiaries or by way of the sale of any stock of a subsidiary of NeoGenomics) or acquisition of any business or businesses or assets (including any acquisition of stock of any entity) that, in any such case, constitute or account for 10% or more of the consolidated net revenues, net income or net assets of NeoGenomics and its subsidiaries, taken as a whole; (b) any merger, consolidation, amalgamation, share exchange, business combination, issuance of securities, acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction (1) in which a person or group (as defined in the Exchange Act) of persons directly or indirectly acquires beneficial or record ownership of securities representing more than 20% of the outstanding securities of any class of voting securities of NeoGenomics or (2) in which NeoGenomics issues securities representing more than 20% of any class of its outstanding voting securities; or (c) the creation of additional seats on the Board or granting any person the right to nominate or appoint a director to the Board.

*Superior Proposal*

For the purposes of the Purchase Agreement, Superior Proposal means any Parent Acquisition Proposal (a) on terms which the Board determines in good faith, after consultation with NeoGenomics outside legal counsel and financial advisors, to be more favorable from a financial point of view to NeoGenomics stockholders, taking into account all the terms and conditions of such proposal (including the likelihood and timing of consummation), and the Purchase Agreement (including any revisions to the terms of the Purchase Agreement in response to such proposal or otherwise) and (b) that the Board believes is reasonably capable of being completed, taking into account such financial, regulatory, legal and other aspects of such proposal the Board considers appropriate; provided, that for purposes of the definition of Superior Proposal, the references to 10% in the definition of Parent Acquisition Proposal will be deemed to be references to 50%.

*Company Acquisition Proposal*

For the purposes of the Purchase Agreement, Company Acquisition Proposal means, other than the transactions contemplated by the Purchase Agreement or other proposal or offer from NeoGenomics or any of its affiliates, any expression of interest, proposal or offer (whether or not in writing) involving: (a) the sale, lease, exchange, transfer, license, disposition (including by way of liquidation or dissolution of Clarient Inc. or Clarient Diagnostic Services or by way of the sale of any equity interests of Clarient Inc. or Clarient Diagnostic Services) or acquisition of the

business or assets of Clarient that, in any such case, constitute or account for 10% or more of the consolidated net revenues, net income or net assets of Clarient, taken as a whole; (b) any merger, consolidation, amalgamation, share exchange, business combination, issuance of securities, acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction (1) in which a person or group (as defined in the Exchange Act) of persons directly or indirectly acquires beneficial or record ownership of securities representing more than 10% of the outstanding securities of any class of voting securities

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of Clarient Inc. or Clarient Diagnostic Services or (2) in which Clarient Inc. or Clarient Diagnostic Services issues securities representing more than 10% of any class of its outstanding voting securities; or (c) the creation of additional seats on Clarient Inc. s or Clarient Diagnostic Services board of directors or granting any person the right to nominate or appoint a director to Clarient Inc. s or Clarient Diagnostic Services board of directors.

*NeoGenomics Non-solicitation*

Subject to certain exceptions described below, we have agreed that neither we nor any of our subsidiaries will, and we shall cause each of our and their representatives and each of our affiliates, not to, directly or indirectly:

- solicit, initiate, seek or knowingly encourage, facilitate, induce or support, or take any action to solicit, initiate, seek or knowingly encourage, facilitate, induce or support any announcement, communication, inquiry, expression of interest, proposal or offer that constitutes or that could reasonably be expected to lead to, a Parent Acquisition Proposal from any person (other than GE Medical, its affiliates and their representatives);

- enter into, participate or engage in, maintain or continue any discussions or negotiations relating to, any Parent Acquisition Proposal with any person (other than GE Medical, its affiliates and their representatives);

- provide or cause to be provided to any person (other than GE Medical, its affiliates and their representatives) any non-public information or data relating to NeoGenomics or any of its subsidiaries, in connection with, or with or for the purpose of encouraging or facilitating, a Parent Acquisition Proposal or that could reasonably be expected to be used for the purposes of formulating any inquiry, expression of interest, proposal or offer relating to a Parent Acquisition Proposal from any person;

- approve, endorse or recommend, or publicly propose to approve, endorse or recommend, or execute or enter into any letter of intent, agreement in principle, merger agreement, acquisition agreement, arrangement or other agreement relating to a Parent Acquisition Proposal or that could reasonably be expected to lead to a Parent Acquisition Proposal, or enter into any agreement or agreement in principle requiring NeoGenomics or NeoGenomics Laboratories to abandon, terminate or fail to consummate the transactions or breach their respective obligations under the Purchase Agreement; or

- submit any Parent Acquisition Proposal or any matter related thereto to the vote of the stockholders of NeoGenomics.

Notwithstanding the prohibitions discussed in the foregoing paragraph:

- at any time prior to obtaining the stockholder approval of the Stock Issuance, the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment, if (a) we receive an unsolicited bona fide written Parent Acquisition Proposal, and (b) the Board determines (1) in good faith (after consultation with its outside legal counsel and financial advisors) that such Parent Acquisition

Proposal constitutes or would reasonably be expected to lead to a Superior Proposal and (2) in good faith (after consultation with its outside legal counsel) the failure to do so would reasonably be expected to constitute a breach of the directors fiduciary duties under applicable law, then we may (A) furnish information with respect to NeoGenomics and its subsidiaries to the person making such Parent Acquisition Proposal and (B) participate in discussions or negotiations with such person and its representatives regarding such Parent Acquisition Proposal; *provided, however,* that we will not, and will not permit our subsidiaries or our or their representatives to, furnish any information or enter into, maintain or participate in any such discussions or negotiations except pursuant to a customary confidentiality and standstill agreement on terms no less restrictive than those contained in the confidentiality agreement entered into with GE Medical; and

we are permitted to (a) take public positions with respect to any tender or exchange offer or from (b) make any required disclosure to our stockholders with regard to a Parent Acquisition Proposal if, in

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the good faith judgment of the Board, after consultation with outside counsel, failure to disclose such information would reasonably be expected to violate our disclosure obligations under applicable law.

We are required to notify GE Medical of any Parent Acquisition Proposal and provide certain information related thereto.

In addition, we have agreed:

subject to certain exceptions, to immediately cease, and cause each of our subsidiaries and affiliates and each of our and their representatives to immediately cease, and cause to be terminated any and all existing activities, discussions or negotiations with any persons (other than GE Medical and its representatives) conducted on or prior to the date of the Purchase Agreement with respect to any Parent Acquisition Proposal, and promptly after the date of the Purchase Agreement instruct each person that has in the 12 months prior to the date of the Purchase Agreement executed a confidentiality agreement relating to a Parent Acquisition Proposal with or for the benefit of NeoGenomics or any of its subsidiaries to promptly return or destroy, in accordance with the terms of such confidentiality agreement, all information, documents and materials relating to the Parent Acquisition Proposal or to NeoGenomics or any of its subsidiaries and their business previously furnished by or on behalf of NeoGenomics or any of its subsidiaries or any of their representatives to such person or such person s representatives; and

not to terminate, waive, amend or modify any provision of, or grant permission under, any standstill or confidentiality agreement to which NeoGenomics or any of its subsidiaries is a party, and NeoGenomics and its subsidiaries shall enforce the provisions of each such agreement.

*GE Medical Non-solicitation*

GE Medical has agreed that neither it nor any of its subsidiaries shall, and that it shall cause each of its and their representatives and each of its affiliates (and each of their respective representatives) not to, directly or indirectly:

solicit, initiate, seek or knowingly encourage, facilitate, induce or support, or take any action to solicit, initiate, seek or knowingly encourage, facilitate, induce or support any announcement, communication, inquiry, expression of interest, proposal or offer that constitutes or that could reasonably be expected to lead to, a Company Acquisition Proposal from any person (other than NeoGenomics and NeoGenomics Laboratories and their affiliates and their representatives);

enter into, participate or engage in, maintain or continue any discussions or negotiations relating to, any Company Acquisition Proposal with any person (other than NeoGenomics and NeoGenomics Laboratories and their affiliates and their representatives);

provide or cause to be provided to any person (other than NeoGenomics and NeoGenomics Laboratories and their affiliates and their representatives) any non-public information or data relating to Clarient, in connection with, or with or for the purpose of encouraging or facilitating, a Company Acquisition Proposal or that could reasonably be expected to be used for the purposes of formulating any inquiry, expression of

interest, proposal or offer relating to a Company Acquisition Proposal from any person;

approve, endorse or recommend, or publicly propose to approve, endorse or recommend, or execute or enter into any letter of intent, agreement in principle, merger agreement, acquisition agreement, arrangement or other agreement relating to a Company Acquisition Proposal or that could reasonably be expected to lead to a Company Acquisition Proposal, or enter into any agreement or agreement in principle requiring GE Medical, Clarient to abandon, terminate or fail to consummate the transactions or breach their respective obligations under the Purchase Agreement; or

submit any Company Acquisition Proposal or any matter related thereto to the vote of the stockholder of Clarient, Inc.

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In addition, GE Medical has agreed:

- to immediately cease, and to cause each of its subsidiaries and affiliates and each of its and their representatives to immediately cease, and cause to be terminated any and all existing activities, discussions or negotiations with any persons (other than NeoGenomics and NeoGenomics Laboratories and their affiliates and their representatives) conducted on or prior to the date of the Purchase Agreement with respect to any Company Acquisition Proposal, and to promptly after the date of the Purchase Agreement instruct each person that has in the 12 months prior to the date of the Purchase Agreement executed a confidentiality agreement relating to a Company Acquisition Proposal with or for the benefit of GE Medical or any of its subsidiaries to promptly return or destroy, in accordance with the terms of such confidentiality agreement, all information, documents and materials relating to the Company Acquisition Proposal or to Clarient and the business thereof previously furnished by or on behalf of GE Medical or Clarient or any of their representatives to such person or such person s representatives; and

- neither it nor its affiliates shall terminate, waive, amend or modify any provision of, or grant permission under, any standstill or confidentiality agreement to which GE Medical or any of its affiliates is a party, and GE Medical and its affiliates shall enforce the provisions of each such agreement.

**Recommendation Changes**

Neither the Board nor any committee thereof is permitted to (a) withdraw, change, amend, qualify or modify, or publicly propose to withdraw, change, amend, qualify or modify, in a manner adverse to GE Medical or Clarient, the Board s recommendation in favor of the Purchase Agreement and the Transactions, which we refer to as an Adverse Recommendation Change, (b) approve or recommend any Parent Acquisition Proposal, or (c) publicly propose to take any such actions.

Notwithstanding the prohibition in the foregoing paragraph, if, prior to obtaining stockholder approval of the Stock Issuance, the Authorized Common Stock Charter Amendment and the Authorized Preferred Stock Charter Amendment, we receive a Parent Acquisition Proposal that the Board or any committee thereof determines in good faith (after consultation with its outside legal counsel and financial advisors) constitutes a Superior Proposal, the Board may effect an Adverse Recommendation Change in accordance with the following paragraph.

The Board may only effect an Adverse Recommendation Change after providing prior written notice to GE Medical, negotiating with GE Medical to enable it to make a counteroffer or propose to amend the terms of the Purchase Agreement, and thereafter determining in good faith (after consultation with its outside legal counsel) that the failure to effect an Adverse Recommendation Change would reasonably be expected to constitute a breach of the directors fiduciary duties under applicable law and that such Parent Acquisition Proposal continues to constitute a Superior Proposal.

The negotiation period is four business days. If at the end of such period the Parent Acquisition Proposal is modified, and as so modified, continues to constitute a Superior Proposal we would notify GE Medical of such modification and then enter a second negotiation period with GE Medical, with a duration of two business days. If at the end of such applicable negotiation period or periods the Board has again made the determination discussed above, then the Board may make an Adverse Recommendation Change.

**Financing**

We are required to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange or consummate the financing on the terms and conditions set forth in the commitment letters, and to use commercially reasonable efforts to cause the lenders to fund such financing at closing. We may supplement, amend or modify the commitment letters, but

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only subject to certain conditions. If any portion of the financing becomes unavailable on the terms and conditions contemplated in any commitment letter, we are obligated to use commercially reasonable efforts to arrange and obtain alternative financing. We are required to keep GE Medical informed on a reasonably current basis in reasonable detail of the status of our efforts to arrange the financing.

**Takeover Laws**

If any fair price, moratorium, control share acquisition or similar takeover law is or becomes applicable to the Purchase Agreement, the Stock Issuance, the Voting Agreements or any of the other transactions contemplated by the Purchase Agreement, we and the Board are required to take all action necessary to ensure that the Stock Issuance and the other transactions contemplated by the Purchase Agreement may be consummated as promptly as practicable on the terms contemplated thereby and otherwise to eliminate or minimize the effect of such law on the Purchase Agreement, the Stock Issuance and the other transactions contemplated by the Purchase Agreement.

**NeoGenomics Guarantee**

NeoGenomics irrevocably and unconditionally guarantees the performance by NeoGenomics Laboratories of each obligation of NeoGenomics Laboratories arising out of or related to any transaction agreement or in connection with the consummation of the transactions, including the payment of the purchase price for Clarient when and as the same may become due and payable and the punctual and faithful performance, keeping, observance and fulfillment by NeoGenomics Laboratories of all of its agreements, conditions, covenants and obligations pursuant to each of the transaction agreements and in connection with the consummation of the transactions.

**NASDAQ Listing**

We are required to use our reasonable best efforts to have the NEO Common Shares and the shares of common stock issuable upon conversion of the NEO Preferred Shares approved for listing on the NASDAQ Capital Market.

**Employee Matters**

We will automatically continue the employment of individuals employed primarily in the business of Clarient (the business employees ), other than certain inactive business employees who must return to active employment within a specified period following the closing. We have agreed for one year following the closing to provide the business employees with at least the same level of base salary or wages and sales incentive opportunities that were provided immediately before the closing. We are also assuming certain accrued obligations regarding 2015 bonuses.

We have not assumed any of the employee benefit plans in which the business employees participate that are sponsored by GE Medical or its parent. GE Medical and its parent will cause benefits under certain of those plans to become fully vested as of the closing and otherwise provide vested benefits in accordance with the terms of those plans. GE Medical will also make a one-time payment to the business employees as of the closing in an amount they have determined equals the excess of (A) the amount of bonus opportunities, paid time off benefits and the value of certain other employer-provided benefits under their plans during the one-year period before the closing over (B) the value of those benefits expected to be provided by us under our plans during the one-year period following the closing.

The business employees will be able to participate in our employee benefit plans, and in that regard we will provide a past service credit under our plans for their pre-closing service with GE Medical and its affiliates. We have agreed to provide retention bonus payments to certain employees to the extent they do not qualify for

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certain bonus opportunities under our management incentive plan, and we have agreed to certain other employees options to purchase our common stock. We have also promised a specified minimum level of severance benefits for any business employee who is laid off or terminated by us (other than for cause) during the one-year period after the closing. For purposes of our group health plan, we will use commercially reasonable efforts to recognize certain deductible and out-of-pocket expenses paid by the business employee and eligible dependents for the year in which the closing occurs under the group health plan in which they participated before the closing.

**Closing Conditions**

GE Medical s obligations to complete the Transaction are subject to the satisfaction or its waiver of certain conditions, including:

- the representations and warranties of NeoGenomics must be true and correct, except where the failure to be true and correct would not reasonably be expected to have a material adverse effect on NeoGenomics,
- the covenants required to be complied with by NeoGenomics and/or NeoGenomics Laboratories, as applicable, must have been complied with in all material respects;
- all (a) required approvals must have been obtained, (b) required notices must have been made and (c) waiting periods imposed by any government authority necessary for the consummation of the transactions must have expired or been terminated;
- there must be no order of any governmental authority in existence that prohibits or materially restrains the Transaction and there must be no proceeding brought by any government authority pending before any court of competent jurisdiction seeking such an order;
- our stockholders must have approved the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal;
- the size of the Board must be 10 directors as of the closing, and there must be at least one vacancy on the Board as of the closing such that GE Medical s nominee to the Board may be considered and appointed as set forth in the Investor Rights Agreement;
- the NEO Common Shares to be issued to GE Medical and the shares of common stock issuable upon conversion of the NEO Preferred Shares must have been approved for listing subject to notice of issuance on the NASDAQ Capital Market;
- our certificate of designations authorizing the NEO Preferred Shares must have been duly and validly filed with the applicable government authority; and

the delivery of certain customary closing deliveries by us.

In addition, our obligations to complete the Transaction are subject to the satisfaction or waiver of certain conditions, including:

the representations and warranties of GE Medical must be true and correct, except for breaches or inaccuracies, as the case may be, as to matters that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the business of Clarient;

the covenants required to be complied with by GE Medical must have been complied with in all material respects;

all (a) required approvals must have been obtained, (b) required notices must have been made and (c) waiting periods imposed by any government authority necessary for the consummation of the transactions must have expired or been terminated;

there must be no order of any governmental authority in existence that prohibits or materially restrains the Transaction, and there must be no proceeding brought by any government authority pending before any court of competent jurisdiction seeking such an order;

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our stockholders must have approved the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment and the Transaction Proposal;

there must not have occurred a material adverse effect on the business of Clarient; and

the delivery of certain other customary closing deliverables by GE Medical.

**Termination**

The Purchase Agreement may be terminated, and the Transaction contemplated by the Purchase Agreement may be abandoned, at any time prior to the closing of the Transaction:

by the mutual written consent of GE Medical and NeoGenomics;

by GE Medical, if NeoGenomics or NeoGenomics Laboratories, as applicable, has breached any representation or warranty or failed to comply with any covenant or agreement that would cause the closing condition relating to truth of representations and performance of covenants not to be satisfied, and such closing condition is incapable of being satisfied by July 20, 2016 (the Outside Date ); provided, however, that GE Medical is not then in material breach of the Purchase Agreement;

by NeoGenomics, if GE Medical has breached any representation or warranty or failed to comply with any covenant or agreement that would cause the closing condition relating to truth of representations and performance of covenants not to be satisfied, and such closing condition is incapable of being satisfied by the Outside Date; provided, however, that NeoGenomics is not then in material breach of the Purchase Agreement;

by either GE Medical or NeoGenomics if the closing has not occurred by the Outside Date; provided, however, that if on the Outside Date, all closing conditions have been satisfied (other than the closing conditions relating to obtaining required approvals, providing required notices and expiration or termination of waiting periods imposed by any governmental authority), then either GE Medical or NeoGenomics may extend the Outside Date for an additional 30 days by delivery of written notice of such extension to the other no fewer than 5 business days before the initial Outside Date; and provided, further, however, that this right to terminate the Purchase Agreement will not be available to either party whose failure to take any action required to fulfill any obligation under the Purchase Agreement has been the cause of, or has resulted in, the failure of the closing to occur before such date;

by either GE Medical or NeoGenomics in the event of the issuance of a final, nonappealable order of any governmental authority permanently restraining or prohibiting the closing; provided, however, this right to terminate the Purchase Agreement will not be available to NeoGenomics if the issuance of such final, nonappealable order was primarily due to the failure of NeoGenomics to perform its obligations under the Purchase Agreement;

by either GE Medical or NeoGenomics if the NeoGenomics stockholders do not approve the Stock Issuance, the Authorized Common Stock Charter Amendment, and the Authorized Preferred Stock Charter Amendment; provided, however, that this right to terminate the Purchase Agreement will not be available to NeoGenomics if the failure to obtain such stockholder approval results from a breach of the Purchase Agreement by NeoGenomics or NeoGenomics Laboratories at or prior to the closing;

by GE Medical, if (a) all of NeoGenomics conditions to closing (other than conditions which are to be satisfied by actions taken at the closing) have been satisfied and (b) NeoGenomics or NeoGenomics Laboratories has failed to obtain proceeds pursuant to the commitment letters sufficient to fund the cash consideration and all other fees and expenses as may be necessary to consummate the transactions contemplated by the Purchase Agreement; or

by GE Medical, if any of the following, which we refer to as Triggering Events , has occurred:

the Board has effected an Adverse Recommendation Change (or any action by any committee of the Board, which if taken by the full Board, would be an Adverse Recommendation Change);

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NeoGenomics has failed to include in this proxy statement its determination that the Purchase Agreement and the transactions contemplated thereby, including the transactions, taken together, are advisable and in the best interests of the stockholders of NeoGenomics;

the Board (or any committee thereof) has approved, endorsed or recommended any Parent Acquisition Proposal or NeoGenomics or any subsidiary of NeoGenomics otherwise has entered into any letter of intent, agreement in principle or any other contract relating to any Parent Acquisition Proposal or agreed to any non-binding terms with respect to any Parent Acquisition Proposal;

NeoGenomics fails to confirm that the Board has rejected without qualification any Parent Acquisition Proposal that NeoGenomics was required to have notified GE Medical of pursuant to the Purchase Agreement within five business days after GE Medical requests such confirmation (or fails to reconfirm such unqualified rejection within two business days if requested by GE Medical provide such reconfirmation);

a tender or exchange offer relating to securities of NeoGenomics has been commenced and NeoGenomics has not sent to its securityholders, within three business days after the commencement of such tender or exchange offer, a statement disclosing that NeoGenomics recommends rejection of such tender or exchange offer;

the Board has failed to reaffirm, without qualification, its recommendation of each of the proposals in this proxy statement or has failed to state publicly, without qualification, that the transactions are in the best interests of NeoGenomics stockholders, within five business days after GE Medical requests in writing that such action be taken;

a Parent Acquisition Proposal is publicly announced, and NeoGenomics fails to issue a press release indicating without qualification its rejection of such Parent Acquisition Proposal within five business days after GE Medical requests in writing that such action be taken;

a Parent Acquisition Proposal is publicly announced, and NeoGenomics fails to issue a press release reaffirming the Board s determination that the Purchase Agreement and the transactions contemplated thereby, including the transactions, taken together, are advisable and in the best interests of the stockholders of NeoGenomics within three business days after such Parent Acquisition Proposal is announced;

any of NeoGenomics, its affiliates or any of their respective representatives has breached any of the non-solicitation and exclusivity provisions of the Purchase Agreement; or

NeoGenomics or the Board (or any committee thereof) publicly proposes to do any of the foregoing.

