

Allan Bombard

From:

Allan Bombard

Sent:

Sunday, January 18, 2009 5:37 PM

To: Subject: Lenny Kellner Resignation

Importance:

High

Lenny,

This will, I hope, accurately summarize the telephone conversation that we had yesterday morning.

The national economy has entered a difficult and challenging time. For our company to survive it's important that the focus be on sustaining, solidifying, and growing the core business. As I depicted in the financial projections that I put together last week, the core business appears to be on sound financial footing – even in this economy. Lenetix can fully support the added sales, marketing, and laboratory staff increments that we have put in place over the three months that I have been in place as the Chief Executive Officer.

Lenetix has, however, sustained a huge financial blow in the unexpected withdrawal of the \$10 million in financial support promised by our primary investor. This dramatically and negatively impacts our short-term plans for large scale clinical trials and brings to bear the hard question about whether or not Lenetix can afford to spend substantially on executive leadership right now.

You have worked diligently to acquire even part of this evaporated funding. I see no other way to substantially and immediately reduce Lenetix' expense-related cash flow problem than by resigning my full-time, salaried position as Chief Executive Officer, effective immediately. This action will provide Lenetix with an additional \$50,000, approximately, each month. That should be sufficient to pay the new consultants that have been hired and to prevent other key senior personnel from leaving.

with this cost reduction, the core business should be able to sustain itself. The new volume being generated by Hassan's sales team and the actions of the reimbursement consultant team that I have put in place will insure this. Without other investors there will not, I'm afraid, be sufficient funding to sustain the research and development efforts (~\$2 million) and clinical trials (~\$5 million) that need to be accomplished in order to quickly bring Lenetix' NIPD efforts to commercial reality in the short term. The R&D will take time without the funding that disappeared so unexpectedly. But the core business, including the new cancer testing, should be able to thrive.

I will, of course continue to assist Lenetix in a non-salaried, ownership role. I'm not about to give up my 9 year emotional and physical investment in you or Lenetix. Over the next few days I will send you an IRS W-9 form, which can be used for any approved future expense items. It can also be used to make good deferred payments of my deferred salary which has been unpaid (at my direction) due to Lenetix' cash flow crisis. It can be paid to NVB Partners once the immediate problem is resolved. I'll summarize those amounts when I send along the W-9.

Neither you nor I anticipated the current severe overall economic downturn, nor could we have foreseen the impact that Mr. Madoff's illegal investing activities would have on our primary investor. I hope that our incredibly positive relationship remains so.