

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 1  
to  
Form S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**BioScrip, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**05-0489664**  
*(I.R.S. Employer  
Identification No.)*

**100 Clearbrook Road  
Elmsford, New York 10523  
(914) 460-1600**  
*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**Kimberlee C. Seah, Esq.  
Senior Vice President, Secretary and General Counsel  
BioScrip, Inc.  
100 Clearbrook Road,  
Elmsford, New York 10523  
(914) 460-1600**  
*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

**Copies to:**

**Eric S. Wu, Esq.  
Polsinelli PC  
1401 Eye Street N.W., Suite 800  
Washington, D.C. 20005  
(202) 783-3300**

**Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

*(Do not check if a smaller reporting company)*

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Security</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Rights to purchase Units consisting of Series A convertible preferred stock, Class A warrants and Class B warrants	(1)	—	—	(2)
Units, each consisting of one share of Series A convertible preferred stock, 2.88 Class A warrants and 2.88 Class B warrants	200,000	\$ 100.00	\$ 20,000,000(3)	\$ 2,324
Series A convertible preferred stock issuable as a component of the Units	200,000	—	—	(4)
Shares of common stock issuable upon conversion of Series A convertible preferred stock	(5)	—	—	(5)
Class A warrants issuable as a component of the Units	576,000	—	—	(4)
Class B warrants issuable as a component of the Units	576,000	—	—	(4)
Shares of common stock issuable upon exercise of Class A warrants	576,000	\$ 5.35(6)	\$ 3,081,600(6)	\$ 359
Shares of common stock issuable upon exercise of Class B warrants	576,000	\$ 6.595(7)	\$ 3,798,720(7)	\$ 442
<b>TOTAL REGISTRATION FEE</b>			<b>\$ 26,880,320</b>	<b>\$ 3,125(8)</b>

- (1) Evidencing the rights to subscribe for units consisting of an aggregate of 200,000 shares of Series A convertible preferred stock, 576,000 Class A warrants, each to purchase one share of common stock at \$5.17 per share, and 576,000 Class B warrants, each to purchase one share of common stock at \$6.45 per share.
- (2) Pursuant to Rule 457(g) under the Securities Act of 1933, as amended (the "Securities Act"), no separate registration fee is payable.
- (3) Represents the gross proceeds from the assumed exercise of all rights to be distributed.
- (4) Issued as a component of the units for no additional consideration.
- (5) The shares of common stock that are being registered include such indeterminate number of shares of common stock, if any, that may be issued upon conversion of the Series A convertible preferred stock registered hereunder, which shares are not subject to an additional fee pursuant to Rule 457(i) of the Securities Act. Pursuant to Rule 416 under the Securities Act, such number of shares of common stock registered hereby shall include an indeterminate number of shares of common stock that may be issued in connection with the anti-dilution provisions or stock splits, stock dividends, recapitalizations or similar events.
- (6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g)(3) and Rule 457(c) of the Securities Act, based upon the average of the high and low sales prices on the NASDAQ Global Market on March 3, 2015 of the Common Stock.
- (7) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g)(1) of the Securities Act.
- (8) Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy or sell these securities in any jurisdiction where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED MAY 28, 2015**

**PROSPECTUS**



## **BioScrip, Inc.**

**Rights to Purchase up to 200,000 Units at \$100.00 per Unit  
Consisting of an Aggregate of  
200,000 Shares of 8.5%/11.5% Series A Convertible Preferred Stock,  
Class A Warrants to Purchase 576,000 Shares of Common Stock at \$5.17 per Share and  
Class B Warrants to Purchase 576,000 Shares of Common Stock at \$6.45 per Share**

We are distributing at no charge to holders of our common stock non-transferable subscription rights to purchase units (“units”) consisting of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A convertible preferred stock, par value \$0.0001 per share, (b) 576,000 Class A warrants, each to purchase one share of common stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each to purchase one share of common stock at a price of \$6.45 per share. We refer to the Class A warrants and Class B warrants collectively as the “warrants.” The shares of convertible preferred stock will be convertible into shares of common stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events. The convertible preferred stock and warrants constituting the unit will separate upon exercise of the rights.

You will receive one subscription right for every \_\_\_\_\_ outstanding shares of common stock owned at 5:00 p.m., New York City time, on \_\_\_\_\_, 2015. No fractional rights or units will be distributed or issued. If you are entitled to receive a fractional right consisting of at least ½ right, you will be rounded up to the nearest whole right. If, on the other hand, you are entitled to receive a fractional right consisting of less than ½ right, you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than ½ right is the only right to which you are entitled. If the total number of units subscribed for in this rights offering exceeds 200,000, then each subscribing stockholder’s allocation of units will be reduced on a *pro rata* basis such that a total subscription of as close to, but no more than, 200,000 units are issued in this rights offering. The proceeds from this rights offering will be used to repay certain outstanding indebtedness and for general working capital purposes. We expect the total purchase price of units in this rights offering to be \$20,000,000, assuming full participation.

We will also receive proceeds from the exercise of the warrants composing part of the units. We intend to use the proceeds from the exercise of warrants, if any, for general working capital purposes. We can make no assurances that any of the warrants will be exercised, or if exercised, as to the quantity that will be exercised or the period in which they will be exercised.

Each whole subscription right will entitle holders of our common stock on the record date (excluding the holders of the PIPE Shares, who will not participate on any as-converted basis) to purchase one unit at a subscription price of \$100.00 per unit. Each unit comprises one share of our convertible preferred stock, 2.88 Class A warrants and 2.88 Class B warrants. We will not issue fractional warrants. If you would be entitled to receive a fractional number of warrants upon exercise of the rights, the total number of warrants to be issued to you will be rounded down to the nearest whole number. The subscription rights will expire if they are not exercised by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended.

On March 9, 2015, we entered into a binding, definitive securities purchase agreement (the “Purchase Agreement”) with certain affiliates of Coliseum Capital Management, LLC, a Delaware limited liability company (“Coliseum”). We refer to Coliseum’s affiliates that are a party to the Purchase Agreement collectively as the “PIPE Investors.” Pursuant to the terms of the Purchase Agreement, we issued and sold to the PIPE Investors in a private placement (the “Private Placement”) an aggregate of (a) 625,000 shares of Series A convertible preferred stock (the “PIPE Shares”), at a purchase price per PIPE Share of \$100.00, convertible into shares of common stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events, (b) 1,800,000 Class A warrants to purchase our common stock (the “PIPE Class A warrants”), and (c) 1,800,000 Class B warrants to purchase our common stock (the “PIPE Class B warrants” and, together with the PIPE Class A warrants, the “PIPE Warrants”), for gross proceeds of \$62.5 million. The closing of the Private Placement also took place on March 9, 2015. The Private Placement was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder because the transaction did not involve a public offering. On March 23, 2015, the Company and the PIPE Investors entered into an addendum to the Warrant Agreement (the “Warrant Addendum”), pursuant to which, among other things, the per share exercise price of the PIPE Class A warrants was reduced from \$5.295 to \$5.17, which was the closing price of our common stock on the last full trading day prior to the issuance on March 9, 2015, and the per share exercise price of the PIPE Class B warrants was reduced from \$6.595 to \$6.45.

The rights and preferences of the PIPE Shares are identical to the Series A class of convertible preferred stock composing part of the units. The PIPE Class A warrants, as amended by the Warrant Addendum, have the same terms as the Class A warrants composing part of the units, and the PIPE Class B warrants, as amended by the Addendum, have the same terms as the Class B warrants composing part of the units. The PIPE Investors and their affiliates will not participate in this rights offering.

We may pay noncumulative cash dividends on each share of convertible preferred stock at a rate of eight and one-half percent (8.5%) per annum on the liquidation preference (as defined herein) then in effect (a "cash dividend"). In the event we do not declare and pay a cash dividend, the liquidation preference on the convertible preferred stock will be increased to an amount equal to the liquidation preference in effect at the start of the applicable dividend period, plus an amount equal to such then applicable liquidation preference multiplied by eleven and one-half percent (11.5%) per annum (an "Accrued Dividend"). Cash dividends will be payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, commencing on the date of original issuance of the convertible preferred stock, and, if declared, will begin to accrue on the first day of the applicable dividend period. If applicable, the Accrued Dividend will begin to accrue and be cumulative on the same schedule as set forth above for cash dividends and will also be compounded on each applicable subsequent dividend date. Unless and until we obtain the required consent and/or amendment from our lenders under our Senior Credit Facilities, we will not be permitted to pay cash dividends.

You should carefully consider whether to exercise your subscription rights before the expiration of the rights offering. Unless our board of directors cancels or terminates the rights offering, all exercises of subscription rights are irrevocable. Our board of directors is making no recommendation regarding your exercise of the subscription rights. The subscription rights may not be sold or transferred.

We may cancel or terminate the rights offering at any time prior to its expiration upon determination of our board of directors. If we cancel or terminate this offering, we will return your subscription price, but without any payment of interest.

The subscription rights for units are being offered directly by us without the services of an underwriter or selling agent.

Our common stock, par value \$0.0001 per share, is traded on the NASDAQ Global Market ("NASDAQ") under the symbol "BIOS." On May 27, 2015, the last reported sale price of our common stock was \$3.69 per share. The shares of common stock issuable upon the conversion of the convertible preferred stock and exercise of the warrants will also be listed on NASDAQ under the same symbol. We will not list the subscription rights, units, convertible preferred stock or warrants on NASDAQ or on any other exchange or market.

**Exercising the rights and investing in our units consisting of convertible preferred stock and warrants involves risks. We urge you to carefully read the section titled "Risk Factors" beginning on page 18 of this prospectus, the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to exercise your rights.**

	Per Unit	Aggregate
Subscription Price	\$ 100.00	\$ 20,000,000
Estimated Expenses	\$ 1.94	\$ 388,125
Net Proceeds to Us from Sale of All Units Offered in this Rights Offering	\$ 98.06	\$ 19,611,875

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The securities are not being offered in any jurisdiction where the offer is not permitted.**

This prospectus is dated \_\_\_\_\_, 2015

## TABLE OF CONTENTS

	Page
<a href="#">ABOUT THIS PROSPECTUS</a>	ii
<a href="#">QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING</a>	1
<a href="#">PROSPECTUS SUMMARY</a>	12
<a href="#">RISK FACTORS</a>	18
<a href="#">CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</a>	22
<a href="#">USE OF PROCEEDS</a>	24
<a href="#">CAPITALIZATION</a>	25
<a href="#">RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE SECURITY DIVIDENDS</a>	26
<a href="#">THE RIGHTS OFFERING</a>	27
<a href="#">CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES</a>	34
<a href="#">DESCRIPTION OF UNITS, CAPITAL STOCK AND WARRANTS</a>	37
<a href="#">PLAN OF DISTRIBUTION</a>	45
<a href="#">WHERE YOU CAN FIND MORE INFORMATION</a>	46
<a href="#">LEGAL MATTERS</a>	47
<a href="#">EXPERTS</a>	47

## ABOUT THIS PROSPECTUS

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus to “BioScrip,” the “Company,” “we,” “us,” “our” or similar references mean BioScrip, Inc. and its subsidiaries on a consolidated basis.

You should rely only on the information included or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not making an offer to sell securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus, and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, in each case, regardless of the time of delivery of this prospectus or any exercise of the rights. Our business, financial condition, results of operations and prospects may have changed since that date.

## QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING

*The following are examples of what we anticipate will be common questions about the rights offering. The answers are based on selected information from this prospectus and the documents incorporated by reference in this prospectus. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the rights offering. This prospectus and the documents incorporated by reference in this prospectus contain more detailed descriptions of the terms and conditions of the rights offering and provide additional information about us and our business, including potential risks related to the rights offering, the shares of convertible preferred stock and the shares of common stock issuable upon conversion of the convertible preferred stock, and our business.*

**Exercising the rights and investing in our shares of convertible preferred stock and common stock involves risks. We urge you to carefully read the section titled “Risk Factors” beginning on page 18 of this prospectus, the section titled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014, and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to exercise your rights.**

### **Why are we conducting the rights offering?**

On March 9, 2015, we entered into the binding and definitive Purchase Agreement with the PIPE Investors. Pursuant to the terms of the Purchase Agreement, the Private Placement involved our issuance and sale of an aggregate of 625,000 PIPE Shares, 1,800,000 PIPE Class A warrants and 1,800,000 PIPE Class B warrants for gross proceeds of \$62.5 million. On March 23, 2015, we entered into the Warrant Addendum that resulted in the per share exercise prices of the PIPE Class A warrants and PIPE Class B warrants being designated at \$5.17 and \$6.45, respectively. The PIPE Shares are of the identical Series A class of convertible preferred stock composing part of the units, the PIPE Class A warrants, as amended, are of the same terms as the Class A warrants composing part of the units, and the PIPE Class B warrants, as amended, are of the same terms as the Class B warrants composing part of the units. The closing of the Private Placement also took place on March 9, 2015. The Private Placement was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder because the transaction did not involve a public offering.

Our board of directors determined to raise additional capital by distributing at no charge to holders of our common stock (excluding the holders of the PIPE Shares, who will not participate on any as-converted basis) subscription rights to purchase units composed of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A convertible preferred stock, par value \$0.0001 per share, each share convertible into shares of common stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events, (b) 576,000 Class A warrants, each to purchase one share of common stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each to purchase one share of common stock at a price of \$6.45 per share. The net proceeds of this rights offering will be used to repay certain of our outstanding indebtedness and for general working capital purposes. The proceeds from the exercise, if any, of the warrants composing part of the units will be used for general working capital purposes.

In authorizing this rights offering, our board of directors considered:

- current economic and financial market conditions;
- analysis from our capital markets structuring advisor;
- the size and timing of the rights offering;
- the potential dilution to our current stockholders if they choose not to participate in the offering;
- alternatives available for raising equity capital;
- historical and current trading prices for our common stock; and

the fact that existing stockholders would have the opportunity to participate on a pro rata basis.

The PIPE Investors and their affiliates will not participate in this rights offering.

