

AML INC  
Form 424B2  
June 21, 2007

Filed Pursuant to Rule 424b2  
Registration No. 333-143867

<b>Title of each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Unit (1)</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee (1)(2)</b>
6.40% Senior Notes due 2017	\$375,000,000	100%	\$375,000,000	\$11,512.50
6.95% Senior Notes due 2037	\$425,000,000	100%	\$425,000,000	\$13,047.50
Guarantees of 6.40% Senior Notes due 2017(2)	--	--	--	--
Guarantees of 6.95% Senior Notes due 2037(2)	--	--	--	--
<b>Total</b>	<b>\$800,000,000</b>	<b>100%</b>	<b>\$800,000,000</b>	<b>\$24,560.00</b>

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

(2) Pursuant to Rule 457(n), no separate fee will be required to be paid in respect of guarantees of our senior debt securities which are being registered concurrently.

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated June 19, 2007)**

**\$800,000,000**

**\$375,000,000 6.40% Senior Notes due 2017**  
**\$425,000,000 6.95% Senior Notes due 2037**

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***Interest payable on July 1 and January 1***

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***We will pay interest on the notes on July 1 and January 1 of each year, beginning January 1, 2008. The 6.40% notes will mature on July 1, 2017. The 6.95% notes will mature on July 1, 2037. We may redeem some or all of the notes of either series at any time at the applicable redemption prices described in this prospectus supplement.***

***The notes will be senior unsecured obligations of ours and will rank equally with our other existing and future senior unsecured obligations. The notes will be guaranteed by certain of our domestic wholly owned subsidiaries. Each guarantee will be a senior unsecured obligation of the subsidiary guarantor issuing such guarantee and will rank equally with other existing and future senior unsecured obligations of such subsidiary guarantor. The notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000.***

***Investing in the notes involves risks that are described in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference into this prospectus supplement, and in the***

*Risk Factors* section beginning on page S-8 of this prospectus supplement.

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**NOTES DUE 2017 PRICE 99.786% AND ACCRUED INTEREST, IF ANY**  
**NOTES DUE 2037 PRICE 98.891% AND ACCRUED INTEREST, IF ANY**

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	6.40% Senior Notes due 2017		6.95% Senior Notes due 2037	
	Per Note	Total	Per Note	Total
Public offering price(1)	99.786 %	\$ 374,197,500	98.891 %	\$ 420,286,750
Underwriting discount	0.650 %	\$ 2,437,500	0.875 %	\$ 3,718,750
Proceeds, before expenses, to Quest Diagnostics	99.136 %	\$ 371,760,000	98.016 %	\$ 416,568,000

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(1) Plus accrued interest from June 22, 2007, if settlement occurs after that date.

*The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

*The notes will be ready for delivery in book-entry form only through The Depository Trust Company and its participants, including Euroclear and Clearstream Luxembourg, on or about June 22, 2007.*

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**Joint Book-Running Managers**

**MORGAN STANLEY    BANC OF AMERICA SECURITIES LLC    MERRILL LYNCH & CO.**

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**Co-Managers**

**Barclays Capital    JPMorgan    Wachovia Securities**

**June 19, 2007.**

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the

accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, cash flows, results of operations and prospects may have changed since these dates.

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References to we, us, our, Quest Diagnostics and the Company are to Quest Diagnostics Incorporated and its consolidated subsidiaries unless otherwise specified or the context otherwise requires.

## SUMMARY

*This summary highlights selected information appearing elsewhere in this prospectus supplement and may not contain all of the information that is important to you. You should carefully read this prospectus supplement in its entirety, including the documents incorporated by reference.*

### **Our Company**

We are the nation's leading provider of diagnostic testing, information and services, providing insights that enable physicians and other healthcare professionals to make decisions to improve health. We offer patients and physicians the broadest access to diagnostic laboratory services through our nationwide network of laboratories and our own patient service centers. We provide interpretive consultation through the largest medical and scientific staff in the industry, with approximately 900 M.D. s and Ph.D. s around the country. We are the leading provider of esoteric testing, including gene-based testing, the leading provider of anatomic pathology services, including dermatopathology, and the leading provider of testing for drugs of abuse. We are also a leading provider of testing for clinical trials and risk assessment services for the life insurance industry. We empower healthcare organizations and clinicians with state-of-the-art information technology solutions that can improve patient care and medical practice.

During 2006, we generated net revenues of \$6.3 billion and processed approximately 151 million requisitions for testing. Each requisition form accompanies a patient specimen, indicating the tests to be performed and the party to be billed for the tests. Our customers include patients, physicians, hospitals, employers, governmental institutions and other commercial clinical laboratories. On May 31, 2007, we acquired AmeriPath Group Holdings, Inc., the ultimate parent of AmeriPath, Inc., which generated net revenues of \$752 million during 2006.

We operate a nationwide network of greater than 2,100 of our own patient service centers, principal clinical laboratories located in more than 30 major metropolitan areas throughout the United States and approximately 150 smaller rapid response laboratories (including, in each case, facilities operated at our joint ventures). We provide full esoteric testing services, including gene-based testing, on both coasts through our Quest Diagnostics Nichols Institute laboratory facilities, located in San Juan Capistrano, California and Chantilly, Virginia, and through our Specialty Laboratories facility located in Valencia, California, as well as infectious and immunologic disease testing through our Focus Diagnostics laboratory facility, located in Cypress, California. Our AmeriPath subsidiary operates 40 outpatient anatomic pathology laboratories and provides inpatient anatomic pathology and medical director services for approximately 200 hospitals throughout the country. We also have laboratory facilities in Mexico City, Mexico, San Juan, Puerto Rico and Heston, England.

Our principal executive offices are located at 1290 Wall Street West, Lyndhurst, New Jersey 07071, telephone number: (201) 393-5000.

### **The AmeriPath Acquisition**

On May 31, 2007, we completed the acquisition of AmeriPath Group Holdings, Inc., or AmeriPath, a Delaware corporation. As a result of the merger, AmeriPath is a wholly-owned subsidiary of ours. Prior to the acquisition, Welsh, Carson, Anderson & Stowe IX, L.P. was the holder of a majority of the outstanding shares of common stock and participating preferred stock of AmeriPath.

The aggregate consideration paid in connection with the merger was approximately \$2 billion, including the assumption of approximately \$780 million of indebtedness (including interest). We funded the acquisition, as well as the refinancing of certain of our other debt, with borrowings of \$1.6 billion under our term loan facility, borrowings of \$780 million under our \$1.0 billion bridge loan facility, and from cash on hand.

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As part of the refinancing of AmeriPath debt, on May 21, 2007, we commenced a tender offer and consent solicitation for the \$350 million 10<sup>1</sup>/<sub>2</sub>% Senior Subordinated Notes of AmeriPath, Inc.

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On June 8, 2007, we purchased \$348.03 million of such notes pursuant to an early settlement of the tender offer, at which time certain amendments to the indenture governing the notes became operative.

In addition, on May 31, 2007, we called for redemption the \$125 million Senior Unsecured Floating Rate PIK Toggle Notes due 2014 of AmeriPath Intermediate Holdings, Inc., the direct parent of AmeriPath, Inc. and an indirect wholly-owned subsidiary of AmeriPath Group Holdings, Inc., and deposited sufficient funds with the trustee to pay for such notes on the redemption date.

### **As Adjusted Combined Impact of the AmeriPath Acquisition and Related Transactions**

The following discussion of as adjusted combined financial information reflects the impact of the following transactions, which we refer to in this prospectus supplement as the Transactions :

our purchase,  
on May 31,  
2007, of  
AmeriPath,  
including the  
all-cash  
purchase price  
and related  
transaction  
costs  
associated  
with the  
AmeriPath  
acquisition;

a \$1.0 billion  
bridge loan  
facility entered  
into to fund  
the acquisition  
of AmeriPath,  
of which \$780  
million was  
drawn after  
March 31,  
2007, and will  
be refinanced  
with the  
proceeds of  
this offering;

a new  
five-year \$1.6  
billion term  
loan facility  
entered into to  
fund the

acquisition of  
AmeriPath;

the repayment  
of AmeriPath's  
existing debt  
of  
approximately  
\$780 million  
(including  
interest);

the repayment  
of the interim  
credit  
agreement of  
\$450 million  
borrowed in  
connection  
with the  
acquisition of  
POCT Holding  
AB, or  
HemoCue; and

the completion  
of this \$800  
million  
offering of  
senior notes.

The acquisition of AmeriPath will be accounted for under the purchase method of accounting. As such, the cost to acquire AmeriPath will be allocated to the respective assets acquired and liabilities assumed based on their estimated fair values as of the closing date. The as adjusted combined financial information discussion below reflects a preliminary allocation of the cost to acquire AmeriPath to the assets acquired and liabilities assumed based on preliminary estimates, which are subject to change. Management is in the early stages of assessing the estimated fair values of the assets acquired and the liabilities assumed. The following as adjusted combined financial information is not pro forma financial information prepared in accordance with Article 11 of Regulation S-X.

As of March 31, 2007, our total assets approximated \$6.2 billion and total liabilities approximated \$3.2 billion. As of March 31, 2007, AmeriPath, Inc.'s total assets and liabilities approximated \$1.4 billion and \$0.8 billion, respectively. Assuming the Transactions occurred on March 31, 2007, our unaudited as adjusted combined total assets are estimated to approximate \$8.3 billion to \$8.8 billion, reflecting a preliminary purchase price allocation of the cost to acquire AmeriPath primarily associated with goodwill and other intangible assets. Assuming the Transactions occurred on March 31, 2007, our unaudited as adjusted combined total liabilities are estimated to approximate \$5.3 billion to \$5.8 billion, reflecting primarily an increase in debt outstanding. See Capitalization for further details regarding total capitalization on an actual and as adjusted basis to reflect the impact of the Transactions.

For the three months ended March 31, 2007 and year ended December 31, 2006, our income from continuing operations was \$108 million and \$626 million, respectively. For the three months ended March 31, 2007 and year ended December 31, 2006, AmeriPath, Inc.'s net income was \$0.2 million and \$10.5 million, respectively. Assuming the Transactions occurred January 1, 2006, as adjusted combined income from continuing operations for the three



months ended March 31, 2007 and the year ended December 31, 2006 are estimated to approximate \$90 million and \$567 million, respectively, reflecting primarily an increase in as adjusted combined interest expense as a result of the Transactions and excluding any net synergies anticipated from the AmeriPath acquisition.

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**The Offering**

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see **Description of Notes** in this prospectus supplement.

Issuer	Quest Diagnostics Incorporated.
Notes offered	\$375,000,000 aggregate principal amount of 6.40% senior notes due 2017. \$425,000,000 aggregate principal amount of 6.95% senior notes due 2037.
Maturities	6.40% senior notes due 2017: July 1, 2017. 6.95% senior notes due 2037: July 1, 2037.
Interest payment dates	July 1 and January 1, beginning January 1, 2008.
Guarantees	The notes will be fully and unconditionally guaranteed, jointly and severally, by certain of our domestic wholly owned subsidiaries.
Ranking	The notes will be senior unsecured obligations of ours and will rank equally with our other existing and future senior unsecured obligations. Each guarantee will be a senior unsecured obligation of the subsidiary guarantor issuing such guarantee and will rank equally with other existing and future senior unsecured obligations of such subsidiary guarantor. The notes and the guarantees will effectively rank junior to all liabilities of our subsidiaries that are not guarantors. The notes and the guarantees will also effectively be subordinated to any existing and future secured obligations of ours or our subsidiary guarantors as to the assets securing such obligations. As of March 31, 2007, after giving effect to the Transactions: we and our subsidiary guarantors would have had total debt outstanding of \$3.64 billion, of which \$5.5 million is secured; and our subsidiaries that are not guarantors (other than certain subsidiaries which will guarantee our term loans, our senior unsecured revolving credit facility and existing senior notes) would have had debt outstanding of \$314 million, of which \$300 million was incurred under our secured receivables credit facility. For more information, see <b>Description of Certain Other Indebtedness</b> , <b>Capitalization</b> and <b>Description of Notes</b> .
Optional redemption	We may redeem some or all of the notes of either series, at any time, at the applicable redemption prices described in this prospectus supplement. For a more detailed description, see <b>Description of Notes</b> <b>Optional Redemption</b> .

Repurchase Upon a Change of Control	Upon the occurrence of a Change of Control Triggering Event (as defined in this prospectus supplement), we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See Description of Notes Change of Control.
Covenants	<p>The indenture governing the notes will contain covenants that, among other things, will limit our ability and the ability of our subsidiary guarantors to:</p> <ul style="list-style-type: none"><li>create certain liens;</li><li>enter into certain sale and leaseback transactions;</li><li>make payments to certain non-guarantor subsidiaries;</li><li>consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and</li><li>incur indebtedness of non-guarantor subsidiaries.</li></ul> <p>These covenants are subject to important exceptions and qualifications, which are described in this prospectus supplement. For a more detailed description, see Description of Notes.</p>
Use of proceeds	We estimate that the net proceeds from this offering of notes after deducting underwriting discounts but before deducting other expenses of the offering will be approximately \$788.3 million. We intend to use these proceeds, together with cash on hand, to repay all borrowings under the bridge loan facility incurred to pay a portion of the purchase price and transaction expenses of the AmeriPath acquisition and to refinance the debt of AmeriPath. See Use of Proceeds and Summary The AmeriPath Acquisition.
Risk factors	See Risk Factors and the other information in this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, incorporated by reference into this prospectus supplement for a discussion of factors you should carefully consider before deciding to invest in the notes.

## Summary Selected Historical Financial Data of Quest Diagnostics

	Three Months Ended March 31,		Year Ended December 31,	
	2007 (a)	2006	2006 (b)	2005 (g)
<b>(in thousands, except for ratios)</b>				
<b>Operations Data:</b>				
Net revenues	\$ 1,526,208	\$ 1,553,105	\$ 6,268,659	\$ 5,456,726
Operating income	200,870	258,718 (e)	1,128,077 (c),(e)	1,007,548 (h)
Income from continuing operations	107,515	154,603 (d)	625,692 (d)	573,196 (j)
(Loss)/income from discontinued operations	(1,622 )	(9,967 )	(39,271 )(f)	(26,919 )(f)
Net income	105,893	144,636	586,421	546,277
<b>Balance Sheet Data (at end of period):</b>				
Cash and cash equivalents	\$ 158,397	\$ 156,461	\$ 149,640	\$ 92,130
Accounts receivable, net	810,576	775,724	774,414	732,907
Total assets	6,186,542	5,434,568	5,661,482	5,306,115
Long-term debt	1,238,265	1,240,501	1,239,105	1,255,386
Total debt	2,005,306	1,532,390	1,555,979	1,592,225
Total stockholders equity	3,029,232	2,865,296	3,019,171	2,762,984
<b>Other Data:</b>				
Net cash provided by operating activities	\$ 151,553	\$ 240,659	\$ 951,896	\$ 851,583
Net cash (used) in investing activities	(345,947 )	(27,991 )	(414,402 )	(1,079,793 )
	(203,151 )	(148,337 )	(479,984 )	247,038

Net cash (used in) provided by financing activities				
Provision for doubtful accounts	67,508	63,423	243,443	233,628
Rent expense	40,183	38,722	153,185	139,660
Capital expenditures	40,126	42,186	193,422	224,270
Depreciation and amortization	50,335	49,060	197,398	176,124
Ratio of earnings to fixed charges	5.4x		8.2x	9.9x

- (a) On January 31, 2007, we completed the acquisition of HemoCue, which generated annualized revenues of approximately \$90 million. Consolidated operating results for 2007 include the results of operations of HemoCue subsequent to the closing of the acquisition.
- (b) On July 3, 2006, we completed the acquisition of Focus Technologies

Holding Company, or Focus Diagnostics, which generated annualized revenues of approximately \$65 million. Consolidated operating results for 2006 include the results of operations of Focus Diagnostics subsequent to the closing of the acquisition. See Note 3 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this prospectus supplement.

- (c) During 2006, we recorded \$55 million of stock-based compensation expense in accordance with Statement of Financial Accounting Standards, or SFAS, No.

