

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

_____ X
In re PainCare Holdings, Inc. Securities Litigation :
_____ X

Case No. 6:06-cv-362-Orl-28DAB

**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 are not otherwise excluded from the settlement class, then you could receive a payment from the proposed settlement of a securities class action.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The settlement in *In re PainCare Holdings, Inc. Securities Litigation*, Case No. 6:06-cv-362-Orl-28DAB (the "Action"), establishes a settlement fund of two million dollars (\$2,000,000) for the benefit of investors who purchased or otherwise acquired PainCare common stock during the period between March 24, 2003 and March 15, 2006, inclusive.
- The settlement resolves a lawsuit concerning allegations that certain investors purchased or otherwise acquired PainCare common stock at artificially inflated prices as a result of Defendants' allegedly materially false and misleading statements.
- Your legal rights are affected whether or not you act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit about the legal claims in this case.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court concerning the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after all appeals, if any, are resolved. Please be patient.

SUMMARY

Securities and Time Period:

PainCare publicly-traded common stock during the period between March 24, 2003 and March 15, 2006, inclusive.

Settlement Fund and Statement of Recovery:

The settlement fund consists of two million dollars (\$2,000,000) in cash. 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 Barrack Rodos & Bacine ("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 as described in question 17 below.

Fees and Expenses:

At the Settlement Hearing, Lead Counsel will request the Court to award attorneys fees of up to 25% of the Settlement Fund, plus reimbursement of expenses, not to exceed \$33,065.00, which were incurred in connection with the

Action, plus interest and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class members are not personally liable for any such fees or expenses. To date, Lead Counsel has not received any payment for their services in connection with the Action nor have they been reimbursed for the out-of-pocket expenses they have incurred. If the Court approves Lead Counsel's request, the estimated average cost per share of PainCare common stock for fees and expenses will be \$.013.

Deadlines:

The following is a list of deadlines by which you must take any action you wish to take with respect to the settlement:

Submit Claim:	October 14, 2008
Request Exclusion:	August 18, 2008
File Objection:	August 11, 2008
Court Hearing on Fairness of Settlement:	September 15, 2008

More Information:

You can obtain additional information about the Action and this Notice by contacting the Claims Administrator Heffler, Radetich, & Saitta LLP, P.O. Box P.O. Box 58723, Philadelphia, Pennsylvania 19102-8723, or call 1-800-252-5745 toll free.

WHAT THIS NOTICE CONTAINS

	PAGE
BASIC INFORMATION	3
1. Why did I get this notice package?	3
2. What is this lawsuit about?	3
3. Why is this Action a class action?	4
4. Why is there a settlement?	4
WHO IS IN THE SETTLEMENT	4
5. How do I know if I am part of the settlement?	4
6. Are there exceptions to being included in the Class?	4
7. I'm still not sure if I am included	4
THE SETTLEMENT BENEFITS—WHAT YOU GET	4
8. What does the settlement provide?	4
9. How much will my payment be?	4
RECOGNIZED CLAIMS	5
HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM	6
10. How can I get a payment?	6
11. When will I get my payment?	6
12. What am I giving up to get a payment or stay in the Class?	6
EXCLUDING YOURSELF FROM THE SETTLEMENT	6
13. How do I exclude myself from the settlement?	6
14. If I don't exclude myself, can I sue PainCare for the same thing later?	7
15. If I exclude myself, can I get money from this settlement?	7
THE LAWYERS REPRESENTING YOU	7
16. Do I have a lawyer in this case?	7
17. How will the lawyers be paid?	7

OBJECTING TO THE SETTLEMENT	7
18. How do I tell the Court that I don't like the settlement?	7
19. What is the difference between objecting to the settlement and excluding myself from the settlement?	7
THE COURT'S FAIRNESS HEARING—SCHEDULED FOR SEPTEMBER 15, 2008	8
20. When and where will the Court decide whether to approve the settlement?	8
21. Do I have to come to the hearing?	8
22. May I speak at the hearing?	8
IF YOU DO NOTHING	8
23. What happens if I do nothing at all?	8
GETTING MORE INFORMATION	8
24. Are there more details about the proposed settlement?	8
25. How do I get more information?	8
PROOF OF CLAIM AND RELEASE	9

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased (or otherwise acquired) PainCare common stock during the period between March 24, 2003 and March 15, 2006, inclusive.