**What are we distributing in this rights offering?**

We are distributing to holders of our common stock (excluding the holders of the PIPE Shares, as defined below, who will not participate on any as-converted basis) as of 5:00 p.m. New York City time on \_\_\_\_\_, 2015, which we refer to as the “record date,” at no charge, subscription rights to purchase units consisting up to an aggregate of (a) 200,000 shares of 8.5%/11.5% Series A convertible preferred stock, par value \$0.0001 per share, each share convertible into shares of common stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events, (b) 576,000 Class A warrants, each to purchase one share of common stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each to purchase one share of common stock at a price of \$6.45 per share. You will receive one subscription right for every \_\_\_\_\_ outstanding shares of common stock you owned at 5:00 p.m. New York City time on the record date. The subscription rights will be evidenced by rights certificates. No fractional rights or units will be distributed or issued. If you are entitled to receive a fractional right consisting of at least ½ right, you will be rounded up to the nearest whole right. If, on the other hand, you are entitled to receive a fractional right consisting of less than ½ right, you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than ½ right is the only right to which you are entitled.

**What is a subscription right?**

Each whole subscription right will entitle holders of our common stock on the record date (excluding the holders of the PIPE Shares, who will not participate on any as-converted basis) to purchase one unit at a subscription price of \$100.00 per unit. Each unit comprises one share of our convertible preferred stock, 2.88 Class A warrants and 2.88 Class B warrants. No fractional rights or units will be distributed or issued. The shares of convertible preferred stock will initially be convertible into shares of common stock at a conversion price of \$5.17 per share, which was the conversion price of the convertible preferred stock we issued in the Private Placement, identical to the closing price of our common stock on the last full trading day prior to the completion of the Private Placement.

We will not issue fractional warrants. If you would be entitled to receive a fractional number of warrants upon exercise of the rights, we will round down the total number of warrants to be issued to you to the nearest whole number. For example: If you were to acquire 27 units, you would receive 77 Class A warrants and 77 Class B warrants (27 × 2.88, rounded down to the nearest whole number).

We are granting to you, as a stockholder of record on the record date, one subscription right for every \_\_\_\_\_ outstanding shares of common stock you owned at that time. We determined the ratio of shares per right you will receive by dividing \$20,000,000 by the subscription price of \$100.00 to determine the maximum number of shares of convertible preferred stock to be issued in the rights offering, which is equal to 200,000 shares, and then dividing the number of shares of common stock outstanding on the record date by 200,000.

If you are entitled to receive a fractional right consisting of at least ½ right, you will be rounded up to the nearest whole right. If, on the other hand, you are entitled to receive a fractional right consisting of less than ½ right, you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than ½ right is the only right to which you are entitled. If the total number of units subscribed for in this rights offering exceeds 200,000, then each subscribing stockholder’s allocation of units will be reduced on a *pro rata* basis such that a total subscription of as close to, but no more than, 200,000 units are issued in this rights offering.

For example:

Assuming no *pro rata* reduction, if you owned 600 shares of common stock on the record date, you would be entitled to receive 600 divided by \_\_\_\_\_ = \_\_\_\_\_ rights, rounded up to the right to purchase \_\_\_\_\_ units in this rights offering pursuant to \_\_\_\_\_ whole subscription rights.



- Assuming no *pro rata* reduction, if you owned 400 shares of common stock on the record date, you would be entitled to receive 400 divided by \_\_\_\_\_ rights, rounded down to the right to purchase \_\_\_\_\_ unit in this rights offering pursuant to \_\_\_\_\_ whole subscription right.
- Assuming no *pro rata* reduction, if you owned 100 shares of common stock on the record date, you would be entitled to receive 100 divided by \_\_\_\_\_ rights, rounded down to \_\_\_\_\_.
- If the total number of units subscribed for in this rights offering totals 210,000, each subscribing rights holder's allocation of units will be reduced on a *pro rata* basis to 200,000 divided by 210,000 = 95.24% of the units for which each such rights holder originally subscribed. Therefore, if you owned 6,000 shares of common stock on the record date, you would receive \_\_\_\_\_ rights, rounded down to the right to purchase \_\_\_\_\_ units in this rights offering. Pursuant to the *pro rata* reduction in this example, assuming you subscribed for all \_\_\_\_\_ units, your allocation of units will be reduced on a *pro rata* basis to 95.24% x \_\_\_\_\_ units = \_\_\_\_\_ units, rounded down to \_\_\_\_\_ units.

You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights.

If you hold your shares in the name of a broker, dealer, or other nominee who uses the services of the Depository Trust Company, or "DTC," then DTC will issue one subscription right to the nominee for every \_\_\_\_\_ outstanding shares of common stock you own on the record date. Each whole right can then be used to purchase one unit at the subscription price of \$100.00 per unit.

### **How does the convertible preferred stock vote?**

Holders of shares of convertible preferred stock will be entitled to vote with the holders of shares of our common stock (and any other class or series that may similarly be entitled to vote with the holders of common stock) and not as a separate class, at any annual or special meeting of stockholders, and may act by written consent in the same manner as the holders of common stock, on an as-converted basis.

In addition, the separate vote of holders of convertible preferred stock will be required in certain circumstances. The PIPE Investors are currently the beneficial owners of all 625,000 issued and outstanding shares of convertible preferred stock. The PIPE Investors would hold collectively 75.8% of the 825,000 shares of convertible preferred stock outstanding following the completion of the rights offering, assuming that the rights offering is fully subscribed. This majority ownership of our convertible preferred stock will limit the ability of our other convertible preferred stockholders to influence corporate matters requiring the approval of the holders of Series A convertible preferred stock. See "Risk Factors – The PIPE Investors will hold a majority of the outstanding shares of convertible preferred stock following the completion of the rights offering, which will limit your ability to influence matters requiring the approval of the holders of Series A convertible preferred stock" and "Description of Units, Capital Stock and Warrants—Series A Convertible Preferred Stock—Voting."

### **How many shares of common stock will I receive if I convert my shares of convertible preferred stock?**

Each share of preferred stock will initially be convertible into approximately 19.34 shares of common stock, which is equivalent to the initial liquidation preference of \$100.00 (which is subject to adjustment as described herein) divided by the initial conversion price of \$5.17 per share (which is subject to adjustment upon the occurrence of certain events). If, upon conversion of the convertible preferred stock, a holder would be entitled to receive a fractional interest in a share of our common stock, we will, upon conversion, pay in lieu of such fractional interest, cash in an amount determined under the terms of the convertible preferred stock.

### **Are there any restrictions on my ability to vote my shares of convertible preferred stock?**

No, there are no restrictions on your ability to vote your shares of convertible preferred stock. At our annual meeting of stockholders held on May 11, 2015 (the "2015 Annual Meeting"), our stockholders approved a proposal that had the effect of removing the conversion cap and voting cap that had applied to the convertible preferred stock.

**Are there any restrictions on my ability to convert my shares of convertible preferred stock into common stock or to exercise my warrants for common stock?**

No, there are no restrictions on your ability to convert your shares of convertible preferred stock into common stock or exercise your warrants for common stock. At the 2015 Annual Meeting, our stockholders approved a proposal that had the effect of removing the conversion cap and voting cap that had applied to the convertible preferred stock and removed the restrictions on the exercise of the warrants.

**Will I receive dividends on shares of convertible preferred stock, and when will I receive them?**

Yes. We may pay a noncumulative cash dividend on each share of convertible preferred stock, when, as and if declared by our board of directors and permitted by the Delaware General Corporate Law (the "DGCL"), out of any funds that are legally available therefor, at the rate of eight and one-half percent (8.5%) per annum on the liquidation preference then in effect. Beginning with the second quarter of 2015, on or before the third (3rd) business day immediately preceding each fiscal quarter of the Company, we will determine our intention whether or not to pay a cash dividend with respect to that ensuing quarter and will give notice of our intention to each holder of convertible preferred stock as soon as practicable thereafter. Unless and until we obtain the required consent and/or amendment from our lenders under our Senior Credit Facilities, we will not be permitted to pay cash dividends.

In the event we do not declare and pay a cash dividend, such as for the quarter ending September 30, 2015, the liquidation preference will be increased to an amount equal to the liquidation preference in effect at the start of the applicable dividend period, plus an amount equal to such then applicable liquidation preference multiplied by eleven and one-half percent (11.5%) per annum, computed on the basis of a 365-day year and the actual number of days elapsed from the start of the applicable dividend period to the applicable date of determination.

Cash dividends will be payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, commencing on the first calendar day following the date of original issuance of the convertible preferred stock, and, if declared, will begin to accrue on the first day of the applicable dividend period. Accrued Dividends, if applicable, will accrue and be cumulative on the same schedule as set forth above for cash dividends and will also be compounded at the applicable annual rate on each applicable subsequent dividend date. Accrued Dividends are paid upon the occurrence of a liquidation event, conversion or redemption in accordance with the terms of the convertible preferred stock.

**If I convert my shares of convertible preferred stock, will I receive any payment for declared and unpaid dividends on the shares of convertible preferred stock?**

Except as set forth below, you will not receive a payment for declared and unpaid dividends. All declared and unpaid dividends, if any, will be included in the liquidation preference for purposes of calculating the conversion rate applicable to the conversion of shares of convertible preferred stock into shares of our common stock. Upon conversion, a holder of convertible preferred stock will be entitled to a number of shares of common stock equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of any fractional shares.

The conversion rate in effect at any applicable time for conversion of each share of convertible preferred stock into common stock will be the quotient obtained by dividing the liquidation preference then in effect (which will include any cash dividends that the Company has notified holders that it intends to pay but has not yet declared and any cash dividends that have been declared but remain unpaid, calculated at the Accrued Dividend rate) by the conversion price then in effect. The conversion price for the convertible preferred stock will initially be \$5.17 and is subject to adjustment from time to time upon the occurrence of certain events, including in the event of a stock split, a reverse stock split, or a dividend of common stock to our common stockholders, in each case as more fully described in the certificate of designations for the convertible preferred stock.

**Can I convert my shares of convertible preferred stock in connection with a change of control?**

Yes. At the written election by holders of a majority in voting power of the outstanding shares of convertible preferred stock, upon the occurrence of a change of control that would, subject to certain exceptions, result in any person (other than the PIPE Investors or any of their respective affiliates or a person acting as a group with the PIPE Investors or any of their respective affiliates) beneficially owning, directly or indirectly shares of the Company's capital stock entitling such person to exercise 50% or more of the total voting power of all classes of voting stock of the Company (but solely in connection with a transaction that is a third party tender offer that is publicly disclosed and approved (or recommended to the stockholders of the Company)), all outstanding shares of convertible preferred stock automatically will be converted into a number of shares of common stock equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of fractional shares. Prior to the conversion of shares of convertible preferred stock in the event of a change of control as described in the preceding sentence, the Board will declare and the Company will pay a special cash dividend on each share of convertible preferred stock in the amount of the liquidation preference per share then in effect with respect to such series of preferred stock.

**Can I elect to redeem the convertible preferred stock?**

Yes, but only in accordance with the following request procedure. From and after the tenth anniversary of the original issuance of the convertible preferred stock, each holder of shares of convertible preferred stock shall have the right to request that we redeem, in full, out of funds legally available therefor, by irrevocable written notice to us, all of such holder's shares of convertible preferred stock at a redemption price per share equal to the liquidation preference then in effect per share of convertible preferred stock. Such notice must be given by first class mail, postage prepaid, addressed to us. Each notice of redemption to us must state the redemption date and the number of shares of convertible preferred stock to be redeemed, and such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption in the notice.

If we elect to redeem a holder's shares of convertible preferred stock pursuant to such notice, we will notify the holder of our election and the place or places where certificates for such shares are to be surrendered (or an indemnification undertaking as reasonably determined by us with respect to such certificates in the event of their loss, theft or destruction) for payment of the redemption price.

If we elect not to redeem a holder's shares of convertible preferred stock pursuant to such notice, we will notify the holder of our election not to redeem, and the conversion price then in effect with respect to the shares of convertible preferred stock subject to the notice provided by such holder will, as of the date we notify the holder of our election not to redeem, be decreased to the lesser of (A) the conversion price then in effect and (B) 80% of the volume weighted average price of our common stock for the 10 consecutive trading days prior to the date such holder notified us. Any such adjustment to the conversion price will be in addition to any adjustments to the conversion price pursuant to the anti-dilution provisions.

In addition, upon the occurrence of a change of control (other than a change of control that would constitute a Deemed Liquidation Event (as defined below) (unless waived) or the type of change of control described in the immediately preceding question) and subject to applicable law and the prior indefeasible payment in full in cash of all outstanding indebtedness of the Company and other obligations under our Credit Facility (and the termination of all commitments thereunder) and the Indenture governing our senior notes, each holder of shares of convertible preferred stock that remain outstanding thereafter, if any, shall have the right to require us to redeem, in full, out of funds legally available therefor, by irrevocable written notice to us, all of such holder's shares of convertible preferred stock at a redemption price per share equal to the liquidation preference then in effect per share of convertible preferred stock.

**Can the Company redeem the convertible preferred stock?**

Yes. From and after the tenth anniversary of the original issuance of the convertible preferred stock, subject to the satisfaction of our obligations to our creditors, we may redeem the outstanding convertible preferred stock, in whole or in part, at a price per share equal to the liquidation preference then in effect per share of convertible preferred stock.

**What is the maturity of the preferred stock and does the Company have the option to convert the convertible preferred stock?**

The convertible preferred stock is perpetual, and therefore does not have a maturity date. However, if, at any time following the third anniversary date of the issue date, the volume weighted average price of our common stock equals or exceeds three times the conversion price of the convertible preferred stock for a period of 30 consecutive trading days, we may, at our option, require that any or all of the then outstanding shares of convertible preferred stock be converted automatically into shares of common stock. We may not, however, elect to exercise this option at any time during the period commencing on the earlier of (1) the date that we have made a public announcement and (2) the date that such information is otherwise made public, that we are in negotiations relating to, or have entered into, a definitive agreement with respect to a transaction constituting a Deemed Liquidation Event and ending on the date of the first to occur of (i) the consummation of such transaction and (ii) the date that we have made a public announcement that any such definitive agreement or the negotiations relating thereto has been terminated.

**What are the material terms of the warrants?**

The rights and terms of the Class A warrants and the Class B warrants are identical except that the exercise price for the Class A warrants is \$5.17 per share and the exercise price for the Class B warrants is \$6.45 per share. The Class A warrants and Class B warrants are immediately exercisable for a ten year term and may only be exercised for cash. The number of shares that may be acquired upon exercise of the warrants is subject to adjustments in certain situations, including price based anti-dilution protection whereby if the Company later issues common stock at a price of less than 85% the current market value, or subject to certain exceptions, rights or securities exercisable to acquire common stock at a price less than 85% of the then current market price then the number of warrant shares will be proportionately increased. Additionally, the warrants have standard anti-dilution protections if the Company effects a stock split, subdivision, reclassification or combination of its common stock.