123, revised  
2004,  
Share-Based  
Payment, or  
SFAS 123R.

- (d) During 2006, we recorded \$10 million related to net investment losses, which included a \$15.8 million gain on the sale of an investment recorded during the first quarter of 2006.

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- (e) During 2006, we recorded \$23 million in charges as a result of finalizing our plan of integration of LabOne, Inc., or LabOne, and \$4.1 million in charges related to consolidating operations in California into a new facility.
  
- (f) During 2006, we recorded \$32 million in charges as a result of discontinuing the operations of NID, a test kit manufacturing subsidiary. During the fourth quarter of 2005, we recorded a \$16 million charge to write-off certain assets in connection with a product hold at NID.
  
- (g) On November 1, 2005, we completed the acquisition of LabOne, which had annual revenues of approximately \$468 million. Consolidated operating results for 2005 include the results of operations of LabOne subsequent to the closing of the acquisition. See Note 3 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this prospectus supplement.
  
- (h) During 2005, we recorded a \$6.2 million charge primarily related to



forgiveness of amounts owed by patients and physicians, and related property damage as a result of hurricanes in the Gulf Coast.

- (i) During 2004, we recorded a \$10.3 million charge associated with the acceleration of certain pension obligations in connection with the succession of our prior Chief Executive Officer.
- (j) During 2005, we recorded a \$7.1 million charge associated with the write-down of an investment.
- (k) During 2004, we recorded a \$2.9 million charge to interest expense, net representing the write-off of deferred financing costs associated with the refinancing of our bank debt and credit facility.

Summary Selected Historical Financial Data of AmeriPath, Inc.<sup>(a)</sup>

	Three Months Ended March 31,		Year Ended December 31,		
	2007	2006	2006(c)	2005	2004
	(in thousands)				
<b>Operations Data:</b>					
Net revenues	\$ 200,694	\$ 170,936	\$ 752,321	\$ 563,617	\$ 507,271
Operating income	15,072	14,569	79,877	65,931	49,789
Net income (loss)	219	(2,090 )	10,527	9,921	1,514
<b>Balance Sheet Data (at end of period):</b>					
Cash and cash equivalents (b)	\$	\$ 8,648	\$ 182	\$ 3,998	\$ 20,980
Accounts receivable, net	153,279	122,122	137,947	84,968	76,567
Total assets	1,437,234	1,340,786	1,411,101	984,149	964,309
Long-term debt, including current portion	625,534	610,826	624,259	479,490	497,853
Total stockholders equity	629,932	565,563	606,340	384,717	358,092
<b>Other Data:</b>					
Net cash (used in) provided by operating activities	\$ (9,595 )	\$ 394	\$ 30,624	\$ 38,152	\$ 54,038
Net cash used in investing activities	(14,079 )	(185,127 )	(262,672 )	(52,740 )	(70,808 )
Net cash provided by (used in)	23,492	189,383	228,232	(2,394 )	14,214

financing  
activities

Provision for doubtful accounts	19,358	19,840	84,936	73,766	76,463
Rent expense	4,198	2,432	13,911	9,624	7,634
Capital expenditures	14,004	13,475	57,334	29,431	12,803
Depreciation and amortization (d)	8,906	7,951	34,933	24,934	22,774

- (a) This presentation is for AmeriPath, Inc. We acquired AmeriPath Group Holdings, Inc., the ultimate parent of AmeriPath, Inc., whose principal assets consisted of cash (which was used to repay debt) and its indirect investment in AmeriPath, Inc., and whose principal liabilities consisted of debt, which was repaid in connection with the acquisition of AmeriPath Group

Holdings, Inc.  
As of the date  
hereof,  
AmeriPath  
Group  
Holdings, Inc.  
has no  
significant  
assets other  
than its  
indirect  
investment in  
AmeriPath,  
Inc.

- (b) Cash and cash equivalents exclude restricted cash which consists of premium revenue received by AmeriPath, Inc.'s insurance captive to be used for future insurance claims and expenses.
- (c) On January 31, 2006, AmeriPath, Inc. completed its acquisition of Specialty Laboratories, Inc., or Specialty, which generated net revenues in 2005 of approximately \$150 million. Consolidated operating results for 2006 include the results of

operations of  
Specialty  
subsequent to  
the closing of  
the acquisition.

- (d) Three months ended March 31, 2007 and 2006 exclude amortization of deferred debt costs of \$0.7 million and \$0.6 million, respectively, as these costs were included in interest expense.

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## RISK FACTORS

*You should carefully consider the risks described below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, incorporated by reference into this prospectus supplement, before making a decision to invest in our notes. Some of the following factors relate principally to our business and the industry in which we operate. Other factors relate principally to your investment in the notes. The risks and uncertainties described below are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially adversely affect our business and operations.*

*If any of the matters included in the following risks were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, you may lose all or part of your original investment.*

**Integrating our operations with AmeriPath may be difficult and, if unsuccessfully executed, may not produce the anticipated benefits and could adversely affect our business.**

On May 31, 2007, we completed the acquisition of AmeriPath. As a result of the merger, AmeriPath is a wholly-owned subsidiary of ours. The aggregate consideration paid in connection with the merger was approximately \$2 billion, including the assumption of approximately \$780 million of indebtedness (including interest).

The acquisition involves the integration of a separate company that previously operated independently and has different systems, processes and cultures. The process of combining AmeriPath with our operations may be disruptive to both of our businesses and may cause an interruption of, or a loss of momentum in, such businesses as a result of the following difficulties, among others:

loss of key  
customers or  
employees;

failure to  
maintain the  
quality of  
services that  
our company  
has  
historically  
provided;

diversion of  
management's  
attention from  
the day-to-day  
business of  
our company  
as a result of  
the need to  
deal with the  
foregoing  
disruptions  
and

difficulties;  
and

the added  
costs of  
dealing with  
such  
disruptions.

In addition, during this integration AmeriPath expects to complete the development and implementation of a new laboratory information system and billing information system to be used by all of AmeriPath's laboratories. Failure to properly implement the new information systems could cause disruptions in service and present significant conversion risks.

Even if we are able to successfully complete the integration of the operations of AmeriPath, we may not be able to realize all or any of the benefits that we expect to result from such integration.

Because most of our clinical laboratory testing is performed under arrangements that are terminable at will or on short notice, any interruption of or deterioration in our services may result in a customer's decision to stop using us for clinical laboratory testing. We cannot assure you that we will be able to retain key technical and management personnel or that we will realize the anticipated benefits of the AmeriPath acquisition, either at all or in a timely manner. As part of our growth strategy, we may in the future acquire additional clinical laboratories or other healthcare-related businesses.

**Our outstanding debt may impair our financial and operating flexibility.**

As of March 31, 2007, after giving effect to the Transactions as if they occurred on that date, we would have had approximately \$3.95 billion of debt outstanding, with \$750 million of available capacity under our senior unsecured revolving credit facility. Except for outstanding letters of credit, bank guarantees and operating leases, we do not have any off-balance sheet financing arrangements in place or available. See Note 10 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2006 and Note 5 to our Consolidated Financial Statements in our quarterly report on Form 10-Q for the quarter ended March 31, 2007 for further details related to our outstanding debt. Set forth in the table below, for each of the next five years, is the aggregate amount of scheduled principal, estimated interest and total payments related to our

outstanding debt as of March 31, 2007, after giving effect to the Transactions as if they had occurred on that date, including capital leases, assuming that maturing debt is refinanced for purposes of estimating interest.

<b>Twelve Months Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<b>(in thousands)</b>		
2007	\$ 357,041	\$ 178,009	\$ 535,050
2008	142,091	209,242	351,333
2009	122,055	210,573	332,628
2010	560,246	201,853	762,099
2011	915,258	228,639	1,143,897

Our debt portfolio is sensitive to changes in interest rates. As of March 31, 2007, after giving effect to the Transactions, we would have had approximately \$1.97 billion of floating rate debt. Based on our net exposure to interest rate changes, an assumed 10% change in interest rates on our variable rate indebtedness (representing approximately 54 basis points) would impact annual net interest expense by approximately \$10.6 million, assuming no changes to the debt outstanding at March 31, 2007. In addition, any future borrowings by us under the unsecured revolving credit facility, the secured receivables credit facility or the issuance of other floating rate debt will expose us to additional interest rate risk. Interest rates on our senior unsecured revolving credit facility, term loans and secured receivables credit facility are also subject to a pricing schedule that fluctuates based on changes in our credit rating.

Our debt agreements contain various restrictive covenants. These restrictions could limit our ability to use operating cash flow in other areas of our business because we must use a portion of these funds to make principal and interest payments on our debt.

We have obtained ratings on our debt from Standard and Poor's Ratings Services and Moody's Investors Service. There can be no assurance that any rating so assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if in that rating agency's judgment future circumstances relating to the basis of the rating, such as adverse changes in our company or our industry, so warrant. If such ratings are lowered, the borrowing costs on our senior unsecured revolving credit facility, secured receivables facility and term loans would increase. Changes in our credit ratings do not require repayment or acceleration of any of our debt.

We, or our subsidiaries, may incur additional indebtedness in the future. The notes offered hereby do not limit our or our subsidiaries' ability to incur indebtedness. Our ability to make principal and interest payments will depend on our ability to generate cash in the future. If additional debt is added to our current debt, a greater portion of our cash flows will be needed to satisfy our debt service obligations; and if we do not generate sufficient cash to meet our debt service requirements, we may need to seek additional financing. In this case, it may be more difficult, or we may be unable, to obtain financing on terms that are acceptable to us. As a result, we would be more vulnerable to general adverse economic, industry and capital markets conditions as well as the other risks associated with indebtedness.

**Federal and state laws permit a court to void a guarantee issued by any of our subsidiaries if the court finds the guarantee to constitute a fraudulent conveyance.**

Our obligations under the notes are guaranteed by our subsidiaries to the extent described in this prospectus supplement. These guarantees are subject to various federal and state fraudulent conveyance laws enacted for the protection of creditors.

The issuance of a guarantee by any of our subsidiaries will constitute a fraudulent conveyance if:



the guarantee  
was incurred  
by the  
subsidiary  
with the  
intent to  
hinder, delay  
or defraud  
any present or  
future  
creditor; or

the subsidiary  
did not  
receive fair  
consideration  
for issuing the  
guarantee and  
such  
subsidiary (1)  
was insolvent  
or rendered  
insolvent by  
reason of the  
issuance of  
the guarantee,  
(2) was  
engaged or  
about to  
engage in a  
business or  
transaction  
for which the  
remaining  
assets of the  
subsidiary  
constituted  
unreasonably  
small capital  
to carry on its  
business or  
(3) intended  
to incur debts  
beyond its  
ability to pay  
such debts as  
they matured.

Generally, an entity will be considered insolvent if:

the sum  
of its  
debts is  
greater  
than the  
fair value  
of its  
property;

the  
present  
fair value  
of its  
assets is  
less than  
the  
amount  
that it  
will be  
required  
to pay on  
its  
existing  
debts as  
they  
become  
due; or

it cannot  
pay its  
debts as  
they  
become  
due.

If a court finds a guarantee issued by a subsidiary of ours to constitute a fraudulent conveyance, the court could give a lower priority to, or subordinate, the claims of the notes against this subsidiary to the claims of other creditors of this subsidiary. In addition, a court could void all or part of the guarantee. To the extent the guarantee issued by a subsidiary of ours was voided as a fraudulent conveyance, the holders of our notes guaranteed by our subsidiary guarantors would cease to have any claim against the subsidiary and would be creditors solely of Quest Diagnostics and any other subsidiary guarantor that was not found to have made a fraudulent conveyance. Furthermore, a court may be more likely to find that guarantees issued by subsidiaries after the date the notes are issued constitute a fraudulent conveyance. See Description of Notes Guarantees.

**Secured indebtedness and existing and future obligations of our subsidiaries that are not guarantors, including the issuance of preferred stock, will be effectively senior to the notes.**

The notes and the guarantees are senior unsecured obligations and therefore will be effectively subordinated to any of our or our subsidiary guarantors' secured obligations to the extent of the value of the assets securing such obligations. The indenture does not limit the amount of indebtedness that we and any of our subsidiary guarantors can incur, but

does limit the amount of indebtedness our non-guarantor subsidiaries are permitted to incur (as described below). In addition, the indenture limits the amount of secured indebtedness pursuant to the covenant described under the heading Description of Notes Limitation on Liens. This covenant is subject to important exceptions described under such heading. As of March 31, 2007, after giving effect to the Transactions, we and our subsidiary guarantors would have had outstanding \$5.5 million of secured debt.

We conduct our operations through subsidiaries, which generate a substantial portion of our operating income and cash flow. As a result, distributions or advances from our subsidiaries are a major source of funds necessary to meet our debt service and other obligations. Contractual provisions, laws or regulations, as well as any subsidiary's condition and operating requirements, may limit our ability to obtain cash required to pay our debt service and other obligations. The notes will be structurally subordinated to all existing and future obligations of our subsidiaries (unless such subsidiaries are subsidiary guarantors), including claims with respect to trade payables. In addition, the guarantees of our subsidiary guarantors will be structurally subordinated to all existing and future obligations of any subsidiary or Quest Diagnostics or a subsidiary guarantor (unless such subsidiaries are also subsidiary guarantors), including claims with respect to trade payables. This means that holders of our notes as guaranteed by our subsidiary guarantors will have a junior position with respect to such obligations of our direct and indirect subsidiaries that are not subsidiary guarantors on the assets and earnings of such subsidiaries. Except as disclosed in the next sentence, as of March 31, 2007, after giving effect to the Transactions our subsidiaries that are not guarantors would have had debt outstanding of \$314 million, of which \$300 million was incurred under our secured receivables credit facility. Certain AmeriPath subsidiaries and our MedPlus, Inc. subsidiary (which has approximately \$65 million in assets) will not be guarantors of the notes, but will guarantee certain of our other indebtedness, including our term loans, our senior unsecured revolving credit facility and existing senior notes.

Our non-guarantor subsidiaries are limited in the amount of indebtedness they are permitted to incur pursuant to the covenant described under Description of Notes Limitation on Subsidiary Indebtedness and Preferred Stock. This covenant is subject to important exceptions described under such heading. In addition, the guarantees of our subsidiary guarantors may be released in certain circumstances, which are described under the heading Description of Notes Guarantees or may be avoided or subordinated in favor of the subsidiary guarantors' other creditors as described in this prospectus supplement under the heading Risk Factors Federal and state laws permit a court to void a guarantee issued by any of our subsidiaries if the court finds the guarantee to constitute a fraudulent conveyance.

**CAUTIONARY STATEMENT FOR PURPOSES OF THE SAFE HARBOR  
PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

Some statements and disclosures in this prospectus supplement, or any accompanying prospectus and the documents incorporated herein or therein by reference are forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts and can be identified by the use of words such as may, believe, will, expect, project, estimate, anticipate, plan or continue. These forward-looking statements are based on our current plans and expectations and are subject to a number of risks and uncertainties that could significantly cause our plans and expectations, including actual results, to differ materially from the forward-looking statements. The Private Securities Litigation Reform Act of 1995, or the Litigation Reform Act, provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about their companies without fear of litigation.

