

Virtual Radiological Corporation Settlement
Case Administrator
PO Box 3240
Portland, OR 97208-3240

STATE OF MINNESOTA

COUNTY OF HENNEPIN

DISTRICT COURT

FOURTH JUDICIAL DISTRICT

Case Type: Other Civil

RAVI GARG, individually and on behalf of all others
similarly situated,

Plaintiff,

v.

Virtual Radiologic Corporation, Robert C. Kill,
Eduard Michel, Andrew P. Hertzmark, Mark E.
Jennings, Richard J. Nigon, Nabil N. El-Hage, David
L. Schlotterbeck, Brian F. Sullivan, Kevin H.
Roche, Providence Equity Partners and Viking
Acquisition Corporation,

Defendants.

File No. 27-CV-10-13314

Judge Mel Dickstein

BARRY SEMEGRAM, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

Robert Kill, Eduard Michel, Mark Jennings, Andrew
Hertzmark, Nabil El-Hage, Richard Nigon, David
Schlotterbeck, Brian Sullivan, Kevin Roche, Virtual
Radiologic Corporation, Viking Holdings, LLC, and
Viking Acquisition Corporation,

Defendants.

**NOTICE OF PENDENCY OF CLASS ACTION,
PRELIMINARY CLASS ACTION DETERMINATION,
PROPOSED SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF VIRTUAL RADIOLOGIC CORPORATION COMMON STOCK FROM MAY 17, 2010 THROUGH AND INCLUDING JULY 12, 2010, INCLUSIVE.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE RELEASED CLAIMS (AS DEFINED HEREIN).

IF YOU HELD SHARES OF VIRTUAL RADIOLOGIC CORPORATION COMMON STOCK FOR THE BENEFIT OF ANOTHER, PLEASE ALERT SUCH BENEFICIAL OWNER TO THIS DOCUMENT.

I. THE PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the above-captioned action (the "Action") pending in the Hennepin County Court, State of Minnesota (the "Court"), and a proposed settlement (the "Settlement") of the Action. This Notice also informs you of the Court's proposed certification of a Settlement Class (as defined below) for purposes of the Settlement, and of your right to participate in a hearing to be held on February 6, 2012, at 8:45 a.m. in Courtroom 1556 at the Hennepin County District Courthouse, 300 South Sixth Street, Minneapolis, Minnesota 55487 (the "Settlement Hearing") to determine (1) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class; (2) whether to enter judgment dismissing the Action with prejudice and extinguish and release all Released Claims (as defined below) such that no member of the Settlement Class could sue on such claims again; (3) whether, for purposes of the Settlement, the Settlement Class should be certified pursuant to Rule 23.03 of the Minnesota Rules of Civil Procedure and whether Plaintiffs, Ravi Garg and Barry Semegram (the "Plaintiffs") should be certified in the Actions as class representatives; and (4) if the Court approves the Settlement, whether the Court should grant the application of Plaintiffs' counsel (Zimmerman Reed, P.L.L.P, 1100 IDS Center, 80 South Eighth Street, Minneapolis, MN 55402; Harwood Feffer LLP, 488 Madison, Avenue, 8th Floor, New York NY 10022; Glancy Binkow & Goldberg LLP, 1801 Avenue of the Stars, Suite 311, Los Angeles, CA 90067; Bassford Remele, P.A., 33 South Sixth Street, Suite 3800, Minneapolis, MN 55402; and Levi & Korsinsky, LLP, 30 Broad Street, 15th Floor, New York, NY 10004) for an award of attorneys' fees and reimbursement of expenses to be paid by Virtual Radiologic Corporation ("Virtual Radiologic") or its successor (see Section X, below), as well as to consider such other matters as may properly come before the Court.