**Termination Fees**

In the event the Purchase Agreement is terminated by NeoGenomics or GE Medical as a result of (a) the closing of the transaction not being completed by the Outside Date or (b) the issuance of final, nonappealable order of any governmental authority pursuant to antitrust laws permanently restraining or prohibiting the closing, then NeoGenomics is obligated to pay GE Medical $15.0 million; provided that, (1) in the case of the preceding clause (a) only, at the time of such termination, the closing conditions relating to obtaining required approvals, providing required notices and expiration or termination of waiting periods imposed by any governmental authority shall not have been satisfied and (2) in the case of clause (b) only, GE Medical shall not be entitled to such payment if GE Medical is then in material breach of certain of its obligations relating to obtaining regulatory and other authorizations and consents.

In the event the Purchase Agreement is terminated by GE Medical as a result of the failure of NeoGenomics or NeoGenomics Laboratories to obtain proceeds pursuant to the commitment letters sufficient to fund the cash consideration and all other fees and expenses as may be necessary to consummate the transactions contemplated

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by the Purchase Agreement when all of NeoGenomics conditions to closing (other than conditions which are to be satisfied by actions taken at the closing) have been satisfied, NeoGenomics is obligated to pay GE Medical $15.0 million.

In the event the Purchase Agreement is terminated by GE Medical or NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, the Authorized Common Stock Charter Amendment or the Authorized Preferred Stock Charter Amendment, NeoGenomics is obligated to pay GE Medical $3.0 million.

In the event the Purchase Agreement is terminated by GE Medical as a result of the occurrence of a Triggering Event, NeoGenomics is obligated to pay GE Medical $15.0 million.

In the event the Purchase Agreement is terminated:

- by GE Medical as a result of the breach by NeoGenomics of any of its representations or warranties or a failure by NeoGenomics to comply with any covenant or agreement that would cause the closing condition relating to truth of representations and performance of covenants not to be satisfied, and such closing condition is incapable of being satisfied by the Outside Date;

- by GE Medical or NeoGenomics as a result of a failure to close by the Outside Date and the closing conditions relating to receipt of required approvals, the making of required notices and the expiration or termination of waiting periods imposed by any government authority have been satisfied; or

- by GE Medical or NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, the Authorized Common Stock Charter Amendment or the Authorized Preferred Stock Charter Amendment;

and

- a Parent Acquisition Proposal has been made after the date of the Purchase Agreement and within 12 months of the termination of the Purchase Agreement, NeoGenomics (a) enters into a definitive agreement with respect to a Parent Acquisition Proposal or (b) consummates a Parent Acquisition Proposal;

then NeoGenomics is obligated to pay GE Medical $15.0 million; provided, that any amounts previously paid by NeoGenomics as a result of the failure of the NeoGenomics stockholders to approve the Stock Issuance, the Authorized Common Stock Charter Amendment or the Authorized Preferred Stock Charter Amendment shall be credited against such amount.

**Representation and Warranty Survival**

The representations and warranties contained in the Purchase Agreement will survive the closing through and including the 15-month anniversary of the closing date, except for (a) certain customary fundamental representations, including those relating to corporate governance matters, capitalization, the absence of conflicts with organizational documents, taxes, the Stock Issuance, solvency and the opinion of the financial advisor, or collectively the Non-Healthcare Fundamental Representations, which will survive for a period of six years after the closing date, and

(b) except for certain representations relating to business permits and compliance with healthcare laws, or collectively the Healthcare Fundamental Representations, which will survive for a period of six years after the closing date.

**Indemnification by GE Medical**

Under the Purchase Agreement, GE Medical will indemnify each of NeoGenomics and NeoGenomics Laboratories and their respective affiliates against losses arising from:

- the inaccuracy of any representations or warranties made by GE Medical to be true and correct, disregarding certain material adverse effect or materiality qualifications;

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the failure by GE Medical or Clarient to perform any covenant or other agreement; and

any tax liability of Clarient attributable to a taxable period prior to the closing of the transaction.

**Indemnification by NeoGenomics**

Under the Purchase Agreement, NeoGenomics and NeoGenomics Laboratories will indemnify GE Medical and its affiliates against losses arising from:

the inaccuracy of any representations or warranties made by NeoGenomics to be true and correct, disregarding certain material adverse effect or materiality qualifications;

the failure by NeoGenomics or NeoGenomics Laboratories to perform any covenant or other agreement;

any tax liability of GE Medical or its affiliates attributable to a taxable period after the closing of the transaction; and

the business or operations of Clarient after the closing.

**Limitations on Indemnification**

No party will have any indemnification liability with respect to claims relating to breaches of representations and warranties, other than the Non-Healthcare Fundamental Representations and the Healthcare Fundamental Representations, until the aggregate amount of the losses for such claims exceeds $2.0 million, after which the indemnifying party will only be obligated for the losses relating to such claim in excess of the $2.0 million.

No party will have any indemnification liability with respect to claims relating to breaches of the Healthcare Fundamental Representations until the aggregate amount of the losses for such claims exceeds $2.0 million, after which the indemnifying party will be obligated for all losses from the first dollar of loss relating to such claims.

Neither GE Medical, on one hand, nor NeoGenomics and NeoGenomics Laboratories, on the other hand, will have aggregate indemnification liability with respect to claims relating to breaches of representations and warranties, other than the Non-Healthcare Fundamental Representations, in excess of $50.0 million. The aggregate indemnification liability of GE Medical, on one hand, and NeoGenomics and NeoGenomics Laboratories, on the other hand, with respect to all claims under the Purchase Agreement will not exceed $280.0 million.

The amount of any losses payable by an indemnifying party will be:

reduced by any tax benefit actually recognized by the indemnified party as the result of the loss giving rise to the indemnification obligation and which results in an actual reduction of cash taxes paid by the indemnified party in the taxable year of the loss giving rise to the obligation or any of the subsequent five taxable years;

net of any amounts that have been recovered or are recoverable by the indemnified party pursuant to any indemnification by, or indemnification agreement with, any third party or any insurance policy or other cash receipts or sources of reimbursement in respect of such loss (including the recovery or reimbursement of payments from a taxing authority); and

determined after deducting therefrom the amount of any reserve with respect to such matter on the financial statements of Clarient delivered to NeoGenomics pursuant to the Purchase Agreement.

In addition, no party will be liable for any losses to the extent such losses (a) result from any act or omission by the indemnified party, (b) result from the failure of an indemnified party to take reasonable action to mitigate such losses, (c) are taken into account in the calculation of the final working capital, (d) result from the business

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or operations of Clarient, in the case of NeoGenomics, NeoGenomics Laboratories and their affiliates, or any event or occurrence, after the closing, (e) result from the business or operations of Clarient, in the case of GE Medical and its affiliates, or any event or occurrence, prior to the closing, or (f) are caused by or result from any action (1) that NeoGenomics or GE Medical is required, permitted or requested to take pursuant the covenant regarding the conduct of the business prior to closing (including pursuant to the consent of NeoGenomics or GE Medical) or (2) that NeoGenomics or GE Medical having sought the other s consent pursuant to such covenant, did not take as a result of such consent having been unreasonably withheld, conditioned or delayed.

**Indemnification Payments**

Any indemnification payments by GE Medical will be paid (a) first, for amounts up to the aggregate cash consideration paid at closing, in cash and (b) then, for amounts in excess of the amount of the cash consideration paid at closing, in shares of our Series A Preferred Stock until all such shares then held by GE Medical are exhausted, and (c) then, for any remaining amounts, in shares of our common stock held by GE Medical. For these purposes, the value of each share of our Series A Preferred Stock will be equal to the issue price as set forth in the Certificate of Designations and each share of our common stock will be equal to the volume-weighted average trading price of the common stock for the 20 trading days preceding the applicable date of payment.

**Exclusive Relief**

Following the closing of the Transaction, except in the case of fraud or intentional misrepresentation and with respect to matters for which the remedy of specific performance, injunctive relief or other non-monetary equitable remedies are available, the sole and exclusive remedy of the parties with respect to any and all claims arising from any breach of the Purchase Agreement will be pursuant to the indemnification provisions.

**Expenses and Fees**

All expenses incurred by the parties will be borne solely and entirely by (a) GE Medical, with respect to expenses incurred by it, and (b) NeoGenomics, with respect to expenses incurred by it and NeoGenomics Laboratories.

**Governing Law**

The Purchase Agreement is governed by New York law.

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## THE INVESTOR BOARD RIGHTS, LOCKUP AND STANDSTILL AGREEMENT

*The following is a summary of the material provisions of the Investor Rights Agreement. The following description of the Investor Rights Agreement is subject to, and qualified in its entirety by reference to, the Investor Rights Agreement, the agreed form of which is attached to this proxy statement as Annex B and is incorporated by reference into this document. The Investor Rights Agreement, when executed and delivered by the parties at the closing, will be in the form of the Investor Rights Agreement attached hereto. This summary may not contain all of the information about the Investor Rights Agreement that may be important to you. You are urged to read the agreed form of the Investor Rights Agreement carefully and in its entirety, as it is the primary legal document governing GE Medical s rights with respect to the NEO Shares, and GE Medical s rights as a NeoGenomics stockholder generally.*

### GE Medical Representation on the NeoGenomics Board of Directors

We are required to use commercially reasonable efforts to appoint, within 10 business days of the closing of the Transaction, one director designated by GE Medical to the Board, provided that such designee meets the director qualification requirements described below. Thereafter, for so long as GE Medical, General Electric Company, or GE, and its subsidiaries, (collectively, the GE Parties ), continue to beneficially own in the aggregate at least 10% of our then-outstanding voting stock, GE Medical will be entitled to designate for nomination one director for election at each annual or special meeting of our stockholders at which directors of the Board are to be elected and at which the seat held by GE Medical s designee is subject to election. We refer to each such meeting as an election meeting.

*Slate of directors; voting*

Subject to the director qualification requirements described below, we are required to appoint GE Medical s designee to the Board, include such designee on the management nomination slate, recommend that our stockholders vote in favor of such designee, and otherwise use commercially reasonable efforts to cause the election of such designee at each election meeting.

GE Medical must vote all shares of our voting stock beneficially owned by it in favor of the management nomination slate. However, GE Medical s obligation to do so will expire upon the earlier of:

- the date on which GE Medical s director designation rights terminate as described under *Termination of director designation rights* below; and
- our material breach of any of our obligations under the Investor Rights Agreement which breach is incurable or remains uncured 10 business days following notice thereof from GE Medical.

*Director qualifications and replacements*

Each potential director proposed by GE Medical must meet our standard qualifications for directors, which includes completing a standard director questionnaire, obtaining approval of the Board s Nominating and Corporate Governance Committee (the NCG ), and complying with the Board s minimum attendance requirements. In addition, each GE Medical director must, at the time of nomination and at all times thereafter until such individual s service on the Board ceases, meet any applicable requirements under applicable law, applicable stock exchange rules and our corporate governance policies generally applicable to the non-executive directors of the Board.

The Board and the NCG may only fail to approve a GE Medical designee if the NCG determines in good faith (a) that the designee fails to the satisfy applicable requirements under applicable law, applicable stock exchange rules or our corporate governance policies, (b) the recommendation of the designee would violate the fiduciary duties of the Board or the NCG or (c) the designee has failed to meet the minimum attendance requirements in effect for the entire Board in any preceding 12 month period.

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If any GE Medical designee (a) resigns from the Board, (b) is removed pursuant to applicable law or our bylaws, (c) is unable to serve as a nominee for election or appointment as a director or to serve as a director because the Board or the NCG determines that such person is not acceptable pursuant to the Investor Rights Agreement, (d) fails to be elected at an election meeting, or (e) dies or otherwise cannot or is not willing to stand for reelection or to continue to serve as a director, GE Medical will have the right to replace such person. If we do not approve such replacement, GE Medical may propose another replacement until we approve a replacement, provided that we are not required to delay any annual meeting of stockholders beyond the earlier of (i) 40 days prior to the deadline for holding such meeting as provided in our bylaws and (ii) the deadline established by NASDAQ for such meeting.

*Termination of director designation rights*

Following the earlier of (a) the date on which the GE Parties cease to beneficially own at least 10% of our then-outstanding voting stock and (b) a material breach of the Investor Rights Agreement by the GE Parties which breach is incurable or remains uncured 10 business days following notice thereof from us, GE Medical s rights to designate a director nominee will terminate and the term of any GE Medical designee then on the Board will continue until the earlier of the next election meeting and the death or resignation of such designee from the Board.

*Board committees*

The GE Medical designee will be entitled to serve as a member of, or observer to, those committees of the Board that are mutually agreed upon between the designee and us, for so long as such service does not conflict with applicable law and the rules of the applicable stock exchange.

*Recusal of GE Medical designee*

The GE Medical designee will recuse himself or herself from, and not participate in, deliberations or votes, whether by the Board or any committee thereof, with respect to the redemption of the NEO Preferred Shares. Furthermore, any representative of the GE Parties attending meetings of the Board (or any committee thereof) in a non-voting observer capacity will not observe any deliberations with respect to the redemption of the NEO Preferred Shares.

*Subsequent Board increase*

So long as the GE Parties and their permitted transferees continue to beneficially own in the aggregate at least 10% of our then-outstanding voting stock, we will not be permitted to increase the authorized number of directors on the Board to more than ten without the prior written consent of GE Medical.

**Board Observer Rights**

For so long as the GE Parties continue to beneficially own at least 20% of our then-outstanding voting stock, GE will be entitled to have one representative of the GE Parties acceptable to us attend all meetings of the Board (and any committees upon which GE Medical s designee sits that are held incident with such Board meeting), in a non-voting observer capacity, and such representative will receive copies of all notices, minutes, consents and other materials we provide to our directors in connection with such meeting. We may exclude such representative from access to any of such materials or meetings or portions thereof if we believe that any such material or portion thereof is a trade secret or similar confidential information or such exclusion is necessary to preserve the attorney-client privilege.

**Standstill Provisions**

*Prohibitions*

For a period of 48 months following the closing of the Transaction, unless specifically approved by us, none of the GE Parties will, directly or indirectly, acquire or agree, whether by purchase, tender or exchange offer, to

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acquire ownership of any shares of our common stock, except the NEO Common Shares, any shares issued or issuable upon conversion of the NEO Preferred Shares or as a result of the terms of the NEO Preferred Shares, any shares issued or issuable as a result of any stock split, stock dividend, right, warrant or other distribution, recapitalization or offering made available by us to holders of our voting stock or shares acquired pursuant to the participation rights discussed in *Participation Rights* below.

*Termination*

In addition to the expiration of the standstill prohibitions at the conclusion of the 48 month period, the standstill prohibitions will cease to apply upon the occurrence of any of the following:

a third party or group commences or announces its intention to commence a tender or exchange offer for 25% or more of our outstanding voting stock;

a third party or group acquires beneficial ownership of 25% or more of our outstanding voting stock or otherwise announces its intention to do so;

a third party or group enters into an agreement to acquire, or announces its intention to acquire, all or substantially all of our assets or 25% or more of our outstanding voting stock;

a third party or group has made, or has announced its intention to make an offer to acquire control of NeoGenomics or to elect two or more directors to the Board or otherwise engage in a transaction that would require approval of our stockholders;

a third party or group is assisting or encouraging any other person to engage in, or to announce its intention to engage in, any of the foregoing;

we enter into an agreement with respect to a consolidation, merger, amalgamation, reorganization or otherwise in which we would be merged into or combined with another person, unless immediately following the consummation of such transaction our stockholders immediately prior to the consummation of such transaction would continue to hold (in substantially the same proportion as their ownership of our voting stock) 60% or more of all of the outstanding common stock or other securities entitled to vote for the election of directors of the surviving or resulting entity in such transaction or any direct or indirect parent thereof;

we publicly announce our intention to do any of the foregoing actions or otherwise announce our intention to explore strategic alternatives, or make any similar public announcement indicating that we are actively seeking a change in control of NeoGenomics; or

the GE Parties cease to beneficially own in the aggregate 10% or more of our voting stock.

The standstill prohibitions may be reinstated for the balance of the 48 month period in the event that the termination was the result of a third party or group s announcement of its intention to take any action identified in the first five bullets above, and such third party or group, among other things, publicly retracts or withdraws its prior announcement of its intention to take such action or fails to consummate such action.

*Most Favored Nation Provision*

So long as the GE Parties continue to beneficially own in the aggregate at least 20% of our then-outstanding voting stock if we engage in a transaction pursuant to which a party or group other than the GE Parties acquires beneficial ownership of shares possessing voting rights equal to or in excess of the voting rights of 20% of our then-outstanding shares of common stock, and we either do not enter into a standstill agreement with respect to such party s ownership or enter into a standstill agreement with such party that includes standstill provisions that are less favorable to us than those contained in the Investor Rights Agreement, then the standstill provisions of the Investor Rights Agreement will be automatically amended to the extent necessary to conform them to the corresponding provisions of the agreement with such other party. GE Medical and GE may, by written notice to

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us, reject each such change individually (or group of changes as a whole) and elect to retain the standstill provisions of the Investor Rights Agreement in effect as of immediately prior to the date on which such provisions would have otherwise been amended.