**How were the subscription price of \$100.00 per unit and the terms of the convertible preferred stock and warrants, including the conversion price and exercise price, respectively, determined?**

A committee of independent directors of our board of directors determined that the subscription price for units and the terms of the convertible preferred stock and warrants, including the conversion price and exercise price, respectively, should be identical to the terms of the PIPE Shares and PIPE Warrants to provide an incentive to our current stockholders to exercise their rights. The subscription price is \$100.00 per unit, the initial conversion price is \$5.17 per share of convertible preferred stock and the initial Class A exercise price is \$5.17 per Class A warrant, which were the conversion price of the convertible preferred stock and exercise price of the Class A warrants, respectively, we issued in the Private Placement (in the case of the Class A warrants, as amended by the Warrant Addendum), based on the \$5.17 closing price of our common stock on NASDAQ on March 6, 2015, the last full trading date before we completed the Private Placement. The initial Class B exercise price is \$6.45 per Class B warrant, which was the exercise price of the Class B warrants we issued in the Private Placement (as amended by the Warrant Addendum).

The subscription price, conversion price and exercise prices do not necessarily bear any relationship to the book value of our assets or our past operations, cash flows, losses, financial condition, net worth or any other established criteria used to value securities. We did not seek or obtain any opinion of financial advisors or investment bankers in establishing the subscription price or the conversion price. You should not consider the subscription price or the conversion price to be an indication of the fair value of the units or securities composing the units.

**How many shares of convertible preferred stock and warrants will the PIPE Investors and their respective affiliates own after the rights offering?**

The PIPE Investors and their affiliates will not participate in the rights offering. Therefore, if no stockholders were to purchase any units pursuant through the exercise of their subscription rights, then the PIPE Investors would hold collectively 625,000 shares of convertible preferred stock, 1,800,000 Class A warrants and 1,800,000 Class B warrants, which, on an as-converted and fully-exercised basis, would represent approximately 18.6% of our outstanding common stock following the completion of the rights offering not taking into account any Accrued Dividends which may have increased the liquidation preference of the PIPE Shares up to this point.

**Am I required to exercise any or all of the rights I receive in the rights offering?**

No. You may exercise any number of your whole rights, or you may choose not to exercise any rights. If you do not exercise any rights, or you exercise your rights but do not convert your shares of convertible preferred stock or exercise your warrants into shares of common stock, the number of shares of our common stock you own will not change. However, your percentage ownership interest in our company will be diluted to the extent that participating stockholders convert their shares of convertible preferred stock or exercise their warrants into shares of common stock or to the extent that we were to pay dividends on the convertible preferred stock in shares of common stock. Your percentage ownership interest in our company will also be diluted to the extent that you convert convertible preferred stock or exercise warrants into common stock and we elect to pay dividends on the convertible preferred stock by increasing the liquidation preference of the convertible preferred stock.

**How soon must I act to exercise my rights?**

The rights may be exercised beginning on the date of this prospectus through the expiration date, which is \_\_\_\_\_, 2015, at 5:00 p.m., New York City time, unless extended by us. Please note that if you hold your shares in the name of a broker, dealer, or other nominee who uses the services of DTC, you must exercise your subscription rights before 2:15 p.m., New York City time, on the expiration date. If you elect to exercise any rights, the subscription agent must actually receive all required documents and payments from you or your broker or nominee at or before the expiration date. Although we have the option of extending the expiration date of the subscription period, we currently do not intend to do so.

**When will I receive my subscription rights certificate?**

Promptly after the date of this prospectus, the subscription agent will send a subscription rights certificate to each registered holder of our common stock as of 5:00 p.m., New York City time, on the record date, based on our stockholder registry maintained at the transfer agent for our common stock. If you hold your shares of common stock through a brokerage account, bank or other nominee, you will not receive an actual subscription rights certificate. Instead, as described in this prospectus, you must instruct your broker, bank or nominee whether or not to exercise rights on your behalf. If you wish to obtain a separate subscription rights certificate, you should promptly contact your broker, bank or other nominee and request a separate subscription rights certificate. It is not necessary to have a physical subscription rights certificate to elect to exercise your rights.

**May I transfer my rights?**

No. Should you choose not to exercise your subscription rights, you may not sell, give away or otherwise transfer your subscription rights. If you sell or otherwise transfer your common stock, your subscription rights will not transfer with your common stock. Subscription rights will, however, be transferable by operation of law (for example, upon the death of the recipient).

**Are we requiring a minimum subscription to complete the rights offering?**

No.

**Can the board of directors cancel, terminate, amend or extend the rights offering?**

Yes. Our board of directors may decide to cancel or terminate the rights offering at any time before the expiration of the rights offering and for any reason. If our board of directors cancels or terminates the rights offering, we will issue a press release notifying stockholders of the cancellation or termination, and any money received from subscribing stockholders will be promptly returned, without interest or deduction.

We may amend the terms of the rights offering or extend the subscription period of the rights offering. Our board of directors may extend the period for exercising your subscription rights, although it does not presently intend to do so.

**Has our board of directors made a recommendation to our stockholders regarding the exercise of rights in the rights offering?**

No. Our board of directors has not, and will not, make any recommendation to stockholders regarding the exercise of rights in the rights offering. You should make an independent investment decision about whether or not to exercise your rights. Stockholders who exercise rights risk investment loss on new money invested. There is currently no market for the convertible preferred stock or warrants. We will not list the subscription rights, units, convertible preferred stock or warrants on NASDAQ or on any other exchange or market. As a result, we cannot provide you with any assurance about the price at which you will be able to sell the convertible preferred stock or warrants, or about whether you will be able to sell the convertible preferred stock or warrants at all, and you might be unable to sell your convertible preferred stock or warrants at a price equal to, or higher than, the subscription price, if at all.

If you do not exercise your rights, you will lose any value represented by your rights and your percentage ownership interest in our company will be diluted to the extent that participating stockholders convert their shares of convertible preferred stock or exercise their warrants into shares of common stock. Your percentage ownership interest in our company may also be diluted to the extent that we do not declare and pay a cash dividend and instead increase the liquidation preference by the Accrued Dividend. If you convert your convertible preferred stock or exercise warrants, you may be unable to sell the shares of common stock issuable upon such conversion or exercise at a price equal to or greater than the conversion price or exercise price. For more information on the risks of participating in the rights offering, see the section of this prospectus titled "Risk Factors".

**How do I exercise my rights? What forms and payment are required to purchase the units?**

If you wish to participate in the rights offering, you must take the following steps, unless your shares are held by a broker, dealer or other nominee:

- deliver the full subscription price to the subscription agent using the methods outlined in this prospectus; and
- deliver a properly completed rights certificate to the subscription agent before 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended.

If you send a payment that is insufficient to purchase the number of units you requested, or if the number of units you requested is not specified in the forms, the payment received will be applied to exercise your subscription right to the extent possible. If the payment exceeds the subscription price for the full exercise of the subscription rights (to the extent specified by you), the excess will be refunded. You will not receive interest on any payments refunded to you under the rights offering.

**What should I do if I want to participate in the rights offering, but my shares are held in the name of my broker, dealer, or other nominee?**

If you hold your shares of our common stock in the name of a broker, dealer or other nominee, then your broker, dealer or other nominee is the record holder of the shares you own. The record holder must exercise the rights on your behalf for the units you wish to purchase.

If you wish to participate in the rights offering and purchase units, please promptly contact the record holder of your shares. We will ask your broker, dealer, or other nominee to notify you of the rights offering. You should complete and return to your record holder the form entitled "Beneficial Owner Election Form." You should receive this form from your record holder with the other rights offering materials. Please note that if you hold your shares in the name of a broker, dealer, or other nominee who uses the services of DTC, you must exercise your subscription rights before 2:15 p.m., New York City time, on the expiration date.

**When and how will I receive my shares of convertible preferred stock and warrants?**

If you purchase units in the rights offering, you or DTC on your behalf, as the case may be, will receive Direct Registration System book-entry statements representing the shares of convertible preferred stock and warrants composing the units that you have purchased promptly after the closing of the rights offering, and after all adjustments have been completed.

**After I send in my payment and rights certificate, may I change or cancel my exercise of rights?**

No. Unless our board of directors cancels or terminates the rights offering, all exercises of rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your rights. You should not exercise your rights unless you are certain that you wish to purchase units at a price of \$100.00 per share. We expect the total purchase price of units in this rights offering to be \$20,000,000, assuming full participation.

**How much money will we receive from the rights offering?**

Since the rights offering has no minimum purchase requirement, we will receive proceeds only to the extent of the exercise of the subscription rights by holders of our common stock. Assuming full participation in the rights offering and the sale of all 200,000 available units following the exercise of the subscription rights of holders of our common stock, we will receive proceeds of \$20,000,000, before deducting estimated offering expenses of \$388,125. See the section of this prospectus entitled "Use of Proceeds."

**Are there risks in exercising my subscription rights?**

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights means buying shares of our convertible preferred stock and warrants, and should be considered as carefully as you would consider any other equity investment. You should carefully read the section titled "Risk Factors" beginning on page 18 of this prospectus and the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, and all other information included or incorporated in this prospectus by reference in its entirety before you decide whether to exercise your rights.

**How many shares of convertible preferred, warrants and common stock will be outstanding immediately after the rights offering?**

As of \_\_\_\_\_, 2015, we had \_\_\_\_\_ shares of common stock issued and outstanding. Assuming that the rights offering is completed and fully subscribed, 825,000 shares of convertible preferred stock, 2,376,000 Class A warrants and 2,376,000 Class B warrants will be outstanding. Based upon the maximum of 20,709,446 shares of common stock that may be issued pursuant to the conversion of the 825,000 shares of convertible preferred stock (including the PIPE Shares), exercise of 2,376,000 Class A warrants (including the PIPE Class A warrants) and exercise of 2,376,000 Class B warrants (including the PIPE Class B warrants) at the initial conversion price of \$5.17, initial Class A exercise price of \$5.17, and initial Class B exercise price of \$6.45, we would have \_\_\_\_\_ shares of common stock outstanding immediately after the closing of the rights offering, assuming the full conversion of the convertible preferred shares and full exercise of warrants and excluding any shares that may be issued pursuant to the exercise of stock options.

**If the rights offering is not completed, will my subscription payment be refunded to me?**

Yes. The subscription agent will hold all funds it receives in a segregated bank account until completion of the rights offering. If the rights offering is not completed, we will promptly instruct the subscription agent to return your payment in full. If you own shares in "street name," it may take longer for you to receive payment because the subscription agent will send payments through the record holder of your shares. Any funds returned will be returned without interest or deduction.

### **Will the subscription rights, units, convertible preferred stock or warrants be listed on a stock exchange?**

None of the rights themselves, units, convertible preferred stock or warrants composing the units will be listed on NASDAQ or any other stock exchange or market. Our common stock will continue to trade on NASDAQ under the symbol "BIOS," and the shares issuable upon the conversion of the convertible preferred stock and exercise of the warrants composing the units issued in the rights offering will be eligible for trading on NASDAQ.

### **May I sell my convertible preferred stock and warrants?**

Yes. However, the convertible preferred stock and warrants will not be listed on NASDAQ or any other stock exchange or market, and we cannot assure you that there will be a market to sell the convertible preferred stock or warrants, or as to the price at which you will be able to sell your convertible preferred stock or warrants. Since the convertible preferred stock could be perpetual (although it is subject to redemption and redemption upon the occurrence of certain events), you could be required to hold your shares of convertible preferred stock indefinitely if you do not convert your convertible preferred stock into common stock.

### **How do I exercise my rights if I live outside the United States?**

If you are a rights holder whose address is outside the United States, and if it is not, in our sole judgment, unlawful to do so, the subscription agent will mail rights certificates to you. To exercise your rights, you must notify the subscription agent on or prior to 11:00 a.m., New York City time, \_\_\_\_\_, 2015, which is three business days prior to the initial expiration date for the rights offering, and take all other steps which are necessary to exercise your rights, on or prior to that time. If you do not follow these procedures prior to the expiration of the rights offering, your rights will expire.

This rights offering is not being made in any state or other jurisdiction in which it would be unlawful to do so, nor are we selling to you, or accepting any offers from you to purchase, units if you are a resident of any such state or other jurisdiction. If necessary, we may delay commencement of the rights offering in certain states or other jurisdictions in order to comply with the securities law requirements of those states or other jurisdictions. In addition, in certain circumstances, in order to comply with applicable state securities laws, we may not be able to honor all subscription rights even if we have shares of convertible preferred stock available. We do not anticipate that there will be any changes in the rights offering, and we may, in our sole discretion, decline to make modifications to the terms of the rights offering requested by regulators in states or other jurisdictions, in which case stockholders who live in those states or other jurisdictions will not be eligible to participate in the rights offering.

### **What fees or charges apply if I purchase units?**

We are not charging any fee or sales commission to issue rights to you or to issue units, and the securities composing the units, to you if you exercise your rights. If you exercise your rights through the record holder of your shares, you are responsible for paying any fees your record holder may charge you.

### **What are the U.S. federal income tax consequences of receiving or exercising rights?**

A distribution of the rights will be a taxable distribution, however because we believe that such rights have a fair market value of zero or a nominal value, you should not have any tax consequences upon receipt of such rights. To the extent that the IRS successfully asserts that the fair market value of the rights is greater than zero, you could recognize taxable income to such extent. For a detailed discussion, see "Certain United States Federal Income Tax Consequences" beginning on page 34. You should consult your tax advisor as to the particular consequences to you of the rights offering.

**Receipt.** The rights are granted to holders of common stock at no cost to such holders and are non-transferrable. Each right entitles a holder of the right to purchase a share of convertible preferred stock and a warrant. We intend to treat each holder as receiving a distribution with respect to such holder's shares of common stock in an amount equal to the fair market value of the rights received by such holder on the date of distribution to the extent of the convertible preferred stock that may be purchased. We have assumed that the fair market value of the rights for U.S. Federal income tax purposes is zero or a nominal value, and based on such value, you should not have any tax consequences upon receipt of the rights. To the extent that the IRS successfully asserts that the fair market value of the rights is greater than zero, you could recognize taxable income to such extent, which would be treated as a taxable dividend to the extent we have current or accumulated earnings and profits (see discussion below in "Dividends").