The Court has determined that the Action shall be provisionally maintained as a class action under Rule 23.03 of the Minnesota Rules of Civil Procedure by Plaintiffs, as representatives of the Settlement Class, and their counsel, as counsel for the Settlement Class, on behalf of a non-opt-out class for settlement purposes only (pursuant to Minnesota Rules of Civil Procedure 23.01, 23.02(a) and 23.02(b)) consisting of any and all record and beneficial common stockholders of Virtual Radiologic from May 17, 2010 through and including July 12, 2010 (the date of the closing of the Transaction (as defined below)), including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them and each of them (the "Settlement Class").

The Settling Parties (as defined below) believe that the terms of the Settlement are fair, reasonable and adequate. The Settling Parties have concluded that further litigation of the Action could be protracted and expensive and have taken into account the uncertainty and risks inherent in any litigation, especially complex shareholder litigation like the Action. The Settling Parties therefore believe it is desirable that the Action should be fully and finally settled in the manner described in the Stipulation of Settlement (the "Stipulation").

This Notice describes the rights you may have under the Settlement and what steps you may take, but are not required to take, in relation to the Settlement.

If the Court approves the Settlement, the Action will be fully, finally, and forever resolved on the terms and conditions set forth in the Stipulation and summarized in this Notice.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

* * * * *

II. BACKGROUND OF THE LAWSUIT

On May 17, 2010, Virtual Radiologic Corporation (“Virtual Radiologic” or the “Company”) announced that affiliates of Providence Equity Partners L.L.C. (“Providence”) had agreed to acquire the Company for \$17.25 per share in cash (the “Transaction”). Based on that per share consideration, the Transaction was valued at \$294 million.

On May 26, 2010, Virtual Radiologic filed with the United States Securities and Exchange Commission (the “SEC”) a Preliminary Proxy Statement on Schedule 14A (the “Preliminary Proxy”), disclosing the details of the Transaction and attaching the Agreement and Plan of Merger by and among the Company, Viking Holdings LLC and Viking Acquisition Corporation.

On May 28, 2010, Plaintiff Ravi Garg filed a putative shareholder class action on behalf of holders of Virtual Radiologic common stock in Hennepin County District Court in the State of Minnesota, File No. 27-CV-10-11525, seeking to enjoin the Transaction and alleging, among other things, that the members of the Virtual Radiologic Board of Directors (including Robert C. Kill, Eduard Michel, Andrew P. Hertzmark, Mark E. Jennings, Richard J. Nigon, Nabil N. El-Hage, David L. Schlotterbeck, Brian F. Sullivan, Kevin H. Roche (collectively, the “Individual Defendants”)) breached their fiduciary duties to Virtual Radiologic’s shareholders by agreeing to sell the Company for inadequate and unfair consideration and pursuant to an inadequate and unfair process, and that Providence and Viking Acquisition Corporation aided and abetted such breaches (the “Garg Action”).

On June 1, 2010, Plaintiff Barry Semegram filed a putative shareholder class action lawsuit in Hennepin County District Court in the State of Minnesota, File No. 27-CV-10-12009, also seeking to enjoin the Transaction and alleging, among other things, claims for breach of fiduciary duty against the named members of the Virtual Radiologic Board, including disclosure violations based on the Preliminary Proxy, and for aiding and abetting such breaches against Virtual Radiologic, Viking Holdings LLC and Viking Acquisition Corporation (the “Semegram Action”) (collectively, the “Garg Action” and “Semegram Action” are referred to as the “Litigation”).

On June 8, 2010, plaintiff in the Garg Action propounded document requests upon Defendants.

On June 16, 2010, plaintiff in the Garg Action filed an amended complaint against Virtual Radiologic, the Virtual Radiologic Board, Providence and Viking Acquisition Corporation, which added allegations regarding purported disclosure violations based on the Preliminary Proxy. Simultaneously with the filing of his amended complaint, plaintiff in the Garg Action also filed a motion for expedited proceedings, which requested the entry of an order permitting discovery to proceed on an expedited basis and setting a briefing schedule and hearing on plaintiff’s then impending motion for a preliminary injunction.

Between approximately June 8, 2010 and June 22, 2010, Plaintiffs engaged in extensive arms-length discussions and negotiations with Defendants regarding a possible resolution of the Litigation.

