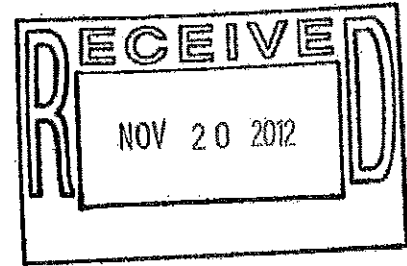


November 16, 2012

Ms. Marlia Mattke
Deputy Administrator
Division of Health Care Access and Accountability (DHCAA)
Department of Health Services
P.O. Box 309
Madison, WI 53701-0309



RE: Notice of Termination of Contract

Dear Ms. Mattke:

This letter serves as notice of termination of the contract entered into between LogistiCare Solutions, LLC and the State of Wisconsin, Division of Health Care Access and Accountability, for the period September 1, 2012 through June 30, 2014 and pursuant to an award made under RFP #1719 DHCAA-SM (the "Contract"). LogistiCare serves this notice of termination pursuant to Section IX B.3, which provides as follows:

The Contract may be terminated by the Contractor for the following reasons:

For convenience if written notice is delivered by the Contractor to the State not less than ninety (90) days prior to the effective date of said termination.

In order to ensure that the state has the benefit of the full ninety day transition period, LogistiCare will continue service through and including February 17, 2013.

LogistiCare regrets that it cannot continue to serve the State under this contract. However, as we have discussed with the agency, the data provided by the state on which LogistiCare and other brokers based their bids was so sparse that it did not allow for meaningful modeling of the program. The state provided only the number of eligible members, but did not supply any utilization data. The failure to provide any utilization data whatsoever made it a challenge to bid this contract appropriately. In an effort to place parameters on the program, LogistiCare estimated utilization based upon its experience with MCO Medicaid members in other markets and its experience with a segmented population of United Healthcare in Wisconsin that we served in 2012. Since we started the contract on September 1, the usage of transportation services by the Wisconsin SE Medicaid members completely outstrips all other markets in LogistiCare's experience, which as the nation's leading broker is extensive and nationwide. We fully explained to the agency the utilization basis for our bid and have been completely

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transparent in terms of the trip volume that our rate would support . Utilization is running more than twice what we anticipated and we cannot sustain the program on the amount we bid.

It is interesting to note that in reviewing the RFP pricing submitted by the three bidders, the two national brokers, who undoubtedly depended on their experience with other markets, bid within 3% of each other, while the third bidder, which is a local taxi company that was providing the bulk of the service under the old program, offered a price over twice as much as the national brokers. Clearly, with its knowledge of the program, the local firm was much more informed regarding the trip volume to be expected and bid appropriately.

We are disappointed that the data was not made available in the RFP and that as a result the program implementation did not go well. The negative press has caused irreparable damage to our reputation both in Wisconsin and nationally. Unfortunately, we do not have the luxury of waiting out a year of losses on this contract as we did on our other contract in the state.

Please be assured that we will comply with all terms of our contract through the last day of operations, including all turnover requirements.

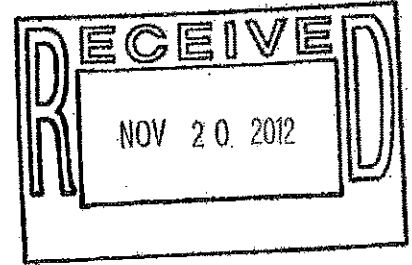
Respectfully,



Herman Schwarz
Chief Executive Officer

November 16, 2012

Mr. James Jones
Deputy Administrator
Division of Health Care Access and Accountability (DHCAA)
Department of Health Services
P.O. Box 309
Madison, WI 53701-0309



RE: Notice of Termination of Contract

Dear Mr. Jones:

This letter serves as notice of termination of the contract entered into between LogistiCare Solutions, LLC and the State of Wisconsin, Division of Health Care Access and Accountability, as of February 2, 2011 and pursuant to an award made under RFP #1690 DHCAA-SM (the "Contract"). LogistiCare serves this notice of termination pursuant to Section IX B 3, which provides as follows:

The Contract may be terminated by the Contractor for the following reasons:

...

For convenience if written notice is delivered by the Contractor to the State not less than ninety (90) days prior to the effective date of said termination.

In order to ensure that the state has the benefit of the full ninety day transition period, LogistiCare will continue service through and including February 17, 2013.

LogistiCare regrets that it cannot continue to serve the State under this contract. However, as we have discussed with the agency, the data provided by the state on which LogistiCare and other brokers based their bids was so sparse that it did not allow for meaningful modeling of the program. Although LogistiCare used its best efforts to predict utilization, the limited 2009 data included by the state in the RFP was incomplete, inaccurate and wholly unrepresentative of what occurred once operations got underway. Throughout our tenure in Wisconsin utilization of the transportation services we pay for has run over 5% higher than the highest amount LogistiCare modeled in its bid and is significantly higher than experienced in comparable states.

We have tried to work with the state to implement policy changes to manage the utilization since early May of this year, but the state has been unable to effect these changes in a timely manner. For example, we were required to allow veterans to be transported to Veterans' hospitals for appointments even though their transportation is not properly a Medicaid cost. We continue to be responsible for

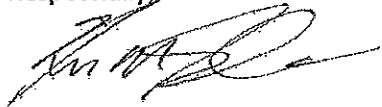
LogistiCare

transportation for residents of Community Based Residential Facilities even though those organizations are paid a per diem to cover transportation. We are also responsible for transporting many children to care that is part of their Individual Education Plan, and which should be the financial responsibility of the School institutions rather than the broker. Over a year into the program, we are still providing significant transportation that we do not believe is required or permitted by Wisconsin's state plan or which had been represented in the one month of data provided, but which the state continues to countenance for other reasons.

While we had hoped that our meetings with the state would lead to a productive resolution of our economics, after nearly six months of discussion we are not confident of reaching a viable agreement in a timely manner and can no longer absorb the resultant losses. As such, we feel it is necessary to provide this contractual notice of termination to ensure that we do not continue to incur losses going forward.

Please be assured that we will comply with all terms of our contract through the last day of operations, including all turnover requirements.

Respectfully,



Herman M. Schwarz
Chief Executive Officer

Cc: Marla Mattke, Deputy Director DHS