**Basis and Holding Period of the Rights.** If the fair market value of the rights allocable to the convertible preferred stock for U.S. Federal income tax purposes is zero, your basis in such rights will also be zero. To the extent that the IRS successfully asserts that the fair market value of the rights allocable to the convertible preferred stock is greater than zero, you would have a basis in such rights equal to such fair market value. The holding period of the rights begins on the date the holder acquires the right.

**Exercise of Rights.** A holder will not recognize gain or loss upon the exercise of rights in the rights offering. Each unit acquired from the exercise of a right will consist of convertible preferred stock and warrants. The convertible preferred stock and warrants will be treated separately for tax purposes and the subscription price of the unit must be allocated between the convertible preferred stock and the warrants based upon their relative fair market value. Your tax basis of the shares of convertible preferred stock acquired through the exercise of the rights will equal the subscription price allocated to the shares. The holding period for the shares of convertible preferred stock acquired through the exercise of a right will begin on the date the rights are exercised. Your tax basis of warrants acquired through the exercise of the rights will equal the subscription price allocated to the warrants. The holding period of the warrants acquired through the exercise of the rights will begin on the date the rights are exercised.

**Dividends.** We may pay dividends with respect to shares of convertible preferred stock acquired upon exercise of the rights, which will generally be taxable as dividend income when received to the extent of our current or accumulated earnings and profits as determined for U.S. Federal income tax purposes. To the extent that the amount of a distribution exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of a holder's adjusted tax basis in such shares of convertible preferred stock and thereafter, as gain from the sale of our convertible preferred stock. A corporate Holder of our convertible preferred stock who receives a dividend may be entitled to a dividends received deduction.

#### **To whom should I send my forms and payment?**

If your shares are held in the name of a broker, dealer or other nominee, then you should send your subscription documents, rights certificate and payment to that record holder in accordance with the instructions you receive from that record holder. If you are the record holder, then you should send your subscription documents, rights certificate and payment by hand delivery, first class mail, or courier service to:

*By First Class Mail, Express Mail, Overnight Courier or By Hand:*  
American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
Attn: Corporate Actions

You are solely responsible for completing delivery to the subscription agent of your subscription documents, rights certificate, and payment. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent.

#### **Whom should I contact if I have other questions?**

If you have other questions or need assistance, please contact the information agent, Georgeson Inc., at (877) 278-4775.

For a more complete description of the rights offering, see "The Rights Offering."

## PROSPECTUS SUMMARY

*This summary highlights important features of this offering and the information included or incorporated by reference in this prospectus. This summary does not contain all of the information that you should consider before investing in the units. You should read the entire prospectus and any documents incorporated by reference carefully. Exercising the rights and investing in the units involves significant risks. We urge you to carefully read the section titled "Risk Factors" beginning on page 18 of this prospectus, the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to exercise your rights.*

### **Our Company**

We are a national provider of infusion and home care management solutions. We partner with physicians, hospital systems, skilled nursing facilities, healthcare payors and pharmaceutical manufacturers to provide patients access to post-acute care services. We operate with a commitment to bring customer-focused pharmacy and related healthcare infusion therapy services into the home or alternate-site setting. By collaborating with the full spectrum of healthcare professionals and the patient, we aim to provide cost-effective care that is driven by clinical excellence, customer service and values that promote positive outcomes and an enhanced quality of life for those whom we serve.

Our platform provides nationwide service capabilities and the ability to deliver clinical management services that offer patients a high-touch, community-based and home-based care environment. Our core services are provided in coordination with, and under the direction of, the patient's physician. Our multidisciplinary team of clinicians, including pharmacists, nurses, dietitians and respiratory therapists, work with the physician to develop a plan of care suited to our patient's specific needs. Whether in the home, physician office, ambulatory infusion center, skilled nursing facility or other alternate sites of care, we provide products, services and condition-specific clinical management programs tailored to improve the care of individuals with complex health conditions such as gastrointestinal abnormalities, infectious diseases, cancer, multiple sclerosis, organ and blood cell transplants, bleeding disorders, immune deficiencies and heart failure.

We were incorporated in Delaware in 1996 as MIM Corporation, with our primary business and operations being pharmacy benefit management services. Over the years, we have expanded our service offerings to include home infusion services, which is now the primary driver of our growth strategy. Our common stock trades on NASDAQ under the symbol "BIOS."

We maintain our principal executive offices at 100 Clearbrook Road, Elmsford, New York 10523. Our telephone number there is (914) 460-1600. The address of our website is <http://bioscrip.com>. The information set forth on, or connected to, our website is expressly not incorporated by reference into, and does not constitute a part of, this prospectus.

### **Our Principal Equity Investor**

Our principal stockholders are the PIPE Investors, which are funds affiliated with Coliseum. As of the record date, Coliseum collectively was the beneficial owner, on an as-converted basis, of approximately % of our outstanding common stock. On March 9, 2015, we entered into the binding and definitive Purchase Agreement with the PIPE Investors. Pursuant to the terms of the Purchase Agreement, the Private Placement involved our issuance and sale of an aggregate of 625,000 PIPE Shares, 1,800,000 PIPE Class A warrants and 1,800,000 PIPE Class B warrants for gross proceeds of \$62.5 million. Pursuant to the Warrant Addendum, the per share exercise prices of the PIPE Class A warrants and PIPE Class B warrants were designated at \$5.17 and \$6.45, respectively. The PIPE Shares are of the identical Series A class of convertible preferred stock composing part of the units, the PIPE Class A warrants, as amended, are of the same terms as the Class A warrants composing part of the units, and the PIPE Class B warrants, as amended, are of the same terms as the Class B warrants composing part of the units. The closing of the Private Placement also took place on March 9, 2015. The Private Placement was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder because the transaction did not involve a public offering.

If all stockholders exercise their subscription rights, the percentage of common stock owned by each stockholder as of the record date will not change as a result of the rights offering. If no stockholders elect to exercise any subscription rights, then Coliseum and its affiliates would hold collectively 625,000 shares of convertible preferred stock and 3,600,000 warrants, which, on an as-converted and fully-exercised basis, would represent 18.6% of our outstanding common stock following the completion of the rights offering, not taking into account any Accrued Dividends which may have increased the liquidation preference of the PIPE Shares up to this point.

### **Recent Developments**

A derivative complaint was filed in the Delaware Court of Chancery on May 7, 2015, by the Park Employees' & Retirement Board Employees' Annuity & Benefit Fund of Chicago, C.A. No. 11000 (the "Complaint"). The Complaint names as defendants certain current and former directors (the "Director Defendants"), certain current and former officers (the "Officer Defendants"), certain entities affiliated with Kohlberg & Co., L.L.C., and Jefferies LLC. We are also named as a nominal defendant in the action.

The Complaint alleges generally that certain defendants breached their fiduciary duties with respect to the Company's public disclosures, oversight of Company operations, secondary stock offerings and stock sales. The Complaint also contends that certain defendants aided and abetted those alleged breaches. The damages sought are not quantified but include, among other things, claims for money damages, restitution, disgorgement, equitable relief, reasonable attorneys' fees, costs and expenses, and interest.

The Company, the Director Defendants and the Officer Defendants deny any allegations of wrongdoing in this lawsuit. The Company and such persons believe all of the claims in this lawsuit are without merit and intend to vigorously defend against these claims. However, there is no assurance that the defense will be successful or that insurance will be available or adequate to fund any settlement or judgment or the litigation costs of this action. The action may also implicate indemnification agreements between the Company and certain of the defendants, which may not be covered by any relevant insurance policies. Additional similar lawsuits may be filed. Moreover, we are unable to predict the outcome or reasonably estimate a range of possible loss at this time. While no assurance can be given as to the ultimate outcome of this matter, we believe that the final resolution of this action is not likely to have a material adverse effect on our results of operations, financial position, liquidity or capital resources.

### Summary of the Rights Offering

<b>The rights offering:</b>	We are distributing to you, at no charge, one non-transferable subscription right for every outstanding share of common stock that you owned on the record date, either as a holder of record or, in the case of shares held of record by brokers, banks or other nominees, on your behalf, as a beneficial owner of these shares.
<b>Subscription rights:</b>	<p>Each whole right entitles you to purchase one unit at a subscription price of \$100.00 per unit. You may exercise some or all of your subscription rights, or you may choose not to exercise your subscription rights.</p> <p>Each unit comprises one share of our 8.5%/11.5% Series A convertible preferred stock, with a par value of \$0.0001 per share, 2.88 Class A warrants and 2.88 Class B warrants. (See “—No Fractional Warrants” below for more information.) No fractional rights or units will be distributed or issued. Unless and until we obtain the required consent and/or amendment from our lenders under our Senior Credit Facilities, we will not be permitted to pay cash dividends. Each share of convertible preferred stock will initially be convertible into shares of common stock at a conversion rate of approximately 19.34 shares of common stock per share of convertible preferred stock, which is equivalent to the initial liquidation preference of \$100.00 divided by the initial conversion price of \$5.17 per share. Each Class A warrant is exercisable for common stock at a price of \$5.17 per share, and each Class B warrant is exercisable for common stock at a price of \$6.45 per share, subject to adjustment upon the occurrence of certain events. The convertible preferred stock and warrants constituting the unit will separate upon exercise of the rights.</p>
<b>Record date:</b>	5:00 p.m., New York City time, on _____, 2015.
<b>Expiration date:</b>	5:00 p.m., New York City time, on _____, 2015, unless extended by us, in our sole discretion. Any rights not exercised at or before that time will expire without any payment to the holders of those unexercised rights.
<b>Subscription price:</b>	\$100.00 per unit, payable in cash.
<b>No Fractional Warrants</b>	We will not issue fractional warrants. If you would be entitled to receive a fractional number of warrants upon exercise of the subscription rights, the total number of warrants to be issued to you will be rounded down to the nearest whole number.
<b>No Fractional Rights or Units:</b>	We will not distribute or issue fractional rights or units. If you are entitled to receive a fractional right consisting of at least $\frac{1}{2}$ of a right, the total number of rights to be issued to you will be rounded up to the nearest whole right. If you are entitled to receive a fractional right consisting of less than $\frac{1}{2}$ of a right, the total number of rights to be issued to you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than $\frac{1}{2}$ right is the only right to which you are entitled.

**Pro Rata Participation:**

If the total number of units subscribed for in this rights offering exceeds 200,000, then each subscribing stockholder's allocation of units will be reduced on a *pro rata* basis such that a total subscription of as close to, but no more than, 200,000 units are issued in this rights offering.

**Use of proceeds:**

The proceeds from the sale of all of the units in the rights offering are expected to be \$20,000,000, before deducting estimated expenses of \$388,125 relating to the rights offering. The proceeds from the rights offering will be used to repay certain of our outstanding indebtedness and for general working capital purposes.

We will also receive proceeds from the exercise of the warrants composing part of the units. We intend to use the proceeds from the exercise of warrants, if any, for general working capital purposes. We can make no assurances that any of the warrants will be exercised, or if exercised, as to the quantity that will be exercised or the period in which they will be exercised.

**No board recommendation:**

Our board of directors makes no recommendation to you about whether you should exercise any rights. You are urged to make an independent investment decision about whether to exercise your rights based on your own assessment of our business and the rights offering. Please see the section of this prospectus titled "Risk Factors" beginning on page 18 for a discussion of some of the risks involved in investing in the units.

**No revocation:**

If you exercise any of your rights, you will not be permitted to revoke or change the exercise or request a refund of monies paid.

**U.S. federal income tax considerations:**

A holder should not recognize income or loss for United States federal income tax purposes in connection with the receipt or exercise of subscription rights in the rights offering. You should consult your tax advisor as to the particular consequences to you of the rights offering. For a detailed discussion, see "Certain United States Federal Income Tax Consequences."

**Extension, cancellation, and amendment:**

Our board of directors may extend the period for exercising your subscription rights, although it does not presently intend to do so. Our board of directors may cancel or terminate the rights offering in its sole discretion at any time on or before the expiration of the rights offering for any reason (including, without limitation, a change in the market price of our common stock). In the event that the rights offering is cancelled or terminated, all funds received from subscriptions by stockholders will be returned. Interest will not be payable on any returned funds. We also reserve the right to amend the terms of the rights offering.

<b>Procedure for exercising rights:</b>	If you are the record holder of shares of our common stock, to exercise your rights you must complete the rights certificate and deliver it to the subscription agent, American Stock Transfer & Trust Company, LLC, together with full payment for all the subscription rights you elect to exercise. The subscription agent must receive the proper forms and payments on or before the expiration of the rights offering. You may deliver the documents and payments by mail or commercial courier. If regular mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested. If you are a beneficial owner of shares of our common stock, you should instruct your broker, custodian bank or nominee in accordance with the procedures described in the section of this prospectus entitled “The Rights Offering—Beneficial Owners.”
<b>Subscription agent:</b>	American Stock Transfer & Trust Company, LLC
<b>Information agent:</b>	Georgeson Inc.
<b>Warrant agent:</b>	American Stock Transfer & Trust Company, LLC
<b>Questions:</b>	Questions regarding the rights offering should be directed to Georgeson Inc., at (877) 278-4775.
<b>Shares outstanding before the rights offering:</b>	shares of common stock as of _____, 2015.
<b>Shares outstanding after completion of the rights offering:</b>	Assuming that the rights offering is fully subscribed, 825,000 shares of convertible preferred stock, 2,376,000 Class A warrants and 2,376,000 Class B warrants will be outstanding. Based upon the maximum of 20,709,446 shares of common stock that may be issued pursuant to the conversion of the convertible preferred stock, consisting of both the PIPE Shares and the shares composing part of the units, at the initial conversion price and the exercise of the warrants, consisting of both the PIPE Warrants and the warrants composing part of the units, at the initial exercise prices, we would have _____ shares of common stock outstanding immediately after the closing of the rights offering, assuming the full conversion of the convertible preferred shares and full exercise of warrants and excluding any shares that may be issued pursuant to the exercise of stock options.
<b>Issuance of convertible preferred stock:</b>	If you purchase units through the rights offering, we will issue a Direct Registration System book-entry statement representing the shares of convertible preferred stock and warrants composing units to you or DTC on your behalf, as the case may be, promptly after the completion of the rights offering and after all <i>pro rata</i> allocations and adjustments have been completed.
<b>Fees and expenses:</b>	We will bear the fees and expenses relating to the rights offering.