**Transfer Restrictions**

None of the GE Parties may, without our prior written consent, sell or transfer any of the NEO Shares, or engage in any hedging or other transaction designed to or that reasonably could be expected to lead to or result in a sale or disposition of any of the NEO Shares, until the earlier of (a) two years from the closing of the Transaction and (b) the date which is 6 months after we have redeemed all of the NEO Preferred Shares. However, this restriction will not apply to any of the following dispositions:

- dispositions by one GE Party to another in compliance with the Investor Rights Agreement;
- dispositions by the GE Parties during any three month period that in the aggregate satisfy the volume limitations under Rule 144 of the Securities Act;
- dispositions to NeoGenomics or any of our affiliates;
- dispositions pursuant to a tender offer, exchange offer, merger, consolidation, amalgamation or other reorganization involving NeoGenomics or our voting stock;
- dispositions resulting from the exercise of any piggyback registration rights under the Registration Rights Agreement (as described below);
- dispositions following any of a third party or group s announcement of its intention to acquire, its entrance into an agreement to acquire, or its acquisition of, 25% or more of our outstanding voting stock;
- dispositions following a third party or group s entrance into an agreement to acquire, or announcement of its intention to acquire, all or substantially all of our assets;
- dispositions following a third party or group s offer, or announcement of its intention to make an offer, to acquire control of NeoGenomics or to elect two or more directors to the Board or otherwise engage in a transaction that would require approval of our stockholders;
- dispositions following a third party or group s assistance or encouragement of any other person to engage in, or to announce its intention to engage in, any of the transactions contemplated in any of the three preceding bullets;

dispositions following our entrance into an agreement with respect to our consolidation, merger, amalgamation, reorganization or otherwise in which we would be merged into or combined with another person, unless immediately following the consummation of such transaction our stockholders immediately prior to the consummation of such transaction would continue to hold 60% or more of all of the outstanding common stock or other securities entitled to vote for the election of directors of the surviving or resulting entity in such transaction or any direct or indirect parent thereof; and

dispositions following our public announcement of our intention to do any of the actions set forth in the preceding five bullets or other public announcement of our intention to explore strategic alternatives, or any public announcement indicating that we are actively seeking a change in control of NeoGenomics.

*Most Favored Nation Provision*

So long as the GE Parties continue to beneficially own in the aggregate at least 20% of our then-outstanding voting stock, if we engage in a transaction pursuant to which a party or group other than the GE Parties acquires beneficial ownership of shares possessing voting rights equal to or in excess of the voting rights of 20% of the then-outstanding shares of common stock, and we either do not enter into a lock-up agreement with respect to

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such party s ownership or enter into a lock-up agreement with such party that includes lock-up provisions that are less favorable to us than those contained in the Investor Rights Agreement, then the lock-up provisions of the Investor Rights Agreement will be automatically amended to the extent necessary to conform them to the corresponding provisions of the agreement with such other party. GE Medical and GE may, by written notice to us, reject each such change individually (or group of changes as a whole) and elect to retain the lock-up provisions of the Investor Rights Agreement in effect as of immediately prior to the date on which such provisions would have otherwise been amended.

**Anti-Takeover Provisions**

We may not implement a stockholder rights plan of a type commonly known as a poison pill unless such plan specifically permits the GE Parties to beneficially own the percentage of our outstanding voting stock they own as of the date of adoption of such plan, plus any increase in such percentage resulting from shares of voting stock acquired or that may be acquired pursuant to the terms of the Series A Preferred stock, or as a result of any stock dividend, stock split or other recapitalization of NeoGenomics, or pursuant to the participation rights described below.

**Participation Rights**

After the closing of the Transaction, if we grant or issue rights to purchase shares of our capital stock pro rata to the record holders of our common stock, then GE Medical and its affiliates will have the right to acquire from us, on the same terms applicable to the holders of our common stock, the aggregate number of shares of capital stock GE Medical and its affiliates could have acquired if all shares of Series A Preferred Stock held by them had been converted to common stock.

**Termination**

In addition to the termination provisions applicable to particular sections of the Investor Rights Agreement described above, the Investor Rights Agreement will be terminated upon the earlier of (a) the mutual written agreement of NeoGenomics, GE Medical and GE, and (b) the GE Parties ceasing to beneficially own in the aggregate 10% or more of our voting stock. In addition GE Medical and GE may terminate the Investor Rights Agreement, or only the standstill and transfer restrictions provisions of the agreement, if we materially breach any of our obligations in the Investor Rights Agreement and such breach is incurable, or if curable, we do not cure such breach or failure within ten business days of notice thereof from GE Medical; and we may terminate the Investor Rights Agreement, or only GE Medical s Board representation rights under the agreement, if the GE Parties materially breach any of their obligations under the Investor Rights Agreement and such breach is incurable, or if curable, is not cured within ten business days of notice thereof from us.

**Governing Law**

The Investor Rights Agreement is governed by New York law.

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## OTHER AGREEMENTS

*The following is a summary of the material terms and conditions of certain other agreements entered into, or to be entered into, in connection with the Transaction. This summary may not contain all the information about such agreements that is important to you and is qualified in its entirety by reference to the applicable agreement, attached as an Annex hereto and incorporated by reference into this proxy statement. You are encouraged to read each agreement in its entirety.*

### Registration Rights Agreement

At the closing of the Transaction, NeoGenomics will enter into the Registration Rights Agreement with GE Medical, granting GE Medical the right to require us to register under specified circumstances the 15.0 million NEO Common Shares and any shares of our common stock issued or issuable upon conversion of the NEO Preferred Shares, as well as any securities issued as (or issuable upon the conversion or exercise of any security issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, such shares, and any securities issued in exchange for such shares or securities in any merger, reorganization, restructuring or comparable transaction of NeoGenomics (collectively, the Registrable Securities ). The following is a summary of the material terms of the Registration Rights Agreement. This summary is qualified in its entirety by reference to the Registration Rights Agreement, the form of which is attached to this proxy statement as *Annex C* and incorporated by reference herein.

*Shelf Registration*

On or before the earlier of (a) 21 months following the closing of the Transaction and (b) 6 months after we redeem all of the NEO Preferred Shares from GE Medical and any other holder of Registrable Securities to whom GE Medical transferred such securities in a permitted transfer (together with GE Medical, Holders ), we must file with the SEC a registration statement on Form S-3 (which, if NeoGenomics is a well-seasoned issuer at the time, must be designated as an automatic shelf registration statement) to register the offer and sale of all of the Registrable Securities on a continuous or delayed basis and, if the registration statement is not on Form S-3ASR, use commercially reasonable efforts to cause the registration statement to become effective, as promptly as practicable, but in no event later than 90 days after its filing. Under specified circumstances, we have the right to defer filing of a requested registration statement for a period of not more than 90 consecutive days, and 180 days in the aggregate in any 12 month period. We are required to use commercially reasonable efforts to keep the registration statement filed pursuant to this provision continuously effective until Holders no longer hold any Registrable Securities.

*Demand Registration*

At any time following the second anniversary of the closing of the Transaction, in the event that the shelf registration statement is not effective with the SEC covering all of their Registrable Securities, Holders can request that we file up to two registration statements registering all or a portion of their Registrable Securities. In the event that at least 5.0 million of the NEO Preferred Shares are converted into shares of our common stock, the number of registration statements we are required to file pursuant to this demand right will increase to three, and in the event that at least 10.0 million of the NEO Preferred Shares are converted into shares of our common stock, the number of registration statements we are required to file pursuant to this demand right will increase to four. We must use commercially reasonable efforts to file any registration statement required by this demand right, as promptly as reasonably practicable, but no later than 45 days after receipt of the demand from Holders and to cause the registration statement to be declared effective as promptly as practicable after filing. Under specified circumstances, we have the right to defer filing of a requested registration statement for a period of not more than 90 consecutive days, and 180 days in the aggregate in any 12 month period. In the event that a demand registration is an underwritten public offering, the

number of Registrable Securities to be included may, in specified circumstances, be limited due to market conditions. We must maintain the effectiveness of the

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registration statement for at least 120 days after the effective date of the registration statement or such shorter period in which all of the Registrable Securities included in such registration have been sold.

*Piggyback Registration*

Additionally, following the earliest of (a) the two year anniversary of the closing of the Transaction, (b) 6 months after we redeem all of the NEO Preferred Shares and (c) the closing of the Transaction, solely with respect to an amount of Registrable Securities not to exceed the volume limitations set forth in Rule 144(e), Holders have certain customary piggyback registration rights pursuant to which we must give written notice to Holders at least 10 business days prior to the anticipated filing date whenever we propose to file a registration statement under the Securities Act, subject to certain exceptions. The Holders are entitled to notice of each such registration and have the right to include their Registrable Securities in such registration. The Registrable Securities that Holders may request to be included in the registration statement must be of the same type as those proposed to be offered by us in the registration statement. We must include in the registration statement all of the Registrable Securities with respect to which we have received a written request from Holders within 5 business days from the date notice is given. In the event such registration is an underwritten public offering, the number of Registrable Securities to be included may, in specified circumstances, be limited due to market conditions. We must maintain the effectiveness of the registration statement for at least 120 days after the effective date of the registration statement or such shorter period in which all of the Registrable Securities included in such registration have been sold.

*Expenses of Registration*

We are required to pay all registration expenses relating to any shelf, demand or piggyback registration, including the fees and expenses of one counsel for Holders, but not including underwriting fees, discounts or commissions.

*Indemnification*

The Registration Rights Agreement contains customary cross-indemnification provisions, pursuant to which we are obligated to indemnify each of the Holders, their affiliates, each underwriter and the persons who control such underwriter(s) in the event of material misstatements or omissions in the registration statement or related prospectus (or amendments or supplements thereto) not based on information provided to us by such indemnified person, and each Holder is obligated to indemnify us for material misstatements or omissions in the registration statement or related prospectus (or amendments or supplements thereto) based on information provided by such Holder to us.

*Expiration of Registration Rights*

The Registration Rights Agreement will terminate (a) at any time upon the mutual written agreement of NeoGenomics and Holders holding a majority in interest of the NEO Shares and (b) as to any particular Holder, at such time as such Holder ceases to beneficially own any NEO Shares.

*Other Provisions*

In addition to the foregoing, we have agreed not to, without the prior written consent of the Holders, enter into any agreement granting any other holder or prospective holder of any of our securities registration rights unless such rights do not conflict with the registration rights granted to the Holders pursuant to the Registration Rights Agreement.

**Voting Agreements**

In connection with our entry into the Purchase Agreement, GE Medical has entered into the Voting Agreements with all of our executive officers and directors, the form of which is attached hereto as *Annex D*. An

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aggregate of 4,918,774 shares of our common stock are subject to the Voting Agreements, comprised of 2,053,774 shares of our common stock (including 6,400 shares acquired by a director after his execution of his Voting Agreement and prior to the Record Date) and 2,865,000 shares issuable pursuant to the exercise of options, warrants and other rights to acquire shares of our common stock. None of such options, warrants and other rights were exercised prior to the Record Date, and, as a result, an aggregate of 2,053,744 shares outstanding as of the Record Date are subject to the Voting Agreements, which represents 3.4% of our issued and outstanding shares as of the Record Date. This summary is qualified in its entirety by reference to the Voting Agreements, the form of which is attached to this proxy statement as *Annex D* and incorporated by reference herein.

The Voting Agreements provide, among other things, that the individuals party thereto will vote the shares subject to such Voting Agreements through the earlier of the approval by our stockholders of the Stock Issuance and the termination of the Purchase Agreement:

- in favor of the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment, the Transaction Proposal and the Equity Incentive Plan Amendment and any other matter required to be approved by our stockholders in order to effect the transactions contemplated by the Purchase Agreement and the consummation thereof;

- against the approval or adoption of any proposal that is in opposition to, or that would reasonably be expected to interfere with or delay the consummation of, the Stock Issuance, the Authorized Common Stock Charter Amendment, the Authorized Preferred Stock Charter Amendment, the Transaction Proposal and the Equity Incentive Plan Amendment or any of the transactions contemplated by the Purchase Agreement;

- against the approval or adoption of any liquidation, dissolution, recapitalization, extraordinary dividend or other significant corporate reorganization of NeoGenomics or any of its subsidiaries other than a reverse stock split;

- against any acquisition proposal or any agreement or arrangement constituting or related to any acquisition proposal; and

- against the approval or adoption of any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of NeoGenomics or NeoGenomics Laboratories under the Purchase Agreement or that could result in any of the conditions to the consummation of our purchase of the shares of Clarient under the Purchase Agreement not being fulfilled.

Each individual party to a Voting Agreement further:

- irrevocably granted to, and appointed, GE Medical, and any GE Medical designee, such individual s proxy and attorney-in-fact to vote all of such individual s shares, or grant a written consent in respect of the shares, or execute and deliver a proxy to vote or grant a written consent in respect of such shares on the matters and in the manner consistent with the preceding paragraph; and

agreed not to transfer such individual s shares, or any voting rights applicable to such shares, subject to certain exceptions.

The Voting Agreements will automatically terminate upon the earliest to occur of the attainment of the required stockholder approval of the transactions contemplated by the Purchase Agreement and the termination of the Purchase Agreement.

The individual party to the Voting Agreements are also subject to a non-solicitation covenant with respect to a Parent Acquisition Proposal substantially similar to the non-solicitation covenant applicable to NeoGenomics and its subsidiaries in the Purchase Agreement. See *The Stock Purchase Agreement Non-Solicitation; Exclusivity* .

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**Lock-up Agreement**

Concurrent with the execution of the Purchase Agreement, each of Douglas VanOort, our Chief Executive Officer and Chairman of the Board, and Steven Jones, our Executive Vice President Finance and a member of the Board, entered into a lock-up agreement pursuant to which they agreed not to sell or transfer any shares of our common stock or securities convertible into, exchangeable or exercisable for, or that represent the right to receive shares of our common stock, for six months after the closing of the Transaction. Specifically, they have agreed, with certain exceptions, not to directly or indirectly:

- sell, offer to sell, contract or agree to sell any shares of the common stock of NeoGenomics;
- hypothecate, pledge, encumber, mortgage or exchange any shares of the common stock of NeoGenomics;
- grant any option, right or warrant to purchase any shares of the common stock of NeoGenomics;
- make any short sale or otherwise dispose of or agree to dispose of, any shares of the common stock of NeoGenomics;
- establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to any shares of our common stock;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of our shares of common stock, whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise; or
- publicly disclose the intention to do any of the foregoing.

**Transition Services Agreement**

At or prior to closing, NeoGenomics and GE, the parent company of GE Medical, will enter into the Transition Services Agreement. Pursuant to the terms of the agreement, GE will agree that it or certain of its affiliates will provide NeoGenomics certain transition services with respect to the transition to NeoGenomics of the Clarient business after closing.

*Services Provided by GE*

GE will use commercially reasonable efforts to perform the transition services in the manner substantially similar to the manner that such services were provided by GE with respect to Clarient s business immediately prior to the closing of the Transaction. The transition services to be provided by GE include:

access to the GE corporate credit card, travel reservation system and expense reporting applications for a period of up to three months;

procurement services and accounts payable processing until NeoGenomics transitions contracts and services capabilities for a period of up to six months;

access to certain financial service applications to allow for financial analysis and consolidation of financial reporting until NeoGenomics re-establishes financials within its financial environment for a period of up to six months;

access and support for specified human resources information technology systems for a period of up to six months;

provision of historical payroll, benefits and other human resources data for a period of up to six months;

access to employee email and records for a period of up to nine months;

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access to quality management systems document and relevant quality/regulatory records for a period of up to six months;

website hosting and maintenance support for Clarient.com and related websites for a period of up to nine months;

advisory services to assist with the technology transfer and commercial implementation of certain research and development systems; and

certain information technology risk and infrastructure services for a period of up to nine months.

We are obligated to use commercially reasonable efforts to end our reliance on the transition services as soon as reasonably possible following the closing of the Transaction.

*Intellectual Property Rights*

GE will retain all intellectual property rights relating to the software, methodologies, processes, technologies, algorithms and any other intellectual property owned by GE which may be operated or used by GE in connection with the performance of the transition services agreement.

*Proprietary Rights*

Nothing in the transition services agreement will be deemed or considered to grant to NeoGenomics a license of any intellectual property or proprietary rights owned or licensed by GE, subject to certain limited exceptions.

*Term and Termination*

The Transition Services Agreement will become automatically effective, without any further action by either party, on the closing of the Transaction. The term of the agreement will continue with respect to each of the transition services until the earlier of (a) the expiration of the applicable time period for such transition service as set forth in the Transition Services Agreement and (b) the termination of the final transition service as set forth in the Transition Services Agreement.

As to any particular transition service, the use of such transition service may be terminated by NeoGenomics by providing GE at least 30 days prior written notice of its desire to terminate such transition service. In addition, the agreement may be terminated by GE (a) upon 10 days prior written notice to NeoGenomics if NeoGenomics breaches any payment obligation of the Transition Services Agreement and fails to remedy the such breach within such 10 day period, (b) upon 30 days prior written notice to NeoGenomics if NeoGenomics breaches any provision of the Transition Services Agreement (other than its payment obligations) and fails to remedy such breach within such 30-day period and (c) immediately in the event of certain other events, including NeoGenomics becoming insolvent, commencing and maintaining bankruptcy proceedings or any substantial part of NeoGenomics property becoming subject to any levy, seizure, assignment or sale by any creditor or governmental agency.

*Transitional Trademark License Agreement*

Prior to or at the closing of the Transaction, Clarient will enter into a transitional trademark license agreement with Monogram Licensing, Inc. and Monogram Licensing International, Inc., subsidiaries of GE. Under the agreement, Clarient will receive a non-exclusive, royalty-free, worldwide license to use certain trademarks owned by Monogram Licensing and Monogram Licensing International for a period of up to 6 months, while Clarient phases out the licensed trademarks and rebrands.

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*MultiOmyx License Agreement*

Prior to or at the closing of the Transaction, Clarient will enter into a technology license agreement with GE Healthcare Bio-Sciences Corp. Under the agreement, Clarient will receive an exclusive, royalty-bearing license in the United States to use the licensed patents and technical information in conjunction with fluorescent-based tissue staining systems for purposes of performing research, discovery and development of therapeutics and for providing in-vitro diagnostic testing services. The agreement also will grant Clarient a non-exclusive license in the United States to use software programs that process and analyze raw data generated using the MultiOmyx Technology (as defined therein). The agreement terminates 20 years from the effective date, or upon expiry of the last licensed patent, whichever occurs later. Clarient may terminate the agreement without cause any time after the tenth anniversary of the effective date of the agreement, and GE Healthcare Bio-Sciences Corp. may terminate the agreement without cause if certain milestones are not met in the seventh year of the agreement.

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## DESCRIPTION OF CAPITAL STOCK

*The following is a summary of the material terms of our capital stock. This description does not purport to be complete and is qualified in its entirety by the provisions of our Articles of Incorporation, bylaws and the certificate of designations for the Series A Preferred Stock attached to this proxy statement as Annex E.*

### General

Our authorized capital stock currently consists of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. The following description summarizes some of the terms of our capital stock.

If the Authorized Common Stock Charter Amendment is approved by our stockholders, the number of shares of common stock we are authorized to issue will increase by 150.0 million shares to an aggregate of 250.0 million authorized shares of common stock. If the Authorized Preferred Stock Charter Amendment is approved by our stockholders, the number of shares of preferred stock we are authorized to issue will increase by 40.0 million shares to an aggregate of 50.0 million authorized shares of preferred stock.

### Common Stock

As of the Record Date, approximately 60.6 million shares of our common stock were issued and outstanding. If the Transaction is consummated, we expect to issue 15.0 million shares of common stock to GE Medical, resulting in approximately 75.6 million shares of our common stock being issued and outstanding immediately after the consummation of the Transaction, based on the number of shares of our common stock outstanding as of the Record Date.

***Voting Rights***. The holders of common stock are entitled to one vote per share for the election of directors and with respect to all other matters submitted to a vote of stockholders. Shares of our common stock do not have cumulative voting rights, which means that the holders of more than 50% of such shares voting for the election of directors can elect 100% of the directors if they choose to do so.

***Dividends***. The holders of common stock are entitled to share equally in dividends, if, as and when declared by our Board, out of funds legally available therefore, subject to the priorities given to any class of preferred stock which may be issued.

***Liquidation***. Upon liquidation, dissolution or winding-up of NeoGenomics, our assets, after the payment of debts and liabilities and any liquidation preferences of, and unpaid dividends on, any class of preferred stock then outstanding, will be distributed pro-rata to the holders of our common stock.