We would like to take advantage of the safe harbor provisions of the Litigation Reform Act in connection with the forward-looking statements included, or incorporated by reference, in this document. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented, or incorporated by reference, in this document. The following important factors could cause our actual financial results to differ materially from those projected, forecasted or estimated by us in forward-looking statements:

- (a) Heightened competition, including increased pricing pressure, competition from hospitals, and competition from physicians.
- (b) Impact of changes in payer mix, including any shift from fee-for-service to capitated fee arrangements.
- (c) Adverse actions by government or other third-party payers, including unilateral reduction of fee schedules payable to us, competitive bidding, an increase in the practice of negotiating for exclusive arrangements that involve aggressively priced capitated or fee for service payments by healthcare insurers or other payers and threats by third-party payers against physicians and patients that effectively eliminate their choice to use an out-of-network provider under preferred provider organization and similar plans.
- (d) The impact upon our testing volume and collected revenue or general or administrative expenses resulting from our compliance with Medicare and Medicaid administrative policies and requirements of third-party payers. These include:
  - (1) the requirements of Medicare carriers to provide diagnosis codes for many commonly ordered tests and the possibility that third-party payers will increasingly adopt similar requirements;
  - (2) the policy of the Centers for Medicare and Medicaid Services to limit Medicare reimbursement for tests contained in automated chemistry panels to the amount that would have been paid if only the covered tests, determined on the basis of demonstrable medical necessity, had been ordered;
  - (3) continued inconsistent practices among the different local carriers administering Medicare;
  - (4) inability to obtain from patients an advance beneficiary notice form for tests that cannot be billed without prior receipt of the form;
  - (5) the potential need to monitor charges and lower certain fees to Medicare to comply with the Office of the Inspector General's proposed rule pertaining to exclusion of providers for submitting claims to Medicare containing charges that are substantially in excess of the provider's usual charges; and
  - (6) increased challenges in operating as a non-contracted provider with respect to healthcare insurers.

(e) Adverse results from pending or future government investigations, lawsuits or private actions. These include, in particular, significant monetary damages, loss or suspension of licenses, and/or suspension or exclusion from the Medicare and Medicaid programs and/or criminal penalties.

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- (f) Failure to efficiently integrate acquired businesses and to manage the costs related to any such integration, or to retain key technical, medical and management personnel.
- (g) Inability to obtain professional liability or other insurance coverage or a material increase in premiums for such coverage or reserves for self-insurance.
- (h) Denial of certification under the Clinical Laboratory Improvement Amendments of 1988, or CLIA, or denial of other licenses for any of our clinical laboratories under the CLIA standards, revocation or suspension of the right to bill the Medicare and Medicaid programs or other adverse regulatory actions by federal, state and local agencies.
- (i) Changes in federal, state or local laws or regulations, including changes that result in new or increased federal or state regulation of commercial clinical laboratories, including regulation by the Food and Drug Administration.
- (j) Inability to achieve expected benefits from our acquisitions of other businesses.
- (k) Inability to achieve additional benefits from our Six Sigma and standardization initiatives.
- (l) Adverse publicity and news coverage about the clinical laboratory industry or us.
- (m) Computer or other IT system failures that affect our ability to perform tests, report test results or properly bill customers, including potential failures resulting from the standardization of our IT systems and other system conversions, telecommunications failures, malicious human acts (such as electronic break-ins or computer viruses) or natural disasters.
- (n) Development of technologies that substantially alter the practice of laboratory medicine, including technology changes that lead to the development of more cost-effective tests such as (1) point-of-care tests that can be performed by physicians in their offices, (2) esoteric tests that can be performed by hospitals in their own laboratories or (3) home testing that can be carried out without requiring the services of clinical laboratories.
- (o) Issuance of patents or other property rights to our competitors or others that could prevent, limit or interfere with our ability to develop, perform or sell our tests or operate our business.
- (p) Development of tests by our competitors or others which we may not be able to license, or usage of our technology or similar technologies or our trade secrets by competitors, any of which could negatively affect our competitive position.
- (q) Regulatory delay or inability to commercialize newly licensed tests or technologies or to obtain appropriate reimbursements for such tests.
- (r) Inability to obtain or maintain adequate patent and other proprietary rights protections of our products and services or to successfully enforce our proprietary rights.
- (s) Impact of any national healthcare information network and the adoption of standards for health information technology interoperability that are incompatible with existing software and hardware infrastructure requiring widespread replacement of systems and/or software.
- (t) The impact of the privacy regulations, security regulations and standards for electronic transactions regulations issued under the Health Insurance Portability and Accountability Act of 1996 and any applicable state laws or regulations.
- (u) Inability to promptly or properly bill for our services or to obtain appropriate payments for services that we do bill.

(v) Changes in interest rates and changes in our credit ratings from Standard & Poor's Rating Services and Moody's Investor Services causing an unfavorable impact on our cost of and access to capital.

(w) Inability to hire and retain qualified personnel or the loss of the services of one or more of our key senior management personnel.

(x) Terrorist and other criminal activities, hurricanes, earthquakes or other natural disasters, which could affect our customers, transportation or systems, or our facilities, and for which insurance may not adequately reimburse us.

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**RATIO OF EARNINGS TO FIXED CHARGES**

Set forth below is information concerning the historical ratio of earnings to fixed charges for Quest Diagnostics. This ratio shows the extent to which our business generates enough earnings after the payment of all expenses other than interest to make required interest payments on our debt.

For this purpose, earnings consist of pretax income from continuing operations plus fixed charges. Fixed charges consist of interest expense and one-third of rental expense, representing that portion of rental expense we deemed representative of an appropriate interest factor.

	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Ratio of earnings to fixed charges	5.4x	8.2x	9.9x	9.2x	8.4x	7.2x
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**USE OF PROCEEDS**

We estimate that the net proceeds from this offering of notes after deducting underwriting discounts but before deducting other expenses of the offering will be approximately \$788.3 million. We intend to use these proceeds, together with cash on hand to repay all borrowings under the bridge loan facility incurred to pay a portion of the purchase price and transaction expenses of the AmeriPath acquisition and to refinance the debt of AmeriPath. The amount drawn on the bridge loan facility was \$780 million. The interest rate on the bridge loan facility was 5.72% as of May 31, 2007. The facility matures on May 30, 2008. See Summary The AmeriPath Acquisition and Description of Certain Other Indebtedness Bridge Loan.

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**CAPITALIZATION**

The following table sets forth our cash and cash equivalents, debt, and total capitalization at March 31, 2007 on an actual basis and as adjusted to reflect the following transactions, or the Transactions, as if they had occurred on that date:

our purchase,  
on May 31,  
2007, of  
AmeriPath,  
including the  
all-cash  
purchase price  
and related  
transaction  
costs  
associated  
with the  
AmeriPath  
acquisition;

a \$1.0 billion  
bridge loan  
facility entered  
into to fund  
the acquisition  
of AmeriPath,  
of which \$780  
million was  
drawn after  
March 31,  
2007, and will  
be refinanced  
with the  
proceeds of  
this offering;

a new  
five-year \$1.6  
billion term  
loan facility  
entered into to  
fund the  
acquisition of  
AmeriPath;

the repayment  
of AmeriPath's  
existing debt  
of

approximately  
\$780 million  
(including  
interest);

the repayment  
of the interim  
credit  
agreement of  
\$450 million  
borrowed in  
connection  
with the  
acquisition of  
POCT Holding  
AB, or  
HemoCue; and

the completion  
of this \$800  
million  
offering of  
senior notes.

This table should be read in conjunction with our consolidated financial statements and the related notes and the consolidated financial statements and related notes of AmeriPath, Inc. incorporated by reference into this prospectus supplement. This table does not reflect a new \$750 million senior unsecured revolving credit facility, which replaced our prior \$500 million senior unsecured revolving credit facility in May 2007. Nothing was outstanding under this revolving credit facility on March 31, 2007.

**March 31, 2007**

**Actual**                      **As Adjusted**  
(in thousands)

Cash and cash equivalents	\$ 158,397	\$ 38,446 (a)
Debt (including current maturities):		
Short-term borrowings under receivables financing	\$ 300,000	\$ 300,000
HemoCue interim credit agreement	450,000	
AmeriPath interim credit agreement		
Term loan due 2008	60,000	60,000
Term loan due 2012		1,600,000
7.5% Senior notes due 2011	274,530	274,530
5.125% Senior notes due 2010	399,461	399,461
5.45% Senior notes due 2015	498,627	498,627
3½% Convertible notes due 2034	2,971	2,971
Industrial revenue bonds due 2009	5,378	5,378
Senior notes offered hereby (b)		794,484

Other	14,340	14,408
Total debt	2,005,307	3,949,859
Stockholders' equity	3,029,232	3,029,232
Total capitalization	\$ 5,034,539	\$ 6,979,091

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- (a) Cash and cash equivalents as adjusted include the assumption of AmeriPath's cash balances of \$26.6 million as of March 31, 2007, (adjusted to exclude \$74 million of cash and cash equivalents used to repay amounts outstanding under AmeriPath, Inc.'s revolving credit facility subsequent to March 31, 2007). Cash and cash equivalents also exclude restricted cash of approximately \$30 million.
- (b) Consists of \$375 million 6.40% senior notes due 2017

and \$425  
million 6.95%  
senior notes  
due 2037.

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## DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

### Letter of Credit Lines

We have two lines of credit with two financial institutions totaling \$85 million for the issuance of letters of credit. The letter of credit lines mature in December 2007, are guaranteed by the subsidiary guarantors and are expected to be renewed. As of March 31, 2007, there were \$62.3 million of outstanding letters of credit under the letter of credit lines. In addition, at March 31, 2007, AmeriPath had \$12.1 million of outstanding letters of credit.

### Secured Receivables Credit Facility

In May 2007, Quest Diagnostics Receivables Inc., a wholly owned subsidiary of ours, increased its existing receivables securitization facility from \$300 million to \$375 million. The facility matures on May 23, 2008. The secured receivables credit facility is supported by one-year back-up facilities provided by two banks on a committed basis. Interest on the secured receivables credit facility is based on rates that are intended to approximate commercial paper rates for highly rated issuers. Borrowings outstanding under the secured receivables credit facility, if any, are classified as a current liability on our consolidated balance sheet. The borrower under the secured receivables credit facility is not a guarantor of the notes offered hereby.

### Term Loans and Revolving Credit Facility

In December 2003, we entered into a \$75 million amortizing term loan due December 2008. Interest is based on LIBOR plus an applicable margin that can fluctuate over a range of up to 119 basis points, based on changes in our public debt ratings. Currently, our borrowing rate for LIBOR-based loans is LIBOR plus 0.50%. The term loan due December 2008 requires principal repayments of the initial amount borrowed equal to 20% on each of the third and fourth anniversary dates of the funding and the remainder of the outstanding balance on December 31, 2008. As of May 31, 2007, the interest rate was 5.82%. The term loan due December 2008 is guaranteed by the Subsidiary Guarantors and the Specified Subsidiaries (as such terms are defined in the Description of Notes ).

In May 2007, we entered into a \$1.6 billion term loan facility and a \$750 million senior unsecured revolving credit facility which matures in May 2012. The term loan requires principal repayments of 1.25% of the amount borrowed on the last day of each calendar quarter starting on September 30, 2007, with the quarterly payments increasing on September 30, 2009 to 2.5% of the amount borrowed and on September 30, 2011 to 17.5% of the amount borrowed, with the remainder of the outstanding balance due on May 31, 2012. Interest under each facility is based on certain published rates plus an applicable margin that will vary over a range from 40 basis points to 125 basis points based on changes in our public debt ratings. At our option, we may elect to enter into LIBOR-based interest rate contracts for periods up to six months. Interest on any outstanding amounts not covered under the LIBOR-based interest rate contracts is based on an alternate base rate, which is calculated by reference to the prime rate or federal funds rate. As of May 31, 2007, the interest rate was 5.72%. The term loan and the senior unsecured revolving credit facility are guaranteed by the Subsidiary Guarantors and the Specified Subsidiaries (as such terms are defined in the Description of Notes ).

### Bridge Loan

In May 2007, we entered into a \$1 billion bridge loan facility, of which \$780 million was drawn to fund the acquisition of AmeriPath. We intend to use the proceeds from this offering to repay all borrowings under the bridge loan facility. The loan under the bridge credit agreement is due on May 30, 2008. Interest is based on certain published rates plus an applicable margin that will vary over a range from 40 basis points to 125 basis points based on changes in our public debt ratings. At our option, we may elect to enter into LIBOR-based interest rate contracts for periods up to six months. Interest on any outstanding amounts not covered under the LIBOR-based interest rate



contracts is based on an alternate base rate, which is calculated by reference to the prime rate or federal funds rate. As of May 31, 2007, the interest rate was 5.72%.

### Senior Notes

We completed a \$550 million senior notes offering in June 2001, of which a tranche of \$275 million matured in July 2006. The other tranche of \$275 million aggregate principal amount of 7.5% senior notes due 2011 was issued at a discount of approximately \$1.1 million. After considering the discount, the effective interest rate on the senior notes due 2011 is 7.6%. The senior notes require semiannual interest payments which commenced January 12, 2002.

We completed a \$900 million senior notes offering in October 2005. The notes were issued in two tranches: (a) \$400 million aggregate principal amount of 5.125% senior notes due November 1, 2010 issued at a discount of approximately \$0.8 million and (b) \$500 million aggregate principal amount of 5.45% senior notes due November 1, 2015, issued at a discount of approximately \$1.6 million. After considering the discounts, the effective interest rates on the senior notes due 2010 and the senior notes due 2015 are approximately 5.3% and 5.6%, respectively. The senior notes require semiannual interest payments, which commenced on May 1, 2006. The senior notes are unsecured obligations of ours and rank equally with our other unsecured senior obligations. The senior notes are guaranteed by the Subsidiary Guarantors and the Specified Subsidiaries (as such terms are defined in the Description of Notes ). Each guarantee is a senior unsecured obligation of the subsidiary guarantor issuing such guarantee and ranks equally with other existing and future senior unsecured obligations of such subsidiary guarantor. The covenants and events of default under the senior notes are substantially the same as the senior notes offered hereby except that such indebtedness does not contain a change of control redemption right for the holders and the senior notes offered hereby contain a limitation on restricted payments to certain non-guarantor subsidiaries and permit these subsidiaries to guarantee certain debt.



**SELECTED HISTORICAL FINANCIAL DATA FOR QUEST DIAGNOSTICS**

The following table summarizes our selected historical financial data of our company and our subsidiaries at the dates and for each of the periods presented. We derived the selected historical financial data for the years 2002 through 2006 from our audited consolidated financial statements. We derived the selected historical financial data for the three months ended March 31, 2007 and 2006 from our unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements reflect all adjustments which, in our opinion, are necessary for a fair statement of the financial condition and results of operations as of and for the periods presented. The unaudited interim consolidated financial statements have been compiled without audit and are subject to year-end adjustments. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. In September 2004, the Emerging Issues Task Force reached a final consensus on Issue 04-8, The Effect of Contingently Convertible Instruments on Diluted Earnings per Share, or Issue 04-8, effective December 31, 2004. Pursuant to Issue 04-8, we included the dilutive effect of our 1<sup>3</sup>/<sub>4</sub>% contingent convertible debentures issued November 26, 2001 in our dilutive earnings per common share calculations using the if-converted method, regardless of whether or not the holders of these securities were permitted to exercise their conversion rights, and retroactively restated previously reported diluted earnings per common share.

Effective January 1, 2006, we adopted SFAS 123R using the modified prospective approach and therefore we have not restated results for prior periods. Under this approach, equity awards that are granted, modified or settled after January 1, 2006 will be measured and accounted for in accordance with SFAS 123R. Unvested awards that were granted prior to January 1, 2006 will continue to be accounted for in accordance SFAS No. 123, Accounting for Stock-Based Compensation, as amended by SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure an amendment to SFAS No. 123, except that compensation cost will be recognized in our results of operations. During the third quarter of 2006, we completed our wind down of NID, a test kit manufacturing subsidiary, and classified the operations of NID as discontinued operations. The selected historical financial data presented below has been restated to report the results of NID as discontinued operations for all periods presented.

The selected historical financial data is only a summary and should be read together with our audited consolidated financial statements and related notes and management's discussion and analysis of financial condition and results of operations included in our quarterly reports on Form 10-Q for the three months ended March 31, 2007 and 2006 and our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement.