The Court sent you this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement (and if there are objections or appeals), the Claims Administrator appointed by the Court will make the payments that the settlement allows. You may track the progress of the settlement by visiting www.hrsclaimsadministration.com.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Middle District of Florida, Orlando Division, and the case is known as *In Re PainCare Holdings, Inc. Securities Litigation*, Case No. 6:06-cv-362-Orl-28DAB. The Lead Plaintiff has brought this Action against the following Defendants: PainCare Holdings, Inc., PainCare's chief executive officer, Randy Lubinsky and PainCare's chief financial officer, Mark Szporka.

2. What is this lawsuit about?

Beginning on March 21, 2006, eleven class actions alleging violations of federal securities laws by Defendants were filed in this Court. In an Order dated July 28, 2006, the Court consolidated all eleven cases (collectively, the "Action").

In the same Order, the Court also appointed the Employees' Retirement System of the Government of the Virgin Islands as Lead Plaintiff, approved Barrack Rodos & Bacine as Lead Counsel, and approved Williams, Schifino, Mangione & Steady, P.A. as Liaison Counsel.

On September 11, 2006, Lead Plaintiff filed a Consolidated Class Action Complaint ("Complaint") alleging violations of §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On October 20, 2006, Defendants moved to dismiss the Complaint. On November 13, 2006, Lead Plaintiff opposed Defendants' motion. By Order dated April 25, 2007, the Court granted Defendants' motion to dismiss.

On May 23, 2007, Lead Plaintiff filed and served an Amended Consolidated Class Action Complaint (the "Amended Complaint"). The Amended Complaint alleged, among other things, that Defendants issued material misstatements and statements which omitted 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.

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.

On June 7, 2007, Defendants moved to dismiss the Amended Complaint. On June 21, 2007, Lead Plaintiff opposed the motion. By Order dated February 7, 2008, the Court denied Defendants' motion to dismiss the Amended Complaint.

3. Why is this Action a class action?

In a class action, one or more people called class representatives (in this case, Lead Plaintiff Employees' Retirement System of the Government of the Virgin Islands) sue on behalf of people who have similar claims. All of these people and/or entities are members of the Class. One court resolves the issues for all members of the Class, except for those who exclude themselves from the Class. United States District Judge John Antoon, II is presiding over this Action.

4. Why is there a settlement?

After approximately a year and a half of litigation, which included two vigorously contested motions to dismiss, the settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits class members to be compensated without further delay. Defendants' deny any wrongdoing in connection with the acts alleged against it in this lawsuit.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to decide if you are a Class member.

5. How do I know if I am part of the settlement?

The Class includes all persons who purchased or otherwise acquired PainCare publicly-traded common stock during the period between March 24, 2003 and March 15, 2006, inclusive, and were damaged thereby.

6. Are there exceptions to being included in the Class?

Yes. Excluded from the Class are Defendants, any entity in which the Defendants have a controlling interest or that is a parent or subsidiary of or is controlled by the Defendants, Defendants' officers and directors, including any person who was an officer or director during the Class Period, affiliates, legal representatives, heirs, predecessors, successors and/or assigns. Also excluded from the Class are those persons who timely and validly request exclusion from the Class.

7. I'm still not sure if I am included.

If you still are not sure whether you are included, you can ask for help. You can call 1-800-252-5745 or visit www.hrsclaimsadministration.com for more information or you can fill out and return the claim form described in Question 10 to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. 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 Class members who send in valid claim forms ("Authorized Claimants"), after payment of court-approved legal fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice.

9. How much will my payment be?

Your share of the fund will depend on the number of shares represented by valid claim forms that members of the Class send in, how many shares of common stock you purchased, and when you bought and sold them.

The Claims Administrator will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount a Class member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement fund will be allocated to the Authorized Claimants.

RECOGNIZED CLAIMS

The Basis for the Calculation of Your Recognized Claim

The following proposed Plan of Allocation reflects the proposition that the price of PainCare common stock was artificially inflated from the beginning of the Class Period on March 24, 2003, through the end of the Class Period on March 15, 2006.