***Other Rights and Preferences***. The holders of our common stock do not have preemptive or conversion rights to subscribe for any of our securities and have no right to require us to redeem or purchase their shares.

***Fully Paid and Nonassessable***. The outstanding shares of our common stock are fully paid and non-assessable.

### Preferred Stock

As of the Record Date, no shares of our preferred stock were issued and outstanding. If the Transaction is consummated, we expect to issue 14,666,667 shares of newly designated Series A Preferred Stock to GE Medical. See

*Series A Preferred Stock* below for a description of the terms of the Series A Preferred Stock.

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Under the terms of our Articles of Incorporation, the Board is authorized to issue preferred stock from time to time in one or more series. The Board is authorized to fix or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, the liquidation preferences of any wholly unissued series of preferred stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding and which we may be obligated to issue under options, warrants or other contractual commitments. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

**Series A Preferred Stock**

The shares of Series A Preferred Stock to be issued to GE Medical as consideration upon the closing of the Transaction will have the following rights:

***Rank***. The Series A Preferred Stock will be senior to all other classes and series of our capital stock, including our common stock and other series of preferred stock (collectively, Junior Stock ) that we may issue in the future, including with respect to dividend and other distribution rights or rights upon a Liquidation Event.

***Voting Rights***. Each holder of Series A Preferred Stock will have such number of votes for each share of Series A Preferred Stock held of record by such holder on an as-converted (into common stock) basis, on each matter upon which holders of common stock have the right to vote and will vote together with the holders of common stock (and any other class or series which may be similarly entitled to vote) as one class on all matters upon which holders of common stock have the right to vote, and not as a separate class or series other than as set forth below.

In addition to any other vote of our stockholders required under applicable law, if any shares of Series A Preferred Stock remain outstanding at any point in time, the affirmative vote or written consent of the holders of at least a majority of the then issued and outstanding shares of Series A Preferred Stock, voting together as a single class, will be required for us to effect any corporate action (whether taken by amendment, merger, consolidation or otherwise) to:

increase or decrease the authorized number of shares of Series A Preferred Stock;

create or authorize the creation of or issue any equity security, including any security convertible into or exchangeable for any equity security, of any other class or series having rights, preferences or privileges ranking on parity with or senior to or prior to the Series A Preferred Stock;

change the powers, designations, preferences, limitations, restrictions, voting or other rights of the Series A Preferred Stock set forth in the Certificate of Designations;

alter or amend any provision of our Articles of Incorporation or Bylaws in a manner adverse to the rights of the Series A Preferred Stock set forth in the Certificate of Designations;

redeem, repurchase or otherwise acquire any Junior Stock, except for repurchases of Junior Stock held by our employees, independent contractors, consultants or medical doctors upon termination of their employment or services pursuant to employment agreements, consulting agreements or settlement agreements providing for such repurchase;

after the closing of the Transaction, issue any additional shares of Series A Preferred Stock, except as required pursuant to the terms of the Certificate of Designations;

effect an exchange, reclassification or cancellation of all or part of the Series A Preferred Stock; or

change the Series A Preferred Stock into the same or a different number of shares, with or without par value, of the same or another class.

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In addition, without the affirmative vote or written consent of holders of at least a majority of the then issued and outstanding shares of Series A Preferred Stock, voting together as a single class, we will not consummate a recapitalization, share exchange or reclassification involving the Series A Preferred Stock or a merger or consolidation with another entity, which recapitalization, share exchange, reclassification, merger or consolidation does not constitute a Liquidation Event, unless in each case after giving effect to such recapitalization, share exchange, reclassification, merger or consolidation: (a) the Series A Preferred Stock remains outstanding and the powers, preferences, privileges and voting and other rights are not amended in any respect or, in the case of any such recapitalization, share exchange, reclassification, merger or consolidation with respect to which we are not the surviving or resulting entity, the shares of Series A Preferred Stock are converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent; and (b) the shares of Series A Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such powers, preferences, privileges and voting and other rights that are substantially the same as the powers, preferences, privileges and voting and other rights of the Series A Preferred Stock immediately prior to the consummation of such transaction.

***Dividends***. Commencing on the one year anniversary of the first date on which shares of Series A Preferred Stock are issued (the Original Issue Date ) and ending on the date on which the Series A Preferred Stock automatically converts as described in *Automatic Conversion* below, in the event that any shares of Series A Preferred Stock remain issued and outstanding, dividends (the PIK Dividends ) on each share of Series A Preferred Stock will accrue quarterly in arrears on the last day of each March, June, September and December, and in kind in an amount of shares of Series A Preferred Stock equal to (a) the product of the PIK Dividend rate described in the table below for the period indicated, multiplied by the then effective Liquidation Preference per share of Series A Preferred Stock, divided by (b) four.

| For the Period: | PIK Dividend Rate per Annum in Effect |
|---|---|
| Commencing on the Original Issue Date and ending on the 1st anniversary of the Original Issue Date | 0.0% |
| Commencing on the day after the 1st anniversary of the Original Issue Date and ending on the 4th anniversary of the Original Issue Date | 4.0% |
| Commencing on the day after the 4th anniversary of the Original Issue Date and ending on the 5th anniversary of the Original Issue Date | 5.0% |
| Commencing on the day after the 5th anniversary of the Original Issue Date and ending on the 6th anniversary of the Original Issue Date | 6.0% |
| Commencing on the day after the 6th anniversary of the Original Issue Date and ending on the 7th anniversary of the Original Issue Date | 7.0% |
| Commencing on the day after the 7th anniversary of the Original Issue Date and ending on the 8th anniversary of the Original Issue Date | 8.0% |
| Commencing on the day after the 8th anniversary of the Original Issue Date and ending on the 9th anniversary of the Original Issue Date | 9.0% |
| Commencing on the day after the 9th anniversary of the Original Issue Date and ending on the date of automatic conversion | 10.0% |

The PIK Dividends will be cumulative and will accrue whether or not they have been earned or declared and whether or not there are profits, surplus or other funds of NeoGenomics legally available for the payment of PIK Dividends. On December 31 of each year, beginning on the first anniversary of the Original Issue Date and ending on the date on which the Series A Preferred Stock automatically converts as described in *Automatic Conversion* below, all PIK Dividends which have accrued on a share of Series A Preferred Stock outstanding during such calendar year (or such shorter period in the case of the initial period) will be added to the then effective Liquidation Preference of such share

of Series A Preferred Stock. In the event of a redemption or conversion of the Series A Preferred Stock or a Liquidation Event on any date other than December 31 of any calendar year, the redemption amount payable upon a redemption, the Liquidation Preference and the shares of

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Series A Preferred Stock so convertible in connection therewith, as applicable, will be increased by PIK Dividends in an amount equal to the Liquidation Preference multiplied by the product of (a) the PIK Dividend rate in effect for such year reflected in the table above, and (b) the quotient of (x) the number of calendar days elapsed from January 1 of such year to the date of consummation of such redemption, conversion or Liquidation Event, as applicable, divided by (y) 360.

If, on account of an increase in the Liquidation Preference of a share of Series A Preferred Stock pursuant to the preceding paragraph, any holder of Series A Preferred Stock would be prohibited by any applicable law, rule or regulation from holding its Series A Preferred Stock or converting all of its Series A Preferred Stock at the then effective conversion price, without receiving the consent of any governmental authority that has not been obtained at such time, then the Liquidation Preference will not be increased, and such PIK Dividend will be paid in cash in lieu of such increase in the Liquidation Preference. If the condition set forth above ceases to exist prior to the date of an optional conversion or the date of the automatic conversion of the Series A Preferred Stock, the Liquidation Preference will be increased to such Liquidation Preference that would then be in effect as if such condition had not existed. If 14,666,667 shares of Series A Preferred Stock are issued at the closing of the Transaction and not redeemed prior to automatic conversion into our common stock on the tenth anniversary of closing, we would be required to issue an additional 10,775,454 shares of Series A Preferred Stock as PIK Dividends.

***Liquidation, Dissolution or Winding-up; Liquidation Preference***. To the extent not prohibited by applicable law, upon the occurrence of any Liquidation Event, each holder of Series A Preferred Stock will be entitled to receive, prior and in preference to any distribution of any of the assets or funds of NeoGenomics to the holders of shares of Junior Stock out of the assets of NeoGenomics legally available therefor, whether such assets are capital, surplus or earnings, an amount, payable in cash, equal to $7.50 plus all declared and unpaid dividends thereon, including all accrued and unpaid PIK Dividends regardless of whether there has been any payment-in-kind with respect thereto and after giving effect to the second paragraph under *Dividends*, in each case, as adjusted for any stock dividends, combinations, splits, recapitalizations and similar events with respect to such shares (the Liquidation Preference), for each share of Series A Preferred Stock held by such holder. Liquidation Event means any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, and any Deemed Liquidation Event.

A Deemed Liquidation Event includes any of the following: (a) the acquisition by any person other than a holder of Series A Preferred Stock or an affiliate thereof of 50% or more of our voting securities; (b) any consolidation or merger of NeoGenomics with or into any other corporation or other entity or person, or any other corporate reorganization, in which our stockholders immediately prior to such consolidation, merger or reorganization, own less than 50% of our voting power immediately after such consolidation, merger or reorganization; and (c) any sale, lease, license, transfer or other disposition of all or substantially all of the assets, technology or intellectual property of NeoGenomics, other than non-exclusive licenses granted in the ordinary course of our business.

***Automatic Conversion***. Each share of Series A Preferred Stock issued and outstanding as of the tenth anniversary of the Original Issue Date will automatically convert into fully paid and non-assessable shares of common stock. The number of shares of common stock to which a holder of Series Preferred Stock will be entitled upon conversion will be equal to the quotient of the then effective Liquidation Preference, divided by the then effective conversion price. The conversion price will be equal to $7.50, multiplied by the conversion rate, which will initially be equal to 1.0, but is subject to anti-dilution adjustments that may occur prior to the date of the automatic conversion.

***Optional Conversion by Holders***. At any time, from and after the third anniversary of the Original Issue Date, to the extent the VWAP of our common stock equals or exceeds $8.00 per share, as adjusted for any stock dividends, combinations, splits, recapitalizations and similar events with respect to shares of our common stock, for 30 consecutive trading days, any holder, upon written notice, will have the right to convert any or all shares of Series A

Preferred Stock it owns into fully paid and non-assessable shares of common stock. The number of shares of common stock to which a holder of Series Preferred Stock will be entitled upon conversion will be

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equal to the quotient of the then effective Liquidation Preference, divided by the then effective conversion price, and the date upon which we receive the holder s notice of conversion will be the effective date of any optional conversion. For purposes of the foregoing, VWAP means, as of any applicable date of determination, the volume weighted average per share price of shares of our common stock on the applicable trading day on the principal national securities exchange on which our common stock is listed or admitted to trading.

***Conversion Rate and Conversion Price***. The conversion price for the Series A Preferred Stock will be $7.50 per share, multiplied by the then effective conversion rate. The conversion rate in effect for conversion of each share of Series A Preferred Stock into common stock will initially be 1.0, subject to adjustments for stock splits, reclassifications and certain distributions and as described under *Reorganizations, Mergers and Consolidations* .

***No Fractional Shares***. We will not be required to issue or cause to be issued fractional shares of common stock pursuant to any provision of the Certificate of Designations. If any fraction of a share of common stock would be issuable pursuant to the Certificate of Designations, the number of shares of common stock to be issued will be rounded up to the nearest whole share.

***Redemption at the Option of the Company***. At any time, and from time to time, we may redeem for cash all, or any portion of, the outstanding Series A Preferred Stock at a price per share equal to the then effective Liquidation Preference, provided the aggregate amount redeemed at such time is not less than (a) from the Original Issue Date until the fourth anniversary thereof, $10.0 million and (b) thereafter, $5.0 million, and in each case only in $1.0 million increments above such amounts. The amount payable by us in the event of a redemption during the period from the Original Issue Date until the fourth anniversary thereof will be discounted as set forth below under *Redemption Discounts* .

***Redemption at the Option of the Holder Upon Future Capital Raise***. For so long as any shares of Series A Preferred Stock remain outstanding, in the event that we issue any other class or series of equity or common stock equivalents or any unsecured debt securities for cash consideration, we are required to apply at least 50% of the net cash proceeds from any such issuance to redeem shares of Series A Preferred Stock for cash at a redemption price per share equal to the then effective Liquidation Preference. Cash proceeds received by us in connection with the exercise of options, warrants or similar securities that we issued to our employees, directors independent contractors, consultants or medical doctors as compensation will not be applied to the redemption of shares of Series A Preferred Stock. The amount payable by us in the event of a redemption during the period from the Original Issue Date until the fourth anniversary thereof will be discounted as set forth below under *Redemption Discounts* .

***Redemption Discounts***. Commencing on the Original Issue Date and ending on the fourth anniversary thereof, in the event that any shares of Series A Preferred Stock are redeemed, the amount payable by us for each share being redeemed will be reduced by an amount determined by multiplying the discount rate listed below for the period in which the redemption is consummated by the then effective Liquidation Preference before such discount is applied.

| **For the Period:** | **Discount** |
|---|---|
| Commencing on the Original Issue Date and ending on the 1st anniversary of the Original Issue Date | 9.0909% |
| Commencing on the day after the 1st anniversary of the Original Issue Date and ending on the 2nd anniversary of the Original Issue Date | 6.8182% |
| Commencing on the day after the 2nd anniversary of the Original Issue Date and ending on the 3rd anniversary of the Original Issue Date | 4.5455% |
| | 2.2727% |

Commencing on the day after the 3rd anniversary of the Original Issue Date and ending on the 4th anniversary of the Original Issue Date

From and after the fourth anniversary of the Original Issue Date, no reduction will be made for any amount payable in connection with a redemption.

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***Reorganizations, Mergers and Consolidations***. In case of any consolidation or merger of NeoGenomics with any other entity (other than a wholly owned subsidiary of NeoGenomics), or in case of any sale or transfer of all or substantially all of our assets, or in case of any share exchange pursuant to which all of the outstanding shares of common stock are converted into other securities or property of NeoGenomics, we will, prior to or at the time of such transaction, make appropriate provision or cause appropriate provision to be made so that holders of each share of Series A Preferred Stock then outstanding will have the right thereafter to convert such shares of Series A Preferred Stock into the kind and amount of shares of stock and other securities and property receivable upon such consolidation, merger, sale, transfer or share exchange by a holder of the number of shares of common stock into which such share of Series A Preferred Stock could have been converted immediately prior to the effective date of such consolidation, merger, sale, transfer or share exchange. If in connection with any such consolidation, merger, sale, transfer or share exchange, each holder of shares of common stock is entitled to elect to receive either securities, cash or other assets upon completion of such transaction, we will provide or cause to be provided to each holder of Series A Preferred Stock the right to elect the securities, cash or other assets into which the Series A Preferred Stock held by such holder will be convertible after consummation of any such transaction on the same terms and subject to the same conditions applicable to holders of the common stock.

***Prohibitions on Transfers***. No sale, exchange, delivery, assignment, transfer, disposal, encumbrance, pledge or hypothecation, whether voluntary, involuntary, by operation of law, or resulting from death, disability or otherwise may be made by a holder of any shares of Series A Preferred Stock without our express written consent, except that a holder may transfer shares of Series A Preferred Stock to an affiliate of such holder upon written notice to us.

***Amendments; Modifications.*** No provision of the Certificate of Designations may be amended, except in a written instrument signed by NeoGenomics and holders of at least a majority of the shares of Series A Preferred Stock then outstanding.

**Warrants**

As of the Record Date, warrants to purchase 650,000 shares of our common stock were outstanding. The exercise prices of these warrants range from $1.43 to $1.50 per share.

**Options**

As of the Record Date, options to purchase 5,458,138 shares of our common stock were outstanding. The exercise prices of these options range from $0.31 to $6.66 per share.

**Transfer Agent**

Our transfer agent is Standard Registrar & Transfer Company located at 12528 South 1840 East Draper, Utah, 84020. The transfer agent s telephone number is (801) 571-8844.

**Indemnification Of Directors And Executive Officers And Limitation On Liability**

Our Articles of Incorporation provide that no director or officer of the company shall be personally liable to the company or any of its stockholders for damages for breach of fiduciary duty as a director or officer of for any act or omission of any such director or officer; however such indemnification shall not eliminate or limit the liability of a director or officer for (a) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law or (b) the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes. Our bylaws provide that any person who was or is a party or is threatened to be made a party to any threatened, pending or completed

action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the company (or is or was serving at the request of the company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or

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other enterprise) shall be indemnified and held harmless by the company to the fullest extent permitted by Nevada law against expenses including attorneys fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding.

Our bylaws also provide that we must indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed proceeding by or in the right of the company to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the company, or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against costs incurred by such person in connection with the defense or settlement of such action or suit. Such indemnification may not be made for any claim, issue or matter as to which such person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to us or for amounts paid in settlement to us, unless and only to the extent that the court determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Our bylaws provide that we must pay the costs incurred by any person entitled to indemnification in defending a proceeding as such costs are incurred and in advance of the final disposition of a proceeding; provided however, that we must pay such costs only upon receipt of an undertaking by or on behalf of such person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by us.

Our bylaws provide that we may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the company, or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise in accordance with Section 78.752 of the Nevada Revised Statutes.

Nevada Revised Statutes 78.751 and 78.7502 have provisions that provide for discretionary and mandatory indemnification of officers, directors, employees, and agents of a corporation. Under these provisions, such persons may be indemnified by a corporation against expenses, including attorney s fees, judgment, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with the action, suit or proceeding, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful.

To the extent that a director, officer, employee or agent has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter, the Nevada Revised Statues provide that he must be indemnified by us against expenses, including attorney s fees, actually and reasonably incurred by him in connection with the defense.

Section 78.751 of the Nevada Revised Statues also provides that any discretionary indemnification, unless ordered by a court or advanced by us, may be made only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

by the stockholders;

by the Board by majority vote of a quorum consisting of directors who were not parties to that act, suit or proceeding;

if a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion; or

if a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

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## PROPOSAL NO. 1 THE STOCK ISSUANCE

### General

On October 20, 2015, we entered into the Purchase Agreement with GE Medical, pursuant to which we agreed to acquire all of the issued and outstanding shares of common stock of Clarient Inc. The purchase price consists of (a) cash consideration of $80.0 million, (b) the NEO Common Shares, totaling 15.0 million shares of our common stock and (c) the NEO Preferred Shares, totaling 14,666,667 shares of our Series A Preferred Stock (subject to adjustment as described elsewhere in this proxy statement). We have the right to increase the cash consideration by up to $110.0 million using the proceeds from the sale of common stock or certain debt securities, as described under *Proposal No. 4 Transaction Proposal*, and reduce the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares. For more information, see *The Transaction*.

As of the Record Date, we had 60,618,252 shares of common stock outstanding and no shares of preferred stock outstanding.

### NASDAQ Capital Market Stockholder Approval Requirements

Our common stock is listed on, and we are subject to the rules and regulations of, NASDAQ. NASDAQ Market Place Rule 5635(a)(1) requires stockholder approval prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if (a) the common stock, or securities convertible into common stock, we issue has or will have upon issuance voting power equal to or in excess of 20% of the voting power of our securities outstanding before the issuance or (b) the number of shares of common stock, or securities convertible into common stock, to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance. In addition, NASDAQ Market Place Rule 5635(a)(1) requires stockholder approval prior to the issuance of securities in a private placement if the number of shares of common stock, or securities convertible into common stock, to be issued is or will be equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock.

As described above, we are proposing to issue 15.0 million shares of our common stock and 14,666,667 shares of Series A Preferred Stock (subject to adjustment as described elsewhere in this proxy statement), which are convertible into common stock, to GE Medical pursuant to the Purchase Agreement. The number of shares we will issue will exceed 20% of both the voting power and the number of shares of our common stock outstanding before the issuance. Accordingly, at the special meeting, we are asking holders of shares of our common stock to consider and vote on the Stock Issuance to satisfy NASDAQ rules.