	Three Months Ended March 31,		Year Ended Dec	
	2007(a)	2006	2006 (b)	2005 (g)
	(in thousands, except for per share data)			
<b>Operations Data:</b>				
Net revenues	\$ 1,526,208	\$ 1,553,105	\$ 6,268,659	\$ 5,456,726
Operating income	200,870	258,718 (e)	1,128,077 (c),(e)	1,007,548 (j)
Income from continuing operations	107,515	154,603 (d)	625,692 (d)	573,196 (l)
(Loss)/income from discontinued	(1,622 )	(9,967 )	(39,271 )(f)	(26,919 )(f)

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operations									
Net income		105,893		144,636		586,421		546,277	
Earnings per common share basic: (n)									
Income from continuing operations	\$	0.56	\$	0.78	\$	3.18	\$	2.84	\$
(Loss)/income from discontinued operations		(0.01 )		(0.05 )		(0.20 )		(0.13 )	
Net income	\$	0.55	\$	0.73	\$	2.98	\$	2.71	\$
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	Three Months Ended March 31,		Year Ended December		
	2007(a)	2006	2006 (b)	2005 (g)	2004
	(in thousands, except for per share data)				
Earnings per common share diluted: (n) (o)					
Income from continuing operations	\$ 0.55	\$ 0.77	\$ 3.14	\$ 2.79	\$ 2.32
(Loss)/income from discontinued operations	(0.01 )	(0.05 )	(0.20 )	(0.13 )	0.03
Net income	\$ 0.54	\$ 0.72	\$ 2.94	\$ 2.66	\$ 2.35
Dividends per common share (n)	\$ 0.10	\$ 0.10	\$ 0.40	\$ 0.36	\$ 0.30
<b>Balance Sheet Data (at end of period):</b>					
Cash and cash equivalents	\$ 158,397	\$ 156,461	\$ 149,640	\$ 92,130	\$ 73,302
Accounts receivable, net	810,576	775,724	774,414	732,907	649,281
Goodwill, net	3,724,768	3,199,238	3,391,046	3,197,227	2,506,950
Total assets	6,186,542	5,434,568	5,661,482	5,306,115	4,203,788
Long-term debt	1,238,265	1,240,501	1,239,105	1,255,386	724,021
Total debt	2,005,306	1,532,390	1,555,979	1,592,225	1,098,822
Total stockholders equity	3,029,232	2,865,296	3,019,171	2,762,984	2,288,651
<b>Other Data:</b>					
Net cash provided by operating activities	\$ 151,553	\$ 240,659	\$ 951,896	\$ 851,583	\$ 798,780
Net cash used in investing activities	(345,947 )	(27,991 )	(414,402 )	(1,079,793 )	(173,700)

Net cash (used in) provided by financing activities	(203,151 )	(148,337 )	(479,984 )	247,038	(706,736)
Provision for doubtful accounts	67,508	63,423	243,443	233,628	226,310
Rent expense	40,183	38,722	153,185	139,660	132,883
Capital expenditures	40,126	42,186	193,422	224,270	176,125
Depreciation and amortization	50,335	49,060	197,398	176,124	168,726

- (a) On January 31, 2007, we completed the acquisition of HemoCue, which generated annualized revenues of approximately \$90 million. Consolidated operating results for 2007 include the results of operations of HemoCue subsequent to the closing of the acquisition.
- (b) On July 3, 2006, we completed the acquisition of Focus Diagnostics, which generated annualized

revenues of approximately \$65 million. Consolidated operating results for 2006 include the results of operations of Focus Diagnostics subsequent to the closing of the acquisition. See Note 3 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this prospectus supplement.

- (c) During 2006, we recorded \$55 million of stock-based compensation expense in accordance with SFAS 123R.
- (d) During 2006, we recorded \$10 million related to net investment losses. The net investment losses of \$10 million include

a \$15.8 million gain on the sale of an investment recorded during the first quarter of 2006.

- (e) During 2006, we recorded \$23 million in charges as a result of finalizing our plan of integration of LabOne, and \$4.1 million in charges related to consolidating operations in California into a new facility.

- (f) During 2006, we recorded \$32 million in charges as a result of discontinuing NID s operations. During the fourth quarter of 2005, we recorded a \$16 million charge to write-off certain assets in connection with a product hold at NID.
  
- (g) On November 1, 2005, we completed the acquisition of LabOne, which had annual revenues of approximately \$468 million. Consolidated operating results for 2005 include the results of operations of LabOne subsequent to the closing of the acquisition. See Note 3 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31,

2006, which is incorporated by reference into this prospectus supplement.

- (h) On February 28, 2003, we completed the acquisition of Unilab Corporation, or Unilab. Consolidated operating results for 2003 include the results of operations of Unilab subsequent to the closing of the acquisition.
- (i) On April 1, 2002, we completed the acquisition of American Medical Laboratories, Incorporated, or AML. Consolidated operating results for 2002 include the results of operations of AML subsequent to the closing of the acquisition.
- (j) During 2005, we recorded a \$6.2 million charge primarily related to



forgiveness of amounts owed by patients and physicians, and related property damage as a result of hurricanes in the Gulf Coast.

- (k) During 2004, we recorded a \$10.3 million charge associated with the acceleration of certain pension obligations in connection with the succession of our prior Chief Executive Officer.
- (l) During 2005, we recorded a \$7.1 million charge associated with the write-down of an investment.
- (m) During 2004, we recorded a \$2.9 million charge to interest expense, net representing the write-off of deferred financing costs associated with the refinancing of our bank debt and credit

facility.

- (n) Previously reported basic and diluted earnings per share have been restated to give retroactive effect of our two-for-one stock split effected on June 20, 2005.
  
- (o) Potentially dilutive common shares primarily include the dilutive effect of our 1<sup>3</sup>/<sub>4</sub>% contingent convertible debentures issued November 26, 2001, which were redeemed principally through a conversion into common shares as of January 18, 2005, and outstanding stock options, performance share units and restricted common shares granted under our Amended and Restated Employee Long-Term Incentive Plan

and our  
Amended and  
Restated  
Director  
Long-Term  
Incentive Plan.

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**SELECTED HISTORICAL FINANCIAL DATA FOR AMERIPATH, INC.**

The following table summarizes selected historical financial data for AmeriPath, Inc. at the dates and for each of the periods presented. AmeriPath, Inc. derived the selected historical financial data for the years 2002 through 2006 from its audited financial statements. AmeriPath, Inc. derived the selected historical financial data for the three months ended March 31, 2007 and 2006 from its unaudited interim consolidated financial statements. On December 8, 2002, Amy Holding Company and its wholly-owned subsidiary, Amy Acquisition Corp., entered into a merger agreement with the predecessor of AmeriPath, Inc., pursuant to which Amy Acquisition Corp. merged with and into the predecessor, with AmeriPath, Inc. continuing as the surviving corporation (the March 2003 Transaction). As a result of the March 2003 Transaction, AmeriPath, Inc. became a wholly-owned subsidiary of Amy Holding Company, which was renamed AmeriPath Holdings, Inc., or Holdings. Amy Holding Company and Amy Acquisition Corp. were Delaware corporations formed at the direction of Welsh, Carson, Anderson & Stowe IX, L.P., or WCAS. The March 2003 Transaction was approved by AmeriPath, Inc.'s stockholders and subsequently consummated on March 27, 2003. References herein to the predecessor refer to the activities, financial position and results of operations of AmeriPath, Inc. prior to the March 2003 Transaction. AmeriPath, Inc.'s consolidated financial statements for the years ended December 31, 2006, 2005, and 2004, for the period from March 28, 2003 through December 31, 2003, for the period from January 1, 2003 through March 27, 2003, and for the year ended December 31, 2002 have been audited by Ernst & Young LLP, AmeriPath, Inc.'s independent auditors.

**STATEMENTS OF OPERATIONS<sup>(a)</sup>**

	<b>Successor (b)</b>					
	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>	<b>Year Ended December 31,</b>	<b>Year Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2006(j)</b>	<b>2005</b>	<b>2004</b>	
	<b>(dollars in thousands)</b>					
Net revenues	\$ 200,694	\$ 170,936	\$ 752,321	\$ 563,617	\$ 507,271	\$
Operating costs and expenses:						
Cost of services	117,005	96,926	418,082	298,932	270,959	
Selling, general and administrative expenses	46,635	35,751	154,235	110,520	95,688	
Provision for doubtful accounts	19,358	19,840	84,936	73,766	76,463	
Amortization expense <sup>(c) (k)</sup>	2,515	3,264	13,127	13,585	13,761	
Merger-related charges <sup>(d)</sup>	109	586	2,064			
Restructuring costs <sup>(e)</sup>						

Asset impairment and related charges <sup>(f)</sup>				883	611	
Total operating costs and expenses	185,622	156,367	672,444	497,686	457,482	
Income from operations	15,072	14,569	79,877	65,931	49,789	
Interest expense <sup>(k)</sup>	(15,043 )	(13,693 )	(57,432 )	(46,527 )	(42,136 )	
Change in value of derivative <sup>(g)</sup>		293	1,295	(280 )	(1,015 )	
Write-off of Genomics investment <sup>(h)</sup>						
Write-off of deferred financing costs <sup>(i)</sup>		(3,360 )	(3,388 )	(468 )	(3,829 )	
Other income, net	393	338	1,516	620	66	
Income (loss) before income taxes	422	(1,853 )	21,868	19,276	2,875	
Provision for income taxes	203	237	11,341	9,355	1,361	
Net income (loss)	\$ 219	\$ (2,090 )	\$ 10,527	\$ 9,921	\$ 1,514	\$

**CONSOLIDATED BALANCE SHEET DATA<sup>(a)</sup>**

	<b>March 31,</b>		<b>December 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	<b>(dollars in thousands)</b>					
Cash and cash equivalents	\$	\$ 8,648	\$ 182	\$ 3,998	\$ 20,980	\$ 23,530
Restricted cash	29,601	26,829	30,906	26,684	17,940	12,820
Total assets	1,437,234	1,340,786	1,411,101	984,149	964,309	912,750
Long-term debt, including current portion	625,534	610,826	624,259	479,490	497,853	492,450
Stockholders equity	629,932	565,563	606,340	384,717	358,092	338,670

(a) This presentation is for AmeriPath, Inc. We acquired AmeriPath Group Holdings, Inc., the ultimate parent of AmeriPath, Inc., whose principal assets consisted of cash (which was used to repay debt) and its indirect investment in AmeriPath, Inc., and whose principal liabilities consisted of debt, which was repaid in connection with the acquisition of AmeriPath

Group  
Holdings, Inc.  
As of the date  
hereof,  
AmeriPath  
Group  
Holdings, Inc.  
has no  
significant  
assets other  
than its indirect  
investment in  
AmeriPath, Inc.

- (b) Consolidated financial data for periods subsequent to March 27, 2003 reflect the fair value of assets acquired and liabilities assumed in connection with the March 2003 Transaction. The comparability of the operating results for the periods presented is affected by the revaluation of the assets acquired and liabilities assumed on the date of the March 2003 Transaction. The financial data for the periods prior to March 28, 2003 consist of the historical data of AmeriPath, Inc. and subsidiaries

prior to the  
March 2003  
Transaction.

- (c) The predecessor adopted the provisions of SFAS No. 142 as of January 1, 2002. SFAS 142 clarifies the criteria to recognize intangible assets separately from goodwill and promulgates that goodwill and certain indefinite-lived intangible assets not be amortized.
- (d) In connection with the March 2003 Transaction, AmeriPath, Inc. recorded \$2.8 million of transaction fees in the fourth quarter of 2002 and \$12.4 million during 2003. In 2006, AmeriPath, Inc. recorded \$2.1 million of transaction fees related to the Specialty acquisition.
- (e) Represents restructuring costs that were recognized



based upon criteria set forth in SFAS 146 of (i) \$1.2 million for employee severance costs in connection with a reduction in workforce at AmeriPath, Inc.'s Southern California, Philadelphia, Central Florida and North Texas laboratories, and (ii) \$2.0 million incurred for remaining severance costs and the closure of AmeriPath, Inc.'s Southern California laboratory. The Southern California facility was closed as a result of a loss of revenue from Quest Diagnostics, which historically accounted for a significant portion of revenues for this individual lab.

- (f) During 2002, AmeriPath, Inc. recorded charges consisting of approximately \$2.1 million in connection with

the write-off of  
its remaining  
Quest  
Diagnostics  
laboratory  
contract  
intangibles and  
approximately  
\$0.7 million in  
connection with  
its termination  
of a  
management  
service  
agreement in  
Georgia.  
During 2003,  
AmeriPath, Inc.  
recorded a  
pre-tax,  
non-cash  
charge of  
approximately  
\$0.4 million in  
connection with  
the sale of two  
hospital-based  
practices in  
Florida. During  
2004,  
AmeriPath, Inc.  
recorded a  
pre-tax,  
non-cash  
charge of  
approximately  
\$0.6 million in  
connection with  
the sale of a  
practice in  
Michigan. In  
August 2005,  
AmeriPath, Inc.  
sold its  
managed  
practice in  
Memphis,  
Tennessee. As a  
result of the  
sale,  
AmeriPath, Inc.

recognized a loss of approximately \$1.3 million. As a result of the sale and termination of the Memphis managed service agreement, AmeriPath, Inc. performed an impairment analysis relative to the carrying value of this identifiable intangible and determined that no impairment existed at September 30, 2005. In February 2005, AmeriPath, Inc. sold a managed practice in Los Gatos, California resulting in a gain of approximately \$0.4 million.

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- (g) During 2004, AmeriPath, Inc. entered into a swap agreement, and recorded its change in market value as of December 31, 2004, 2005, and 2006, respectively. On October 2, 2006, AmeriPath, Inc. terminated the agreement.
- (h) During 2002, AmeriPath, Inc. wrote off the \$1.0 million carrying value of its interest in a genomics company as a result of a decline in the fair value of this investment.
- (i) Consists of write-offs of deferred financing costs relating to the March 2003 Transaction, and two voluntary paydowns on AmeriPath, Inc.'s current credit facility in both 2004 and 2005. In January 2006,

in connection with the acquisition of Specialty, AmeriPath, Inc. terminated its existing credit facility and entered into a new senior credit facility. As a result of terminating the credit facility, AmeriPath, Inc. wrote-off approximately \$3.4 million of its deferred debt financing costs.

- (j) The statement of income for 2006 includes the results of Specialty from the effective date of the acquisition by AmeriPath, Inc., which was January 31, 2006. Net revenues from Specialty for the year ended December 31, 2006 were \$148.1 million.
- (k) For the three months ended March 31, 2007 and 2006, amortization of deferred debt costs of

\$0.7 million  
and \$0.6  
million,  
respectively,  
are included in  
interest  
expense versus  
amortization  
expense as it is  
presented in  
the annual  
information.

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## DESCRIPTION OF NOTES

Each of the 6.40% senior notes due 2017 (the Notes due 2017 ) and the 6.95% senior notes due 2037 (the Notes due 2037 and, together with the Notes due 2017, the Notes ) are a separate issue of debt securities. The notes will be issued under an indenture dated as of June 27, 2001 as supplemented by a supplemental indenture, dated as of June 27, 2001, each among Quest Diagnostics, as issuer, the Initial Subsidiary Guarantors, as guarantors, and The Bank of New York, as trustee, as further supplemented by a second supplemental indenture, dated as of November 26, 2001, among Quest Diagnostics, the Subsidiary Guarantors and The Bank of New York, as further supplemented by a third supplemental indenture, dated as of April 4, 2002, among Quest Diagnostics, the additional Subsidiary Guarantors and The Bank of New York, as further supplemented by a fourth supplemental indenture, dated as of March 19, 2003, among Quest Diagnostics, the additional Subsidiary Guarantors and The Bank of New York, as further supplemented by a supplemental indenture, dated as of April 16, 2004, among Quest Diagnostics, the additional Subsidiary Guarantor and The Bank of New York, as further supplemented by a sixth supplemental indenture dated October 31, 2005, as further supplemented by a seventh supplemental indenture dated November 21, 2005, among Quest Diagnostics, the additional Subsidiary Guarantors and The Bank of New York, as further supplemented by an eighth supplemental indenture dated July 31, 2006, among Quest Diagnostics, the additional Subsidiary Guarantors and The Bank of New York and as further supplemented by the ninth supplemental indenture dated September 30, 2006, among Quest Diagnostics, the additional Subsidiary Guarantors and The Bank of New York and as to be amended by a tenth supplemental indenture to be dated as of the closing date of this offering (collectively, the Indenture ). On June 7, 2001, we completed a \$550 million senior notes offering under the Indenture and on October 31, 2005, we completed a \$900 million senior notes offering under the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939. A copy of the Indenture is available for inspection at the office of the trustee.