The \$2,000,000 Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit valid Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim and *pro rata* share recovery formula is not intended to be an estimate of the amount of what a Class member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the proposition that the price of PainCare common stock was inflated by reason of the allegedly false and misleading statements made by Defendants during the Class Period until after the market closed on March 15, 2006, when the Defendants announced that it was restating its financial results for the years 2000 through 2004, and for the first three quarters of 2005. PainCare's common stock closed at \$2.86 on March 15, 2006, before the company's announcement.

For purposes of allocating the Net Settlement Fund, an Authorized Claimant's "Recognized Claim" shall be calculated as follows:

- a. With respect to shares of PainCare common stock purchased between March 24, 2003 and March 15, 2006, inclusive and sold prior to the close of trading on March 15, 2006, there shall be no Recognized Claim.
- b. With respect to shares of PainCare common stock purchased between March 24, 2003 and March 15, 2006, inclusive and held after the close of trading on March 15, 2006 or sold on or after March 16, 2006, the Recognized Claim shall be the number of shares held as of the close of trading on March 15, 2006.
- c. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Funds based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.
- d. For purposes of determining which shares of PainCare common stock purchased during the Class Period were either sold at any time during the Class Period or were retained after the close of trading on March 15, 2006, purchases and sales of PainCare common stock will be matched on a "first-in/first-out" ("FIFO") basis, by matching the first shares sold against any opening position of shares held as of the close of business on March 21, 2003 (prior to the start of the Class Period) and then on a FIFO basis against any additional shares of PainCare common stock purchased during the Class Period on the basis of the assumption that the first share purchased was the first share sold.
- e. The date of purchase or sale is the "contract" or "trade" date, not the "settlement" date.
- f. "Short" sales will not be recognized for any amount of loss on the cover or purchase transaction and no Recognized Claim will be computed for any such covering purchase transaction.
- g. No Recognized Claim will be computed for any transaction in PainCare shares engaged in by market makers or specialists.
- h. The receipt or grant of a gift of PainCare common stock during the Class Period will not be deemed to be a purchase of PainCare common stock during the Class Period. However, the recipient of PainCare common stock as a gift or as a distribution from an estate will be eligible to file a Proof of Claim and participate in the proposed Settlement to the extent the particular donor or decedent was the actual purchaser of PainCare common stock and would have been eligible, based upon the circumstances of such purchase within the Class Period; however, the donee and donor may not both claim with regard to the same PainCare shares. If both the donor and donee make such a claim, only the claim filed by the donee will be honored.
- i. In the interest of economy, no payment will be made to any Authorized Claimant whose share of the Net Settlement Fund would be less than \$10.00 based on the initial allocation of the Net Settlement Fund to Authorized Claimants.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it to the address listed on the claim form, postmarked no later than October 14, 2008.

11. When will I get my payment?

The Court will hold a hearing on September 15, 2008, to decide whether to approve the settlement. If the Court approves the settlement, one or more class members could file an appeal. If there is an appeal, it is always uncertain if or when the appeal will be resolved favorably for the settlement. Resolving an appeal can take time, often more than a year. It also takes time for all the claim forms to be processed. If there are no appeals, and depending on the number of claims submitted, the Claims Administrator could distribute the settlement fund as early as one year after the fairness hearing. You may track the progress of the settlement by visiting www.hrsclaimsadministration.com. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the transactions at issue and the claims that were or could have been raised in the Action. To receive the payment under the settlement, if the settlement is approved, you must release all “Released Claims.”

“**Released Claims**” means any and all manner of actions, causes of actions, suits, obligations, claims, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys’ fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law, right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued, which Lead Plaintiff and each Class member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons for, based on, by reason of, or arising from or relating to the conduct alleged in the Action, including, but not limited to: (i) claims that directly or indirectly arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Complaint or Amended Complaint or other matters that are or could have been set forth, alleged, embraced or otherwise referred to Complaint or Amended Complaint or which could have been brought against Defendants relating to a Class member’s purchase or other acquisition of PainCare common stock during the Class Period, and (ii) claims arising out of the prosecution or defense of the Action, or either of them, including, but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in the Stipulation of Settlement releases any claim arising out of the violation or breach of the terms of the Stipulation of Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How do I exclude myself from the settlement?

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 Defendants, or any of the other Released Persons about the claims raised in the Action that you would otherwise be releasing in this settlement, then you must take steps to exclude yourself from the settlement. This is sometimes referred to as “opting out” of the Class.