### Recommendation of the Board

Stockholder approval of the Stock Issuance is a condition to completion of the Transaction pursuant to the Purchase Agreement. If our stockholders do not approve the Stock Issuance, we will be unable to consummate the Transaction and the Purchase Agreement may be terminated by NeoGenomics or GE Medical. In the event of termination for failure of our stockholders to approve the Stock Issuance, we will be required to pay to GE Medical a $3.0 million termination fee. For more information, see *The Stock Purchase Agreement Termination Fees* beginning on page 83.

### Vote Required for Approval

The Stock Issuance will be approved if a majority of the votes cast by stockholders in person or via proxy with respect to this matter are cast in favor of the proposal. The proposal to approve the Stock Issuance is a non-discretionary or non-routine item, meaning that brokerage firms cannot vote shares in their discretion on

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behalf of a client if the client has not provided the brokerage firm voting instructions. Accordingly, if you hold your shares in street name and fail to instruct your broker to vote your shares for the proposal, your shares will not be counted as votes cast for the proposal and will have no effect on the outcome of the Stock Issuance proposal.

**OUR BOARD UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE STOCK ISSUANCE. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED FOR THE APPROVAL OF THIS PROPOSAL.**

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## PROPOSAL NO. 2 AUTHORIZED COMMON STOCK CHARTER AMENDMENT

### General

The Board has adopted a resolution approving and recommending to the stockholders for their approval a proposal to amend our Articles of Incorporation to increase the number of authorized shares of common stock.

The form of the amendment is as follows:

Article FOURTH(A) of the Articles of Incorporation of the Corporation is hereby amended and restated in its entirety to read in full as provided in the following indented paragraph:

A. The Corporation is authorized to issue 250,000,000 shares which shall be designated as Common Stock, having a par value of $.001 per share (the Common Stock ), and 50,000,000 shares which shall be designated as Preferred Stock, having a par value of $.001 per share (the Preferred Stock ).

### Recommendation of the Board

Our Articles of Incorporation currently authorize us to issue 100.0 million shares of common stock. As of the Record Date, we had 60,618,252 shares of common stock outstanding. We also had approximately 5.5 million shares of common stock reserved for issuance pursuant to outstanding options, 650,000 shares of common stock reserved for issuance pursuant to outstanding warrants and approximately 1.5 million shares of common stock reserved for new issuances pursuant to our equity compensation plans, without giving effect to any stockholder approval of the Equity Incentive Plan Amendment.

If the Transaction is consummated, we expect to issue 15.0 million shares of common stock to GE Medical, resulting in approximately 75.6 million shares of our common stock being issued and outstanding immediately after the consummation of the Transaction, based on the number of our outstanding shares as of the Record Date. To allow for additional authorized common stock to support our growth and provide flexibility for future corporate needs and to provide for shares of common stock underlying the NEO Preferred Shares in the event such NEO Preferred Shares are converted into common stock in accordance with the terms of the Certificate of Designations, at the special meeting we are asking our stockholders to consider and vote on the Authorized Common Stock Charter Amendment to amend Article Fourth(A) of our Articles of Incorporation to increase the number of shares of common stock we are authorized to issue by 150.0 million shares, to an aggregate of 250.0 million authorized shares of common stock.

As of the Record Date, assuming approval of the proposals in this proxy statement and the consummation of the Transaction and excluding any shares of common stock that may be issued upon the conversion of the NEO Preferred Shares, after taking into account the shares reserved for future issuance pursuant to our Equity Incentive Plan and shares issuable pursuant to outstanding options and warrants, we would have up to approximately 163.8 million authorized shares available for issuance from time to time at the discretion of the Board without further stockholder action, except as may be required by applicable law or otherwise. The shares would be issuable for any proper corporate purpose, including future acquisitions, capital raising transactions consisting of equity or convertible debt or stock dividends, subject to any restrictions in our current and future debt agreements and stockholder agreements.

Stockholder approval of the Authorized Common Stock Charter Amendment is a condition to completion of the Transaction pursuant to the Purchase Agreement. If our stockholders do not approve the Authorized Common Stock Charter Amendment, we will be unable to consummate the Transaction and the Purchase Agreement may be terminated by NeoGenomics or GE Medical. In the event of termination for failure of our stockholders to approve the

Authorized Stock Charter Amendment, we will be required to pay to GE Medical a $3.0 million termination fee. For more information, see *The Stock Purchase Agreement Termination Fees* beginning on page 83.

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**Vote Required for Approval**

The Authorized Common Stock Charter Amendment will be approved if a majority of our outstanding shares of common stock are cast in favor of the proposal. The proposal to approve the Authorized Common Stock Charter Amendment is a non-discretionary or non-routine item, meaning that brokerage firms cannot vote shares in their discretion on behalf of a client if the client has not provided the brokerage firm voting instructions. Since this proposal must be approved by a majority of the outstanding shares, if you hold your shares in street name and fail to instruct your broker to vote your shares for the proposal, your shares will have the same effect as a vote cast against the Authorized Common Stock Charter Agreement.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE AUTHORIZED COMMON STOCK CHARTER AMENDMENT. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED FOR THE APPROVAL OF THIS PROPOSAL.**

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## PROPOSAL NO. 3 AUTHORIZED PREFERRED STOCK CHARTER AMENDMENT

### General

The Board has adopted a resolution approving and recommending to the stockholders for their approval a proposal to amend our Articles of Incorporation to increase the number of authorized shares of preferred stock.

The form of the amendment is as follows:

Article FOURTH(A) of the Articles of Incorporation of the Corporation is hereby amended and restated in its entirety to read in full as provided in the following indented paragraph:

A. The Corporation is authorized to issue 250,000,000 shares which shall be designated as Common Stock, having a par value of $.001 per share (the Common Stock ), and 50,000,000 shares which shall be designated as Preferred Stock, having a par value of $.001 per share (the Preferred Stock ).

### Recommendation of the Board

Our Articles of Incorporation currently authorize us to issue 10.0 million shares of preferred stock. As of the Record Date, we had no shares of preferred stock outstanding. If the Transaction is consummated, we expect to issue 14,666,667 shares of newly designated Series A Preferred Stock to GE Medical (subject to adjustment as described elsewhere in this proxy statement). In addition, under the terms of the Series A Preferred Stock, dividends will accrue quarterly on outstanding shares of Series A Preferred Stock commencing on the first anniversary of closing in the form of PIK Dividends. If none of the shares of Series A Preferred Stock are redeemed prior to the automatic conversion of such Series A Preferred Stock into shares of our common stock on the tenth anniversary of the closing, we would be required to issue an additional 10,775,454 shares of Series A Preferred Stock as PIK Dividends (from the first anniversary of closing through the date of automatic conversion). See *Description of Capital Stock Series A Preferred Stock* for a description of the rights and preferences of the Series A Preferred Stock.

We currently do not have sufficient number of authorized shares of preferred stock to issue the NEO Preferred Shares to GE Medical in connection with the Transaction. Accordingly, even if stockholder approval of the Stock Issuance is received, we would not be able to consummate the Transaction in the absence of stockholder approval of the Authorized Preferred Stock Charter Amendment to amend Article Fourth(A) of our Articles of Incorporation to increase the number of shares of preferred stock we are authorized to issue by 40.0 million shares, to an aggregate of 50.0 million authorized shares of preferred stock.

Following the issuance of the NEO Preferred Shares, the Board will have the authority (subject to the rights of the Series A Preferred Stock as set forth in the Certificate of Designations), without further action by the holders of common stock, to issue the remaining shares of undesignated preferred stock in one or more series with rights and preferences designated from time to time by the Board. The Board may authorize the issuance of such preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. Furthermore, the existence of the authorized but unissued shares of preferred stock will enable the Board to render more difficult or to discourage a change of control of our company or changes in our management that our stockholders may deem advantageous.

Stockholder approval of the Authorized Preferred Stock Charter Amendment is a condition to completion of the Transaction pursuant to the Purchase Agreement. If our stockholders do not approve the Authorized Preferred Stock Charter Amendment, we will be unable to consummate the Transaction and the Purchase Agreement may be

terminated by NeoGenomics or GE Medical. In the event of termination for failure of our stockholders to approve the Authorized Stock Charter Amendment, we will be required to pay to GE Medical a $3.0 million termination fee. For more information, see *The Stock Purchase Agreement Termination Fees* beginning on page 83.

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**Vote Required for Approval**

The Authorized Preferred Stock Charter Amendment will be approved if a majority of our outstanding shares of common stock are cast in favor of the proposal. The proposal to approve the Authorized Preferred Stock Charter Amendment is a non-discretionary or non-routine item, meaning that brokerage firms cannot vote shares in their discretion on behalf of a client if the client has not provided the brokerage firm voting instructions. Since this proposal must be approved by a majority of the outstanding shares, if you hold your shares in street name and fail to instruct your broker to vote your shares for the proposal, your shares will have the same effect as a vote cast against the Authorized Preferred Stock Charter Amendment.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE AUTHORIZED PREFERRED STOCK CHARTER AMENDMENT. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED FOR THE APPROVAL OF THIS PROPOSAL.**

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## PROPOSAL NO. 4 TRANSACTION PROPOSAL

We are asking our stockholders to approve and adopt the Purchase Agreement and the Transaction contemplated thereby. Please see the sections entitled *The Stock Purchase Agreement* and *The Transaction*, for a summary of certain terms of the Purchase Agreement and additional information about the Transaction. You are urged to read the Purchase Agreement carefully and in its entirety before voting on this proposal.

### General

On October 20, 2015, we entered into the Purchase Agreement with GE Medical, pursuant to which we agreed to acquire all of the issued and outstanding shares of common stock of Clarient Inc. The purchase price consists of (a) cash consideration of $80.0 million, (b) the NEO Common Shares, totaling 15.0 million shares of our common stock and (c) the NEO Preferred Shares, totaling 14,666,667 shares of our Series A Preferred Stock.

If we consummate the Transaction, the NEO Common Shares would represent 19.8% of our post-closing issued and outstanding shares of common stock, based on the number of our outstanding shares as of the Record Date. In addition, the NEO Preferred Shares will, with certain exceptions, vote with shares of our common stock as a single class on an as converted basis. Accordingly, if we issue all of the NEO Preferred Shares (and based on the number of our outstanding shares as of the Record Date), the NEO Shares issued to GE Medical will represent 32.9% of our total voting power upon closing of the Transaction, with our current stockholders owning the remaining 67.1% of the total voting power.

We have the right under the Purchase Agreement to increase the cash consideration by up to $110.0 million, and reduce the number of NEO Preferred Shares issued as consideration by an amount calculated by dividing the amount of any increase in the cash consideration by $7.50, which is the per share conversion price of the NEO Preferred Shares. Pursuant to the terms of the Purchase Agreement, any such increase in the cash consideration may only be funded through the public or private sale of common stock or debt that is not convertible into, or exchangeable or exercisable for, our equity interests or those of any of our subsidiaries. Alternatively, we may elect to conduct such a public or private sale to provide funds to redeem all or a portion of the NEO Preferred Shares after the closing of the Transaction. As of the date of this proxy statement, we have not determined whether to proceed with any such sale, and thus cannot provide specific details on the nature of such a transaction. In the event that we determine to sell additional shares of common stock to increase the cash consideration, the sale may result in further dilution to our stockholders. The sale of such shares, if conducted, for the purpose of increasing the cash consideration or funding a redemption will constitute part of the Transaction contemplated by the Purchase Agreement for purposes of this Transaction Proposal.

We believe that the Transaction would unite two complementary businesses to offer hospitals, community based pathology practices and clinicians expanded cancer-related laboratory testing services, and that the Transaction would result in the following anticipated benefits, among others:

- enhanced cancer diagnostic testing capabilities as a result of combining the best products and services of each company into a single source of advanced cancer genetic testing services for the benefit of hospitals, community-based pathology practices and clinicians, and the patients they treat;

greater capability of combined medical staff and research and development teams to continue to invest in innovation to create a sustainable leadership position in the rapidly evolving field of cancer genetics testing;

greater capability with combined expertise, information systems and processes to compete in the high growth area of biopharmaceutical testing for the benefit of current and new biopharmaceutical customers;

broadened geographical access to clients for the benefit of managed care organizations, accountable care organizations and large health care delivery systems;

the ability to cross-sell products and services to each company s current customer base;

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increased scale of laboratory operations, information technology, and medical staff to drive greater productivity and efficiencies to be a lowest cost provider, and to offer constantly improving service for the benefit of clients;

the ability to achieve significant cost synergies by applying best practices, eliminating duplicative processes, increasing volume of testing and reducing high fixed-cost infrastructure;

increased ability to optimize administrative, regulatory and compliance resources to meet the increasing demands on laboratories by regulatory organizations; and

greater size, with annual pro forma revenues of approximately $225 million and estimated Adjusted EBITDA of between $33.0 and $38.0 million, as well as higher market capitalization.

Furthermore, we believe that, given the favorable strategic fit and potential to generate sizable cost synergies, the Transaction will be accretive to our 2016 cash earnings per share (net income adjusted for non-cash items including stock-based compensation, depreciation and amortization), excluding costs of the Transaction and integration activities.

**Recommendation of the Board**

Stockholder approval of the Transaction Proposal is a condition to completion of the Transaction pursuant to the Purchase Agreement. If our stockholders do not approve the Transaction Proposal, we may be unable to consummate the Transaction.

**Vote Required for Approval**

The Transaction Proposal will be approved if a majority of the votes cast by stockholders in person or via proxy with respect to this matter are cast in favor of the proposal. The Transaction Proposal is a nondiscretionary or non-routine item, meaning that brokerage firms cannot vote shares in their discretion on behalf of a client if the client has not provided the brokerage firm voting instructions. Accordingly, if you hold your shares in street name and fail to instruct your broker to vote your shares for the proposal, your shares will not be counted as votes cast for the proposal and will have no effect on the outcome of the Transaction Proposal.

**OUR BOARD UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE TRANSACTION PROPOSAL. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED FOR THE APPROVAL OF THIS PROPOSAL.**

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## PROPOSAL NO. 5 EQUITY INCENTIVE PLAN AMENDMENT

We currently maintain the Equity Incentive Plan. The Board is seeking approval to amend and restate the Equity Incentive Plan to add 3.0 million shares of our common stock to the reserve available for new awards and to clarify provisions regarding restrictions on the repricing of options or stock appreciation rights. The Board believes that the Equity Incentive Plan has been effective in attracting and retaining highly-qualified employees and other key contributors to our business, and that the awards granted under the Equity Incentive Plan have provided an incentive that aligns the economic interests of the participants with those of our stockholders.

The Equity Incentive Plan was most recently amended effective as of June 12, 2015 to add 2.5 million shares of common stock to the reserve available for new awards. However, assuming consummation of the Transaction, we will significantly increase our headcount. As a result, we believe this increase in the number of shares reserved and available under the Plan is necessary to enable us to provide an incentive to these new employees, as well as our existing employees, that aligns their economic interests with those of our stockholders. Accordingly, the Board approved, and is recommending that our stockholders approve, an amendment and restatement of the Equity Incentive Plan.

The material features of the Equity Incentive Plan, as amended and restated, and summarized below. The summary is qualified in its entirety by reference to the specific provisions of the amended and restated Equity Incentive Plan, the full text of which is annexed to this proxy statement as *Annex G*.

**Corporate Governance Aspects of the Plan**

The Equity Incentive Plan has been designed to include a number of provisions that promote best practices by reinforcing the alignment between equity compensation arrangements for eligible employees and non-employee directors and stockholders interests. These provisions include, but are not limited to, the following:

***Clawback Policy***. In the event of a restatement of our financials due to material noncompliance with any financial reporting requirements under the law, participants will be required to reimburse us for any amounts earned or payable in connection with an award under the Equity Incentive Plan to the extent required by law and any applicable company policies.

***No Evergreen Provision***. The Equity Incentive Plan does not contain an evergreen feature pursuant to which the shares authorized for issuance under the Plan will be automatically replenished.

***Conservative Change in Control Provision***. The Equity Incentive Plan does not provide for automatic vesting of awards upon a change in control of the Company.

***No Discounted Stock Options or Stock Appreciation Rights***. Stock options and stock appreciation rights may not be granted under the Equity Incentive Plan with exercise prices lower than the market value of the underlying shares on the grant date.

***No Reload Grants***. Reload grants, or the granting of stock options conditioned upon delivery of shares to satisfy the exercise price and/or tax withholding obligation under another stock option, are not permitted under the Equity Incentive Plan.

***No Transferability***. Equity Incentive Plan awards generally may not be transferred, except by will or the laws of descent and distribution, unless approved by the Compensation Committee of the Board.

***No Automatic Grants***. The Equity Incentive Plan does not provide for automatic grants to any participant.

***No Repricings Without Stockholder Approval***. As part of the proposed amendment and restatement the Equity Incentive Plan prohibits the repricing of stock options and SARs without prior stockholder approval, with customary exceptions for certain changes in capitalization. This

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provision applies to both direct repricings (lowering the exercise price or strike price of a stock option or stock appreciation right) as well as indirect repricings (canceling an outstanding stock option or stock appreciation right and granting a replacement stock option or stock appreciation right with a lower exercise price or exchanges for cash or other forms of awards.).

***Tax Deductible Awards***. The Equity Incentive Plan contains provisions that are required for future awards to certain covered employees to be eligible to be deductible under Section 162(m) of the Internal Revenue Code of 1986 (the Code ) as performance-based compensation.

***No Tax Gross-Ups***. The Equity Incentive Plan does not provide for any tax gross-ups.

***Multiple Award Types***. The Equity Incentive Plan permits the issuance of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock units, restricted stock awards and other types of equity grants, subject to the share limits of the Equity Incentive Plan. This breadth of award types will enable the Compensation Committee to tailor awards in light of the accounting, tax and other standards applicable at the time of grant. Historically, these standards have changed over time.

***Independent Oversight***. The Equity Incentive Plan is administered by the Compensation Committee, which is comprised of independent board members.

**Administration**

The Equity Incentive Plan is administered by the Compensation Committee. Subject to the express provisions of the Equity Incentive Plan, the Compensation Committee has the authority, in its discretion, to interpret the Equity Incentive Plan, establish rules and regulations for the Plan s operation, select eligible individuals to receive awards and determine the form and amount and other terms and conditions of such awards.

**Summary of Award Terms and Conditions**

Awards under the Equity Incentive Plan may include incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, stock bonus awards, deferred stock awards and other stock-based awards.

*Stock Options*. The Compensation Committee may grant to an Equity Incentive Plan participant options to purchase our common stock that qualify as incentive stock options for purposes of Code Section 422, options that do not qualify as incentive stock options, or a combination thereof. The terms and conditions of stock option grants, including the quantity, price, vesting periods and other conditions on exercise will be determined by the Committee and will be reflected in a written award agreement or notice.

The exercise price for stock options will be determined by the Compensation Committee in its discretion, but with respect to incentive stock options may not be less than 100% of the fair market value of one share of our common stock on the date when the stock option is granted. Additionally, in the case of incentive stock options granted to a holder of more than 10% of the total combined voting power of all classes of our stock on the date of grant, the exercise price may not be less than 110% of the fair market value of one share of common stock on the date the stock option is granted. The fair market value of our common stock as of November 10, 2015, the most recent practicable

date prior to the date of this proxy statement, was $8.09 per share.

Stock options must be exercised within a period fixed by the Compensation Committee that may not exceed 10 years from the date of grant, except that in the case of incentive stock options granted to a holder of more than 10% of the total combined voting power of all classes of our stock on the date of grant, the exercise period may not exceed five years. The Equity Incentive Plan provides for earlier termination of stock options upon the participant s termination of service, unless extended by the Compensation Committee, but in no event may the options be exercised after the scheduled expiration date of the options.