**Transfer restrictions:**

The subscription rights may not be sold, transferred or assigned and will not be listed for trading on NASDAQ or on any other stock exchange or market. However, if you exercise your subscription rights, the shares of convertible preferred stock and warrants you acquire may be transferred, subject to any applicable federal, state, or foreign securities law restrictions. We cannot provide you with any assurances as to the liquidity of or the trading market for the convertible preferred stock and warrants.

**The NASDAQ Global Market:**

Shares of our common stock are currently listed for trading on NASDAQ under the symbol "BIOS," and the shares of common stock to be issued to you upon conversion of the convertible preferred stock and exercise of the warrants will be eligible for trading on NASDAQ. None of the rights themselves, units, convertible preferred stock or warrants will be listed on NASDAQ or any other stock exchange or market.

**Risk Factors:**

Exercising your rights and investing in the units involves various risks associated with your investment, including the risks described in the section of this prospectus titled "Risk Factors" beginning on page 18 and the risks that we have highlighted in other sections of this prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2014, and all other information included or incorporated by reference in this prospectus. You should carefully read and consider these risk factors together with all of the other information included and incorporated by reference in this prospectus before you decide whether to exercise your rights to purchase units and whether to convert any such purchased shares or warrants composing the units into shares of common stock.

## RISK FACTORS

*You should carefully consider the risk factors described below and the risk factors incorporated into this prospectus by reference to our Annual Report on Form 10-K for the year ended December 31, 2014, as updated by our subsequent filings under the Exchange Act, including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof, as well as the other information and data included in this prospectus. See the section of this prospectus titled "Where You Can Find More Information." The risks described below are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also significantly impair our business operations and thus our ability to generate revenues. The actual occurrence of any of these risks could materially adversely affect our business, financial condition, results of operations, ability to meet our financial obligations and prospects. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events. In that case, you may lose part or all of your investment.*

### **Risks Related to the Rights Offering**

***If the rights offering is consummated, your relative ownership interest may experience significant dilution.***

To the extent that you do not exercise your rights, your proportionate voting interest will be reduced, and the percentage that your original shares of common stock represent of our expanded equity after exercise of the rights and conversion of the convertible preferred stock and exercise of the warrants will be diluted. Similarly, to the extent that you do not exercise your rights, or if you convert any shares of convertible preferred stock or exercise warrants into shares of common stock, your percentage ownership interest in our company will be diluted to the extent that we do not declare and pay a cash dividend on the convertible common stock and instead increase the liquidation preference by the Accrued Dividend.

***The PIPE Investors will hold a majority of the outstanding shares of convertible preferred stock following the completion of the rights offering, which will limit your ability to influence matters requiring the approval of the holders of Series A convertible preferred stock.***

The PIPE Investors are currently the beneficial owners of all 625,000 issued and outstanding shares of convertible preferred stock. Therefore, the PIPE Investors would hold 75.8% of the 825,000 shares of convertible preferred stock outstanding following the completion of the rights offering, assuming that the rights offering is fully subscribed. This majority ownership of our convertible preferred stock will limit the ability of our other convertible preferred stockholders to influence corporate matters requiring the approval of the holders of Series A convertible preferred stock, including the right, voting as a separate class, to elect one director to the board of directors of the Company (subject to the requirement that holders of Series A convertible preferred stock, in the aggregate, hold 5% or greater of the total voting power of the Company), and approve certain amendments to our certificate of incorporation, or certain other changes, that would adversely affect the holders of the Series A convertible preferred stock. The Series A convertible preferred stock voting power of the PIPE Investors may also delay, defer or even prevent an acquisition by a third party or other change of control of our company to the extent that the consideration that would be received by the PIPE Investors and other holders of Series A convertible preferred stock in such acquisition or change of control is less than their liquidation preference, and may make some transactions more difficult or impossible without the support of the PIPE Investors, even if such events are in the best interests of our other stockholders. In any of these matters, the interests of the PIPE Investors may differ from or conflict with the interests of our other convertible preferred stockholders.

In addition, the PIPE Investors are in the business of making investments in companies and may, from time to time, acquire interests in businesses that directly or indirectly compete with our business, as well as businesses that are significant existing or potential customers.



***The subscription rights are not transferable, and there is no market for the subscription rights.***

You may not sell, give away or otherwise transfer your subscription rights. The subscription rights are only transferable by operation of law. Because the subscription rights are non-transferable, there is no market or other means for you to directly realize any value associated with the subscription rights. You must exercise the subscription rights and acquire the shares of convertible preferred stock to realize any value from your subscription rights.

***There is currently no market for the units or securities composing the units.***

There is currently no market for the units, convertible preferred stock or warrants, and we will not list the units, convertible preferred stock or warrants on NASDAQ or on any other exchange or market. As a result, we cannot provide you with any assurance about the price at which you will be able to sell the convertible preferred stock or warrants, or about whether you will be able to sell the convertible preferred stock or warrants at all, and you might be unable to sell your convertible preferred stock or warrants at a price equal to, or higher than, the subscription price, if at all.

Furthermore, since the convertible preferred stock does not have a maturity date and is not redeemable at your option until the tenth anniversary of the original issuance of the convertible preferred stock, you may, unless you convert your convertible preferred stock into common stock, be required to hold your convertible preferred stock for an extended duration of time if you are unable to sell your convertible preferred stock on terms acceptable to you.

If you convert your preferred stock into common stock or exercise your warrants, you may be unable to sell the shares of common stock issuable upon such conversion or exercise at a price equal to or greater than the initial conversion price of \$5.17 per share and initial exercise prices of \$5.17 per share for Class A warrants and \$6.45 per share for Class B warrants.

***The subscription price, conversion price and exercise prices determined for the rights offering, the convertible preferred stock and the warrants, respectively, are not an indication of the fair value of our common stock.***

A committee of independent directors of our board of directors determined that the subscription price for the units and the terms of the convertible preferred stock and warrants composing the units, including the initial conversion price and initial Class A exercise price of \$5.17 per share and initial Class B exercise price of \$6.45 per share, should be designed to provide an incentive to our current stockholders to exercise their rights. Factors considered in setting the subscription price, the initial conversion price and initial Class A exercise price of \$5.17 per share and initial Class B exercise price of \$6.45 per share, and the terms of the convertible preferred stock and warrants included general conditions in the securities markets, alternatives available to us for raising equity capital, the trading price of our common stock when we completed the Private Placement, and the amount of proceeds desired. The subscription price for units is \$100.00 per units, the initial conversion price is \$5.17 per share and initial Class A exercise price is \$5.17 per share, which were the conversion price of the convertible preferred stock and exercise price of the Class A warrants we issued in the Private Placement (in the case of the Class A warrants, as amended by the Warrant Addendum), respectively, based on the \$5.17 closing price of our common stock on NASDAQ on March 6, 2015, the last full trading date before the date we completed the Private Placement. The initial Class B exercise price \$6.45 is per share, which was the exercise price of the Class B warrants we issued in the Private Placement (as amended by the Warrant Addendum).

The subscription price, the conversion price and the exercise prices do not necessarily bear any relationship to the book value of our assets or our past operations, cash flows, losses, financial condition, net worth or any other established criteria used to value securities. We did not seek or obtain any opinion of financial advisors or investment bankers in establishing the subscription price or the conversion price or the exercise prices. You should not consider the subscription price, the conversion price or the exercise prices to be an indication of the fair value of the convertible preferred stock, warrants or the common stock issuable upon conversion of the convertible preferred stock or exercise of the warrants.

***You may not revoke your subscription rights.***

Once you exercise your subscription rights, you may not revoke the exercise. The public trading market price of our common stock may decline before you convert your convertible preferred stock or exercise your warrants. If you exercise your subscription rights and, afterwards, the public trading market price of our common stock decreases below the conversion price and exercise price, you will be unable to profitably convert your convertible preferred stock or exercise your warrants. Our common stock is traded on NASDAQ under the symbol "BIOS".

***We may terminate the rights offering and return your subscription payments without interest.***

We may in our sole discretion decide not to continue with the rights offering or to terminate the rights offering at any time. This decision could be based on many factors, including market conditions. We currently have no intention to terminate the rights offering, but are reserving the right to do so.

If we elect to cancel or terminate the rights offering, neither we nor the subscription agent will have any obligation with respect to the subscription rights except to return, without interest, any subscription payments the subscription agent received from you.

***This offering may cause the price of our common stock to decrease.***

The conversion price and exercise price, together with the number of shares of common stock we propose to issue and ultimately will issue if this offering is completed and all shares of convertible preferred stock are converted and all warrants are exercised, together with any shares of common stock that we may elect to issue as dividends to holders of the convertible preferred stock, may result in an immediate decrease in the market value of our common stock. This decrease may continue after the completion of this offering. If that occurs, you may be unable to profitably convert your convertible preferred stock or exercise your warrants. Further, if a substantial number of rights are exercised and shares of convertible preferred stock are converted and warrants are exercised, and if the holders of the common stock received upon conversion of the convertible preferred stock or exercise of warrants choose to sell some or all of those shares, the resulting sales could depress the market price of our common stock. There is no assurance that following the conversion of the convertible preferred stock or exercise of warrants received pursuant to the rights offering of units you will be able to sell your common stock at a price equal to or greater than the conversion price or exercise price.

***If you do not act promptly and follow the subscription instructions, your exercise of subscription rights may be rejected.***

Stockholders who desire to purchase units in the rights offering must act promptly to ensure that all required forms and payments are actually received by the subscription agent before \_\_\_\_\_, 2015, the expiration date of the rights offering, unless extended. If you are a beneficial owner of shares of common stock, you must act promptly to ensure that your broker, custodian bank or other nominee acts for you and that all required forms and payments are actually received by the subscription agent before the expiration date of the rights offering. We will not be responsible if your broker, custodian or nominee fails to ensure that all required forms and payments are actually received by the subscription agent before the expiration date of the rights offering. If you fail to complete and sign the required subscription forms, send an incorrect payment amount or otherwise fail to follow the subscription procedures that apply to your exercise in the rights offering, the subscription agent may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we nor our subscription agent undertakes to contact you concerning an incomplete or incorrect subscription form or payment, nor are we under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures.

***We have the option to convert automatically any or all of your shares of convertible preferred stock under certain circumstances.***

If, at any time following the third anniversary date of the issue date, the volume weighted average price of our common stock equals or exceeds three times the conversion price of the convertible preferred stock for a period of 30 consecutive trading days, we may, at our option, require that any or all of the then outstanding shares of convertible preferred stock be converted automatically into a number shares of common stock equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of any fractional shares. We may not, however, elect to exercise this option at any time during the period commencing on the earlier of (1) the date that we have made a public announcement and (2) the date that such information is otherwise made public, that we are in negotiations relating to, or have entered into, a definitive agreement with respect to a transaction constituting a Deemed Liquidation Event and ending on the date of the first to occur of (i) the consummation of such transaction and (ii) the date that we have made a public announcement that any such definitive agreement or the negotiations relating thereto has been terminated.

In addition, from and after the tenth anniversary of the original issuance of the convertible preferred stock, subject to the satisfaction of our obligations to our creditors, we may redeem the outstanding convertible preferred stock, in whole or in part, at a price per share equal to the liquidation preference then in effect per share of convertible preferred stock.

***The receipt of rights may be treated as a taxable dividend to you.***

A distribution of the rights will be a taxable distribution. However, because we believe that such rights have a fair market value of zero or a nominal value, you should not have any tax consequences upon receipt of such rights. To the extent that the IRS successfully asserts that the fair market value of the rights is greater than zero, you could recognize taxable income to such extent. For a detailed discussion, see “Certain United States Federal Income Tax Consequences” beginning on page 34. You should consult your tax advisor as to the particular consequences to you of the rights offering.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. They can be identified by the use of forward-looking words, such as “may,” “will,” “should,” “could,” “would,” “estimate,” “project,” “forecast,” “intend,” “expect,” “plan,” “anticipate,” “believe,” “target,” “providing guidance” or other comparable words, or by discussions of strategy that may involve risks and uncertainties. The forward-looking statements contained in this prospectus reflect our views and assumptions only as of the date of this prospectus. You should not place undue reliance on forward-looking statements. We caution you that these forward-looking statements are only predictions, which are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ include:

- our expectations regarding financial condition or results of operations in future periods;
- our future sources of, and needs for, liquidity and capital resources;
- our ability to comply with financial covenants in our senior credit facilities;
- the level of our indebtedness may limit our ability to execute our business strategy and increase the risk of default under our debt obligations;
- availability of financing sources;
- unfavorable general economic and market conditions;
- reductions in federal, state and commercial payor reimbursement;
- the ability of our home health agencies or pharmacies to comply with the conditions of participation in the Medicare program or Medicare supplier standards;
- delays or suspensions of federal and state payments for services provided;
- changes in industry pricing benchmarks, particularly “average wholesale price,” could adversely impact prices we get reimbursed by our customers, including state Medicaid programs, and the associated margins;
- increased competition from our competitors, including competitors with greater resources, which could have the effect of reducing prices and margins and decreasing our ability to grow by acquisition at feasible prices;
- the sources and amounts of our patient revenue, including the mix of patients and the rates of reimbursement among payors;
- pharmacy benefit management client demands for enhanced service levels;
- efforts to reduce healthcare costs;
- increases or other changes in our acquisition cost for our products;
- unforeseen contract terminations;
- declines and other changes in revenue due to the expiration of short-term contracts;

- difficulties with the implementation of our growth strategy and integrating businesses we have acquired or will acquire;
- the ability to hire and retain key employees;
- difficulties in the implementation and ongoing evolution of our operating systems;
- the outcome of lawsuits and governmental investigations;
- the impact of any new requirements on compounding pharmacies;
- risks associated with increased government regulation related to the health care and insurance industries in general, and more specifically, home infusion, home health and specialty pharmaceutical distribution organizations;
- network lock-outs and decisions to in-source by health insurers or health systems;
- existence of complex laws and regulations relating to our business; and
- other factors discussed from time to time in our filings with the SEC, including factors discussed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015.

## USE OF PROCEEDS

The net proceeds to us from the sale of all of the units in the rights offering is estimated to be \$19,611,875, after deducting estimated offering expenses of \$388,125. We intend to use the proceeds of the rights offering to repay certain of our outstanding indebtedness and for general working capital purposes.