If you ask to be excluded, you will not receive any settlement payment, and you cannot object to the settlement. Also, you will not be legally bound by anything that happens in this lawsuit, and you would not be prevented by this settlement from suing the Released Parties for the Released Claims in the future. However, if you exclude yourself and bring your own lawsuit, you would be subject to all the risks of litigation, including the risk that your lawsuit would be rejected because you filed it too late.

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *In re PainCare Holdings, Inc. Securities Litigation*. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request so that it is postmarked no later than August 18, 2008 to:

In re PainCare Holdings, Inc. Securities Litigation
c/o Heffler, Radetich, & Saitta LLP
P.O. Box 58723
Philadelphia, PA 19102-8723

You cannot exclude yourself on the phone or by e-mail. If you do not file your request for exclusion on time, you will be legally bound by all the proceedings in this lawsuit, including all court orders and judgments in the lawsuit, even if you have a lawsuit pending against the Released Parties that covers Released Claims, or if you subsequently start a lawsuit or an arbitration or any other proceedings against any of the Released Parties that are covered by the Released Claims.

14. If I don't exclude myself, can I sue PainCare for the same thing later?

No. Unless you exclude yourself, you give up any right to sue PainCare for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is August 18, 2008.

15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. Once you exclude yourself, you will receive no cash payment even if you also submit a claim form, unless you withdraw your notice of exclusion before the deadline.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Barrack Rodos & Bacine to represent Lead Plaintiff, and other class members, including you. You will not be charged for these lawyers' work. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

At the Settlement Hearing, Lead Counsel will request the Court to award attorneys fees of up to 25% of the Settlement Fund, plus reimbursement of expenses, not to exceed \$33,065.03, which were incurred in connection with the Action, plus interest and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice. Class members are not personally liable for any fees and expenses. To date, Lead Counsel has not received any payment for their services in pursuing the Action nor have counsel been reimbursed for out-of-pocket expenses they have incurred.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

18. How do I tell the Court that I don't like the Settlement?

If you're a member of the Class (and you have not excluded yourself), you can object to the proposed settlement if you do not like the settlement or any part of it. You can give reasons why you think the Court should not approve the settlement. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed settlement in *In re PainCare Holdings, Inc. Securities Litigation*, Case No. 6:06-cv-362-Orl-28DAB, United States District Court for the Middle District Florida, Orlando Division. Your letter must include your name, address, telephone number and your original signature (no copies). You must also include information concerning your purchase(s), acquisition(s) and sale(s) of PainCare common stock during the Class Period, including the number of shares and the dates of each purchase, acquisition and sale. Mail the objection so that it is postmarked no later than August 11, 2008 to:

Clerk of the Court		BARRACK RODOS & BACINE		JONES DAY
United States District Court for the Middle		MARK R. ROSEN		ERIC LANDAU
District of Florida, Orlando Division	and	3300 Two Commerce Square	and	3 Park Plaza
United States Courthouse		2001 Market Street		Suite 1100
401 West Central Boulevard, Suite 1200		Philadelphia, PA 19103		Irvine, CA 92614
Orlando, FL 32801-0120		<i>Plaintiff's Lead Counsel</i>		<i>Defendants' Counsel</i>

You may object either on your own or through an attorney that you hire at your own expense. If you do hire an attorney to represent you, your attorney must file a notice of appearance with the Clerk of the Court and deliver a copy of that notice to Lead Counsel and Defendants' counsel no later than August 11, 2008.

If you do not follow the directions in this notice for objecting to the settlement, you will forfeit all rights that you may have to object to and/or appeal this settlement. You will be bound by the orders and judgments in this lawsuit.

19. What is the difference between objecting to the settlement and excluding myself from the settlement?

Objecting is telling the Court that you do not like something about the proposed settlement. You can object to the settlement only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

THE COURT'S FAIRNESS HEARING—SCHEDULED FOR SEPTEMBER 15, 2008

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend, but you don't have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a fairness 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. 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.

21. Do I have to come to the hearing?

Class members do not need to appear at the hearing or take any other action to indicate that they approve of the settlement. Lead Counsel will answer questions the Court may have about the settlement. If you would like to attend the hearing, you are welcome to do so, at your own expense. If you send an objection, you do not have to come to Court to talk about it. The Court will consider your written objection, as long as you mailed your objection in on time (see response to question 18). You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the hearing?