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At the Compensation Committee s discretion, payment for shares of common stock on the exercise of stock options may be made in cash, shares of our common stock held by the participant or in any other form of consideration acceptable to the Compensation Committee (including one or more forms of cashless or net exercise).

*Stock Appreciation Rights.* The Compensation Committee may grant to an Equity Incentive Plan participant an award of stock appreciation rights, which entitles the participant to receive, upon its exercise, a payment equal to (a) the excess of the fair market value of a share of common stock on the exercise date over the stock appreciation right exercise price, multiplied by (b) the number of shares of common stock with respect to which the stock appreciation right is exercised. The terms and conditions of awards of stock appreciation rights, including the quantity, price, vesting periods and other conditions on exercise will be determined by the Compensation Committee and will be reflected in a written award agreement or notice.

The exercise price for a stock appreciation right will be determined by the Compensation Committee in its discretion, but may not be less than 100% of the fair market value of one share of our common stock on the date when the stock appreciation right is granted. Stock appreciation rights must be exercised within a period fixed by the Compensation Committee that may not exceed 10 years from the date of grant. Upon exercise of a stock appreciation right, payment may be made in cash, shares of our stock or a combination of cash and stock.

*Restricted Stock.* The Compensation Committee may grant to an Equity Incentive Plan participant shares of common stock subject to specified restrictions, which we refer to as restricted shares. Restricted shares are subject to forfeiture if the participant does not meet certain conditions such as continued employment over a specified forfeiture period or the attainment of specified performance targets over the forfeiture period. The terms and conditions of restricted share awards are determined by the Compensation Committee and will be reflected in a written award agreement or notice.

*Stock Bonus Awards.* The Compensation Committee may grant to an Equity Incentive Plan participant shares of common stock in the form of a stock bonus award that are not subject to any restrictions or forfeiture requirements. The terms and conditions of stock bonus awards are determined by the Compensation Committee and will be reflected in a written award agreement or notice.

*Deferred Stock Awards.* The Compensation Committee may grant to an Equity Incentive Plan participant deferred stock awards representing the right to receive shares of common stock (or the value of such shares) in the future subject to the achievement of one or more goals relating to the completion of service by the participant and/or the achievement of performance or other objectives. The terms and conditions of deferred stock awards are determined by the Compensation Committee and will be reflected in a written award agreement or notice.

*Other Stock-Based Awards.* The Compensation Committee may grant to an Equity Incentive Plan participant equity-based or equity-related awards, referred to as other stock-based awards, other than options, stock appreciation rights, restricted shares, stock bonus awards or deferred stock awards. Such awards may include restricted stock units, stock purchase rights, phantom stock arrangements or awards valued in whole or in part by reference to our common stock. The terms and conditions of each other stock-based award will be determined by the Compensation Committee and will be reflected in a written award agreement or notice. Payment under any other stock-based awards will be made in common stock or cash, as determined by the Compensation Committee.

**Performance Goals**

The Equity Incentive Plan will allow the Compensation Committee to grant options, stock appreciation rights, and certain performance-based awards that should qualify as performance-based compensation under Section 162(m) of the Code. A vote in favor of approving the Equity Incentive Plan will be a vote approving all the material terms and

conditions of the plan for purposes of granting awards pursuant to Section 162(m),

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including the performance criteria, eligibility requirements and limits on various stock awards that are described in this proposal. The Compensation Committee retains its discretion to grant awards that are not compliant with Section 162(m). In addition, given the ambiguities in how the conditions to qualifying as performance-based will be interpreted and administered under the income tax regulations, there is no certainty that elements of performance-based compensation discussed in this proposal will in fact be deductible in the future.

With respect to any awards under the Equity Incentive Plan that are intended to qualify as performance-based compensation for purposes of Code Section 162(m) (other than stock options and stock appreciation rights), the award will be subject to the attainment of one or more pre-established performance objectives that will relate to corporate, subsidiary, division, group or unit performance based on one or more of the following measures:

Gross revenue;

Earnings per share or ratios of earnings to equity or assets;

Net profits;

Stock price;

Market share;

Sales; or

Costs.

Awards that are designed to qualify as performance-based compensation may not be adjusted upward. However, the Compensation Committee has the discretion to adjust these awards downward and may grant awards that do not qualify as performance-based compensation.

**Effect of a Change in Control or Similar Corporate Transactions**

In the event of a merger, reorganization or consolidation between NeoGenomics and another person or entity (other than an affiliate) resulting in our stockholders prior to the Transaction holding less than a majority of the outstanding voting stock of the surviving entity immediately after the Transaction, or in the event of a sale of all or substantially all of our assets, outstanding awards will be subject to the specific terms as may be set forth in the applicable award agreement, which may include assumption or substitution of such awards with equivalent awards, accelerated vesting or settlement in cash or cash equivalents.

**Eligibility and Limitation on Awards**

The Compensation Committee may grant awards under the Equity Incentive Plan to any employee, non-employee director or consultant of ours or any of our participating subsidiaries. While the selection of Equity Incentive Plan participants is within the discretion of the Compensation Committee, it is currently expected that participants will be primarily officers and key senior level employees, as well as our non-employee directors. As of the date of the filing of this proxy statement, all of our approximately 450 employees, and each of our six non-employee directors, are eligible to participate in the Equity Incentive Plan. Furthermore, following the closing of the Transaction, the employees of Clarient and Clarient Diagnostic Services who become our employees as a result of the Transaction will be eligible to participate.

The maximum amount of awards that can be granted under the Equity Incentive Plan to a single participant in any 12-month period in the form of stock options or stock appreciation rights may not exceed 500,000 shares. In addition, to the extent such awards are intended to qualify as performance-based compensation under Code Section 162(m), the maximum awards that can be granted under the Equity Incentive Plan to a single participant in any 12-month period in the form of restricted shares, stock bonus awards, deferred stock awards or other stock-based awards is 500,000 shares.

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**Shares Subject to the Equity Incentive Plan**

The number of shares of our common stock reserved for issuance for awards under the Equity Incentive Plan currently, before the approval of the proposed amendment and restatement, is 9.5 million, of which approximately 1.1 million shares remain available for new awards. The Board has authorized as part of the proposed amendment and restatement of the Equity Incentive Plan, subject to stockholder approval, an additional 3.0 million shares of our common stock to be available for new awards under the Equity Incentive Plan, so that the aggregate number of shares reserved for issuance under the Equity Incentive Plan will be 12.5 million, with approximately 4.1 million shares being available for new awards. All such shares of common stock available for issuance under the Equity Incentive Plan shall be available for issuance as incentive stock options.

Shares of common stock underlying awards granted under the Equity Incentive Plan that expire or are forfeited or terminated for any reason (as a result, for example, of the lapse of stock options or forfeiture of restricted shares), as well as any shares underlying an award that is settled in cash rather than stock, will be available for future grants under the Equity Incentive Plan. In addition, shares of stock that are surrendered to or withheld by us in payment or satisfaction of the exercise price of an award or any tax withholding obligation with respect to an award will be available for future grants. Shares to be issued under the Equity Incentive Plan will be authorized but unissued shares of common stock or shares of stock reacquired by us.

**Anti-Dilution Protections**

In the event of a change in the outstanding shares of our common stock, without the receipt by us of consideration, by reason of a stock dividend, stock split, reverse stock split or distribution, recapitalization, merger, reorganization, reclassification, consolidation, split-up, spin-off, combination of shares, exchange of shares or other similar event, the Compensation Committee will make appropriate and equitable adjustments to (a) the number and kind of shares of stock available under the Equity Incentive Plan, (b) the number and kind of shares of stock subject to outstanding Equity Incentive Plan awards, (c) the per-share exercise or other purchase price under any outstanding Equity Incentive Plan award and (d) the annual award or other maximum award limits applicable under the Equity Incentive Plan.

**Clawback Provisions**

The Equity Incentive Plan provides that in the event of a restatement of our financials due to material noncompliance with any financial reporting requirements under the law, a participant will be required to reimburse us for any amounts earned or payable in connection with an award under the Equity Incentive Plan to the extent required by law and any applicable company policies.

**No Repricings of Options or SARs**

As part of the proposed amendment and restatement, the Equity Incentive Plan will prohibit the repricing of stock options and stock appreciation rights without the approval of our stockholders. This provision will apply to both direct repricings (lowering the exercise price or strike price of a stock option or stock appreciation right) as well as indirect repricings (canceling an outstanding stock option or stock appreciation right and granting a replacement stock option or stock appreciation right with a lower exercise price or strike price or exchange for cash or other forms of awards.).

**Amendment and Termination**

The Board may suspend, terminate, modify or amend the Equity Incentive Plan, provided that any amendment that would (a) increase the aggregate number of shares of stock that may be issued under the Equity Incentive Plan, (b) change the method of determining the exercise price of option awards or (c) materially modify the eligibility requirements for the Equity Incentive Plan, will be subject to the approval of our stockholders, except for modifications or adjustments relating to the anti-dilution protection described above.

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In addition, no suspension, termination, modification or amendment of the Equity Incentive Plan may terminate a participant s existing award or materially and adversely affect a participant s rights under such award without the participant s consent. However, these provisions do not limit the board s authority to amend or revise the Equity Incentive Plan to comply with applicable laws or governmental regulations.

**Federal Income Tax Consequences**

THE FEDERAL INCOME TAX CONSEQUENCES OF THE ISSUANCE AND EXERCISE OF AWARDS UNDER THE PLAN GENERALLY ARE AS DESCRIBED BELOW. THE FOLLOWING INFORMATION IS ONLY A SUMMARY OF THE TAX CONSEQUENCES OF THE AWARDS, AND WE ENCOURAGE PARTICIPANTS TO CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES INHERENT IN THE OWNERSHIP OR EXERCISE OF THEIR AWARDS, AND THE OWNERSHIP AND DISPOSITION OF ANY UNDERLYING SECURITIES. TAX CONSEQUENCES FOR ANY PARTICULAR INDIVIDUAL OR UNDER STATE OR NON-U.S. TAX LAWS MAY BE DIFFERENT.

*Incentive Stock Options*. A participant who is granted an incentive stock option generally will not recognize any taxable income for federal income tax purposes on either the grant or exercise of the incentive stock option (except for AMT purposes, as described below). If the participant disposes of the shares purchased pursuant to the incentive stock option more than two years after the date of grant and more than one year after the exercise of the option by the participant, (a) the participant will recognize long-term capital gain or loss, as the case may be, equal to the difference between the selling price and the exercise price; and (b) we will not be entitled to a deduction with respect to the shares of stock so issued. If the two year holding period requirements are not met, any gain realized upon disposition will be taxed as ordinary income to the extent of the lesser of (1) the excess of the fair market value of the shares at the time of exercise over the exercise price, and (2) the gain on the sale. Also in that case, we will be entitled to a deduction in the year of disposition in an amount equal to the ordinary income recognized by the participant. Any additional gain will be taxed as short-term or long-term capital gain depending upon the actual holding period for the stock. A sale for less than the exercise price results in a capital loss. The excess of the fair market value of the shares on the date of exercise over the exercise price is includable in the participant s income for alternative minimum tax purposes whether or not the statutory two year holding period requirements are met.

*Nonqualified Stock Options.* A participant who is granted a nonqualified stock option under the Equity Incentive Plan generally will not recognize any income for federal income tax purposes on the grant of the option. Generally, on the exercise of the option, the participant will recognize taxable ordinary income equal to the excess of the fair market value of the shares on the exercise date over the option price for the shares. We generally will be entitled to a deduction on the date of exercise in an amount equal to the ordinary income recognized by the participant. Upon disposition of the shares purchased pursuant to the stock option, the participant will recognize long-term or short-term capital gain or loss, as the case may be, equal to the difference between the amount realized on such disposition and the basis for such shares, which basis includes the amount previously recognized by the participant as ordinary income.

*Stock Appreciation Rights.* A participant who is granted stock appreciation rights generally will not recognize any taxable income on the receipt of the award. Upon the exercise of a stock appreciation right, (a) the participant will recognize ordinary income equal to the amount received (the increase in the fair market value of one share of our stock from the date of grant of the award to the date of exercise multiplied by the number of shares subject to the award), and (b) we will be entitled to a deduction on the date of exercise in an amount equal to the ordinary income recognized by the participant.

*Restricted Stock.* A participant generally will not recognize any taxable income on the grant date of an award of restricted shares, but will be taxed at ordinary income rates on the fair market value of any restricted shares as of the date that the restrictions lapse, unless the participant, within 30 days after transfer of such restricted shares to the participant, elects under Code Section 83(b) to include in income the fair market value of

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the restricted shares as of the date of such transfer. We generally will be entitled to a corresponding deduction. Any disposition of shares after the restrictions lapse will be subject to the regular rules governing long-term and short-term capital gains and losses, with the basis for this purpose equal to the fair market value of the shares at the end of the restricted period (or on the date of the transfer of the restricted shares, if the employee elects to be taxed on the fair market value upon such transfer). To the extent dividends are payable during the restricted period under the applicable award agreement, any such dividends will be taxable to the participant at ordinary income tax rates and will be deductible by us unless the participant has elected to be taxed on the fair market value of the restricted shares upon transfer, in which case they will thereafter be taxable to the participant as dividends and will not be deductible by us.

*Deferred Stock Awards.* A participant generally will not recognize taxable income upon grant of a deferred stock award, and we will not be entitled to a deduction until the lapse of the applicable restrictions. Upon the lapse of the restrictions and the issuance of the underlying shares or settlement of the award, the participant will recognize ordinary taxable income in an amount equal to the fair market value of the common stock or other value received, and we generally will be entitled to a deduction in the same amount. Any disposition of shares after restrictions lapse will be subject to the regular rules governing long-term and short-term capital gains and losses, with the basis for this purpose equal to the fair market value of the shares at the end of the restricted period.

*Stock Bonus Awards and Other Stock-Based Awards.* A participant generally will not recognize taxable income upon the grant of stock bonus awards or other stock-based awards under the Equity Incentive Plan unless and until the conditions and requirements for the grants have been satisfied and the payment determined. Once subject to tax, any cash received and the fair market value of any common stock received generally will constitute ordinary income to the participant. We generally will be entitled to a deduction in the same amount.

*Code Section 162(m)*. Because we are a public company, special rules limit the deductibility of compensation paid to our Chief Executive Officer and to each of our three most highly compensated executive officers other than our Chief Executive Officer (and not including our Chief Financial Officer) whose compensation is required to be reported annually in our proxy statement. Under Code Section 162(m), the annual compensation paid to each of these executives may not be deductible to the extent that it exceeds $1 million. The limitation on deductions does not apply, however, to qualified performance-based compensation. Certain awards under the Equity Incentive Plan, including stock options, stock appreciation rights and stock-based performance awards, may constitute qualified performance-based compensation and, as such, would be exempt from the $1 million limitation on deductible compensation. The Compensation Committee may choose to grant awards under the Equity Incentive Plan that are not deductible under Code Section 162(m).

**New Plan Benefits**

Because awards under the Equity Incentive Plan are discretionary, awards are generally not determinable at this time.

**Effective Date**

The amended and restated Equity Incentive Plan will be effective as of the date approved by our stockholders. If the amended and restated Equity Incentive Plan is not approved by the stockholders, the Equity Incentive Plan will continue in effect without regard to the proposed amendment and restatement, subject to its existing terms and conditions as approved by our stockholders last May. The amended and restated Equity Incentive Plan is scheduled to expire on October 15, 2025 (i.e., ten years from the date the Board approved the proposed amendment and restatement), unless terminated earlier by the Board.

**Vote Required for Approval**

The amended and restated Equity Incentive Plan will be approved if a majority of the votes cast by stockholders in person or via proxy with respect to this matter are cast in favor of the proposal. The proposal to

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approve the amended and restated Equity Incentive Plan is a non-discretionary or non-routine item, meaning that brokerage firms cannot vote shares in their discretion on behalf of a client if the client has not given voting instructions. Accordingly, if you hold your shares in street name and fail to instruct your broker to vote your shares for the proposal, your shares will not be counted as votes cast for the proposal and will have no effect on the outcome of this Proposal 5. If the stockholders do not approve the amended and restated Equity Incentive Plan, it will not be implemented, but we reserve the right to adopt such other compensation plans and programs as we deem appropriate and in the best interests of NeoGenomics and its stockholders.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE EQUITY INCENTIVE PLAN AMENDMENT.**

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## EQUITY COMPENSATION PLAN INFORMATION

The following table provides information, as of the Record Date, regarding the number of shares of our common stock that may be issued under our equity compensation plans.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by security holders: | | | |
| Amended and Restated Equity Incentive Plan | 4,658,138 | $3.16 | 1,144,940 |
| Employee Stock Purchase Plan | | | 348,564 |
| Equity compensation plans not approved by security holders (1),(2),(3) | 1,450,000 | $1.61 | |
| Total | 6,108,138 | $2.79 | 1,493,504 |

(1) Includes outstanding options to purchase 800,000 shares of common stock at an exercise price of $1.71 per share granted to Douglas M. VanOort on February 14, 2012, which options vest as to 200,000 shares each year on the anniversary of the grant date for the first four following the date of grant. In the event of a change of control of NeoGenomics with a share price in excess of $4.00 per share, all unvested options will vest immediately. Unless sooner terminated pursuant to the terms of the stock option agreement, the options will terminate on February 14, 2017.

(2) Includes outstanding warrants to purchase 450,000 shares of common stock at an exercise price of $1.50 per share granted to Steven C. Jones on May 3, 2010, all of which are fully vested. Unless sooner terminated pursuant to the terms of the warrant agreement, the warrants will terminate on May 3, 2017.

(3) Includes outstanding warrants to purchase 200,000 shares of common stock at an exercise price of $1.43 per share granted to Maher Albitar on January 9, 2012. These warrants vest based on the achievement of the following milestones.

(i) 80,000 will vest upon the commercial launch of our gene-based plasma prostate cancer test licensed from Health Discovery Corp., or HDC, or similar test based on our mutual agreement;

(ii) 40,000 will vest upon the commercial launch of our gene-based colon cancer test licensed from HDC or similar test based on our mutual agreement;

(iii) 40,000 will vest upon the commercial launch of our gene-based pancreatic cancer test licensed from HDC or similar test based on our mutual agreement;

(iv) 20,000 will vest upon successful consummation of a sublicensing agreement with an instrument manufacturer to commercialize the cytogenetics automated image analysis technology licenses from HDC; and

(v) 20,000 will vest upon successful consummation of a sublicensing agreement with an instrument manufacturer to commercialize the flow cytometry automated image analysis technology licenses from HDC.

In the event of a change of control of NeoGenomics with a share price in excess of $4.00 per share, all unvested warrants will vest immediately. Unless sooner terminated pursuant to the terms of the warrant agreement, the warrants will terminate on January 9, 2017.

Currently, the Equity Incentive Plan and our Employee Stock Purchase Plan, as Amended and Restated, dated April 16, 2013, are the only equity compensation plans in effect.