We will also receive proceeds from the exercise of the warrants composing part of the units. We intend to use the proceeds from the exercise of warrants, if any, for general working capital purposes. We can make no assurances that any of the warrants will be exercised, or if exercised, as to the quantity that will be exercised or the period in which they will be exercised.

## CAPITALIZATION

The following table describes our capitalization as of March 31, 2015, on (1) an actual basis, and (2) on an as adjusted basis to give effect to the sale of all 200,000 units offered in the rights offering at a price of \$100.00 per unit.

	As of March 31, 2015	
	Actual	As Adjusted
	<u>(in thousands except per share data)</u>	
Cash and cash equivalents	23,246	22,856(1)
<b>Debt</b>		
Revolving credit facility	-	-
Delayed Draw Term Loan Facility and Term Loan B Facility(2)(3)	222,757	202,757
Senior Notes due 2021, net of unamortized discount(4)	195,602	195,602
Other, primarily capital leases	469	469
<b>Total debt</b>	<u>418,828</u>	<u>398,828</u>
Series A convertible preferred stock —825,000 shares authorized; 625,000 shares issued and outstanding, and \$62,953 liquidation preference as of March 31, 2015, actual; 825,000 shares issued and outstanding, and \$82,953 liquidation preference as of March 31, 2015, as adjusted	53,998	71,615
<b>Stockholders' Equity</b>		
Preferred stock—4,175,000 shares authorized; no shares issued, actual; and as adjusted	-	-
Common stock—125,000,000 shares authorized, 71,295,564 issued and 68,650,271 outstanding, actual, and as adjusted	8	8
Additional paid-in-capital	536,814	538,807
Accumulated deficit	(321,879)	(321,879)
Treasury stock, 2,645,293 shares, at cost	(10,715)	(10,715)
<b>Total stockholders' equity</b>	<u>204,228</u>	<u>206,221</u>
<b>Total capitalization</b>	<u><u>700,300</u></u>	<u><u>699,520</u></u>

- (1) Reflects \$0.39 million in estimated fees and expenses incurred as a result of this rights offering.
- (2) On July 31, 2013, the Company entered into (i) a senior secured first-lien revolving credit facility in an aggregate principal amount of \$75.0 million (the "Revolving Credit Facility"), (ii) a senior secured first-lien term loan B in an aggregate principal amount of \$250.0 million (the "Term Loan B Facility") and (iii) a senior secured first-lien delayed draw term loan B in an aggregate principal amount of \$150.0 million (the "Delayed Draw Term Loan Facility" and, together with the Revolving Credit Facility and the Term Loan B Facility, the "Senior Credit Facilities") with SunTrust Bank, Jefferies Finance LLC and Morgan Stanley Senior Funding, Inc.
- (3) Following the completion of the rights offering, the Company intends to use up to \$20.0 million in cash, including some or all of the net proceeds from the rights offering, to repay outstanding amounts under the Term Loan B Facility and the Delayed Draw Term Loan Facility, subject to approval of the lenders thereunder.
- (4) On February 11, 2014, the Company issued \$200.0 million aggregate principal amount of the 2021 Notes. The 2021 Notes are senior unsecured obligations of the Company and are fully and unconditionally guaranteed by all existing and future subsidiaries of the Company. Interest on the 2021 Notes accrues at a fixed rate of 8.875% per annum and is payable in cash semi-annually, in arrears, on February 15 and August 15 of each year.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND  
PREFERENCE SECURITY DIVIDENDS**

The following table sets forth our ratio of earnings to fixed charges and the ratio of our combined fixed charges and preference stock dividends to earnings on a historical basis for the periods indicated. For purposes of this calculation, “earnings” consist of income before income taxes plus fixed charges. “Fixed charges” consist of the sum of interest expense and the component of rental expense believed by management to be representative of the interest factor for those amounts. Except as set forth below, earnings in each of the periods indicated were adequate to cover fixed charges. The coverage deficiency for each period is specified below, if applicable.

	<u>Year ended December 31,</u>					<u>Quarter ended March 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2015</u>	<u>2014</u>
<b>Fixed Charges:</b>							
Interest expensed and capitalized	38,539	28,198	26,068	25,544	23,561	9,163	10,499
Amortized premiums, discounts and capitalized expenses (included above)	-	-	-	-	-	-	-
Estimate of interest within rental expense	-	-	-	-	-	-	-
<b>Total fixed charges before preference security dividends</b>	<b>38,539</b>	<b>28,198</b>	<b>26,068</b>	<b>25,544</b>	<b>23,561</b>	<b>9,163</b>	<b>10,499</b>
Preference security dividend (1)	-	-	-	-	-	1,617	-
<b>Combined Fixed Charges and Preference Security Dividends</b>	<b>38,539</b>	<b>28,198</b>	<b>26,068</b>	<b>25,544</b>	<b>23,561</b>	<b>10,780</b>	<b>10,499</b>
<b>Earnings:</b>							
Pretax income (loss) from continuing operations before adjustment for minority interest in consolidated subsidiaries or income or loss from equity investees	(131,991)	(54,468)	(19,392)	(8,549)	(28,047)	(13,977)	(21,765)
<b>Total fixed charges before preference security dividends</b>	<b>38,539</b>	<b>28,198</b>	<b>26,068</b>	<b>25,544</b>	<b>23,561</b>	<b>9,163</b>	<b>10,499</b>
Distributed income of equity investees	-	-	-	-	-	-	-
<b>Total Earnings:</b>	<b>(93,452)</b>	<b>(26,270)</b>	<b>6,676</b>	<b>16,995</b>	<b>(4,486)</b>	<b>(4,814)</b>	<b>(11,266)</b>
<b>Ratio of Earnings to Combined Fixed Charges and Preference Security Dividends</b>	<b>(2.42)</b>	<b>(0.93)</b>	<b>0.26</b>	<b>0.67</b>	<b>(0.19)</b>	<b>(0.45)</b>	<b>(1.07)</b>

(1) Preference security dividends in the computation are required to be increased to an amount representing the pretax earnings that would have been required to cover such dividends. The Company has significant deferred tax assets and net operating loss carryforwards which are offset by a valuation allowance and the Company does not expect to pay income taxes in the near future. As a result, no adjustment was made to increase the preference security dividend for income tax expense.



## THE RIGHTS OFFERING

### The Rights

We are distributing at no cost to the record holders of our common stock as of 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, non-transferable subscription rights to purchase units consisting of an aggregate of (a) 200,000 shares of 8.5%/11.5% Series A convertible preferred stock, par value \$0.0001 per share, (b) 576,000 Class A warrants, each to purchase one share of common stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each to purchase one share of common stock at a price of \$6.45 per share. We refer to the Class A warrants and Class B warrants collectively as the “warrants.” The shares of convertible preferred stock will be convertible into shares of common stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events. The convertible preferred stock and warrants constituting the unit will separate upon exercise of the rights. The subscription rights will entitle the holders of common stock (excluding the holders of the PIPE Shares, who will not participate on any as-converted basis) to purchase units for an aggregate purchase price of \$20,000,000. See below for additional information regarding subscription by DTC participants.

You will receive one subscription right for every \_\_\_\_\_ outstanding shares of our common stock that you owned at 5:00 p.m., New York City time, on the record date. Each subscription right will entitle the holder thereof to purchase one unit at a subscription price of \$100.00 per unit, on or before the expiration time of the rights offering. No fractional rights or units will be distributed or issued. If you are entitled to receive a fractional right consisting of at least  $\frac{1}{2}$  right, you will be rounded up to the nearest whole right. If, on the other hand, you are entitled to receive a fractional right consisting of less than  $\frac{1}{2}$  right, you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than  $\frac{1}{2}$  right is the only right to which you are entitled. If the total number of units subscribed for in this rights offering exceeds 200,000, then each subscribing stockholder’s allocation of units will be reduced on a *pro rata* basis such that a total subscription of as close to, but no more than, 200,000 units are issued in this rights offering.

We intend to keep the rights offering open until 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless our board of directors, in its sole discretion, extends such time.

### Reasons for the Rights Offering

On March 9, 2015, we entered into the binding and definitive Purchase Agreement with the PIPE Investors. Pursuant to the terms of the Purchase Agreement, the Private Placement involved our issuance and sale of an aggregate of 625,000 PIPE Shares, 1,800,000 PIPE Class A warrants and 1,800,000 PIPE Class B warrants for gross proceeds of \$62.5 million. On March 23, 2015, the Company and the PIPE Investors entered into an addendum to the Warrant Agreement pursuant to which, among other things, the per share exercise price of the PIPE Class A warrants was reduced from \$5.295 to \$5.17, which was the closing price of our common stock on the last full trading day prior to the issuance on March 9, 2015, and the per share exercise price of the PIPE Class B warrants was reduced from \$6.595 to \$6.45. The PIPE Shares are of the identical Series A class of convertible preferred stock composing part of the units, the PIPE Class A warrants, as amended by the Addendum, are of the same terms as the Class A warrants composing part of the units, and the PIPE Class B warrants, as amended by the Addendum, are of the same terms as the Class B warrants composing part of the units. The closing of the Private Placement also took place on March 9, 2015. The Private Placement was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder because the transaction did not involve a public offering.

Our board of directors determined to raise additional capital by distributing at no charge to holders of our common stock (excluding the holders of the PIPE Shares, who will not participate on any as-converted basis) subscription rights to purchase units composed of an aggregate of (a) 200,000 shares of 8.5%/11.5% Series A convertible preferred stock, par value \$0.0001 per share, convertible into shares of common stock at a conversion price of \$5.17 per share, (b) 576,000 Class A warrants, each to purchase one share of common stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each to purchase one share of common stock at a price of \$6.45 per share. The net proceeds of this rights offering will be used to repay certain of our outstanding indebtedness and for general working capital purposes. The proceeds from the exercise, if any, of the warrants composing part of the units will be used for general working capital purposes.

In authorizing this rights offering, our board of directors considered:

- current economic and financial market conditions;
- analysis from our capital markets structuring advisor;
- the size and timing of the rights offering;
- the potential dilution to our current stockholders if they choose not to participate in the offering;
- alternatives available for raising equity capital;
- historical and current trading prices for our common stock; and
- the fact that existing stockholders would have the opportunity to participate on a pro rata basis.

The PIPE Investors and their affiliates will not participate in this rights offering.

### **Expiration of the Rights Offering and Extensions, Amendments, and Termination**

You may exercise your subscription rights at any time before 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the expiration date of the rights offering, unless extended. We may, in our sole discretion, extend the time for exercising the subscription rights.

We will extend the duration of the rights offering as required by applicable law, and may choose to extend it if we decide that changes in the market price of our common stock warrant an extension or if we decide to give investors more time to exercise their subscription rights in the rights offering. We may extend the expiration date of the rights offering by giving oral or written notice to the subscription agent and information agent on or before the scheduled expiration date. If we elect to extend the expiration of the rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., New York City time, on the next business day after the most recently announced expiration date.

We reserve the right, in our sole discretion, to amend or modify the terms of the rights offering.

If you do not exercise your subscription rights before the expiration date of the rights offering, your unexercised subscription rights will be null and void and will have no value. We will not be obligated to honor your exercise of subscription rights if the subscription agent receives the documents relating to your exercise after the rights offering expires, regardless of when you transmitted the documents.

### **Subscription Rights**

The subscription right of each whole right entitles you to purchase one unit at a subscription price of \$100.00 per unit. Each unit comprises one share of our convertible preferred stock, 2.88 Class A warrants and 2.88 Class B warrants. No fractional rights or units will be distributed or issued. You will receive one subscription right for every \_\_\_\_\_ outstanding shares of common stock owned at 5:00 p.m., New York City time, on the record date. You are not required to exercise all of your subscription rights. We will deliver to the holders of record who purchase shares of convertible preferred stock in the rights offering a Direct Registration System book-entry statement representing the shares of convertible preferred stock that the holder purchased promptly after the expiration date of the rights offering and after all pro rata allocations and adjustments have been completed.

### **Conditions to the Rights Offering**

The rights offering is not conditioned upon stockholder approval of the rights offering. We may cancel or terminate the rights offering, in whole or in part, at any time in our sole discretion. If we cancel or terminate the rights offering, in whole or in part, all affected subscription rights will expire without value, and all subscription payments received by the subscription agent will be returned promptly, without interest or deduction. See also “—Cancellation of Rights.”

## Method of Subscription—Exercise of Rights

If you are a record holder of shares of our common stock, you may exercise your subscription rights by delivering the following to the subscription agent, at or before 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the expiration date of the rights offering, unless extended:

- Your properly completed and executed subscription rights certificate with any required signature guarantees or other supplemental documentation; and
- Your full subscription price payment for each unit subscribed for under your subscription rights.

If you are a beneficial owner of shares of our common stock whose shares are registered in the name of a broker, custodian bank, or other nominee, you should instruct your broker, custodian bank or other nominee to exercise your rights and deliver all documents and payment on your behalf before 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the expiration date of the rights offering, unless extended.

Your subscription rights will not be considered exercised unless the subscription agent receives from you, your broker, custodian or nominee, as the case may be, all of the required documents and your full subscription price payment before 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the expiration date of the rights offering, unless extended.

## No Fractional Rights or Units; Pro Rata Participation

We will not issue fractional rights or units. We will issue one right per \_\_\_\_\_ shares of common stock held as of the record date, and any stockholder entitled to a fractional right will be either rounded up or down to the nearest whole right. If you are entitled to receive a fractional right consisting of at least  $\frac{1}{2}$  right, you will be rounded up to the nearest whole right. If, on the other hand, you are entitled to receive a fractional right consisting of less than  $\frac{1}{2}$  right, you will be rounded down to the nearest whole right. You will be rounded down to zero if the fraction of less than  $\frac{1}{2}$  right is the only right to which you are entitled. If the total number of units subscribed for in this rights offering exceeds 200,000, then each subscribing stockholder's allocation of units will be reduced on a *pro rata* basis such that a total subscription of as close to, but no more than, 200,000 units are issued in this rights offering.

