

Sent: Saturday, July 25, 2015 12:57 PM

To: Jerry Morrison; Mike Fox

Cc: Mike Carlton; Jeff Schultz; Bill Taylor; Nick Andolino; Chris Cashman

Subject: RE: Baylor All Saints-Fort Worth

All-

I have reached my limit of emails that start out with, "I spoke to a distributor last night" and they are all Great Americans for one week. (Even though no one in our company had any idea who they were as of 2:37pm yesterday)

Solution:

I would like to extend an invitation to Jerry, Jeff, Carlton or anyone else who's scope of responsibility includes the management of sub-distributors carrying our AmnioFix product line in Texas to spend a day in the Baylor All Saints OR with our local DIRECT Account Executive Mary Carr. If you don't know Mary, you should. She lead the point in having MiMedx added as the 1st approved Amniotic vendor in the Baylor Health System and inked a universal Tier 1 MedAssets contract. Since none of you are approved Vendors or have ever been in that facility, she will show you where to check in and even get you a GUEST BADGE. Then she will walk you through the Baylor Health System's mandated Tissue and Biologics ordering and utilization process. You can review the mandatory tissue log and then visit with the OR supervisor on tissue protocols. We will also provide you with a copy of these requirements for your review.

Then I would ask you sit down with me and we walk through how we can work together to maximize all our business the RIGHT way. Who knows, maybe this group of "BIOLOGICS Specialist" can have shelf space for the first time and not have to bring it in a backpack or even better open up new opportunities for business within Baylor Health System ORs.

We do not call on spine docs and we have never met Dr. Sazy but the TRUTH is that Baylor is not going to let him use anything that isn't appropriately brought in.

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Sent from my iPhone

On Jul 25, 2015, at 10:45 AM, Mike Fox wrote:

Any chance these guys were carrying product into the Baylor OR? Policies brother.

If they are amiable to using consignment stock shipped from MiMedx, Trust our mission is to keep all revenue and any reputable agents happy!

More next week

Mike Fox

Vice President Central Area

MiMedx Group

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mfox@mimedx.com

On Jul 25, 2015, at 11:29 AM, "Jerry Morrison" wrote:

I spoke with the distributor again last night. These guys are professional and work with 3 of the biggest names in Nuero spine in Fort Worth. I personally worked in the OR with Jeff Delano several years ago and can attest to his professionalism. They said they did not get "caught" doing anything. They have been servicing these docs and that facility for several years and over a year with amniotic tissue. They understand pricing is an issue however were following the agreement guidelines that were established by the distributor ABT that they were selling for.

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Sent from my iPhone

On Jul 24, 2015, at 7:13 PM, Mike Fox wrote:

There is a lot of information on this that needs to be provided beyond what is written as RK knows the folks involved. Jerry provided some intel but let's not take every email as final proof until all relevant intel is provided.

Will provide more intel next week but please know that this decision BY THE ACCOUNT was not due to any MiMedx rep. It was caused by AGENT ACTIONS not following the account policies in place. They got caught and the account is done with anyone who does not follow their policy. They only order from MiMedx by their choice now and that is what they did.

More on Monday. Got to head to a dinner here at APMA. Call anytime this weekend to discuss live if needed. Always available!

Mike Fox

Vice President Central Area

MiMedx Group

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mfox@mimedx.com

On Jul 24, 2015, at 7:31 PM, "Mike Carlton" wrote:

Why was this decision made? CPM will think we influenced this email. As you read from Jerry's email, the spine business which ties to the sub rep will likely go to another tissue. Mary doesn't have spine relationships.

Sent from my iPhone

On Jul 24, 2015, at 5:01 PM, RK Simon wrote:

From: Campos, Pablo F. [<mailto:Pablo.Campos@baylorhealth.edu>]
Sent: Friday, July 24, 2015 3:51 PM
To: Mary Carr
Subject: epifix, amniofix

To Whom It May Concern

Baylor All Saints will only purchase EpiFix and AmnioFix directly through MiMedx, versus a distribution company or third party vendor.

Thank you.

Pablo Campos, Service line Coordinator / surgery

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R.K. Simon

Regional Sales Director

MiMedx Group, Inc.

Objc:405.623.1232

On Jul 24, 2015, at 3:55 PM, Jerry Morrison wrote:

Jeff,

CPM is not kicked out as I understand it. They just can't have distributors selling amnio fix in the Baylor All Saints account in Fort Worth as of this morning. My understanding from the Sub (Delano Medical) who is distributing to the spine surgeons under a direct cpm sub (ATB) has been working this account for over a year and a half and has never had any issues with Baylor with regards to pricing, following guidelines ect... . Delano Medical also buys amnio fix from CPM as a stock and bill for other facilities. ABT just happen to have the Baylor All Saints account so they run a commission deal through them. When Delano Medical came in for the case today, Paul Campos (Baylor Materials) said they have tissue on the shelf through the manufacturer and he would need to use his amnio fix. There was a comment regarding pricing in which Delano medical said they would match. Paul said they would have to use Mary's product.