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## SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF NEOGENOMICS

The following table sets forth certain information known to us with respect to the beneficial ownership of our common stock as of the Record Date by (i) each person who, to our knowledge, beneficially owns 5% or more of the outstanding shares of our common stock, (ii) each of our directors, (iii) each named executive officer and (iv) all current directors and executive officers as a group. Except for shares of our common stock held in brokerage accounts that may, from time to time, together with other securities held in those accounts, serve as collateral for margin loans made from such accounts, none of the shares reported as beneficially owned are currently pledged as security for any outstanding loan or indebtedness.

| Name and Address of Beneficial Owner | Shares Beneficially Owned | Percentage Beneficial Ownership (1) |
|---|---|---|
| **5% Stockholders:** | | |
| Steven C. Jones (2) | 6,494,167 | 10.6% |
| Aspen Select Healthcare, LP (3) | 5,247,538 | 8.7% |
| General Electric Company (4) | 4,918,774 | 7.7% |
| RMB Capital (5) | 4,521,197 | 7.5% |
| Artisan Partners (6) | 3,410,938 | 5.7% |
| **Directors and Named Executive Officers:** | | |
| Douglas M. VanOort (7) | 2,912,600 | 4.7% |
| Raymond R. Hipp | 264,794 | * |
| Kevin C. Johnson | 95,747 | * |
| William J. Robinson | 173,793 | * |
| Bruce K. Crowther (8) | 9,980 | * |
| George A. Cardoza (9) | 251,089 | * |
| Maher Albitar, M.D. (10) | 340,992 | * |
| Robert J. Shovlin (11) | 87,500 | * |
| Steven A. Ross (12) | 79,500 | * |
| Lynn A. Tetrault (13) | 1,560 | * |
| Alison L. Hannah, M.D. (14) | 1,560 | * |
| **All current directors and executive officers as a group (16 persons) (15)** | 10,676,286 | 16.8% |

* Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

(1) The number and percentage of shares beneficially owned are determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares over which the individual or entity has voting power or investment power and any shares of common stock that the individual has the right to acquire within 60 days of the Record Date, through the exercise of any stock option or other right. As of the Record Date, 60,618,252 shares of our common stock were outstanding. Except as indicated by footnote, and subject to the community property laws where applicable, to our knowledge the persons named in the table above have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Unless otherwise indicated, the address for each person is c/o NeoGenomics, Inc. 12701 Commonwealth Blvd., Suite 9, Fort Myers, FL 33913.

(2) Consists of (i) 311,251 shares of common stock owned by Mr. Jones, 450,000 shares subject to warrants exercisable within 60 days of the Record Date, (ii) 212,745 shares owned by Aspen Opportunity Fund, LP, an investment partnership that Mr. Jones controls, (iii) 50,476 shares owned by Jones Network, LP, a family limited partnership that Mr. Jones controls, (iv) 190,000 shares owned by the Steven and Carisa Jones Defined Benefit Pension Plan and Trust, (v) 32,157 shares held in certain individual retirement and custodial accounts for the immediate family of Mr. Jones and (vi) the shares described in note 3. Mr. Jones is the Managing Member of the general partner of Aspen Select Healthcare, LP ( Aspen ), and, as such, may be

deemed to share voting and investment power with respect to all shares held by such entities. Mr. Jones disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(3) Consists of 3,500,000 shares of common stock owned by Aspen, and 1,747,538 shares to which Aspen has received a voting proxy. The general partner of Aspen is Medical Venture Partners, LLC, an entity controlled by Steven C. Jones. Aspen s address is 1740 Persimmon Drive, Suite 100, Naples, Florida 34109.

(4) Based on information reported by General Electric Company on Schedule 13D filed with the SEC on October 30, 2015. General Electric Company reports that each of General Electric Company, GE Medical Systems Information Technologies, Inc. ( GE InfoTech ) and GE Medical may be deemed to have shared voting and dispositive power as to 4,912,374 common shares (including 2,865,000 common shares underlying unexercised options, warrants and other rights) pursuant to, and solely to the extent provided in, the Voting Agreements and certain irrevocable proxies to vote such common shares granted thereunder. General Electric Company reports that GE Medical is a wholly owned subsidiary of GE InfoTech, which is in turn a wholly owned subsidiary of General Electric Company. Pursuant to Rule 13d-4 of the Exchange Act, each of General Electric Company, GE InfoTech and GE Medical expressly disclaims beneficial ownership of such common shares for purposes of Section 13(d) or 13(g) of the Exchange Act or for any other purpose. The address of General Electric Company is 3135 Easton Turnpike, Fairfield, CT 06828, the address of GE InfoTech as 8200 West Tower Avenue, Milwaukee, Wisconsin 53223, and the address of GE Medical as Björkgatan 30, 75184 Uppsala, Sweden. Also included in the table above are 6,400 shares acquired by a director after the execution of his Voting Agreement, which shares are subject to such Voting Agreement.

(5) Based on information reported by RMB Capital on Schedule 13G/A filed with the SEC on February 5, 2015. RMB Capital reports that (i) RMB Capital Holdings, LLC and RMB Capital Management, LLC have shared voting and dispositive power as to 4,489,636 of the shares, (ii) RMB Capital Management, LLC has sole voting and dispositive power as to 312,583 of the shares, and (iii) Iron Road Capital Partners, LLC has shared voting and dispositive power as to 4,177,053 shares. RMB Capital is the manager of RMB Capital Management, LLC, which is the manager of Iron Road Capital Partners, LLC. RMB Capital listed its address as 115 South LaSalle St., 34th Floor, Chicago, IL 60603.

(6) Based on information reported by Artisan Partners on Schedule 13G filed with the SEC on January 30, 2015. Artisan Partners reports that each of Artisan Partners Limited Partnership, Artisan Investments GP LLC, Artisan Partners Holdings LP and Artisan Partners Asset Management Inc. has shared voting power as to 2,658,174 shares and shared dispositive power as to 3,310,659 shares. Artisan Partners reports that Artisan Partners Holdings LP is the sole limited partner of Artisan Partners Limited Partnership and the sole member of Artisan Investments GP LLC, which is the general partner of Artisan Partners Limited Partnership; and Artisan Partners Asset Management is the general partner of Artisan Holdings LP. Artisan Partners listed its address as 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI 53202.

(7) Consists of (i) 1,125,100 shares of common stock owned by Mr. VanOort and 1,600,000 shares subject to options exercisable within 60 days of the Record Date and (ii) 187,500 shares owned by Conundrum Capital Partners, LLC, for which Mr. VanOort is a managing partner and, as such, may be deemed to share voting and investment power with respect to all shares held by it.

(8) Includes 6,400 shares owned by a trust for the benefit of Mr. Crowther s spouse.

(9) Consists of 141,089 shares of common stock owned by Mr. Cardoza and 110,000 shares of common stock subject to options exercisable within 60 days of the Record Date.

(10) Consists of 63,492 shares of common stock, 80,000 shares subject to warrants exercisable within 60 days of the Record Date and 197,500 shares subject to options exercisable within 60 days of the Record Date.

(11) Consists of shares subject to options exercisable within 60 days of the Record Date.

(12) Consists of 4,500 shares of common stock and 75,000 shares subject to options exercisable within 60 days of the Record Date.

(13) Consists of shares of common stock.

(14) Consists of shares of common stock.

(15) Includes 530,000 shares subject to warrants exercisable within 60 days of the Record Date and 2,240,802 shares subject to options exercisable within 60 days of the Record Date.

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## COMPARATIVE PER SHARE DATA

### Comparative Historical and Pro Forma Per Share Data

Presented below are our historical and pro forma per share data for the year ended December 31, 2014 and the nine months ended September 30, 2015. The historical data has been derived from and should be read together with our audited consolidated financial statements and related notes thereto contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and our unaudited condensed consolidated financial statements and related notes thereto contained in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which are incorporated by reference into this document. See *Where You Can Find More Information*. The pro forma data has been derived from the unaudited pro forma combined financial information of NeoGenomics and Clarient included elsewhere in this document.

This comparative historical and pro forma per share data is being provided for illustrative purposes only. We may have performed differently had the Transaction occurred prior to the periods presented. You should not rely on the pro forma per share data presented as being indicative of the results that would have been achieved had NeoGenomics and Clarient been combined during the periods presented or of our future results or financial condition to be achieved following the Transaction.

| | As of and for the Year Ended December 31, 2014 | | As of and for the Nine Months Ended September 30, 2015 | |
|---|---|---|---|---|
| | Historical | Pro Forma | Historical | Pro Forma |
| | (shares in thousands) | | | |
| Net income (loss) per share Basic | $ 0.02 | $ (0.19) | $ (0.02) | $ (0.73) |
| Net income (loss) per share Diluted | $ 0.02 | $ (0.19) | $ (0.02) | $ (0.73) |
| Weighted average number of shares outstanding Basic | 53,483 | 68,483 | 60,414 | 75,414 |
| Weighted average common shares outstanding Diluted | 56,016 | 68,483 | 60,414 | 75,414 |
| Book value per share of common stock | $ 1.00 | N/A | $ 1.02 | $ 2.41 |
| Dividends declared per share common stock | $ | | $ | |

### Historical Common Stock Market Price and Dividend Data

Historical market price data for Clarient has not been presented as Clarient is currently wholly owned by GE Medical, and there is no established trading market in Clarient common stock.

Shares of our common stock currently trade on the NASDAQ Capital Market under the symbol NEO. On October 20, 2015, the last trading day prior to the announcement of the Transaction, the last sale price of our common stock reported by NASDAQ was $5.68. On November 10, 2015, the most recent practicable date prior to the date of this proxy statement, the last sale price of our common stock reported by NASDAQ was $8.09.

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The following table sets forth the high and low sale prices of our common stock on the NASDAQ for the periods indicated. The quotations are as reported in published financial sources.

| | High | Low |
|---|---|---|
| **Year Ending December 31, 2015** | | |
| Fourth Quarter (through November 10, 2015) | $ 8.22 | $ 5.53 |
| Third Quarter | $ 7.22 | $ 5.05 |
| Second Quarter | $ 5.90 | $ 4.14 |
| First Quarter | $ 5.04 | $ 3.33 |
| **Year Ended December 31, 2014** | | |
| Fourth Quarter | $ 5.81 | $ 3.96 |
| Third Quarter | $ 6.10 | $ 3.34 |
| Second Quarter | $ 3.80 | $ 2.95 |
| First Quarter | $ 4.69 | $ 3.17 |
| **Year Ended December 31, 2013** | | |
| Fourth Quarter | $ 4.15 | $ 2.70 |
| Third Quarter | $ 4.05 | $ 2.05 |
| Second Quarter | $ 4.20 | $ 3.45 |
| First Quarter | $ 4.02 | $ 2.40 |

**Dividend Policy**

We have never declared or paid cash dividends on our common stock. We intend to retain all future earnings to finance operations and future growth and therefore we do not anticipate paying any cash dividends in the foreseeable future.

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## CLARIENT S BUSINESS

*Except as otherwise noted, references herein to Clarient refer to the business of Clarient, Inc., which is conducted primarily through Clarient Diagnostic Services, Inc. and the variable interest entities Clarient Pathology Services, Inc. and GE Clarient Diagnostic Services, Ltd.*

### Company Overview

Clarient specializes in advanced oncology diagnostic services, as well as nucleic acid sequencing and other genomic services. Clarient is located in Aliso Viejo, California and Houston, Texas. Clarient combines innovative technologies, clinically meaningful diagnostic tests, pathology expertise and genomics capabilities to provide services that assess and characterize cancer for physicians treating their patients, as well as for biopharmaceutical companies in the process of clinically testing various therapies. Clarient conducts its business through Clarient Diagnostic Services, Inc., a wholly owned subsidiary of Clarient, Inc., which is wholly owned indirectly by GE.

Clarient s focus is on cancer diagnostic services within the competitive clinical laboratories sector in which it operates. Clarient commercializes its services through its developed channels with community pathologists, oncologists, universities, hospitals and pharmaceutical researchers. Clarient s diagnostics tests utilize biomarkers which are present in human tissues, cells, or fluids to aid in understanding a cancer patient s diagnosis, prognosis, and expected outcome from the use of specific therapeutics. Clarient believes that diagnostic tests which utilize biomarkers help bring clarity at critical decision-making points related to cancer treatment for healthcare providers and the biopharmaceutical industry.

### Market Overview and Opportunity

Clarient believes that many factors contribute to the demand for its diagnostic and interpretive services, including the incidence of cancer within an aging U.S. population, cancer therapeutics that require companion diagnostics, and new technologies that enable the development of sophisticated diagnostic tests. The demand for diagnostic tests, such as those performed by Clarient, increases as diagnostic and predictive testing for therapies becomes increasingly complex. In addition, new drugs are being targeted to certain cancer subtypes and pathways, which require companion diagnostic testing, which is increasing awareness by physicians, patients and third party payers of the value of genetic and molecular testing. Increased coverage from third party payers and Medicare for testing and health insurance coverage to uninsured Americans under the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act, each enacted in March 2010, also contribute to the demand for Clarient s services.

### Operating Segment

Clarient has one reportable operating segment that primarily delivers oncology diagnostic testing services to community pathologists, oncologists, biopharmaceutical companies, and researchers. As of September 30, 2015, Clarient s services were provided within the United States, and substantially all of Clarient s assets were located within the United States.

### Services

*Overview*

Clarient provides a range of oncology diagnostic testing and consultative services, which include technical laboratory services and professional interpretation of laboratory test results by licensed physicians that specialize in pathology and are contracted with Clarient. Such reports and analyses primarily are provided to Clarient s customers through its Internet-based portal, PATHSiTE®.

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Clarient s services are focused on the most common types of solid tumors: breast, ovarian, prostate, lung, and colon. Clarient also offers hematopathology testing for leukemia and lymphoma. In addition, Clarient provides commercial services to biopharmaceutical companies and other research organizations, ranging from diagnostic testing services to the development of directed diagnostics through clinical trials.

*Tests*

Clarient has extensive testing experience. Clarient s menu of diagnostic tests used to assess and characterize cancer includes various methodologies which incorporate laboratory technologies, including immunohistochemistry (IHC), flow cytometry, polymerase chain reaction (PCR), Flourescence In Situ Histochemistry (FISH), histology, cytogenetics and sequencing which are briefly described below.

*IHC* refers to the process of localizing proteins in cells of a tissue section and relies on the principle of antibodies binding specifically to antigens in biological tissues. IHC is widely used in the diagnosis of abnormal cells such as those found in cancerous tumors. Specific molecular markers are characteristic of particular cellular events such as proliferation or cell death (apoptosis). IHC is also used to understand the distribution and localization of biomarkers and differentially expressed proteins in various parts of biological tissue.

*Flow cytometry* is a technology that measures and analyzes multiple physical characteristics of single particles, usually cells, as they move in a fluid stream through a beam of light. The properties measured include a particle s relative size, relative granularity or internal complexity, and relative fluorescence intensity. The use of flow cytometry assists a pathologist in diagnosing a wide variety of leukemia and lymphoma neoplasms. Flow cytometry is also used to monitor patients through therapy to determine whether the disease burden is increasing or decreasing, otherwise known as minimal residual disease monitoring.

*PCR* is a molecular biology technique that uses small DNA probes to target and amplify specific gene sequences for further analysis. The amplification occurs through the use of the polymerase chain reaction, which consists of repeated cycles of heating and cooling the specimen in the presence of specific reagents. The technique is extremely sensitive and rapid, and offers direct detection and visualization of gene sequences.

*FISH* is a molecular technique that can be used to detect and localize the presence or absence of specific DNA sequences on chromosomes. The technique uses fluorescent probes that bind to only those parts of the chromosome with which they show a high degree of sequence similarity. Fluorescence microscopy is used to visualize the fluorescent probes bound to the chromosomes. FISH is often used for finding specific features of the genome for use in genetic counseling, medicine, and species identification. FISH can be used to help identify a number of gene alternations, such as amplification, deletions, and translocations.

*Histology* is the study of the microscopic structure of tissues. Through histology services, a pathologist attempts to determine the diagnosis of disease. Through structural and other changes in cells, tissues, and organs, pathologists can use a number of tools to establish a diagnosis of the type of disease suffered by the

patient, a prognosis on the likely progression of the disease, and a determination as to which therapies are most likely to be effective in treating the patient. In addition to histology service, a number of molecular studies can now be run on these samples to gain further insight on prognostic and predictive indicators.

*Cytogenetics* involves genetic testing in cancer to assess a variety of genetic disorders and hematologic malignancies. It involves looking at the chromosome structure to identify changes from patterns seen in normal chromosomes.

*Sequencing* refers to the process of determining the DNA or RNA sequence present in tissue samples. This information is used to identify mutations, or variants, in that sequence that can result in genetic

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disorders or malignancies. Sequencing can be performed using techniques referred to as Sanger Sequencing or Next Generation Sequencing (NGS).

**Billing**

*Overview*

Clarient s net revenue is predominately derived from performing oncology diagnostic testing services, which are billed to third parties (government and private health insurers), clients (pathologists, hospitals, clinics, and biopharmaceutical companies), and patients (co-payments, deductibles, and uninsured). Clarient s laboratory diagnostic services are eligible for third-party reimbursement under established billing codes. These billing codes are known as Common Procedural Terminology ( CPT ) codes, providing the means by which Medicare/Medicaid and private health insurers identify what medical services are performed and whether they are eligible for reimbursement. The Medicare/Medicaid reimbursement amounts are based on the relative value of medical services with associated CPT codes, as established by the Centers for Medicare & Medicaid Services ( CMS ) with recommendations from the American Medical Association s Relative Value Update Committee.

Medicare reimbursement rates, which provide the basis for a portion of Clarient s clinical services billings, are dictated by CPT codes under two distinct reimbursement schedules: a Physician Fee Schedule and a Clinical Fee Schedule. Clarient has the requisite Medicare provider numbers for both schedules, though most of Clarient s billings fall under the Physician Fee Schedule. The relevant CPT codes under the Physician Fee Schedule further distinguish between Technical diagnostic services (the performance of a diagnostic test), Professional services (the professional interpretation of a diagnostic test, typically performed by a licensed physician), and Global services (the combination of Technical and Professional services). CPT codes provide the basis for Clarient s reimbursement rates per test.

The amount that Clarient is able to be reimbursed from direct bill customers, such as hospitals, biopharmaceutical or research companies is dependent upon agreed amounts for each type of service provided, typically through contractual agreements or agreed upon price lists. In addition, patient direct billing is based on the determined patient-responsibility portion of the service dependent on that patient s insurance coverage.

*Payor Classes*

*Third-party billing.* The majority of Clarient s net revenue is generated from patients who use health insurance coverage through government or private health insurers.

*Client billing*. Clarient generally establishes arrangements with its clients that allow it to bill them an agreed-upon amount for each type of service provided, though Clarient s client pricing is generally based upon the effective CPT code rate. It is the clients responsibility to seek reimbursement from their patients health insurance companies and/or the patients themselves. In addition, Clarient generally establishes arrangements with its biopharmaceutical and research customers that allow it to bill based on previously agreed terms and conditions of the services to be provided.

*Patient billing*. Clarient bills patients with health insurance co-payment obligations and deductibles (indirect billings), as well as patients without health insurance coverage (direct billings).

Clarient is dependent upon reimbursement from Medicare and its designated administrators for a portion of its services, and any significant delay in payment or reductions in the published Medicare fee schedules could impact Clarient s operating results, cash flows, and/or financial condition.

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**Sales and Marketing**

Clarient s primary target markets include community pathology practices and hospitals and biopharmaceutical companies in their development of oncology therapies. The process of selling diagnostic services for the assessment and characterization of cancer requires a knowledgeable sales force that can help pathologists and oncologists understand the mechanisms of targeted testing and the value of the prognostic and predictive services which Clarient offers. Clarient s sales representatives generally have previous sales experience in the laboratory diagnostic services market, have technical knowledge, and have an understanding of the community-based pathology practice. Clarient s typical sales representative has a four-year bachelor s degree and its representatives are expected to participate in Clarient s training programs.

Clarient uses an Internet-based sales system to optimize customer and territory management and its sales approach is designed to understand its current and potential customers needs and to provide the appropriate solutions given its range of diagnostic services.

**Primary Markets Clarient Serves**

Clarient serves hospitals and practice networks in the United States (the Clinical Market ) as further described below. Clarient also serves the biopharmaceutical market in providing diagnostic services associated with clinical validations of various therapies. Clarient s services are designed to meet the specific needs of each market.

*Clinical Market*

*Larger community hospitals and pathology groups.* This market typically has the expertise to perform tests to assess and characterize cancer, though the resources required for the necessary laboratory equipment and staff are often cost and time prohibitive. Clarient believes that larger community hospitals and pathology groups typically choose to outsource many of their specialized oncology diagnostic services.

*Smaller community hospitals and pathology groups.* Clarient believes this market typically outsources most, if not all, specialized oncology diagnostic services.