For example:

- Assuming no *pro rata* reduction, if you owned 600 shares of common stock on the record date, you would be entitled to receive 600 divided by \_\_\_\_\_ = \_\_\_\_\_ rights, rounded up to the right to purchase \_\_\_\_\_ units in this rights offering pursuant to \_\_\_\_\_ whole subscription rights.
- Assuming no *pro rata* reduction, if you owned 400 shares of common stock on the record date, you would be entitled to receive 400 divided by \_\_\_\_\_ = \_\_\_\_\_ rights, rounded down to the right to purchase \_\_\_\_\_ unit in this rights offering pursuant to \_\_\_\_\_ whole subscription right.
- Assuming no *pro rata* reduction, if you owned 100 shares of common stock on the record date, you would be entitled to receive 100 divided by \_\_\_\_\_ = \_\_\_\_\_ rights, rounded down to \_\_\_\_\_.
- If the total number of units subscribed for in this rights offering totals 210,000, each subscribing rights holder's allocation of units will be reduced on a *pro rata* basis to  $200,000 \div 210,000 = 95.24\%$  of the units for which each such rights holder originally subscribed. Therefore, if you owned 6,000 shares of common stock on the record date, you would receive \_\_\_\_\_ rights, rounded down to the right to purchase \_\_\_\_\_ units in this rights offering. Pursuant to the *pro rata* reduction in this example, assuming you subscribed for all \_\_\_\_\_ units, your allocation of units will be reduced on a *pro rata* basis to  $95.24\% \times$  \_\_\_\_\_ units = \_\_\_\_\_ units, rounded down to \_\_\_\_\_ units.

**Method of Payment**

Your payment of the subscription price must be made in United States dollars for the full number of shares of convertible preferred stock for which you are subscribing by cashier's or certified check drawn upon a United States bank payable to the subscription agent. Personal checks will not be accepted.

**Receipt of Payment**

Your payment will be considered received by the subscription agent only upon receipt by the subscription agent of any cashier's or certified check drawn upon a United States bank payable to the subscription agent.

**Delivery of Subscription Materials and Payment**

You should deliver your subscription rights certificate and payment of the subscription price to the subscription agent by one of the methods described below:

*By First Class Mail, Express Mail, Overnight Courier or By Hand:*  
American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
Attn: Corporate Actions

Your delivery to an address or by any method other than as set forth above will not constitute valid delivery.

**Calculation of Subscription Rights Exercised**

If you do not indicate the number of subscription rights being exercised, or if you do not forward full payment of the total subscription price payment for the number of subscription rights that you indicate are being exercised, then you will be deemed to have exercised your basic subscription right with respect to the maximum number of subscription rights that may be exercised with the aggregate subscription price payment you delivered to the subscription agent. If we do not apply your full subscription price payment to your purchase of units, we or the subscription agent will return the excess amount to you by mail, without interest or deduction, promptly after the expiration date of the rights offering.

**Your Funds Will Be Held by the Subscription Agent until the Units, Share of Preferred Stock and Warrants Are Issued**

The subscription agent will hold your payment of the subscription price in a segregated account with other payments received from other subscription rights holders until we issue your shares of convertible preferred stock and warrants to you upon consummation of the rights offering.

**Medallion Guarantee May Be Required**

Your signature on each subscription rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, unless:

- Your subscription rights certificate provides that the shares of preferred stock and warrants are to be delivered to you as record holder of those subscription rights; or
- You are an eligible institution.

## **Notice to Brokers and Nominees**

If you are a broker, a trustee or a depository for securities who holds shares of our common stock for the account of others on \_\_\_\_\_, 2015, the record date, you should notify the respective beneficial owners of such shares of the rights offering as soon as possible to find out their intentions with respect to exercising their subscription rights. You should obtain instructions from the beneficial owner with respect to their subscription rights, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should complete the appropriate subscription rights certificates and submit them to the subscription agent with the proper payment. If you hold shares of our common stock for the account(s) of more than one beneficial owner, you may exercise the number of subscription rights to which all such beneficial owners in the aggregate otherwise would have been entitled had they been direct record holders of our common stock on the record date, provided that you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled "Nominee Holder Certification" that was provided to you with your rights offering materials. If you did not receive this form, you should contact the subscription agent to request a copy.

## **Beneficial Owners**

If you are a beneficial owner of shares of our common stock or will receive your subscription rights through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of the rights offering. If you wish to exercise your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. If you hold shares of our common stock directly and would prefer to have your broker, custodian bank or other nominee act for you, you should contact your nominee and request it to effect the transactions for you. To indicate your decision with respect to your subscription rights, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owners Election Form." You should receive this form from your broker, custodian bank or other nominee with the other rights offering materials. If you wish to obtain a separate subscription rights certificate, you should contact the nominee as soon as possible and request that a separate subscription rights certificate be issued to you. You should contact your broker, custodian bank or other nominee if you do not receive this form, but you believe you are entitled to participate in the rights offering. We are not responsible if you do not receive the form from your broker, custodian bank or nominee or if you receive it without sufficient time to respond.

## **Instructions for Completing Your Subscription Rights Certificate**

You should read and follow the instructions accompanying the subscription rights certificates carefully.

You are responsible for the method of delivery of your subscription rights certificate(s) with your subscription price payment to the subscription agent. If you send your subscription rights certificate(s) and subscription price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery to the subscription agent prior to the time the rights offering expires. You must pay, or arrange for payment, by means of a certified or cashier's check drawn upon a United States bank. Personal checks will not be accepted.

## **Determinations Regarding the Exercise of Your Subscription Rights**

We will decide all questions concerning the timeliness, validity, form and eligibility of the exercise of your subscription rights and any such determinations by us will be final and binding. We, in our sole discretion, may waive, in any particular instance, any defect or irregularity or permit, in any particular instance, a defect or irregularity to be corrected within such time as we may determine. We will not be required to make uniform determinations in all cases. We may reject the exercise of any of your subscription rights because of any defect or irregularity. We will not accept any exercise of subscription rights until all irregularities have been waived by us or cured by you within such time as we decide, in our sole discretion.

Neither we nor the subscription agent and information agent will be under any duty to notify you of any defect or irregularity in connection with your submission of subscription rights certificates, and we will not be liable for failure to notify you of any defect or irregularity. We reserve the right to reject your exercise of subscription rights if your exercise is not in accordance with the terms of the rights offering or in proper form. We will also not accept the exercise of your subscription rights if our issuance of the shares of convertible preferred stock and warrants to you could be deemed unlawful under applicable law.

## **Material United States Federal Income Tax Consequences**

A distribution of the rights will be a taxable distribution, however because we believe that such rights have a fair market value of zero or a nominal value, you should not have any tax consequences upon receipt of such rights. To the extent that the IRS successfully asserts that the fair market value of the rights is greater than zero, you could recognize taxable income to such extent. For a detailed discussion, see "Certain United States Federal Income Tax Consequences" beginning on page 34. You should consult your tax advisor as to the particular consequences to you of the rights offering.

## **Regulatory Limitation**

We will not be required to issue the shares of convertible preferred stock and warrants to you pursuant to the rights offering if, in our opinion, it would be unlawful to do so or you would be required to obtain prior clearance or approval from any foreign, state or federal regulatory authorities to own or control such shares and warrants if, at the time the rights offering expires, you have not obtained such clearance or approval.

## **Questions about Exercising Subscription Rights**

If you have any questions or require assistance regarding the method of exercising your subscription rights or requests for additional copies of this document or the Instructions for Use of The BioScrip, Inc. Subscription Rights Certificates, you should contact the information agent at the address and telephone number set forth under "Questions and Answers relating to the Rights Offering" included elsewhere in this prospectus.

## **Subscription Agent and Information Agent**

We have appointed American Stock Transfer & Trust Company, LLC to act as subscription agent and Georgeson Inc. to act as information agent for the rights offering. You should direct any questions or requests for assistance concerning the method of subscribing for the shares of convertible preferred stock or for additional copies of this prospectus to the information agent.

## **Fees and Expenses**

We will pay all fees charged by the subscription agent and the information agent. You are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of the rights. Neither we nor the subscription agent will pay such expenses.

## **No Revocation**

Once you have exercised your subscription rights, you may not revoke your exercise. Subscription rights not exercised before the expiration date of the rights offering will expire and will have no value.

## **Procedures for DTC Participants**

We expect that the exercise of your subscription right may be made through the facilities of the Depository Trust Company. If your subscription rights are held of record through DTC, you may exercise your subscription right by instructing DTC to transfer your subscription rights from your account to the account of the subscription agent, together with certification as to the aggregate number of subscription rights you are exercising and the number of shares of convertible preferred stock you are subscribing for under your subscription right, if any, and your subscription price payment for each share of convertible preferred stock that you subscribed for pursuant to your subscription right. Please note that if you hold your shares in the name of a broker, dealer, or other nominee who uses the services of DTC, you must exercise your subscription rights before 2:15 p.m., New York City time, on the expiration date.

## Subscription Price

The subscription price is \$100.00 per unit. For more information with respect to how the subscription price was determined, see “—Reasons for the Rights Offering” and “Questions and Answers relating to the Rights Offering” included elsewhere in this prospectus.

## Foreign Stockholders

The subscription agent will mail subscription rights certificates to stockholders on the record date, or to subsequent transferees, whose addresses are outside the United States if it is not, in our sole judgment, unlawful to do so. To exercise their subscription rights, holders whose addresses are outside the United States must notify the subscription agent before 11:00 a.m., New York City time, on \_\_\_\_\_, 2015, which is three business days prior to the initial expiration date, and must establish to the satisfaction of the subscription agent that they are permitted to exercise their subscription rights under applicable law. If these procedures are not followed prior to the expiration date, those holders’ rights will expire.

This rights offering is not being made in any state or other jurisdiction in which it would be unlawful to do so, nor are we selling to you, or accepting any offers from you to purchase, shares of convertible preferred stock if you are a resident of any such state or other jurisdiction. If necessary, we may delay commencement of the rights offering in certain states or other jurisdictions in order to comply with the securities law requirements of those states or other jurisdictions. We do not anticipate that there will be any changes in the rights offering, and we may, in our sole discretion, decline to make modifications to the terms of the rights offering requested by regulators in states or other jurisdictions, in which case stockholders who live in those states or other jurisdictions will not be eligible to participate in the rights offering.

## Non-Transferability of the Rights

Except in the limited circumstances described below, only you may exercise the subscription right. You may not sell, give away or otherwise transfer the subscription right.

Notwithstanding the foregoing, your rights may be transferred by operation of law; for example, a transfer of rights to the estate of the recipient upon the death of the recipient would be permitted. If the rights are transferred as permitted, evidence satisfactory to us that the transfer was proper must be received by us before the expiration date of the rights offering in order for the transferee to exercise the rights.

## Cancellation of Rights

Our board of directors may cancel the rights offering, in whole or in part, in its sole discretion at any time before the time the rights offering expires for any reason (including a change in the market price of our common stock). If we cancel the rights offering, any funds you paid to the subscription agent will be promptly refunded, without interest or deduction.

## No Board Recommendation

An investment in units, convertible preferred stock and warrants, like an investment in shares of our common stock, must be made according to each investor’s evaluation of his own best interests and after considering all of the information herein, including the “Risk Factors” section of this prospectus. Neither we nor our board of directors make any recommendation to subscription rights holders regarding whether they should exercise their subscription rights.

## Shares of Common Stock Outstanding After the Rights Offering

We had \_\_\_\_\_ shares of our common stock outstanding as of \_\_\_\_\_, 2015 and following the issuance of the convertible preferred stock and warrants upon completion of this rights offering, and assuming full participation in the rights offering, we will have 825,000 shares of convertible preferred stock, 2,376,000 Class A warrants and 2,376,000 Class B warrants outstanding, which will be convertible and exercisable into 15,957,446 shares, 2,376,000 shares and 2,376,000 shares, respectively, of our common stock, outstanding immediately after the rights offering. Assuming the full conversion of the convertible preferred stock and full exercise of warrants, \_\_\_\_\_ shares of our common stock will be issued and outstanding immediately following the rights offering, excluding any shares that may be issued pursuant to the exercise of stock options.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. Federal income tax consequences of the rights offering to Holders (defined below) of our common stock. This discussion assumes that the Holders of our common stock, convertible preferred stock and warrants hold such securities as capital assets for U.S. Federal income tax purposes. This discussion is based on the Internal Revenue Code of 1986, as amended, (the "Code"), Treasury Regulations promulgated thereunder, Internal Revenue Service rulings and pronouncements and judicial decisions in effect on the date hereof, all of which are subject to change (possibly with retroactive effect) and to differing interpretations. The following summary does not purport to be a complete analysis of all of the potential U.S. Federal income tax considerations, applies only to Holders that are U.S. persons ("Holders"), and does not address all aspects of U.S. Federal income taxation that may be relevant to Holders in light of their particular circumstances or to Holders who may be subject to special tax treatment under the Code, including, without limitation, Holders who are dealers in securities or foreign currency, insurance companies, tax-exempt organizations, banks, financial institutions, broker-dealers, Holders who hold our common stock as part of a hedge, straddle, conversion or other risk reduction transaction, or who acquired our common stock pursuant to the exercise of compensatory stock options or otherwise as compensation.

For purposes of this discussion, a "Holder" is a beneficial owner of a right, unit, convertible preferred stock, warrant, or converted or exercised common stock that is:

- an individual citizen or resident of the U.S.;
- a corporation (or any other entity treated as a corporation for U.S. Federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. Federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Except as modified for estate tax purposes, the term "non-U.S. holder" means a beneficial owner of a right, unit, convertible preferred stock, warrant or converted or exercised common stock that is an individual, a corporation, an estate or a trust that is not a Holder. This discussion does not apply to non-U.S. holders.

This summary is not intended to constitute a complete analysis of all tax consequences relating to the receipt, exercise, disposition and expiration of the subscription rights and the ownership and disposition of our common shares, convertible preferred stock and warrants. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular Holder. Holders should consult their own tax advisors as to the tax consequences in their particular circumstances.

We have not sought, and will not seek, an opinion of counsel or a ruling from the Internal Revenue Service regarding the U.S. Federal income tax consequences of the rights offering or the related convertible preferred stock issuance. The following summary does not address the tax consequences of the rights offering or the related convertible preferred stock issuance under foreign, state, or local tax laws. Accordingly, each Holder should consult its tax advisor with respect to the particular tax consequences of the rights offering and the related convertible preferred stock issuance to such Holder.