If you object to the settlement, you may ask the Court for permission to speak at the hearing. To do so, you must include with your objection (see response to question 18) a statement saying that it is your "Notice of Intention to Appear in *In re PainCare Holdings, Inc. Securities Litigation*." Persons who intend to object to any part of the settlement and wish to present evidence at the hearing must also include in their written objection the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

You cannot speak at the fairness hearing if you have excluded yourself from the settlement.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will not receive any payments from this settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Released Parties about the Released Claims in this case ever again.

GETTING MORE INFORMATION

24. Are there more details about the proposed settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation of Settlement, which has been filed with the Court. You can inspect a copy of the Stipulation at the office of the Clerk of the United States District Court for the Middle District of Florida, Orlando Division, United States Courthouse, 401 West Central Blvd., Suite 1200, Orlando, FL 32801-0120 during regular business hours or at www.hrsclaims-administration.com.

25. How do I get more information?

For additional, detailed information concerning the matters involved in this lawsuit, you may inspect the pleadings, the orders of the Court, and other papers filed in this lawsuit at the office of the Clerk of the United States District Court for the Middle District of Florida, Orlando Division, United States Courthouse, 401 West Central Blvd., Suite 1200, Orlando, FL 32801-0120 during regular business hours.

You can also contact the settlement administrator (see response to question 13) or Lead Counsel (see response to questions 16 and 18). ***Please do not call the Court or the Clerk of the Court for additional information about the settlement.***

DATED: JUNE 17, 2008

BY ORDER OF
THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re PainCare Holdings, Inc. Securities Litigation

X
:
:
X

Case No. 6:06-cv-362-Orl-28DAB

PROOF OF CLAIM AND RELEASE

DEADLINE FOR SUBMISSION: OCTOBER 14, 2008.

IF YOU PURCHASED (OR OTHERWISE ACQUIRED) PUBLICLY-TRADED COMMON STOCK OF PAINCARE HOLDINGS, INC. ("PAINCARE" OR THE "COMPANY") DURING THE PERIOD BETWEEN MARCH 24, 2003 AND MARCH 15, 2006, INCLUSIVE (THE "CLASS PERIOD"), AND WERE DAMAGED THEREBY, YOU ARE A "CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

EXCLUDED FROM THE CLASS ARE DEFENDANTS, ANY ENTITY IN WHICH THE DEFENDANTS HAVE A CONTROLLING INTEREST OR THAT IS A PARENT OR SUBSIDIARY OF OR IS CONTROLLED BY THE DEFENDANTS, AND ANY OF THE DEFENDANTS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, LEGAL REPRESENTATIVES, HEIRS, PREDECESSORS, SUCCESSORS AND/OR ASSIGNS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST-CLASS MAIL, POSTMARKED NO LATER THAN OCTOBER 14, 2008, TO THE FOLLOWING ADDRESS:

In re PainCare Holdings, Inc. Securities Litigation
c/o Heffler, Radetich, & Saitta LLP
P.O. Box 58723
Philadelphia, PA 19102-8723

IF YOU FAIL TO SUBMIT YOUR CLAIM BY OCTOBER 14, 2008, YOUR CLAIM WILL BE SUBJECT TO REJECTION AND YOUR FAILURE WILL PRECLUDE YOU FROM RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

RELEASE

1. I purchased (or otherwise acquired) the publicly traded common stock PainCare during the period between March 24, 2003 and March 15, 2006, inclusive (the "Class Period"). (Do not submit this Proof of Claim if you did not purchase PainCare common stock during this period.)

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a Class member as defined above, or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Class member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I have set forth where requested below all relevant information with respect to each purchase of PainCare common stock during the Class Period, and each sale, if any, of such securities, as well as the number of shares I owned at the beginning and end of the Class Period. I agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

4. I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each purchase, sale or retention of PainCare common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROCESS AND VERIFY YOUR CLAIM.)

5. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases the Claims Administrator may conditionally accept the claim based upon the production of additional information.

6. Upon the occurrence of the Effective Date (as defined in the Stipulation of Settlement), my signature hereto will constitute a full and complete release, remise and discharge by me or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by my, its, his, her or their heirs, executors, administrators, successors, and assigns of each of the "Released Claims."