Whenever we refer in this Description of Notes to terms defined in the Indenture below, such defined terms are incorporated herein by reference. As used in this Description of Notes, the terms we, our, us and Quest Diagnostics not include any current or future subsidiary of Quest Diagnostics Incorporated, unless the context indicates otherwise.

### General

The Notes due 2017 will be initially limited to \$375,000,000 aggregate principal amount and will mature and become due and payable, together with any accrued and unpaid interest thereon, on July 1, 2017. The Notes due 2037 will be initially limited to \$425,000,000 aggregate principal amount and will mature and become due and payable, together with any accrued and unpaid interest thereon, on July 1, 2037.

Quest Diagnostics may from time to time, without the consent of the holders of the Notes, issue additional Notes of either series having the same ranking and the same interest rate, maturity and other terms as the Notes of the applicable series. Any additional Notes and the Notes of such series will generally constitute a single series under the Indenture. This type of offering is often referred to as a re-opening. Additional Notes may constitute a separate issuance for United States federal income tax purposes.

Notes of either series will bear interest at the annual rate noted on the cover page of this prospectus supplement. Interest will be payable semiannually on July 1 and January 1 of each year, beginning January 1, 2008. Interest on the Notes will be paid to holders of record on the June 15 or December 15 immediately before the applicable interest payment date.

The Notes do not provide for any sinking fund.

### Guarantees

Each Subsidiary Guarantor will fully and unconditionally guarantee, on a joint and several basis, the payment of the principal of, and any premium and interest on the Notes. The guarantees of the

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Notes will be endorsed on the Notes. In addition, each future domestic Subsidiary of Quest Diagnostics, or any Subsidiary Guarantor which has been released and discharged from its obligations under the guarantee of the Notes, will be required to guarantee Quest Diagnostics obligations under the Notes, if such Subsidiary:

guarantees  
any  
Indebtedness  
of Quest  
Diagnostics  
when the  
amount of  
such  
Indebtedness,  
together with  
any other  
outstanding  
Indebtedness  
of Quest  
Diagnostics  
guaranteed by  
its  
Subsidiaries  
that are not  
Subsidiary  
Guarantors,  
exceeds \$50  
million in the  
aggregate at  
any time; or

incurs  
Indebtedness,  
unless such  
Indebtedness  
is permitted  
under the  
Limitation on  
Subsidiary  
Indebtedness  
and Preferred  
Stock  
covenant  
described  
below;

*provided, however,* for the avoidance of doubt, the Specified Subsidiaries are not subject to the foregoing until such time, if any, the Specified Subsidiaries become Subsidiary Guarantors.

The Specified Subsidiaries are not guaranteeing the Notes, but will guarantee the term loans, the senior unsecured revolving credit facility and the existing senior notes of Quest Diagnostics.

The Indenture provides that the obligations of each Subsidiary Guarantor under its guarantee will be limited so as to not constitute a fraudulent conveyance under any United States federal or state laws. Application of this clause could limit the amount which holders of Notes may be entitled to collect under the guarantees. Holders, by their acceptance of the Notes, will have agreed to such limitations. See Risk Factors Federal and state laws permit a court to void a guarantee issued by any of our subsidiaries if the court finds the guarantee to constitute a fraudulent conveyance.

The guarantees of the Subsidiary Guarantors with respect to the Notes will remain in effect with respect to each Subsidiary Guarantor until the entire amount of principal of, premium, and interest on the Notes shall have been paid in full or otherwise discharged in accordance with the provisions of the Indenture; *provided, however*, that if (a) a Subsidiary Guarantor does not guarantee Indebtedness of Quest Diagnostics the amount of which, when added together with any other outstanding Indebtedness of Quest Diagnostics guaranteed by its Subsidiaries that are not Subsidiary Guarantors, would exceed \$50 million in the aggregate, excluding the Notes, and all outstanding Indebtedness of such Subsidiary Guarantor would have been permitted to be incurred under the Limitation on Subsidiary Indebtedness and Preferred Stock covenant described below measured at the time of the release and discharge as described in this paragraph, (b) the Notes are defeased and discharged as described under Defeasance or (c) all or substantially all of the assets of such Subsidiary Guarantor or all of the capital stock of such Subsidiary Guarantor is sold (including by issuance, merger, consolidation or otherwise) by Quest Diagnostics or any of its Subsidiaries, then in each case of (a), (b) or (c) above, such Subsidiary Guarantor or the corporation acquiring such assets (in the event of a sale or other disposition of all or substantially all of the assets or capital stock of such Subsidiary Guarantor) shall be released and discharged from its obligations under its guarantee of the Notes.

### **Seniority; Ranking**

The Notes will be senior unsecured obligations of Quest Diagnostics and will rank equally with other existing and future senior unsecured obligations of Quest Diagnostics. Each guarantee will be a senior unsecured obligation of the Subsidiary Guarantor issuing such guarantee and will rank equally with other existing and future senior unsecured obligations of such Subsidiary Guarantor. As of March 31, 2007, after giving effect to the Transactions, Quest Diagnostics and the Subsidiary Guarantors would have had total debt outstanding of \$3.64 billion.

The Notes and the guarantees will be effectively subordinated to any secured obligations of Quest Diagnostics or Subsidiary Guarantors, as the case may be, to the extent of the value of the assets securing such obligations. The Indenture does not limit the amount of indebtedness that Quest Diagnostics and any of its subsidiary guarantors can incur, but does limit the amount of indebtedness its non-guarantor subsidiaries are permitted to incur (as described below). In addition, the Indenture limits the amount of secured indebtedness pursuant to the covenant described under the heading Description of Notes Limitation on Liens. This covenant is subject to important exceptions

described under such heading. As of March 31, 2007, after giving effect to the Transactions, Quest Diagnostics and the Subsidiary Guarantors would have had secured debt outstanding of \$5.5 million.

Quest Diagnostics conducts its operations through subsidiaries, which generate a substantial portion of its operating income and cash. As a result, distributions or advances from subsidiaries of Quest Diagnostics are a major source of funds necessary to meet its debt service and other obligations. Contractual provisions, laws or regulations, as well as any subsidiary's financial condition and operating requirements, may limit the ability of Quest Diagnostics to obtain cash required to pay Quest Diagnostics' debt service obligations, including payments on the Notes.

The Notes will be structurally subordinated to all existing and future obligations of Quest Diagnostics' subsidiaries (unless such subsidiaries are Subsidiary Guarantors), including claims with respect to trade payables. In addition, the guarantees of our Subsidiary Guarantors will be structurally subordinated to all existing and future obligations of any subsidiary of ours or a Subsidiary Guarantor (unless such subsidiaries are also Subsidiary Guarantors), including claims with respect to trade payables. This means that holders of the Notes as guaranteed by the Subsidiary Guarantors will have a junior position to the claims of creditors of the direct and indirect subsidiaries of Quest Diagnostics which are not Subsidiary Guarantors on the assets and earnings of such subsidiaries. The non-guarantor subsidiaries of Quest Diagnostics are limited in the amount of Indebtedness they are permitted to incur pursuant to the covenant described under Limitation of Subsidiary Indebtedness and Preferred Stock. This covenant is subject to important exceptions described under such heading. In addition, the guarantees of the Subsidiary Guarantors may be released in certain circumstances, which are described under the heading Guarantees. As of March 31, 2007, after giving effect to the Transactions, the non-guarantor subsidiaries of Quest Diagnostics would have had outstanding \$314 million of debt (including the current portion thereof) of which \$300 million was comprised of the Existing Receivables Credit Facility. In addition, after giving effect to the Transactions, the Specified Subsidiaries will not be required to guarantee the notes offered hereby but will guarantee the term loans and the senior notes of Quest Diagnostics (\$2.83 billion collectively as of March 31, 2007) after giving effect to the Transactions. For a more detailed description of our Existing Receivables Credit Facility, see Description of Certain Other Indebtedness Secured Receivables Credit Facility.

### **Optional Redemption**

At any time and from time to time, the Notes of each series will be redeemable, as a whole or in part, at the option of Quest Diagnostics, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the Notes of the applicable series, at a redemption price equal to the greater of:

100% of  
principal  
amount of  
the Notes to  
be  
redeemed,  
and

the sum of  
the present  
values of  
the  
Remaining  
Scheduled  
Payments  
(as defined

below)  
discounted,  
on a  
semiannual  
basis,  
assuming a  
360-day  
year  
consisting  
of twelve  
30-day  
months, at  
the  
Treasury  
Rate (as  
defined  
below)  
plus:

25 basis points for the 6.40% Notes due 2017, or

30 basis points for the 6.95% Notes due 2037,

plus accrued interest to the date of redemption which has not been paid.

On and after the redemption date for the Notes of either series, interest will cease to accrue on the Notes of that series or any portion thereof called for redemption, unless Quest Diagnostics defaults in the payment of the redemption price and accrued interest. On or before the redemption date for the Notes of that series, Quest Diagnostics shall deposit with a paying agent, or the trustee, funds sufficient to pay the redemption price of and accrued interest on such Notes to be redeemed on such date. If less than all of the Notes of a series are to be redeemed, the Notes of that series to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Remaining Scheduled Payments means, with respect to the Notes of either of the series to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that, if such redemption date is not an interest payment date with respect to the Notes, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

Treasury Rate means, with respect to any redemption date for the Notes of either series:

the yield,  
which  
represents the  
average for the  
immediately  
preceding  
week,  
appearing in  
the most  
recently  
published  
statistical  
release  
designated  
H.15(519) or  
any successor  
publication  
which is  
published  
weekly by the  
Board of  
Governors of  
the Federal  
Reserve  
System and  
which  
establishes  
yields on  
actively traded  
United States  
Treasury  
securities  
adjusted to  
constant  
maturity under  
the caption  
Treasury  
Constant  
Maturities, for  
the maturity  
corresponding  
to the

Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the maturity date for the Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or

if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to

maturity of the  
Comparable  
Treasury  
Issue,  
calculated  
using a price  
for the  
Comparable  
Treasury Issue  
(expressed as a  
percentage of  
its principal  
amount) equal  
to the  
Comparable  
Treasury Price  
for that  
redemption  
date.

The Treasury Rate will be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes due 2017 or the Notes due 2037, as the case may be, to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

Independent Investment Banker means one of the Reference Treasury Dealers, to be appointed by Quest Diagnostics.

Comparable Treasury Price means, with respect to any redemption date for the Notes:

the average  
of four  
Reference  
Treasury  
Dealer  
Quotations  
for that  
redemption  
date, after  
excluding  
the highest  
and lowest  
of such  
Reference  
Treasury  
Dealer  
Quotations;  
or

if the trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the trustee.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

Reference Treasury Dealer means a primary U.S. Government securities dealer, which we refer to as Primary Treasury Dealer, selected by Quest Diagnostics.

### **Change of Control**

If a Change of Control Triggering Event occurs, unless Quest Diagnostics has exercised its option to redeem the Notes as described above, Quest Diagnostics will be required to make an offer (the Change of Control Offer ) to each holder of the Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that holder's Notes on the terms set forth in the Notes. In the Change of Control Offer, Quest Diagnostics will be required to offer payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to the date of repurchase (the



Change of Control Payment ). Within 30 days following any Change of Control Triggering Event or, at Quest Diagnostics option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, a notice will be mailed to holders of the Notes describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the Change of Control Payment Date ). The notice will, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, Quest Diagnostics will, to the extent lawful:

accept for  
payment all  
Notes or  
portions of  
Notes  
properly  
tendered  
pursuant to  
the Change  
of Control  
Offer;

deposit with  
the paying  
agent an  
amount equal  
to the  
Change of  
Control  
Payment in  
respect of all  
Notes or  
portions of  
Notes  
properly  
tendered; and

deliver or  
cause to be  
delivered to  
the trustee  
the Notes  
properly  
accepted  
together with  
an officers  
certificate  
stating the  
aggregate

principal  
amount of  
Notes or  
portions of  
Notes being  
repurchased.

Quest Diagnostics will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by Quest Diagnostics and the third party repurchases all Notes properly tendered and not withdrawn under its offer. In addition, Quest Diagnostics will not repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

Quest Diagnostics will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the Notes, Quest Diagnostics will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of the Notes by virtue of any such conflict. For purposes of the Change of Control Offer provisions of the Notes, the following terms will be applicable:

Change of Control means the occurrence of any of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d) (3) of the Exchange Act) (other than Quest Diagnostics or one of its subsidiaries) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of Quest Diagnostics or other voting stock into which the voting stock of Quest Diagnostics is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of Quest Diagnostics' assets and the assets of its subsidiaries, taken as a whole, to one or more persons (as that term is defined in the indenture) (other than Quest Diagnostics or one of its subsidiaries); or (3) the first day on which a majority of the members of the Board of Directors of Quest Diagnostics are not Continuing Directors. Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (1) Quest Diagnostics becomes a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of the voting stock of Quest Diagnostics immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company.

**Change of Control Triggering Event** means the occurrence of both a Change of Control and a Rating event.

**Continuing Directors** means, as of any date of determination, any member of Quest Diagnostics Board of Directors who (1) was a member of such Board of Directors on the date the Notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of the proxy statement of Quest Diagnostics in which such member was named as a nominee for election as a director, without objection to such nomination).

**Fitch** means Fitch Ratings.

**Investment Grade Rating** means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB (or the equivalent) by S&P, and the equivalent investment grade credit rating from any additional rating agency or Rating Agencies selected by Quest Diagnostics.

**Moody's** means Moody's Investors Service, Inc.

**Rating Agencies** means (1) each of Moody's and S&P and Fitch, to the extent Fitch makes a rating of the Notes publicly available; and (2) if any of Moody's and S&P or Fitch, to the extent Fitch makes a rating of the Notes publicly available, ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the control of Quest Diagnostics, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by Quest Diagnostics (as certified by a resolution of the Board of Directors) as a replacement agency for Moody's or S&P or Fitch (if applicable), or all of them, as the case may be.

**Rating event** means the rating on the Notes is lowered by each of the Rating Agencies and the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) after the earlier of (1) the occurrence of a Change of Control and (2) public notice of the occurrence of a Change of Control or the intention of Quest Diagnostics to effect a Change of Control; *provided, however*, that a rating event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a rating event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request or the request of Quest Diagnostics that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the rating event).

**S&P** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

**Voting stock** means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

### **Sinking Fund**

The Notes will not be entitled to the benefit of any sinking fund.