On June 18, 2010, as a result of good faith discussions and arms-length negotiations, the parties reached an agreement in principle, set forth in a Memorandum of Understanding (the “MOU”) dated June 22, 2010, providing for the settlement of the Litigation between and among Plaintiffs, on behalf of themselves and the putative class, and Defendants on the basis that Virtual Radiologic would agree to include certain additional disclosures (the “Supplemental Disclosures”) described more fully below, based on Plaintiffs’ Counsel’s (as defined below) review of the Preliminary Proxy, in the Definitive Proxy Statement on Schedule 14A to be filed with the SEC (the “Definitive Proxy”).

Also on June 18, 2010, Virtual Radiologic filed the Definitive Proxy with the SEC, which, among other things, included the Supplemental Disclosures.

On July 12, 2010, during a special meeting of Virtual Radiologic’s shareholders held for purposes of a shareholder vote on the Transaction, Virtual Radiologic’s shareholders voted in favor of the Transaction.

Also on July 12, 2010, following the shareholder vote, the Transaction was consummated, and Virtual Radiologic merged with Viking Acquisition Corporation, with Virtual Radiologic continuing as a wholly owned subsidiary of Viking Holdings L.L.C.

On February 22, 2011, the Garg Action and Semegram Action were consolidated under File No. 27-CV-10-13314 (the "Consolidated Action" or "Action").

Plaintiffs, through their counsel, have completed a thorough investigation of the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to those claims and allegations. In connection with this investigation, Plaintiffs' Counsel conducted certain confirmatory discovery prior to execution of the Stipulation, including the receipt and review of documents relevant to Plaintiffs' claims and allegations.

Following confirmatory discovery, the Settling Parties, through their counsel, entered into the Stipulation.

III. SUMMARY OF THE SETTLEMENT TERMS

As a result of the prosecution of the Litigation, and in particular the claims raised by Plaintiffs, Virtual Radiologic filed the Definitive Proxy including Supplemental Disclosures on June 18, 2010, which provided stockholders with, among other things:

- (a) Additional information relating to the process through which Virtual Radiologic's Board of Directors considered the Transaction and other strategic alternatives, including information regarding the criteria developed by Virtual Radiologic's management to identify potential counterparties for a transaction;
- (b) Additional information relating to Virtual Radiologic's negotiations with potential counterparties regarding other strategic alternatives;
- (c) Additional information relating to the financial analysis performed by Goldman, Sachs & Co., Virtual Radiologic's financial advisor, with respect to the methodologies used in performing its analysis of the illustrative future values of Virtual Radiologic common stock;
- (d) Additional information relating to the general terms of Defendant Robert Kill's potential future employment with Virtual Radiologic; and
- (e) Additional information regarding the voting agreements entered into by Generation Funds, a Virtual Radiologic shareholder.

The full terms of the Settlement are set forth in the Stipulation (see Section XII, below). The Supplemental Disclosures set forth in the Definitive Proxy, are available at:

<http://www.sec.gov/Archives/edgar/data/1361579/000095012310059101/0000950123-10-059101-index.htm>.

IV. CLASS ACTION DETERMINATION

The Court has ordered that the Action shall be provisionally maintained as a class action for purposes of the Settlement only, pursuant to Rule 23.03 of the Minnesota Rules of Civil Procedure. At the Settlement Hearing, the Court will consider, among other things, whether the Settlement Class should be certified permanently.

Inquiries or comments about the Settlement should be directed in writing to the attention of any of the following counsel for the Settlement Class as follows:

Joseph Levi
LEVI & KORSINSKY, LLP
30 Broad Street, 15th Floor
New York, NY 10004

Robert I. Harwood
HARWOOD FEEFFER LLP
488 Madison Avenue, 8th Floor
New York, NY 10022

V. REASONS FOR THE SETTLEMENT

Plaintiffs, through Plaintiffs' Counsel, have completed a thorough investigation of the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to those claims and allegations. In connection with their investigation, Plaintiffs' Counsel conducted certain confirmatory discovery prior to agreeing to the Settlement, including the receipt and review of documents relevant to Plaintiffs' claims and allegations.