*Regional reference laboratories, regional cancer centers, teaching hospitals and other large hospitals/multi-hospital systems, and associated large pathology practice groups.* Clarient believes that this market typically has comprehensive capabilities and performs most testing in-house. This market may require Clarient s specialized oncology diagnostic services for particularly complex cases.

*Biopharmaceutical Market.* Clarient works with a variety of biopharmaceutical companies by performing testing for new therapeutic treatments. This includes projects in preclinical, Phase 1, Phase 2, and Phase 3 clinical trials. Clarient is currently participating in a number of clinical trials with companies in the biopharmaceutical industry in which Clarient provides diagnostic testing services in connection with their validation of the related therapy. Clarient provides a range of biomarker assay development, validation services, and biomarker testing services. Clarient s laboratory allows for an integrated approach to biomarker assay development services using its core IHC, flow cytometry, FISH, and PCR technologies.

**Seasonality**

Clarient s business is subject to the impact of seasonality, particularly during the holiday season in the fourth quarter and the summer months. Medical procedures, including surgeries, are not as frequently scheduled during such time.

Consequently, the demand for Clarient s services, in general, has been in the past subject to declines during these seasonal periods.

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**Competition**

Competition in the diagnostic services industry is intense and has increased with the rapid pace of technological development. Clarient s industry is led by two national laboratories: Laboratory Corporation of America (also known as LabCorp) and Quest Diagnostics Incorporated. Both companies offer a wide test and product menu, have significant financial, sales, and logistical resources, and have extensive contracts with a variety of payor groups. Clarient s secondary competitors include laboratories that are affiliated with large medical centers or universities. Clarient also competes with specialized laboratories in specific areas of cancer-related services. New competitors have heightened the competitive landscape. Clarient s management anticipates that additional companies will enter Clarient s market and will compete for market share.

**Research & Development**

Clarient s research and development activities primarily relate to the development and validation of new diagnostic tests in connection with its specialized oncology diagnostic services and the development of technology to electronically deliver such services to clients. Clarient s procedures and regulatory staff are designed to ensure that its tests and applications meet stringent regulatory guidelines.

**Quality Assurance**

The quality of Clarient s diagnostic laboratory testing services is of critical importance to the company and its customers as well as the patient being treated. Clarient has established a quality assurance program for its laboratory operations that is designed to deliver accurate and timely diagnostic test results. Clarient utilizes a variety of internal systems and procedures in connection with its laboratory operations, in addition to the compulsory requirements of CMS and other regulatory agencies.

*External Proficiency and Accreditations*

Clarient participates in externally-administered quality surveillance programs, and its laboratory is accredited by the College of American Pathologists ( CAP ). CAP is an independent, non-governmental organization of board-certified pathologists which accredits, on a voluntary basis, laboratories nationwide. CAP has been deemed by CMS as an accrediting agency to inspect clinical laboratories to determine adherence to the standards of the Clinical Laboratory Improvement Amendments of 1988 ( CLIA ). A laboratory s receipt of accreditation by CAP satisfies the CMS requirement for participation in proficiency testing programs administered by an external source, one of CMS s primary requirements for reimbursement eligibility. The CAP accreditation program involves both unannounced on-site inspections of Clarient s laboratory, and participation in CAP s ongoing proficiency testing program for all testing categories. Clarient s most recent CAP inspection was recently completed and Clarient is awaiting the final report from such inspection.

*Internal Quality Control*

Clarient maintains internal quality control through documentation and review of key quality processes, various validation and optimization practices, training of staff involved in performing laboratory testing, and internal audits by its quality assurance department. Clarient s quality assurance team, which is comprised of representative members involved in various aspects of patient testing and reporting, meets regularly to review various performance and quality metrics and to discuss methods to further improve its laboratory processes.

**Information Systems**

Clarient has implemented information systems that support its laboratory operations as well as its finance and administrative functions. Clarient maintains an off-site backup of its critical data and e-mail systems on a regular basis. To electronically deliver services to Clarient s customers, Clarient s PATHSiTE® provides high resolution images and critical diagnostic test reports through an Internet-based portal, in a secure, HIPAA-compliant environment.

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**Legal and Regulatory Environment**

Clarient s business is subject to extensive laws and regulations, the most significant of which are summarized below.

*Anti-Kickback Laws*

Existing federal laws governing Medicare and Medicaid, and other similar state laws, impose a variety of broadly described restrictions on financial relationships among healthcare providers, including clinical laboratories. These laws include the federal Anti-Kickback Law , which prohibits individuals and entities, including clinical laboratories, from making payment or furnishing other benefits intended to induce or influence the referral of patients for tests billed to Medicare, Medicaid, or certain other federally funded programs. The consequences of violation may include criminal penalties, civil sanctions, and/or exclusion from participating in Medicare, Medicaid, and other federal healthcare programs. In addition, claims submitted in violation of the Anti-Kickback Law may be alleged to be subject to liability under the federal False Claims Act and its whistleblower provisions.

Several states in which Clarient operates have also enacted legislation that prohibit kickbacks. Some of these statutes apply with respect to all patients and are not limited to beneficiaries of Medicare, Medicaid, and other federal healthcare programs. Possible sanctions for violating state anti-kickback laws vary, but may include loss of license and civil and criminal sanctions. State laws vary from jurisdiction to jurisdiction and in a few states are more restrictive than the Anti-Kickback Law. Some states have indicated that they will interpret their own anti-kickback statutes the same way that CMS interprets the Anti-Kickback Law, but it is possible that such states will interpret their own laws differently in the future.

*Stark Law*

Self-referral prohibitions prevent Clarient from accepting referrals from physicians with whom it has a compensation relationship. The federal law prohibiting physician self-referrals, commonly known as the Stark Law , prohibits, with certain exceptions, Medicare/Medicaid payments for laboratory tests referred by physicians who personally or through a family member have an investment interest in, or a compensation arrangement with, the testing laboratory. A person who engages in a scheme to circumvent the Stark Law s prohibitions may be fined up to $100,000 for each such scheme. In addition, anyone who presents (or causes such presentation) of a claim to the Medicare program in violation of the Stark Law is subject to penalties of up to $15,000 per claim submitted, an assessment of several times the amount claimed, and possible exclusion from participation in federal healthcare programs. In addition, claims submitted in violation of the Stark Law may be alleged to be subject to liability under the federal False Claims Act and its whistleblower provisions.

Several states in which Clarient operates have enacted their own legislation that prohibits physician self-referral arrangements and/or requires physicians to disclose to their patients any financial interest they may have with a healthcare provider when referring patients to that provider. Some of these statutes cover all patients and are not limited to beneficiaries of Medicare, Medicaid, and other federal healthcare programs. Possible sanctions for violating state physician self-referral laws vary, but may include loss of license and civil and criminal sanctions. State laws vary from jurisdiction to jurisdiction and in a few states are more restrictive than the Stark Law. Some states have indicated they will interpret their own self-referral statutes the same way that CMS interprets the Stark Law, but it is possible that such states will interpret their own laws differently in the future.

*Federal False Claims Act*

There are rules regarding billing the government for services that apply to Clarient s relationships with its customers. Of particular importance to Clarient s operations are federal and state laws prohibiting fraudulent billing and providing for the recovery of non-fraudulent overpayments, as a large number of laboratories have

been forced by the federal and state governments, as well as by private payors, to enter into substantial settlements under these laws. In particular, if an entity is determined to have violated the federal False Claims Act, it may be required to pay up to three times the actual damages sustained by the government, plus civil penalties ranging from $6,000 to $11,000 for each separate false claim. While there are many potential bases for liability under the federal False Claims Act, such liability primarily arises when an entity knowingly submits, or causes another to submit, a false claim for reimbursement to the federal government. Submitting a claim with reckless disregard or deliberate ignorance of its validity could result in substantial civil liability. A current trend within the healthcare industry is the increased use of the federal False Claims Act and, in particular, actions under the False Claims Act s whistleblower or qui tam provisions to challenge providers and suppliers. Those provisions allow a private individual standing to bring actions on behalf of the government, alleging that the defendant has submitted a fraudulent claim for payment to the federal government. The government may join in the lawsuit, but if the government declines to do so, the individual may choose to pursue the lawsuit alone. The government must be kept apprised of the progress of the lawsuit. Whether or not the federal government intervenes in the case, it will receive the majority of any recovery. In addition, various states have enacted laws modeled after the federal False Claims Act.

*Health Insurance Portability and Accountability Act of 1996*

The Health Insurance Portability and Accountability Act of 1996 ( HIPAA ) protects the security and privacy of individually identifiable health information. Clarient has implemented practices and procedures to meet the applicable requirements of HIPAA. The HIPAA privacy and security regulations establish a uniform federal floor and do not supersede state laws that are more stringent or provide individuals with greater rights with respect to the privacy or security of, and access to, their records containing patient/private health information ( PHI ). As a result, Clarient is required to comply with both HIPAA privacy regulations and varying state privacy and security laws, which include physical and electronic safeguard requirements. These laws contain significant fines and other penalties for wrongful use or disclosure of PHI.

*HITECH Act*

The American Recovery and Reinvestment Act of 2009 ( ARRA ) includes provisions relating to Health Information Technology. Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act (the HITECH Act ), made significant changes to the privacy and security rules of HIPAA, extending their reach and imposing breach notification requirements on HIPAA-covered entities and their business associates. Additionally, the HITECH Act increased enforcement of, and penalties for, violations of privacy and security of PHI.

The HITECH Act s security breach notification provisions require that covered entities notify individuals if their health information has been breached. The U.S. Department of Health and Human Services must be notified as well, and in some circumstances, the media.

If Clarient were to be found in violation of the HITECH Act, it could face a penalty determination which would be based on the nature and extent of the violation and the nature and extent of the harm resulting from the violation. The penalties range from $100 to $50,000 per violation depending upon the violation category, subject to a $1.5 million cap for multiple violations of an identical requirement or prohibition in a calendar year.

*Clinical Laboratory Improvement Amendments of 1988*

Because Clarient operates a clinical laboratory, many aspects of its business are subject to complex federal, state, and local regulations. In 1988, Congress passed CLIA, establishing quality standards for laboratory testing to ensure the accuracy, reliability and timeliness of patient test results regardless of where the test was performed. Under CLIA, a

laboratory is defined as any facility which performs laboratory testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention or treatment of

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disease, or the impairment or assessment of health. CLIA is user-fee funded; therefore, all costs of administering the program must be covered by the regulated facilities, including certificate and survey costs. To enroll in the CLIA program, laboratories must register by completing an application, paying fees, being surveyed, if applicable, and becoming certified in the state in which they operate.

CLIA specifies quality standards for proficiency testing, patient test management, quality control, personnel qualifications and quality assurance for laboratories performing non-waived tests. Non-waived laboratories must enroll in CLIA, pay the applicable fees, and follow manufacturers instructions. Clarient s laboratory service offerings now include tests in the non-waived category.

CMS is charged with the implementation of CLIA, including laboratory registration, fee collection, surveys, surveyor guidelines and training, enforcement, approvals of proficiency testing providers, and accrediting organizations. The Centers for Disease Control and Prevention is responsible for the CLIA studies, convening the Clinical Laboratory Improvement Amendments Committee and providing scientific and technical support/consultation to the Department of Health and Human Services and CMS. The U.S. Food and Drug Administration (the FDA ) is responsible for test categorization and regulation of the medical devices used by clinical laboratories, including analyte specific reagents ( ASR ), in vitro diagnostic multivariate index assays ( IVDMIA ), general purpose reagents, laboratory equipment, instrumentation, and controls.

The State of California Department of Health and Human Services Laboratory Field Services enforces the state s requirements to apply for and maintain licensure, CLIA certification, and proficiency testing. CLIA accreditation is maintained through regular inspections by CAP. Clarient s facilities have been inspected by these authorities and have been issued licenses to manufacture medical devices and provide laboratory diagnostic services in California. These licenses must be renewed every year. The State of California could prohibit Clarient s provision of laboratory services if it failed to maintain these licenses.

*State Application and Provisional Requirements*

Clarient must also satisfy various other state application and provisional requirements. Clarient s California laboratory is required to be licensed by the New York State Department of Health to receive specimens from New York State. Clarient maintains such licensure for its laboratory under New York state laws and regulations, which establish standards for the day-to-day operation of a clinical laboratory, physical facilities requirements, equipment and quality control. New York law also mandates proficiency testing for laboratories licensed under New York state law, regardless of whether or not such laboratories are located in New York. Clarient maintains a current license in good standing with the New York State Department of Health. Florida, Maryland, Pennsylvania and Rhode Island also require out-of-state laboratories that accept specimens from those states to be licensed by such states. Clarient believes it has obtained the licenses required by those states that require out-of-state laboratories to be licensed by such states and believes it is in material compliance with applicable state licensing laws. In addition to the states noted above, Clarient may become aware from time to time of other states that require out-of-state laboratories to obtain licensure in order to accept specimens from such states, and it is possible that other states do have such requirements or will have such requirements in the future. If Clarient identifies any other state with such requirements from which it accepts specimens or if it is contacted by any other state advising it of Clarient s need to comply with such requirements, Clarient intends to follow instructions from the applicable state regulators as to how it should comply with such requirements.

*FDA Regulations*

Clarient utilizes various assays to validate markers which are considered ASRs, commonly referred to as home brews. ASRs are reagents composed of chemicals or antibodies which are the active ingredients of tests used to identify one specific disease or condition. The FDA exercises enforcement discretion over laboratory-developed ASRs, as well as laboratory-developed tests ( LDTs ) using commercially available and laboratory-developed ASRs. The FDA recently published draft regulatory guidance which if finalized in its current form would result in clinical laboratories being obligated to meet pre-market and post-market device requirements

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under FDA regulations, including pre-market review of class II and III devices. The FDA has received comments on its proposal but has not yet issued revised guidance on the LDT regulation, nor has it given a timetable for implementation of any final ruling.

Clarient may decide to develop IVDMIAs in-house, which would then be subject to the aforementioned regulations, should the FDA adopt its draft guidance. In such case, we would be required to obtain pre-market notification clearance, often referred to as a 510(k) clearance, or pre-market approval ( PMA ) of the test from the FDA. In order to market a device subject to the 510(k) clearance process, the FDA must determine that the proposed device is substantially equivalent to a device legally on the market, known as a predicate device. Clinical and non-clinical data may be required to demonstrate substantial equivalence. The 510(k) clearance process usually takes from three to twelve months from the time of submission. Thereafter, a company can begin to market and distribute the subject product in the United States. The process can take significantly longer than 12 months and there can be no assurance that the FDA will issue such clearance. The PMA approval pathway requires an applicant to demonstrate that the device is safe and effective, and such determination is based, in part, on data obtained in clinical trials. The PMA approval process is much more costly, lengthy, and uncertain and generally takes between one and three years from submission to PMA approval, but may take significantly longer and such approval may never be obtained. Once clearance or approval is obtained, ongoing compliance with FDA regulations, including those related to manufacturing operations, recordkeeping, reporting, marketing, and promotion, would increase the cost, time and complexity of conducting Clarient s business.

**Clarient Pathology Services, Inc.**

Clarient refers to Clarient Pathology Services, Inc. ( CPS ) and itself collectively throughout this description of its business as Clarient, except in this paragraph and the next four paragraphs.

California law prohibits general corporations from engaging in the practice of medicine, pursuant to both statutory and common law principles commonly known as the Corporate Practice of Medicine Doctrine ( CPMD ). In general, the CPMD prohibits non-professional corporations from employing physicians and certain other healthcare professionals who provide professional medical services. As a result, Clarient s professional pathology services, which require a licensed physician to provide, are performed by CPS under a long-term exclusive professional services agreement by and between Clarient and CPS, which was renewed on January 17, 2013 (the Professional Services Agreement ). Kenneth J. Bloom, M.D. is the sole shareholder and president of CPS. Dr. Bloom also serves as Clarient s Chief Medical Officer ( CMO ), a senior management function focused primarily on the technical oversight of Clarient s diagnostics services laboratory. In compliance with the CPMD, Dr. Bloom provides no professional pathology services, or any other services for the treatment of patients, while acting in his capacity as Clarient s CMO. As required under the Professional Services Agreement, Clarient is responsible for performing a variety of non-medical administrative services for CPS. Clarient bills and collects for the professional pathology services provided by CPS, handles all human resources matters for CPS, and provides space, equipment and other services to CPS. Clarient pays CPS the professional services fee it collects on CPS behalf and CPS pays Clarient a fee for the management services Clarient provides. The financial statements of Clarient in this proxy statement include the financial position, results of operations, and cash flows of Clarient and of CPS, which are combined as required by GAAP (as a variable interest entity or VIE).

Clarient is organized so that all physician services are offered by the physicians who are employed by CPS. Clarient does not employ practicing physicians as practitioners, exert control over their decisions regarding medical care, or represent to the public that Clarient offers medical services. CPS retains the authority to select the non-physician personnel, equipment, and supplies used to perform its medical services, as well as the authority to set its professional fees and approve all managed care contracts. Control and direction of licensed medical professionals rests with CPS.

Under the Professional Services Agreement, CPS is responsible for appropriately staffing its group with physicians who provide interpretative services and related reports to Clarient. Clarient performs all non-medical management of CPS and has exclusive authority over all aspects of the business of CPS (other than those directly related to the provision of pathology or other medical services, or

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as otherwise prohibited by state law). The non-medical management provided by Clarient under the Professional Services Agreement includes, among other functions, financial management and reporting, accounting, operating and capital budgeting, negotiating business agreements (in consultation with CPS), and all other administrative services. Clarient, through Clarient Diagnostic Services, bills for the services provided by CPS.

Clarient believes that the services it provides to CPS do not constitute the practice of medicine under applicable laws. Because of the unique structure of the relationships described above, many aspects of Clarient s business operations have not been the subject of state or federal regulatory interpretation. While Clarient has obtained legal review and believes it is in full compliance, it has no assurance that a review of its arrangement with CPS by the courts or regulatory authorities will result in a determination that its operations comply with applicable law. Any determination that Clarient s relationship with CPS does not comply with applicable laws relating to the practice of medicine could have a material adverse effect on Clarient s operations.

**Employees**

As of October 31, 2015, Clarient (excluding CPS) had 416 employees. Clarient is not subject to any collective bargaining agreement, and believes that its relationship with its employees is generally good. In addition to full-time employees, Clarient uses the services of various independent contractors, primarily for certain service development, marketing, and administrative activities.

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**SELECTED HISTORICAL FINANCIAL**

**DATA OF CLARIENT**

The table below presents the following summary historical combined carve-out financial data of Clarient:

As of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013, and 2012, derived from Clarient s audited combined carve-out financial statements, which are included in this proxy statement;

As of September 30, 2015 and for the nine months ended September 30, 2015 and 2014, derived from Clarient s unaudited condensed combined carve-out interim financial statements, which are included in this proxy statement; and

As of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2011 and 2010, derived from Clarient s unaudited combined carve-out information not included in this proxy statement.

The information presented below is only a summary. The historical results presented below are not necessarily indicative of results that can be expected for any future period. The selected financial data set forth below should be read in conjunction with *Clarient Management s Discussion and Analysis of Financial Condition and Results of Operations* beginning on page 138 and Clarient s historical combined carve-out financial statements and notes thereto included in this proxy statement.

| | Nine Months Ended September 30, | | Year Ended December 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2014 | 2013 | 2012 | 2011 | 2010(1) |
| | | | | (in thousands) | | | |
| **Statement of Operations Data:** | | | | | | | |
| Net sales | $ 88,470 | $ 93,005 | $ 127,224 | $125,702 | $ 139,721 | $ 133,805 | $ 106,704 |
| Cost of services | 65,367 | 64,067 | 85,794 | 95,663 | 92,249 | 81,853 | 52,157 |
| Gross margin | 23,103 | 28,938 | 41,430 | 30,039 | 47,472 | 51,952 | 54,547 |
| Operating expenses | | | | | | | |
| General and administrative | 18,549 | 21,704 | | | | | |