### **Limitation on Liens**

Other than as provided under Exempted Liens and Sale and Leaseback Transactions, Quest Diagnostics will not, and will not permit any Restricted Subsidiary to, create or assume any Indebtedness secured by any Lien on any Principal

Property or shares of stock or Indebtedness of any Restricted Subsidiary, unless: (1) in the case of Quest Diagnostics, the Notes are secured by

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such Lien equally and ratably with, or prior to, the Indebtedness secured by such Lien, or (2) in the case of any Subsidiary Guarantor, such Subsidiary Guarantor's guarantee of the Notes is secured by such Lien equally and ratably with, or prior to, the Indebtedness secured by such Lien. The restrictions do not apply to Indebtedness that is secured by:

Liens existing on the date of the issuance of the Notes;

Liens securing only the Notes;

Liens in favor of only Quest Diagnostics or any Restricted Subsidiary;

Liens on property or shares of stock or indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with, or its assets are acquired by, Quest Diagnostics or any Restricted Subsidiary (*provided* that such Lien was not incurred in anticipation of such transaction and was in existence prior to such transaction) so long as such Lien does not extend to any other property and the Indebtedness so

secured is not increased;

Liens on property existing immediately prior to the acquisition thereof (*provided* that such Lien was not incurred in anticipation of such transaction and was in existence prior to such transaction) so long as such Lien does not extend to any other property and the Indebtedness so secured is not increased;

Liens to secure Indebtedness incurred for the purpose of all or any part of a property's purchase price or cost of construction or additions, repairs, alterations, or other improvements; *provided* that (1) the principal amount of any Indebtedness secured by such Lien does not exceed 100% of such property's purchase price or cost, (2) such Lien does not

extend to or cover any other property other than the property so purchased, constructed or on which such additions, repairs, alterations or other improvements were so made, and (3) such Lien is incurred prior to or within 270 days after the acquisition of such property or the completion of construction of construction or such additions, repairs, alterations or other improvements and the full operation of such property thereafter;

Liens in favor of the United States or any state thereof, or any instrumentality of either, to secure certain payments pursuant to any contract or statute;

Liens for taxes or assessments or other governmental charges or levies which are being contested in

good faith and  
for which  
adequate  
reserves are  
being  
maintained, to  
the extent  
required by  
generally  
accepted  
accounting  
principles;

title exceptions,  
easements and  
other similar  
Liens that are  
not consensual  
and that do not  
materially impair  
the use of the  
property subject  
thereto;

Liens to secure  
obligations  
under workmen's  
compensation  
laws,  
unemployment  
compensation,  
old-age pensions  
and other social  
security benefits  
or similar  
legislation,  
including Liens  
with respect to  
judgments which  
are not currently  
dischargeable;

Liens arising out  
of legal  
proceedings,  
including Liens  
arising out of  
judgments or  
awards;



warehousemen s,  
materialmen s  
and other similar  
Liens for sums  
being contested  
in good faith and  
for which  
adequate  
reserves are  
being  
maintained, to  
the extent  
required by  
generally  
accepted  
accounting  
principles;

Liens incurred to  
secure the  
performance of  
statutory  
obligations,  
surety or appeal  
bonds,  
performance or  
return-of-money  
bonds or other  
obligations of a  
like nature  
incurred in the  
ordinary course  
of business; or

Liens to secure  
any extension,  
renewal,  
refinancing or  
refunding (or  
successive  
extensions,  
renewals,  
refinancings or  
refundings), in  
whole or in part,  
of any  
Indebtedness  
secured by Liens  
referred to in the  
foregoing bullets  
or liens created

in connection  
with any  
amendment,  
consent or  
waiver relating  
to such  
Indebtedness, so  
long as such  
Lien does not  
extend to any  
other property  
and the  
Indebtedness so  
secured does not  
exceed the fair  
market value (as  
determined by  
our board of  
directors) of the  
assets subject to  
such Liens at the  
time of such  
extension,  
renewal,  
refinancing or  
refunding, or  
such  
amendment,  
consent or  
waiver, as the  
case may be.

**Limitation on Sale and Leaseback Transactions**

Other than as provided under Exempted Liens and Sale and Leaseback Transactions, Quest Diagnostics will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any Principal Property unless:

the Sale and Leaseback Transaction is solely with Quest Diagnostics or a Subsidiary Guarantor; or

the lease is for a period not in excess of five years, including renewal rights; or

Quest Diagnostics or the Restricted Subsidiary, prior to or within 270 days after the sale of such Principal Property in connection with the Sale and Leaseback Transaction is completed, applies the net cash proceeds of the sale of the

Principal  
Property  
leased to:

- (1) the retirement of the Notes or debt ranking equally with the Notes of Quest Diagnostics or any Restricted Subsidiary, or
- (2) the acquisition of different property, facilities or equipment or the expansion of Quest Diagnostics existing business, including the acquisition of other businesses.

**Exempted Liens and Sale and Leaseback Transactions**

Notwithstanding the restrictions described under the headings Limitation on Liens or Limitation on Sale and Leaseback Transactions, Quest Diagnostics or any Restricted Subsidiary may create or assume any Liens or enter into any Sale and Leaseback Transactions not otherwise permitted as described above, if the sum of the following does not exceed 5% of Consolidated Total Assets:

the  
outstanding  
Indebtedness  
secured by  
such Liens  
(not including  
any Liens  
permitted

under

Limitation on  
Liens which  
amount does  
not include  
any Liens  
permitted  
under the  
provisions of  
this Exempted  
Liens and Sale  
and Leaseback  
Transactions );  
plus

all  
Attributable  
Debt in respect  
of such Sale  
and Leaseback  
Transaction  
entered into  
(not including  
any Sale and  
Leaseback  
Transactions  
permitted  
under

Limitation on  
Sale and  
Leaseback  
Transactions  
which amount  
does not  
include any  
Sale and  
Leaseback  
Transactions  
permitted  
under the  
provisions of  
this Exempted  
Liens and Sale  
and Leaseback  
Transactions ),

measured, in each case, at the time such Lien is incurred or any such Sale and Leaseback Transaction is entered into by Quest Diagnostics or the Restricted Subsidiary.

**Limitation on Subsidiary Indebtedness and Preferred Stock**

None of the Subsidiaries of Quest Diagnostics other than the Subsidiary Guarantors may, directly or indirectly, create, incur, issue, assume or extend the maturity of any Indebtedness (including Acquired Indebtedness) or Preferred Stock except for the following, *provided* that, for purposes of this covenant, any Acquired Indebtedness shall not be deemed to have been incurred until 270 days from the date (1) the Person obligated on such Acquired Indebtedness becomes a Subsidiary of Quest Diagnostics or (2) the acquisition of assets, in connection with which such Acquired Indebtedness was assumed, is consummated:

Indebtedness  
outstanding on  
the date of the  
Indenture;

Indebtedness  
representing  
the assumption  
by one  
Subsidiary of  
Indebtedness of  
another  
Subsidiary;

Indebtedness  
outstanding  
under any  
Receivables  
Credit Facility;

Indebtedness  
secured by a  
Lien incurred  
for the purpose  
of all or any  
part of a  
property's  
purchase price  
or cost of  
construction or  
additions,  
repairs,  
alterations or  
other  
improvements,  
*provided* that  
such  
Indebtedness  
and Lien is  
incurred prior  
to or within  
270 days after  
the acquisition

of such  
property or the  
completion of  
construction or  
such additions,  
repairs,  
alterations or  
other  
improvements  
and the full  
operation of  
such property  
thereafter;

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Indebtedness  
of any  
Subsidiary of  
Quest  
Diagnostics,  
the proceeds  
of which are  
used to renew,  
extend,  
refinance or  
refund  
outstanding  
Indebtedness  
of such  
Subsidiary;  
*provided* that  
such  
Indebtedness  
is scheduled  
to mature no  
earlier than  
the  
Indebtedness  
being  
renewed,  
extended,  
refinanced or  
refunded;  
*provided*  
*further* that  
such  
Indebtedness  
shall be  
permitted  
hereunder  
only to the  
extent that the  
aggregate  
principal  
amount of  
such  
Indebtedness  
(or, if such  
Indebtedness  
is issued at a  
price less than  
the principal  
amount  
thereof, the  
aggregate



amount of  
gross  
proceeds  
therefrom)  
does not  
exceed the  
aggregate  
principal  
amount then  
outstanding  
under the  
Indebtedness  
being  
renewed,  
extended,  
refinanced or  
refunded (or if  
the  
Indebtedness  
being  
renewed,  
extended,  
refinanced or  
refunded, was  
issued at a  
price less than  
the principal  
amount  
thereof, then  
not in excess  
of the amount  
of liability in  
respect  
thereof  
determined in  
accordance  
with generally  
accepted  
accounting  
principles)  
plus the lesser  
of (A) the  
stated amount  
of any  
premium or  
other payment  
required to be  
paid in  
connection  
with such a  
refinancing

pursuant to  
the terms of  
the  
Indebtedness  
being  
refinanced or  
(B) the  
amount of  
premium or  
other payment  
actually paid  
at such time  
to refinance  
the  
Indebtedness,  
plus, in either  
case, the  
amount of  
expenses of  
such  
Subsidiary  
incurred in  
connection  
with such  
refinancing;

Indebtedness  
of a  
Subsidiary of  
Quest  
Diagnostics to  
Quest  
Diagnostics or  
to another  
Subsidiary of  
Quest  
Diagnostics;

any  
Indebtedness  
resulting from  
a Sale and  
Leaseback  
Transaction  
which is  
permitted by  
the Limitation  
on Sale and  
Leaseback  
Transactions  
covenant (but

not including  
any Sale and  
Leaseback  
Transaction  
which is  
permitted by  
the Exempted  
Liens and  
Sale and  
Leaseback  
Transactions  
provisions  
relating  
thereto);

any Permitted  
Acquired  
Indebtedness;

any guarantee  
of  
Indebtedness  
of Quest  
Diagnostics  
by the  
Specified  
Subsidiaries  
or any other  
Subsidiary of  
Quest  
Diagnostics in  
anticipation of  
such  
Subsidiary  
becoming a  
Subsidiary  
Guarantor  
pursuant to  
the  
Guarantees  
provision;

Preferred  
Stock to the  
extent that the  
aggregate  
liquidation  
preference of  
Preferred  
Stock,  
outstanding at

any one time,  
does not  
exceed 5% of  
Consolidated  
Total Assets;  
or

any  
Indebtedness,  
including any  
Acquired  
Indebtedness  
that is not  
Permitted  
Acquired  
Indebtedness,  
the  
outstanding  
aggregate  
principal  
amount of  
which does  
not at any one  
time exceed  
the greater of  
(1) 10% of  
Consolidated  
Total Assets  
or (2) \$200  
million,  
measured in  
each case at  
the time such  
Indebtedness  
is incurred.

**Limitation on restricted payments to certain non-guarantor subsidiaries**

Quest Diagnostics will not, and will not permit any Subsidiary to, (1) declare or pay any dividend or make any distribution to the Specified Subsidiaries on or in respect of its Capital Stock, (2) purchase, redeem, retire or otherwise acquire for value from the Specified Subsidiaries any of its Capital Stock, or (3) purchase or otherwise acquire any assets, or purchase or otherwise acquire, redeem, retire or repay any Indebtedness of the Specified Subsidiaries, or (4) make any investment in or make any loan to or transfer any assets to any of the Specified Subsidiaries. This covenant will permanently cease to be in effect when each of the Specified Subsidiaries becomes a Subsidiary Guarantor.

Capital Stock means, with respect to any Person, any and all shares or common stock or Preferred Stock.

**Merger, Consolidation or Sale of Assets**

Quest Diagnostics may merge or consolidate with another Person and may sell, transfer or lease all or substantially all of its assets to another Person if all the following conditions are met:

The merger, consolidation or sale of assets must not cause an event of default. See

Events of Default. An event of default for this purpose would also include any event that would be an event of default if the notice or time requirements were disregarded;

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If Quest  
Diagnostics is  
not the  
surviving  
entity, the  
Person we  
would merge  
or consolidate  
with, or sell  
all or  
substantially  
all of our  
assets to,  
must be  
organized  
under the  
laws of the  
United States  
or any state  
thereof;

If Quest  
Diagnostics is  
not the  
surviving  
entity, the  
Person we  
would merge  
or consolidate  
with, or sell  
all or  
substantially  
all of our  
assets to,  
must  
expressly  
assume by  
supplemental  
indenture all  
of our  
obligations  
under the  
Notes and the  
Indenture;  
and

Quest  
Diagnostics  
must deliver  
specific

certification  
and  
documents to  
the trustee.

**Events of Default**

The term "Event of Default" in respect of the Notes means any of the following:

Quest  
Diagnostics  
or any  
Subsidiary  
Guarantor  
does not pay  
the principal  
of or any  
premium on  
the Notes of  
that series on  
its due date;

Quest  
Diagnostics  
or any  
Subsidiary  
Guarantor  
does not pay  
interest on  
the Notes of  
that series  
within 30  
days of its  
due date  
whether at  
maturity,  
upon  
redemption  
or upon  
acceleration;

Quest  
Diagnostics  
or any  
Subsidiary  
Guarantor  
remains in  
breach of a  
covenant in  
respect of the  
Notes of that

series for 60 days after it receives a written notice of default stating it is in breach and requiring that it remedy the breach. The notice must be sent by either the trustee or holders of 25% of the aggregate principal amount of the Notes of that series;

An event of default under any indenture or instrument evidencing or under which Quest Diagnostics or any Subsidiary Guarantor then has outstanding any Indebtedness shall occur and be continuing and either:

- (1) such event of default results from the failure to pay the principal of such Indebtedness in excess of \$200 million



at final  
maturity of  
such  
Indebtedness,  
individually  
or in the  
aggregate; or

- (2) as a result of  
such event of  
default the  
maturity of  
such  
Indebtedness  
shall have  
been  
accelerated so  
that the same  
shall be or  
become due  
and payable  
prior to the  
date on which  
the same  
would  
otherwise  
have become  
due and  
payable and  
the principal  
amount of  
such  
Indebtedness,  
together with  
the principal  
of any other  
Indebtedness  
of Quest  
Diagnostics or  
such  
Subsidiary  
Guarantor in  
default, or the  
maturity of  
which has  
been  
accelerated,  
aggregates at  
least \$200  
million,  
individually

or in the  
aggregate;

Any  
Subsidiary  
Guarantor  
repudiates its  
obligations  
under its  
guarantee of  
the Notes or,  
other than by  
reason of the  
termination of  
the Indenture  
or the release  
of any such  
guarantee in  
accordance  
with the  
Indenture, any  
such guarantee  
ceases to be in  
full force and  
effect or is  
declared null  
and void and  
such condition  
shall have  
continued for a  
period of 30  
days after  
written notice  
of such failure  
requiring  
Quest  
Diagnostics or  
the Subsidiary  
Guarantor to  
remedy the  
same shall  
have been  
given to Quest  
Diagnostics by  
the trustee or  
to Quest  
Diagnostics  
and the trustee  
by the holders  
of 25% in  
aggregate

principal  
amount of the  
Notes then  
outstanding; or

Quest  
Diagnostics or  
any Subsidiary  
Guarantor files  
for bankruptcy  
or certain other  
events of  
bankruptcy,  
insolvency or  
reorganization  
occur.

The trustee may withhold notice to the holders of Notes of any default (except in the payment of principal or interest) if it considers such withholding of notice to be in the best interests of the holders.

If an event of default with respect to the Notes of either series has occurred and has not been cured, the trustee or the holders of 25% in aggregate principal amount of the Notes of that series may declare the entire principal amount (and premium, if any) of, and all the accrued interest on the Notes of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. If an event of default with respect to the Notes of either series occurs because of certain events in bankruptcy, insolvency or reorganization, the principal amount of the

Notes of that series will be automatically accelerated, without any action by the trustee or any holder. Holders of a majority in principal amount of the Notes of either series may also waive certain past defaults under the Indenture on behalf of all of the holders of the Notes of that series. A declaration of acceleration of maturity with respect to the Notes of either series may be canceled, under specific circumstances, by the holders of at least a majority in principal amount of the Notes of that series.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the Indenture at the request of any of the holders unless the holders offer the trustee protection reasonably satisfactory to it from expenses and liability called an indemnity. If indemnity reasonably satisfactory to the trustee is provided, the holders of a majority in principal amount of the Notes of either series may, with respect to the Notes of that series, direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of the right, remedy or event of default.

Before you are allowed to bypass the trustee and bring a lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes of either series, the following must occur:

You must  
give the  
trustee  
written  
notice that  
an event of  
default has  
occurred  
and remains  
uncured;

The holders  
of at least  
25% in  
principal  
amount of  
the  
outstanding  
Notes of  
that series  
must make a  
written  
request that  
the trustee  
take action  
because of  
the default  
and must  
offer the  
trustee  
indemnity  
reasonably  
satisfactory

to it against  
the cost and  
other  
liabilities of  
taking that  
action;

The trustee  
must not  
have taken  
action for 60  
days after  
receipt of  
the above  
notice and  
offer of  
indemnity;  
and

Holders of a  
majority in  
principal  
amount of  
the Notes of  
that series  
must not  
have given  
the trustee a  
direction  
inconsistent  
with the  
above  
notice.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your Notes on or after the due date.

### **Defeasance**

*Full Defeasance.* If there is a change in federal tax law, as described below, we can legally release ourselves and our Subsidiary Guarantors from any payment or other obligations on the Notes, called full defeasance, if we put in place the following other arrangements for you to be repaid:

We must  
deposit in  
trust for your  
benefit and  
the benefit of  
all other  
registered  
holders of

the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates including, possibly, their earliest redemption date.

In order for us to effect a full defeasance, we must deliver to the trustee a legal opinion confirming that you will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance and that you will not be taxed on the Notes any differently

than if the  
defeasance  
had not  
occurred.