* * *

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants **MUST** submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written paper acknowledgment of receipt and acceptance of electronically submitted data. If you wish to submit data electronically, please contact the Claims Administrator for the proper format.

7. Statement of Claim

Name(s) of Beneficial Owner(s):

--

Name (First, Middle, Last)

--

Joint Owner's Name (First, Middle, Last)

If you are a bank or other institution filing on behalf of a third-party, and an account number is needed to identify the claimant for your records, indicate account number here:

--

Address of Beneficial Owner(s):

--

Street Address

	State	Zip Code		
--	-------	----------	--	--

City

--	--

Foreign Province

Foreign Country

--	--	--	--	--	--	--	--	--	--

Area Code

Telephone Number (Work)

Area Code

Telephone Number (Home)

Area Code

Fax Number

--

E-Mail Address

Check one:

Individual(s)
 Estate
 Corporation
 IRA Account
 Trustee/Custodian
 Other (specify) _____

--

Record Owner's Name and Address (if different from beneficial owner listed above)

Social Security Number: -- OR Employer Identification Number: -

(for individuals) (for estates, trusts, corporations, etc.)

Market Maker or Specialist

I was ____/I was not ____ a Market Maker or a Specialist in PainCare common stock during the Class Period.

FOR PAINCARE PUBLICLY TRADED COMMON STOCK:

8. At the close of business on March 21, 2003, I owned _____ shares of PainCare common stock.

9. I made the following purchases of PainCare common stock during the period between March 24, 2003 and March 15, 2006, inclusive (must be documented):

Date(s) of Purchase (List Chronologically) (Month / Day / Year)	Number of Shares Purchased	Purchase Price Per Shares (in U.S. Dollars)	Aggregate Cost (including commissions, taxes and fees)
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>

10. State the total number of shares of PainCare common stock purchased (or otherwise acquired) during the period between March 24, 2003 and March 15, 2006, inclusive: _____.

11. I made the following sales of PainCare common stock during the period between March 24, 2003 and March 15, 2006, inclusive (must be documented):

Date(s) of Sale (List Chronologically) (Month / Day / Year)	Number of Shares Sold	Sale Price Per Shares (in U.S. Dollars)	Amount Received (net of commissions, taxes and fees)
□□□/□□□/□□□	□□□□□□□□	\$□□□□.□□□□	\$□□□□□□□□.□□□□
□□□/□□□/□□□	□□□□□□□□	\$□□□□.□□□□	\$□□□□□□□□.□□□□
□□□/□□□/□□□	□□□□□□□□	\$□□□□.□□□□	\$□□□□□□□□.□□□□
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12. State the total number of shares of PainCare common stock sold during the period between March 24, 2003 and March 15, 2006 _____.

13. At the close of business on March 15, 2006, I owned _____ shares of PainCare common stock. (Must be documented.)

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PRINT YOUR NAME AND TAXPAYER IDENTIFICATION NUMBER IN THE TOP RIGHT-HAND CORNER OF EACH ADDITIONAL PAGE AND CHECK THE BOX BELOW:

I HAVE ATTACHED ADDITIONAL PAGES OF TRANSACTIONS

14. **Substitute Form W-9**

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number: -- OR Employer Identification Number: -

(for individuals) (for estates, trusts, corporations, etc.)

15. **Certification**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1) (C) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above and check here .

The I.R.S. does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature of Joint Claimant)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

(Note: you must be the current trustee, custodian, etc. in order to submit this Proof of Claim.)

Dated: _____

In re PainCare Holdings, Inc. Securities Litigation
c/o Heffler, Radetich, & Saitta LLP
P.O. Box 58723
Philadelphia, PA 19102-8723

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN OCTOBER 14, 2008, AND MUST BE MAILED TO:

In re PainCare Holdings, Inc. Securities Litigation
c/o Heffler, Radetich, & Saitta LLP
P.O. Box 58723
Philadelphia, PA 19102-8723

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by October 14, 2008, and if a postmark is indicated on the envelope, it is mailed first-class, and it is addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

If you wish to be assured that your Proof of Claim is actually received by the Claims Administrator, you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. You should be aware that it will take a significant amount of time to process all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits. Please notify the Claims Administrator of any change of address.