Delano Medical is very confused and frustrated that a "wound care" rep is taking their spine business and is wondering if Mimedx is the right tissue to be selling. I assured them it is and we are working through this process. They are happy to sell direct for Mimedx if that option presents itself. Delano will likely pull the tissue from the shelf initially for his doctor and his patients but is not guaranteeing that it will always make it to the OR if they are not getting credit to manage the case with that tissue. We have trained 7 reps from Delano Medical and I have personally worked with a few of them. They are sharp and professional and just want to be able to work in the same space without fear of losing accounts to direct reps.

None of the reps have said anything about placental tissue getting kicked out of Baylor and again they have been doing cases at this facility for over a YEAR and have always gotten paid. We all know, if

Baylor didn't want our tissue in there or had an issue with the distributor, they would not have paid them and told them NOT to bring in the tissue. This morning's case was nothing new than the cases they did last Friday and the Friday before...

RK and I have discussed meeting with Paul next week to see where the truth lies with regards to him not wanting to work with the distributors ect... There is also a possibility that Paul has concerns about another distributor and not Delano... We don't truly know if ABT has another rep in that facility. We will get those answers. I will keep everyone posted as we learn more.

From: Jeff Schultz

Sent: Friday, July 24, 2015 2:47 PM

To: Jerry Morrison

Cc: Bill Taylor; RK Simon; Mike Fox; Nick Andolino; Chris Cashman; Jerry Morrison; Mike Carlton

Subject: Re: Baylor All Saints-Fort Worth

Jerry

Can you give us the detail on this from the sub agent of CPM stand point? Is CPM kicked out of Baylor? CPM from past discussions with Mark Brooks still is doing business in Baylor. Please confirm.

Sincerely,

Jeff Schultz

Vice President of Surgical Sales

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MiMedx Group, Inc.

BT

From: RK Simon
Sent: Friday, July 24, 2015 3:13 PM
To: Bill Taylor
Cc: Mike Fox ; Nick Andolino ; Jeff Schultz ; Chris Cashman ; Mike Carlton ; Jerry Maynor
Subject: Re: Baylor All Saints-Fort Worth

Mary processed an unsolicited request from the OR supervisor over 2 months ago. They created the par value and consignment arrangement once Baylor submitted the LOP from MedAssets. Placental tissue were removed 2 years ago from all Baylor facilities and an "anti-kick back" investigation for all biologics is now underway.

This distributor has tried to walk product in multiple times and been removed for violating Baylor's tissue bank protocols, pricing arrangements and disregard for structured paper work requirements. When the OR supervisor heard that this Distributor was trying to get AmnioFix used in the case this morning he pulled Mary out of her Podiatric case and told her he would be pulling from the consignment inventory. She did not know the doctor and did not run interference in anyway.

We will be obtaining documentation on todays situation.

Thanks,

R.K. Simon

Regional Sales Director

MiMedx Group, Inc.

☎:405.623.1232

On Jul 24, 2015, at 1:24 PM, Bill Taylor wrote:

Did our AE put the stock on the shelves?

From: Mike Fox

Sent: Friday, July 24, 2015 1:02 PM

To: Nick Andolino

Cc: Jeff Schultz ; Bill Taylor ; Chris Cashman ; Mike Carlton ; RK Simon ; Jerry Maynor

Subject: Re: Baylor All Saints-Fort Worth

Just spoke to RK and the story being told by the agent is not reality. RK can explain the actions taken by the account but our AE was not blocking anyone or crossing lines in any way.

Take care all

Mike Fox

Vice President Central Area

MiMedx Group

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mfox@mimedx.com

On Jul 24, 2015, at 12:57 PM, "Nick Andolino" wrote:

Jeff this is Fox.

Have forwarded

Nick Andolino

Vice President Sales, West

Nandolino@mimedx.com

661-312-4018

On Jul 24, 2015, at 8:39 AM, Jeff Schultz wrote:

Nick,

Jerry just got a call from a CPM(Sub agent) who was selling Amniofix 4x6 for Spine in Baylor All Saints-Fort Worth and he said Mary Carr(Mimedx Wound Care Rep) just put 4x6's on the shelf for Spine cases and totally blocked out this Sub Agent who is under Mark Brooks. This is going to add gas on the fire with Mark Brooks.

Can you and RK dig into this one for me? I need to get both sides of the story.

Thank you!!

Jeff Schultz

Vice President, Surgical Sales

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