If we accomplish full defeasance, as described above, you would have to rely solely on the trust deposit for repayment on the Notes. You could not look to us or our Subsidiary Guarantors for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

*Covenant Defeasance.* Under current federal tax law, we can make the same type of deposit described above and be released and cause our Subsidiary Guarantors to be released from the restrictive covenants in the Notes, if any. This is called covenant defeasance. In that event, you

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would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the Notes. In order to achieve covenant defeasance, we must do the following:

We must deposit in trust for your benefit and the benefit of all other registered holders of the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates.

We must deliver to the trustee a legal opinion confirming that under current United States federal income tax law you will not recognize income, gain or loss for United States federal income tax



purposes as a result of the covenant defeasance and that you will not be taxed on the Notes any differently than if the covenant defeasance had not occurred.

If we accomplish covenant defeasance, the following provisions of the Indenture and the Notes would no longer apply unless otherwise specified:

any promises of our Subsidiary Guarantors relating to their guarantees, the conduct of their business and any other covenants applicable to the series of Notes;

our promises regarding conduct of our business and other matters and any other covenants applicable to the series of Notes; and

the  
definition  
of an event  
of default  
as a breach  
of such  
covenants.

If we accomplish covenant defeasance, you can still look to us and our Subsidiary Guarantors for repayment of the Notes if there were a shortfall in the trust deposit. In fact, if one of the remaining events of default occurred (such as our bankruptcy) and the Notes become immediately due and payable, there may be such a shortfall. Depending on the event causing the default, of course, you may not be able to obtain payment of the shortfall.

In order to exercise either full defeasance or covenant defeasance, we must comply with certain conditions, and no event or condition can exist that would prevent us and our Subsidiary Guarantors from making payments of principal, premium, and interest, if any, on the Notes of such series on the date the irrevocable deposit is made or at any time during the period ending on the 91st day after the deposit date.

### **Notices**

With respect to the Notes, we and the trustee will send notices regarding the Notes only to registered holders, using their addresses as listed in the list of registered holders.

### **Global Notes: Book-Entry System**

#### *The Global Notes*

The Notes of each series will be represented by one or more fully registered global notes, without interest coupons and will be deposited upon issuance with the trustee as custodian for The Depository Trust Company, New York, New York ( DTC ), and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant as described below.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for definitive notes in registered certificated form ( certificated notes ) except in the limited circumstances described below. See Certain Book-Entry Procedures for the Global Notes.

Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form.

Transfers of beneficial interests in the global notes are subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change.

The Notes may be presented for registration of transfer and exchange at the offices of the trustee.

***Certain Book-Entry Procedures for the Global Notes***

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream Luxembourg. The descriptions of the operations and procedures of DTC, Euroclear and Clearstream Luxembourg set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. We obtained the information in this section and elsewhere in this prospectus supplement concerning DTC, Euroclear and Clearstream Luxembourg and their respective book-entry systems from sources that we believe are reliable, but we take no responsibility for the accuracy of any of this information, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

*DTC.* DTC has advised us that it is:

a  
limited-purpose  
trust company  
organized under  
the laws of the  
State of New  
York;

a banking  
organization  
within the  
meaning of the  
New York State  
Banking Law;

a member of the  
Federal Reserve  
System;

a clearing  
corporation  
within the  
meaning of the  
New York  
Uniform  
Commercial  
Code, as  
amended; and

a clearing  
agency  
registered  
pursuant to  
Section 17A of  
the Exchange

Act.

DTC was created to hold securities for its participants (collectively, the participants ) and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's participants include securities brokers and dealers (including some or all of the underwriters), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as Clearstream Luxembourg, Euroclear, banks, brokers, dealers and trust companies (collectively, the indirect participants ) that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants in DTC.

*Clearstream Luxembourg.* Clearstream Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream Luxembourg holds securities for its participating organizations ( Clearstream Luxembourg Participants ) and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book- entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides Clearstream Luxembourg Participants with, among other things, services for safekeeping, administration, clearance and establishment of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant either directly or indirectly.

Distributions with respect to Notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures to the extent received by the U.S. depository for Clearstream Luxembourg.

*Euroclear.* Euroclear was created in 1968 to hold securities for participants of Euroclear ( Euroclear Participants ) and to clear and settle transactions between Euroclear Participants

through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator ), under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative ). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking Commission. Distributions of principal and interest with respect to Notes held through Euroclear or Clearstream Luxembourg will be credited to the cash accounts of Euroclear or Clearstream Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by such system's depository.

Links have been established among DTC, Clearstream Luxembourg and Euroclear to facilitate the initial issuance of the Notes and cross-market transfers of the Notes associated with secondary market trading. DTC will be linked indirectly to Clearstream Luxembourg and Euroclear through the DTC accounts of their respective U.S. depositaries.

*Book-Entry Procedures.* We expect that, pursuant to procedures established by DTC:

upon deposit  
of each  
global note,  
DTC will  
credit, on its  
book-entry  
registration  
and transfer  
system, the  
accounts of  
participants  
designated by  
the  
underwriters  
with an  
interest in  
that global  
note; and

ownership of  
beneficial  
interests in  
the global  
notes will be  
shown on,  
and the  
transfer of

ownership  
interests in  
the global  
notes will be  
effected only  
through,  
records  
maintained  
by DTC  
(with respect  
to the  
interests of  
participants)  
and by  
participants  
and indirect  
participants  
(with respect  
to the  
interests of  
persons other  
than  
participants).

The laws of some jurisdictions may require that some purchasers of Notes take physical delivery of those Notes in definitive form. Accordingly, the ability to transfer beneficial interests in notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person holding a beneficial interest in a global note to pledge or transfer that interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of that interest, may be affected by the lack of a physical note in respect of that interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee, as the case may be, will be considered the sole legal owner or holder of the notes represented by that global note for all purposes of the Notes and the Indenture. Except as provided below, owners of beneficial interests in a global note (1) will not be entitled to have the Notes represented by that global note registered in their names, (2) will not receive or be entitled to receive physical delivery of certificated notes, and (3) will not be considered the owners or holders of the Notes represented by that beneficial interest under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a participant or an indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of Notes under the Indenture or that global note. We understand that under existing industry practice, in the event that we request any action of holders of notes, or a holder that is an owner of a beneficial interest in a global note desires to take any action that DTC, as the holder of that global note, is entitled to take, DTC would authorize the participants to take that action and the participants would authorize holders owning through those

participants to take that action or would otherwise act upon the instruction of those holders. Neither we nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the Notes.

Payments with respect to the principal of and interest on a global note will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the global note under the Indenture. Under the terms of the Indenture, we and the trustee may treat the persons in whose names the Notes, including the global notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the trustee has or will have any responsibility or liability for the payment of those amounts to owners of beneficial interests in a global note. Payments by the participants and the indirect participants to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of the participants and indirect participants and not of DTC.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream Luxembourg, as the case may be, by its respective depository. However, those cross-market transactions will require delivery of instructions to Euroclear or Clearstream Luxembourg, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream Luxembourg participants may not deliver instructions directly to the depositories for Euroclear or Clearstream Luxembourg.

Although we understand that DTC, Euroclear and Clearstream Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Clearstream Luxembourg, they are under no obligation to perform or to continue to perform those procedures, and those procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

### ***Same-Day Settlement and Payment***

We will make payments in respect of the Notes represented by the global notes (including principal and interest) by wire transfer of immediately available funds to the accounts specified by the global note holder. We will make all payments of principal and interest with respect to certificated notes by wire transfer of immediately available funds to the accounts specified by the holders of the certificated notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the global notes are expected to trade in DTC's Same-Day Funds Settlement System.

Because of time zone differences, the securities account of a Euroclear or Clearstream Luxembourg participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream Luxembourg) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream Luxembourg as a result of sales





of interests in a global note by or through a Euroclear or Clearstream Luxembourg participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream Luxembourg cash account only as of the business day for Euroclear or Clearstream Luxembourg following DTC's settlement date.

None of Quest Diagnostics, any underwriter or agent, the trustee or any applicable paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a global note, or for maintaining, supervising or reviewing any records.

### **Modification or Waiver**

There are three types of changes we can make to the Indenture and the Notes.

*Changes Requiring Your Approval.* First, there are changes that cannot be made to your Notes without your specific approval. Following is a list of those types of changes:

- changing the stated maturity of the principal of or interest on the Notes;

- reducing any amounts due on the Notes or payable upon acceleration of the maturity of the security following a default;

- adversely affecting any right of repayment at the holder's option;

- changing the place (except as otherwise described in this prospectus supplement) or currency of payment on the Notes;

impairing your  
right to sue for  
payment or to  
convert or  
exchange  
Notes;

modifying the  
Notes to  
subordinate the  
Notes to other  
indebtedness;

reducing the  
percentage of  
holders of  
Notes whose  
consent is  
needed to  
modify or  
amend the  
Indenture;

reducing the  
percentage of  
holders of  
Notes whose  
consent is  
needed to  
waive  
compliance  
with certain  
provisions of  
the Indenture  
or to waive  
certain  
defaults;

reducing the  
requirements  
for quorum or  
voting with  
respect to the  
Notes;

modifying any  
other aspect of  
the provisions  
of the  
Indenture  
dealing with

modification  
and waiver  
except to  
increase the  
voting  
requirements;  
and

change in any  
of our  
obligations to  
pay additional  
amounts to  
holders with  
respect to taxes  
imposed on  
such holders in  
certain  
circumstances.

*Changes Requiring a Majority Vote.* The second type of change to the Indenture and the outstanding Notes is the kind that requires a vote in favor by holders of outstanding Notes owning a majority of the principal amount of Notes. Most changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect holders of the outstanding Notes in any material respect. The same vote would be required for us and our Subsidiary Guarantors to obtain a waiver of all or part of certain covenants in the Indenture, or a waiver of a past default. However, we and our Subsidiary Guarantors cannot obtain a waiver of a payment default or any other aspect of the Indenture or the outstanding Notes listed in the category described previously under **Changes Requiring Your Approval** unless we and our Subsidiary Guarantors obtain your individual consent to the waiver.

*Changes Not Requiring Approval.* The third type of change does not require any vote by holders of outstanding Notes. This type is limited to clarifications, curing ambiguities, defects or inconsistencies and certain other changes that would not adversely affect holders of the outstanding Notes in any material respect. Qualifying or maintaining the qualification of the Indenture under the Trust Indenture Act does not require any vote by holders of Notes.

**Satisfaction and Discharge**

The Indenture will cease to be of further effect, and we and our Subsidiary Guarantors will be deemed to have satisfied and discharged the Indenture with respect to the Notes, when the following conditions have been satisfied:

all Notes not previously delivered to the trustee for cancellation have become due and payable or will become due and payable at their stated maturity or on a redemption date within one year;

we deposit with the trustee, in trust, funds sufficient to pay the entire indebtedness on the Notes that had not been previously delivered for cancellation, for the principal and interest to the date of the deposit (for Notes that have become due and payable) or to the stated maturity or the redemption

date, as the case may be (for Notes that have not become due and payable);

we have paid or caused to be paid all other sums payable under the Indenture; and

we have delivered to the trustee an officer's certificate and opinion of counsel, each stating that all these conditions have been complied with.

We will remain obligated to provide for registration of transfer and exchange and to provide notices of redemption.

### **The Trustee**

The trustee will be The Bank of New York. The Bank of New York also will be the initial paying agent and registrar for the Notes. The Bank of New York is also the trustee and note registrar for our 5.125% senior notes due 2010, our 7.5% senior notes due 2011 and our 5.45% senior notes due 2015.

The Indenture provides that, except during the continuance of an event of default under the Indenture, the trustee under the Indenture will perform only such duties as are specifically set forth in the Indenture. Under the Indenture, the holders of a majority in outstanding principal amount of the Notes will have the right to direct the time, method and place of conducting any proceeding or exercising any remedy available to the trustee under the Indenture, subject to certain exceptions. If an event of default has occurred and is continuing, the trustee under the Indenture will exercise such rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture and provisions of the Trust Indenture Act incorporated by reference in the Indenture contain limitations on the rights of the trustee under such Indenture, should it become a creditor of our company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The trustee under the Indenture is permitted to engage in other transactions. However, if the trustee under the Indenture acquires any prohibited conflicting interest, it must eliminate the conflict or resign.

The trustee may resign or be removed and a successor trustee may be appointed.

**Governing Law**

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York without application of principles of conflicts of law thereunder.

**Definitions**

The following definitions are applicable to this Description of Notes:

Acquired Indebtedness means Indebtedness of a Person (1) existing at the time such Person becomes a Restricted Subsidiary or (2) assumed in connection with the acquisition of assets by such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

**Attributable Debt** means, with respect to a Sale and Leaseback Transaction, an amount equal to the lesser of: (1) the fair market value of the property (as determined in good faith by our board of directors); and (2) the present value of the total net amount of rent payments to be made under the lease during its remaining term, discounted at the rate of interest set forth or implicit in the terms of the lease, compounded semi-annually. The calculation of the present value of the total net amount of rent payments is subject to adjustments specified in the Indenture.

**Capitalized Lease** means any obligation of a Person to pay rent or other amounts incurred with respect to real property or equipment acquired or leased by such Person and used in its business that is required to be recorded as a capital lease in accordance with generally accepted accounting principles.

**Consolidated Total Assets** means, with respect to any Person as of any date, the amount of total assets as shown on the consolidated balance sheet of such Person for the most recent fiscal quarter for which financial statements have been filed with the Securities and Exchange Commission, prepared in accordance with accounting principles generally accepted in the United States.

**Existing Receivables Credit Facility** means the receivables-backed financing transaction pursuant to (1) the Second Amended and Restated Receivables Sales Agreement, dated as of April 20, 2004 between Quest Diagnostics and each of its direct and indirect wholly owned Subsidiaries that is a seller thereunder, and Quest Diagnostics Receivables Inc., as the buyer, (2) the Third Amended and Restated Credit and Security Agreement, dated as of April 20, 2004, as amended, among Quest Diagnostics Receivables Inc., as borrower, Quest Diagnostics, as initial servicer, each of the lenders from time to time party thereto, and Wachovia Bank, N.A., as administrative agent, and (3) the various related ancillary documents.

**Indebtedness** of any Person means, without duplication (1) any obligation of such Person for money borrowed, (2) any obligation of such Person evidenced by bonds, debentures, notes or other similar instruments, (3) any reimbursement obligation of such Person in respect of letters of credit or other similar instruments which support financial obligations which would otherwise become Indebtedness, and (4) any obligation of such Person under Capitalized Leases; *provided, however*, that Indebtedness of such Person shall not include any obligation of such Person to any Subsidiary of such Person or to any Person with respect to which such Person is a Subsidiary.