In agreeing to the Settlement, Plaintiffs and Plaintiffs' Counsel have considered: (i) the benefits to the members of the Settlement Class from permitting the Transaction to proceed on the terms agreed to in the Settlement; (ii) the facts developed during discovery and the law applicable thereto; (iii) the attendant risks of continued litigation and the uncertainty of the outcome of the Action; (iv) the developments over the course of the Action; and (v) the

desirability of permitting the Settlement to be consummated according to its terms. Plaintiffs and Plaintiffs' Counsel believe that the Settlement is fair, reasonable and adequate and is in the best interests of Plaintiffs and the Settlement Class.

Defendants have vigorously denied, and continue to deny, (i) any wrongdoing or liability with respect to all claims, events, and transactions alleged or complained of in the Action; (ii) that they engaged in any wrongdoing; (iii) that they committed any violation of law; (iv) that they breached or aided and abetted the breach of any fiduciary duties; (v) that they acted improperly in any way; and (vi) any liability of any kind to Plaintiffs in the Action or the Settlement Class. Defendants nevertheless consider it desirable that the Actions be settled and dismissed on the merits and with prejudice and without costs to any party (except as set forth below) in order to: (1) avoid the distraction, burden, and expense of further litigation; (2) dispose of potentially burdensome and protracted litigation; and (3) finally put to rest and terminate the claims asserted in the Litigation.

VI. RELEASES

Under the terms of the Settlement, the Action shall be dismissed with prejudice and Plaintiffs and all members of the Settlement Class shall be deemed to have fully, finally, and forever released and discharged all claims that have been or could have been alleged in the Actions, whether such claims are known or unknown, as described in the Stipulation. All claims of the Settlement Class that were asserted in the Litigation will be released as provided under the Settlement, and the members of the Settlement Class will be forever barred from seeking other or further relief on such claims.

VII. THE SETTLEMENT HEARING

The Court has scheduled the Settlement Hearing to be held on February 6, 2012, at 8:45 a.m. in Courtroom 1556 at the Hennepin County District Courthouse, 300 South Sixth Street, Minneapolis, Minnesota 55487, to determine: (1) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class; (2) whether to enter judgment dismissing the Action with prejudice and extinguish and release all Released Claims such that no Plaintiff or member of the Settlement Class could sue on such claims again; (3) whether the Settlement Class should be permanently certified and whether Plaintiffs and their counsel have adequately represented the Settlement Class; (4) if the Court approves the Settlement, whether the Court should grant the application of Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses (see Section X, below); and (5) to consider such other matters as may properly come before the Court.

The Court may adjourn the Settlement Hearing or any part thereof, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof. The Court may also approve the Settlement with or without modification, enter a Final Judgment and Order, and order the payment of attorneys' fees and expenses without further notice of any kind. The Court also has reserved the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Settling Parties to the Stipulation and without further notice to the Settlement Class.

VIII. THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

If the Court approves the Settlement, Plaintiffs' Counsel intends to ask the Court for an award of attorneys' fees (inclusive of all expenses and disbursements) in an amount not to exceed \$450,000, which Virtual Radiologic or its successor-in-interest has agreed to pay, subject to the Court's approval. Any award to Plaintiffs' Counsel of attorneys' fees and reimbursement of expenses and disbursements by the Court will be in addition to the Settlement and will not reduce or in any way affect the benefits of the Settlement. Final resolution by the Court of Plaintiffs' Counsel's fee application shall not be a precondition to the dismissal of the Actions in accordance with the Stipulation, and the fee application may be considered separately from the proposed Settlement of the Actions.

