

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA - ORLANDO DIVISION

In re PainCare Holdings, Inc. : 6:06-cv-362-Orl-28DAB
Securities Litigation :

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT, MOTION FOR FINAL APPROVAL
OF SETTLEMENT AND ATTORNEYS' FEES**

If you purchased or otherwise acquired PainCare Holdings, Inc. ("PainCare") common stock during the period between March 24, 2003 and March 15, 2006, inclusive (the "Class Period") and were damaged thereby, and are not otherwise excluded from the settlement class, then you could receive a payment from the proposed settlement of a securities class action.

A settlement has been proposed in a class action about the alleged inflation of the price of PainCare common stock during the Class Period. The settlement will provide a settlement fund of two million dollars (\$2,000,000) for the benefit of investors who purchased PainCare common stock during the Class Period. If you qualify, you may send in a claim form to get benefits, you can exclude yourself from the settlement, or you can object to the settlement.

The United States District Court for the Middle District of Florida, Orlando Division, authorized this Summary Notice. Before any money is paid, the Court will hold a hearing to decide whether to approve the settlement.

Who is Included?

You are a Class Member if you purchased PainCare publicly-traded common stock during the period between March 24, 2003 and March 15, 2006, inclusive, and were damaged thereby. If you still are unsure whether you are included you can ask for help. You can call 1-800-252-5745, toll free, or visit www.hrsclaimsadministration.com.

What is this Lawsuit About?

This action involves allegations that Defendants issued material misstatements and statements which failed to state material facts concerning PainCare's financial results, including misstatements and omissions about PainCare's accounting for the company's stock option plans, certain acquisitions, and certain derivative financial instruments issued in connection with private placement transactions. PainCare's public statements, press releases and filings with the Securities and Exchange Commission touted the company's rapid growth and its financial results as an indicator of the successful implementation of its acquisition strategy. Lead Plaintiff alleged that PainCare's reported financial results before and during the Class Period were not presented fairly and in accordance with generally accepted accounting principles. The Amended Complaint alleges that the investing public was unaware of PainCare's purported accounting improprieties until March 15, 2006, when the company announced that it was restating its financial results for the years 2000 through 2004, and for the first three quarters of 2005. Lead Plaintiff alleged that the restatement lowered net income by approximately \$12.7 million for 2003; approximately \$7.2 million for 2004; and approximately \$16.3 million for the first three quarters of 2005. Defendants have denied doing anything wrong and deny that anyone lost any money because of the restatement.

What Does the Settlement Provide?

Defendants have agreed to pay two million dollars (\$2,000,000) in cash in settlement of this case. These funds will be distributed to eligible members of the Class who send in valid claim forms, after the payment of court-approved legal fees and Lead Counsel's expenses and the costs of claims administration, including the costs of printing and mailing the Notice and the cost of publishing the newspaper notice. The Stipulation of Settlement, available at www.hrsclaimsadministration.com, describes all of the details about the settlement.

Your recovery will depend on the net number of PainCare common stock shares you purchased during the Class Period. It will also depend on the number of valid claims that members of the Class submit and the number of shares represented by those claims. Assuming that all purchasers of PainCare common stock during the Class Period who suffered damages participate in this settlement, Lead Counsel estimates that the average distribution per share of PainCare common stock will be approximately \$.048 before the deduction of court-approved fees and expenses.

How Do You Ask For A Payment?

To qualify for a payment, you must send in a claim form. A detailed notice and claim form package contains everything you need. Call 1-800-252-5745 toll free or visit www.hrsclaimsadministration.com to get one. Claim forms are due by October 14, 2008.

What Are Your Other Options?

You can exclude yourself from the settlement. If you do not want a payment from the settlement, but you want to keep the right to sue or continue to sue the Defendants about the claims you would otherwise be releasing in this settlement, then you must take steps to exclude yourself from the settlement. If you stay in the settlement, you may object to it. The detailed Notice explains how to exclude yourself or object.

The Court will hold a hearing at 9:30 a.m. on September 15, 2008, at the United States District Court for the Middle District of Florida, Orlando Division, located at United States Courthouse, 401 West Central Blvd., Courtroom 6B, Orlando, FL 32801-0120. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them at the hearing. The Court will listen to people who have asked to speak at the hearing. The Court will also decide whether to approve the payment of fees, costs and expenses to Lead Counsel. We do not know how long the hearing will take or whether the Court will make its decision about the settlement on that day or sometime later. You may ask to appear at the hearing, but you don't have to. For more information visit www.hrsclaimsadministration.com or call toll free 1-800-252-5745.

Wall Street Journal

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