**Initial Subsidiary Guarantors** means each of American Medical Laboratories Incorporated, AmeriPath Consolidated Labs, Inc., AmeriPath Florida, LLC, AmeriPath Hospital Services Florida, LLC, AmeriPath Indiana, LLC, AmeriPath Kentucky, Inc., AmeriPath Marketing USA, Inc., AmeriPath Michigan, Inc., AmeriPath Mississippi, Inc., AmeriPath New York, LLC, AmeriPath North Carolina, Inc., AmeriPath Ohio, Inc., AmeriPath Pennsylvania, LLC, AmeriPath Philadelphia, Inc., AmeriPath SC, Inc., AmeriPath Texas, LP, AmeriPath Wisconsin, LLC, AmeriPath Youngstown Labs, Inc., AmeriPath, Inc., AmeriPath, LLC, AML Inc., Anatomic Pathology Services, Inc., API No. 2, LLC, APL Properties Limited Liability Company, Arizona Pathology Group, Inc., Central Plains Holdings, Inc., Central Plains Laboratories, LLC, Dermatopathology Services, Inc., Diagnostic Pathology Management Services, LLC, Diagnostic Reference Services Inc., DPD Holdings, Inc., Enterix Inc., ExamOne World Wide of NJ, Inc., ExamOne World Wide, Inc., FNA Clinics of America, Inc. (f/k/a Unilab Acquisition Corporation), Focus Diagnostics, Inc., Focus Technologies Holding Company, HemoCue, Inc., Kailash B. Sharma, M.D., Inc., LabOne of Ohio, Inc., LabOne, Inc., MetWest Inc., Nichols Institute Diagnostics, Ocmulgee Medical Pathology Association, Inc., O Quinn Medical Pathology Association, LLC, Osborn Group Inc., Pathology Building Partnership, PCA of Denver, Inc., PCA of Nashville, Inc., Peter G. Klacsmann, M.D., Inc., Quest Diagnostics Clinical Laboratories, Inc., Quest Diagnostics Finance Incorporated, Quest Diagnostics Holdings Incorporated, Quest Diagnostics Incorporated (MD), Quest Diagnostics Incorporated (MI), Quest Diagnostics Incorporated (NV), Quest Diagnostics Investments Incorporated, Quest Diagnostics LLC (CT), Quest Diagnostics LLC (IL), Quest Diagnostics LLC (MA), Quest Diagnostics Nichols Institute (f/k/a Quest Diagnostics Incorporated (CA)), Quest Diagnostics Nichols Institute, Inc., Quest Diagnostics of Pennsylvania Inc., Regional Pathology Consultants, LLC, Rocky Mountain Pathology, LLC, Sharon G. Dasplit, M.D., Inc., Shoals Pathology





Associates, Inc., Specialty Laboratories, Inc., Strigen, Inc., Systematic Business Services, Inc., TID Acquisition Corp., Unilab Corporation.

**Lien** means any pledge, mortgage, lien, encumbrance or other security interest.

**Officer's Certificate** means a certificate signed by any Officer of Quest Diagnostics or any Subsidiary Guarantor, as the case may be, in his or her capacity as such Officer and delivered to the trustee.

**Permitted Acquired Indebtedness** means any Acquired Indebtedness that remains outstanding following the expiration of a good faith offer by Quest Diagnostics or the Subsidiary of Quest Diagnostics obligated under such Acquired Indebtedness to acquire such Acquired Indebtedness, including, without limitation, an offer to exchange such Acquired Indebtedness for debt securities of Quest Diagnostics, on terms, which in the opinion of an independent investment banking firm of national reputation and standing, are consistent with market practices in existence at the time for offers of a similar nature; *provided* that the initial expiration date of any such offer shall be not later than the expiration of the 270-day period referred to in the first paragraph of the **Limitation on Subsidiary Indebtedness and Preferred Stock** covenant; *provided further* that the amount of Acquired Indebtedness that shall constitute **Permitted Acquired Indebtedness** shall only be equal to the amount of Acquired Indebtedness that Quest Diagnostics or such Subsidiary has made an offer to acquire in accordance with the foregoing.

**Person** means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or other similar entity.

**Preferred Stock** means, with respect to any Person, any and all shares of preferred stock (however designated) issued by such Person, that is entitled to preference or priority over one or more series or classes of capital stock issued by such Person upon any distribution of such Person's property and assets, whether by dividend or on liquidation, whether now outstanding, or issued after the date that the Notes are issued.

**Principal Property** means any real property and any related buildings, fixtures or other improvements located in the United States owned by Quest Diagnostics or its Subsidiaries (1) on or in which one of its 30 largest domestic clinical laboratories conducts operations, as determined by net revenues for the four most recent fiscal quarters for which financial statements have been filed with the Securities and Exchange Commission, or (2) the net book value of which at the time of the determination exceeds 1% of the Consolidated Total Assets of Quest Diagnostics. As of the date of this prospectus supplement, Quest Diagnostics and its Subsidiaries owned 13 of the 30 largest domestic clinical laboratories operated by Quest Diagnostics and its Subsidiaries. These 13 owned domestic clinical laboratories are **Principal Properties** under the above definition.

**Receivables Credit Facility** means any receivables-backed financing transaction including the Existing Receivables Credit Facility, in each case as such transaction may be amended or otherwise modified from time to time or refinanced or replaced with respect to all or any portion of the indebtedness under such transaction.

**Restricted Subsidiary** means any Subsidiary of Quest Diagnostics that owns a **Principal Property**.

**Sale and Leaseback Transaction** means any arrangement with any person providing for the leasing by Quest Diagnostics or any Restricted Subsidiary of any **Principal Property** that has been or is to be sold or transferred by Quest Diagnostics or any Restricted Subsidiary to such person, as the case may be.

**Specified Subsidiaries** means AmeriPath Group Holdings, Inc., AmeriPath Holdings, Inc., AmeriPath Intermediate Holdings, Inc. and MedPlus, Inc.

Subsidiary of any Person means (1) a corporation, a majority of the outstanding voting stock of which is, at the time, directly or indirectly, owned by such Person by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries thereof or (2) any other Person (other than a corporation), including, without limitation, a partnership or joint venture, in which such

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Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

Subsidiary Guarantors means, at any time, (1) each Initial Subsidiary Guarantor and (2) each existing and future domestic Subsidiary of Quest Diagnostics which is required to guarantee the obligations of Quest Diagnostics under the Notes, *provided* that, in each case, such Initial Subsidiary Guarantor or such other domestic Subsidiary continues to guarantee the Notes at such time.

**UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following discussion is a summary of the material United States federal income tax consequences and, in the case of a non-United States Holder (as defined below), the material United States federal estate tax consequences, relevant to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), United States Treasury Regulations issued thereunder, Internal Revenue Service (IRS) rulings and pronouncements and judicial decisions now in effect, all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a beneficial owner of the Notes. This discussion does not address all of the United States federal income tax consequences that may be relevant to a beneficial owner of the Notes in light of its particular circumstances or to beneficial owners of the Notes subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, dealers in securities or foreign currencies, traders in securities,

United States Holders (as defined below) whose functional currency is not the U.S. dollar, partnerships and other pass through entities and their beneficial owners, tax-exempt organizations and persons holding the notes as part of a straddle, hedge, conversion transaction or other integrated transaction. In addition, this discussion is limited to beneficial owners of the Notes that purchase the Notes for cash in this offering at a price equal to their issue price within the meaning of Section 1273 of the Code. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed. The discussion deals only with Notes held as capital assets within the meaning of Section 1221 of the Code.

As used in this prospectus supplement, United States Holder means a beneficial owner of the Notes that is for United States federal income tax purposes:

a citizen or  
resident alien  
individual of  
the United  
States;

a corporation  
or other entity  
taxable as a  
corporation  
created or  
organized in or  
under the laws  
of the United  
States, any  
State thereof  
or the District  
of Columbia;

an estate the  
income of  
which is  
subject to  
United States  
federal income  
tax regardless  
of its source;

or

a trust, if a United States court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if the trust was in existence on August 20, 1996 and has elected to continue to be treated as a United States person.

A non-United States Holder is a beneficial owner of Notes that is neither a United States Holder nor a partnership or other entity treated as a partnership for United States federal income tax purposes.

If a beneficial owner of the Notes is a partnership or other entity treated as a partnership for United States federal income tax purposes, the tax treatment of the partnership and each partner in such partnership generally will depend on the activities of the partnership and the status of the partner. Partnerships that hold Notes, and partners in such partnerships, should consult their own tax advisors.

**Prospective investors should consult their own tax advisors with regard to the application of the tax consequences discussed below to their particular situations as well as the application of any state, local, foreign or other tax laws, including gift and estate tax laws.**

## **United States Holders**

### *Interest*

Payments of stated interest on the Notes will be taxable to a United States Holder as ordinary income at the time that such payments are received or accrued, in accordance with such United States Holder's regular method of accounting for United States federal income tax purposes.

*Sale or Other Taxable Disposition of the Notes*

A United States Holder will recognize gain or loss on the sale, exchange (including, in certain circumstances, a deemed exchange as a result of an assumption by any Person of our obligations under the Notes and the Indenture as described under Description of Notes Merger, Consolidation or Sale of Assets ), redemption, retirement or other taxable disposition of a Note in an amount equal to the difference between the amount realized upon the disposition (less any portion allocable to any accrued and unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in gross income) and the United States Holder's tax basis in the Note. Such gain or loss generally will be a capital gain or loss, and will be a long-term capital gain or loss if the United States Holder has held the Note for more than one year at the time of the disposition. A United States Holder's tax basis in a Note generally will be the price such holder paid for the Note. Long-term capital gains of individuals generally are eligible for reduced rates of United States federal income tax. The deductibility of capital losses is subject to limitations under the Code.

*Backup Withholding*

A United States Holder may be subject to backup withholding tax, currently at a 28% rate, when such holder receives interest and principal payments on the Notes, or upon the proceeds received from the sale or other disposition of such Notes. Certain United States Holders (including, among others, corporations and certain tax-exempt organizations) generally are exempt from backup withholding. A non-exempt United States Holder will be subject to this backup withholding tax if such holder:

fails to  
furnish its  
taxpayer  
identification  
number  
( TIN ), which,  
for an  
individual,  
ordinarily is  
his or her  
social  
security  
number;

furnishes an  
incorrect  
TIN;

is notified by  
the IRS that  
the United  
States Holder  
has failed to  
properly  
report  
payments of  
interest or  
dividends; or

fails to certify, under penalties of perjury, that the United States Holder is a United States person, has furnished a correct TIN and that the IRS has not notified the United States Holder that it is subject to backup withholding.

United States Holders should consult their personal tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. The backup withholding tax is not an additional tax and United States Holders may use amounts withheld as a refund or credit against their United States federal income tax liability so long as the requisite information is timely furnished to the IRS.

#### **Non-United States Holders**

##### *Interest Payments and Gains from Dispositions*

Interest paid to a non-United States Holder generally will not be subject to United States federal income tax, and United States federal withholding tax of 30% (or, if applicable, a lower treaty rate) will not apply, provided:

such holder does not directly or indirectly, actually or constructively, own 10% or more of our voting stock;

such holder is not a controlled foreign corporation that is related to us through sufficient stock ownership and

is not a bank  
that receives  
the interest on  
an extension of  
credit made  
pursuant to a  
loan agreement  
entered into in  
the ordinary  
course of its  
trade or  
business;

such interest is  
not effectively  
connected with  
a trade or  
business  
conducted by  
the non-United  
States Holder  
within the  
United States  
(or, if an  
income tax  
treaty applies,  
is not  
attributable to  
a United States  
permanent  
establishment  
maintained by  
the non-United  
States Holder);  
and

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either (1) the non-United States Holder certifies to us or our paying agent, under penalties of perjury, that it is not a

United States person within the meaning of the Code and provides its name and address, or

(2) a securities clearing organization, bank or other financial institution that holds customers securities in the ordinary course of its trade or business and holds the Notes on behalf of the non-United States Holder certifies to us or our paying agent under penalties of perjury that it, or the financial institution between it and the non-United States Holder, has received from the

non-United States Holder a statement, under penalties of perjury, that such non-United States Holder is not a United States person and provides us or our paying agent with a copy of this statement.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to the 30% United States federal withholding tax, unless you provide us or our paying agent with a properly executed (1) IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty or (2) IRS Form W-8ECI (or other applicable form) stating that interest paid on your Note is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States. The certification requirement described above may require a non-United States Holder that provides an IRS form to also provide its TIN. Prospective investors should consult their tax advisors regarding the certification requirements for non-United States Holders.

A non-United States Holder generally will not be subject to United States federal income or withholding tax on gain and any accrued interest recognized on the sale, exchange, redemption, retirement or other disposition of a Note unless (1) such gain is effectively connected with a trade or business conducted by the non-United States Holder within the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment maintained by the non-United States Holder), (2) such holder is an individual who was present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met (in which case, except as otherwise provided by an applicable income tax treaty, such gain, which may be offset by United States source capital losses, generally will be subject to a flat 30% United States federal income tax, even though the holder is not considered a resident alien under the Code) or (3) in the case of accrued interest, such accrued interest does not qualify for the exemption from United States federal income tax and United States federal withholding tax discussed above.

If interest on the Notes or gain from a disposition of the Notes is effectively connected with a non-United States Holder's conduct of a United States trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment maintained by the non-United States Holder), the non-United States Holder generally will be subject to United States federal income tax on the interest or gain on a net basis in the same manner as United States Holders. For effectively-connected interest, the 30% withholding tax described above will not apply (assuming an appropriate certification is timely provided). A foreign corporation that is a holder of a Note also may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to certain adjustments, unless it qualifies for a lower rate under an applicable income tax treaty.

#### *United States Federal Estate Tax*

If you are an individual and are not a United States citizen or a resident of the United States (as specially defined for United States federal estate tax purposes) at the time of your death, your Notes generally will not be subject to the

United States federal estate tax, unless, at the time of your death:

you directly or indirectly, actually or constructively, own 10% or more of our voting stock; or

interest on your Notes is effectively connected with your conduct of a United States trade or business.

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*Backup Withholding and Information Reporting*

Backup withholding and information reporting generally will not apply to payments made by us or our paying agents, in their capacities as such, to a non-United States Holder of a Note if the holder has provided the required certification that it is not a United States person as described above, provided that neither we nor our paying agent has actual knowledge that the holder is a United States person. However, we or our paying agent may be required to report to the IRS and to non-United States Holders payments of interest on the Notes and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which such non-United States Holders reside under the provisions of a treaty or agreement.

If a non-United States Holder sells a Note outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the non-United States Holder outside the United States, then backup withholding and information reporting generally will not apply to that payment. However, information reporting, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a non-United States Holder sells a Note through a non-U.S. office of a broker that is:

a United States person;

a controlled foreign corporation for United States federal income tax purposes;

a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period; or

a foreign partnership, if at any time during

its tax year,  
one or more  
of its  
partners are  
United  
States  
persons, as  
defined in  
Treasury  
regulations,  
who in the  
aggregate  
hold more  
than 50% of  
the income  
or capital  
interest in  
the  
partnership  
or if, at any  
time during  
its tax year,  
the foreign  
partnership  
is engaged  
in a United  
States trade  
or business;

unless such broker has documentary evidence in its possession of the non-United States Holder's foreign status and has no knowledge to the contrary, or the non-United States Holder otherwise establishes an exemption.

Payment of the proceeds from a disposition by a non-United States Holder of a Note made to or through the United States office of a broker will be subject to information reporting and backup withholding unless the non-United States Holder certifies that it is not a United States person or otherwise establishes an exemption from information reporting and backup withholding.

Non-United States Holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current Treasury Regulations. Any amounts withheld under the backup withholding rules from a payment to a non-United States Holder will be allowed as a refund or a credit against the holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

**UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below for whom Morgan Stanley & Co. Incorporated, Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint book-running managers and representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the principal amount of notes indicated in the table below:

<b>Name</b>	<b>Principal Amount of</b>	
	<b>6.40% Senior Notes due 2017</b>	<b>6.95% Senior Notes due 2037</b>
Morgan Stanley & Co. Incorporated	\$ 131,250,000	\$ 148,750,000
Banc of America Securities LLC	\$ 93,750,000	\$ 106,250,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 93,750,000	\$ 106,250,000
Barclays Capital Inc.	\$ 18,750,000	\$ 21,250,000
J.P. Morgan Securities Inc.	\$ 18,750,000	\$ 21,250,000
Wachovia Capital Markets, LLC	\$ 18,750,000	\$ 21,250,000
<b>Total</b>	<b>\$ 375,000,000</b>	<b>\$ 425,000,000</b>

The underwriters are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the notes offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all the notes offered by this prospectus supplement if any such notes are taken.

The underwriters initially propose to offer part of the notes directly to the public at the public offering prices set forth on the cover page of this prospectus supplement and part to certain dealers at a price that represents a concession not in excess of .40% of the principal amount of the 6.40% Senior Notes due 2017 and .50% of the principal amount of the 6.95% Senior Notes due 2037. Any such dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount not to exceed .20% of the principal amount of the 6.40% Senior Notes due 2017 and .25% of the principal amount of the 6.95% Senior Notes due 2037. After the initial offering of the notes, the offering price and other selling terms may from time to time be varied by the representatives.

The following table shows the per note and total public offering price, underwriting discount, and proceeds before expenses to us.