IX. YOUR RIGHT TO APPEAR AND OBJECT

Any member of the Settlement Class who objects to (1) the Settlement, (2) the class action determination, (3) the adequacy of representation of the Settlement Class, (4) the dismissal of the Action, (5) the judgment to be entered with respect to the dismissal of the Action, and/or (6) Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, may appear in person or by their attorney at the Settlement Hearing. If you wish to do so, however, you must, not later than fourteen (14) calendar days prior to the Settlement Hearing (unless the Court in its discretion shall otherwise direct for good cause shown), file with the Clerk of the Court a written notice of intention to appear that includes (i) your name, address and telephone number; (ii) a statement that you are a member of the Settlement Class (including the number of Virtual Radiologic common shares that you held as of July 12, 2010); (iii) a statement of your objections to any matters before the Court and the grounds therefor or the reasons that you desire to appear and be heard; (iv) a list of all class action settlements that you or your counsel has objected to in the past three years, identifying them by case name, jurisdiction and docket number; and (v) a copy of all documents or writings you desire the Court to consider. On or before the date you file such papers, you must serve them upon the following attorneys by hand, e-filing or overnight mail:

Joseph Levi
jlevi@zlk.com
LEVI & KORSINSKY, LLP
30 Broad Street, 15th Floor
New York, NY 10004

Robert Harwood
rharwood@hfesq.com
HARWOOD FEFER LLP
488 Madison Avenue, 8th Floor
New York, NY 10022

Bret Puls
bpuls@oppenheimer.com
OPPENHEIMER WOLFF & DONNELLY LLP
Plaza VII, Suite 3300
45 South Seventh Street
Minneapolis, MN 55402

John A. Neuwirth
john.neuwirth@weil.com
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153

Any Settlement Class member who does not object to the Settlement or Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of expenses need not do anything.

Unless the Court otherwise directs, no person or entity will be entitled to object to the Settlement, the class action determination, the judgment to be entered in the Action, the adequacy of representation of the Settlement Class, the award of attorneys' fees and expenses to Plaintiffs' Counsel, or will otherwise be entitled to be heard, except by serving and filing written objections as described above.

Any person or entity who fails to object or otherwise request to be heard in the manner prescribed above will be deemed to have waived the right to object or otherwise request to be heard (including the right to appeal) and will be forever barred from raising such objection or request to be heard in this or any other action or proceeding.

X. FINAL JUDGMENT AND ORDER OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Settlement Class, the Settling Parties to the Action will ask the Court to enter a Final Judgment and Order, which will, among other things: (1) certify the Action as a non-opt-out class action pursuant to Rule 23.03 of the Minnesota Rules of Civil Procedure on behalf of the Settlement Class; (2) determine that the requirements of the Minnesota Rules of Civil Procedure and due process have been satisfied in connection with the Notice; (3) certify Plaintiffs in the Action as Settlement Class Representatives; (4) approve the Settlement as fair, reasonable, and adequate and in the best interests of the Settlement Class; (5) dismiss the Action with prejudice on the merits, as against any and all Defendants, without costs except as herein provided, and effectuate the releases described herein and in the Stipulation; and (6) determine any award of attorneys' fees and expenses as provided in Section VIII, above.

XI. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and/or other persons or entities who held shares of Virtual Radiologic common stock at any time between May 17, 2010 and immediately prior to the effective time of the Transaction on July 12, 2010, inclusive, for the benefit of others, are requested to immediately direct beneficial owners to this Notice, which is also available at <http://www.virtualrad.com/>.

XII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation, the Supplemental Disclosures, and all other papers or proceedings herein are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims that have been asserted in the Action and the terms and conditions of the Settlement, including a complete copy of the Stipulation and related Orders and proposed forms of Orders, members of the Settlement Class are referred to the Court files for the Action. You or your attorney may examine the public Court files during regular business hours of each business day at the office of the Records Center in the Hennepin County Court, Hennepin County Government Center, B-Level, 300 South 6th Street, Minneapolis, MN 55487.

PLEASE DO NOT CALL OR WRITE THE COURT.

Dated: November 16, 2011

BY ORDER OF THE DISTRICT COURT OF MINNESOTA,
HENNEPIN COUNTY.