### **Receipt and Expiration of the Rights**

The rights offering is part of a "disproportionate distribution" within the meaning of section 305 of the Code; thus, the distribution of the rights would be taxable to the Holder as a dividend to the extent that the fair market value of the rights the Holder receives is allocable to our current and accumulated earnings and profits for the taxable year in which the rights are distributed. We have taken the position that the fair market value of the rights for U.S. Federal income tax purposes is zero or a nominal value, and based on such value, the Holder should not have any tax consequences upon receipt of the rights.



To the extent that the IRS successfully asserts that the fair market value of the rights is greater than zero, the Holder would recognize taxable income to such extent, which would be treated as a taxable dividend to the extent we have current or accumulated earnings and profits. Dividends received by corporate Holders of our common stock are taxable at ordinary corporate tax rates subject to any applicable dividends-received deduction. Subject to the discussion of the additional Medicare tax below, dividends received by non-corporate Holders of our common stock in taxable years beginning on or after January 1, 2013, are taxed at the Holder's capital gain tax rate (a maximum rate of 20%), provided that the Holder meets applicable holding period and other requirements. Any distributions in excess of our current and accumulated earnings and profits will be treated as a tax-free return of basis, and any further distributions in excess of your tax basis in our common stock will be treated as gain from the sale or exchange of our common stock. Regardless of whether the distribution of the rights is treated as a dividend, as a tax-free return of basis or as gain from the sale or exchange of our common stock, the Holder's tax basis in the rights the Holder receives will be their fair market value.

Holders who are individuals are subject to an additional 3.8% Medicare tax (the "additional Medicare tax") on their "net investment income" to the extent that their net investment income, when added to their other modified adjusted gross income, exceeds \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). Certain trusts and estates that are Holders are also subject to the additional Medicare tax. "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes dividends and capital gains. The additional Medicare tax is determined in a different manner than the regular income tax. Holders are urged to consult their own tax advisor regarding the implications of the additional Medicare tax.

If the Holder allows the rights received in the rights offering to expire, the Holder should recognize a short-term capital loss equal to the Holder's tax basis, if any, in the expired rights. The Holder's ability to use any capital loss is subject to certain limitations.

### **Exercise of the Rights**

The Holder will not recognize any gain or loss upon the exercise of the rights. Each unit acquired from the exercise of a right will consist of convertible preferred stock and warrants. For tax purposes, the convertible preferred stock and warrants will be treated separately and the purchase price of a unit must be allocated between the convertible preferred stock and the warrants base upon their relative fair market value. The tax basis of the shares of our convertible preferred stock acquired through exercise of the rights will equal the subscription price allocated to the shares. The holding period for the shares of our convertible preferred stock acquired through exercise of the rights will begin on the date the rights are exercised. The tax basis of warrants acquired through the exercise of the rights will equal the subscription price allocated to the warrants. The holding period for the warrants acquired through the exercise of the rights will begin on the date the rights are exercised.

### **Conversion of Convertible Preferred Stock into Common Stock**

A Holder generally will not recognize gain or loss upon the conversion of its convertible preferred stock to common stock, except in respect of any cash paid to the Holder in lieu of fractional shares. A Holder that receives cash in lieu of a fractional share will recognize capital gain or loss, equal to the difference between the amount of cash received and the Holder's tax basis in the stock exchanged allocable to the fractional share. A Holder's aggregate tax basis in the common stock received upon conversion generally will be equal to the Holder's aggregate tax basis in the convertible preferred stock converted (less the portion of the Holder's basis allocable to any fractional share, as to which the holder receives cash). A Holder's holding period in the common stock received will include the holding period of the convertible preferred stock exchanged.

## **Sale of Shares of Convertible Preferred Stock and Receipt of Distributions on Shares of Convertible Preferred Stock**

Each Holder will recognize capital gain or loss upon the sale of our convertible preferred stock acquired through the exercise of the rights in an amount equal to the difference between the amount realized upon the sale, exchange, or other disposition and the Holder's tax basis in our convertible preferred stock. The capital gain or loss will be long-term if the Holder's holding period in the shares is more than one year. Long-term capital gains recognized by individuals are taxable at a maximum rate of 20%, although such gains may also be subject to the additional Medicare tax described above. Long-term capital gains recognized by corporations are taxable at ordinary corporate tax rates. If the Holder has held the shares of our convertible preferred stock for one year or less, the Holder's capital gain or loss will be short-term. Short-term capital gains are taxed at a maximum rate equal to the maximum rate applicable to ordinary income. The Holder's ability to use any capital loss is subject to certain limitations.

Distributions, if any, on shares of our convertible preferred stock acquired through the exercise of the rights will be taxable to the Holder as a dividend to the extent that the cash and fair market value of property is allocable to our current and accumulated earnings and profits for the taxable year in which the distribution is made. Dividends received by corporate Holders of our convertible preferred stock are taxable at ordinary corporate tax rates subject to any applicable dividends-received deduction. Dividends received by non-corporate Holders of our convertible preferred stock in taxable years beginning on or after January 1, 2013, are taxed at the Holder's capital gain tax rate (a maximum rate of 20%), provided that the Holder meets applicable holding period and other requirements, plus, in some cases, the additional Medicare tax discussed above. Any distributions in excess of our current and accumulated earnings and profits will be treated as a tax-free return of basis, and any further distributions in excess of the Holder's tax basis in our convertible preferred stock will be treated as gain from the sale or exchange of such convertible preferred stock. The Holder's tax basis in any property the Holder receives as a distribution on shares of our convertible preferred stock will be the property's fair market value (regardless of whether the distribution is treated as a dividend, as a tax-free return of basis or as gain from the sale or exchange of our convertible preferred stock).

## **Redemption of Convertible Preferred Stock**

A redemption or other purchase by the Company of a Holder's shares of convertible preferred stock for cash will be treated, depending on the facts and circumstances, as (1) a distribution on the convertible preferred stock, or (2) a taxable sale or exchange of the shares of the convertible preferred stock. Such a transaction will be treated as a taxable sale or exchange of the shares of the convertible preferred stock if the transaction results in either: (a) a complete termination of the Holder's interest in the capital stock of the Company, or (b) a "meaningful reduction" (as determined under section 302 of the Code) of the Holder's interest in the capital stock of the Company. In determining whether any of these has occurred, a Holder of convertible preferred stock will be deemed to own stock that is owned by persons that are treated as related to the Holder for United States federal income tax purposes. If the redemption or other purchase is not treated as a taxable sale or exchange, the amounts received by the Holder will be treated in the same manner as dividends paid on the convertible preferred stock.

## **Treatment of Warrants**

The exercise of a warrant should not result in a taxable event to the Holder of the warrant. If the warrant is exercised, the tax basis of the shares of common stock acquired will be equal to the exercised price increased by the Holder's tax basis in the warrant. The holding period for the shares of common stock acquired from the exercise of the warrant will begin on the date the warrant is exercised. If a warrant is sold or expires the Holder will recognize gain or loss in an amount equal to the amount the Holder receives for the warrant and the Holder's tax basis in the warrant. Such gain or loss generally will be capital gain or loss.

## **Information Reporting and Backup Withholding**

Holders may be subject to information reporting and/or backup withholding with respect to dividend payments on or the gross proceeds from the disposition of our convertible preferred stock acquired through the exercise of the rights. Backup withholding may apply under certain circumstances if the Holder (1) fails to furnish the Holder's social security or other taxpayer identification number ("TIN"), (2) furnishes an incorrect TIN, (3) fails to report interest or dividends properly, or (4) fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct, that the Holder is not subject to backup withholding and that the Holder is a U.S. person. Any amount withheld from a payment under the backup withholding rules is allowable as a credit against (and may entitle the Holder to a refund with respect to) the Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS. Certain persons are exempt from backup withholding, including corporations and financial institutions. Holders are urged to consult their own tax advisor as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

## DESCRIPTION OF UNITS, CAPITAL STOCK AND WARRANTS

The following is a summary of the material terms of our units, capital stock and warrants. You are strongly encouraged, however, to read our amended and restated certificate of incorporation, our amended and restated bylaws, the certificate of designations for the convertible preferred stock, the warrant agreement and other documents and agreements, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part and available from us, at no cost, upon request.

### Units

Each unit comprises one share of our convertible preferred stock, 2.88 Class A warrants and 2.88 Class B warrants. No fractional rights or units will be distributed or issued. The convertible preferred stock and warrants constituting the unit will separate upon exercise of the rights.

### Common Stock

Our certificate of incorporation provides that we may issue up to 125,000,000 shares of common stock, par value \$0.0001 per share. As of 2015, \_\_\_\_\_ shares of common stock were issued and outstanding. Shares of our common stock have the following rights, preferences and privileges:

*Voting.* Holders of our common stock, subject to the provisions of our bylaws and the General Corporation Law of the State of Delaware (the "DGCL"), relating to the fixing of a record date, are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. The affirmative vote of a majority of the shares present in person or represented by proxy at a duly held meeting at which a quorum is present shall be the act of the stockholders. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the shares voting are able to elect all of the directors.

*Dividends.* Holders of common stock are entitled to receive ratably dividends, in cash, securities, or property, as may from time to time be declared by our board of directors.

*Conversion.* The shares of common stock are not convertible into any other series or class of securities.

*Rights Upon Liquidation.* In the event of our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in all of our assets that are available for distribution after payment in full of all of our liabilities and any preferential liquidation rights of our preferred stock then outstanding.

*Miscellaneous.* The holders of our common stock have no preemptive or other subscription or conversion rights. In addition, there are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are, and the shares of common stock to be issued upon conversion of the convertible preferred stock will be, upon payment therefor, fully paid and non-assessable. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock outstanding at any time.

### Series A Convertible Preferred Stock

The shares of convertible preferred stock to be issued in the rights offering will have the following rights:

*Dividends.* We may pay a noncumulative cash dividend on each share of the convertible preferred stock when, as and if declared by our board of directors and permitted by the DGCL, out of funds legally available for the payment of distributions, at a rate of eight and one-half percent (8.5%) per annum on the liquidation preference then in effect. Beginning with the second quarter of 2015, on or before the third (3rd) business day immediately preceding each fiscal quarter of the Company, we will determine our intention whether or not to pay a cash dividend with respect to that ensuing quarter and will give notice of our intention to each holder of convertible preferred stock as soon as practicable thereafter. Unless and until we obtain the required consent and/or amendment from our lenders under our Senior Credit Facilities, we will not be permitted to pay cash dividends.

In the event we do not declare and pay a cash dividend, the liquidation preference of the convertible preferred stock will be increased to an amount equal to the liquidation preference in effect at the start of the applicable dividend period, plus an amount equal to such then applicable liquidation preference multiplied by eleven and one-half percent (11.5%) per annum, computed on the basis of a 365-day year and the actual number of days elapsed from the start of the applicable dividend period to the applicable date of determination.

In the event that we shall, at any time, pay a dividend or make a distribution, whether in cash, in kind or other property on the outstanding shares of common stock (other than any dividend in the form of stock, warrants, options or other rights where the dividend stock or the stock issuable upon exercise of such warrants, options or other rights is common stock or ranks equal or junior to the common stock), we shall, at the same time, pay to each holder of convertible preferred stock a dividend equal to the dividend that would have been payable to such holder if all of the shares of convertible preferred stock beneficially owned by such holder had been converted into common stock immediately prior to the applicable record date for determining the stockholders eligible to receive such dividend or distribution.

Cash dividends shall be payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year (unless any such day is not a business day, in which event such dividends shall be payable on the next succeeding business day, without accrual to the actual payment date), commencing on the first calendar day following the date of original issuance of the convertible preferred stock. If declared, cash dividends will begin to accrue on the first day of the applicable dividend period. Unless and until we obtain the required consent and/or amendment from our lenders under our Senior Credit Facilities, we will not be permitted to pay such cash dividends.

If applicable, the Accrued Dividend will accrue and be cumulative on the same schedule as set forth in the last sentence of the preceding paragraph with respect to cash dividends and will also be compounding at the applicable annual rate on each applicable subsequent dividend date. Accrued Dividends are paid upon the occurrence of a Liquidation Event (as defined below) and upon conversion or redemption of the convertible preferred stock in accordance with the terms thereof.

*Liquidation, Dissolution or Winding-up; Liquidation Preference.* Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company (each, a "Liquidation Event"), after satisfaction of all liabilities and obligations to creditors of the Company and distribution of any assets of the Company to the holders of any stock or debt that is senior to the convertible preferred stock, and before any distribution or payment shall be made to holders of any junior stock, each holder of convertible preferred stock will be entitled to (i) convert their shares of convertible preferred stock into common stock and receive their pro rata share of consideration distributed to the common stockholders, or (ii) receive, out of the assets of the Company or proceeds thereof (whether capital or surplus) legally available therefor, an amount per share of convertible preferred stock equal to the liquidation preference. The liquidation preference is equal to \$100.00, which preference may be adjusted from time to time as described above under the section entitled "—Dividends." However, if, at any applicable date of determination of the liquidation preference, (i) any cash dividend has been declared but is unpaid or (ii) the Company has given notice (or failed to give such notice) of its intention to pay a cash dividend but such cash dividend has not yet been declared by the Company's board of directors, then such cash dividends shall be deemed, for purposes of calculating the applicable liquidation preference, to be Accrued Dividends.

The occurrence of a change of control that would result if the Company either (1) merges or consolidates with or into any other person, another person merges with or into the Company, or the Company sells, leases, licenses, transfers, or otherwise disposes of all or substantially all of the assets of the Company to another person or (2) engages in any recapitalization, reclassification or other transaction in which all or substantially all of the common stock is exchanged for or converted into cash, securities or other property will be deemed a Liquidation Event under the certificate of designations (a "Deemed Liquidation Event"), unless such treatment is waived in writing by holders of a majority in voting power of the outstanding shares of the convertible preferred stock, taken together and voting as a separate class (but not as separate series).

*Voting.* Holders of shares of convertible preferred stock will be entitled to vote with the holders of shares of common stock (and any other class or series that may similarly be entitled to vote with the holders of common stock) and not as a separate class, at any annual or special meeting of stockholders of the Company, and may act by written consent in the same manner as the holders of common stock, on an as-converted basis.

In the event of any such vote or action by written consent, each holder of shares of convertible preferred stock will be entitled to that number of votes equal to the whole number of shares of common stock into which such holder's aggregate number of shares of convertible preferred stock are convertible as of the close of business on the record date fixed for such vote or such written consent. The terms of the convertible preferred stock at issuance included a requirement that prior to the receipt of the approval by the holders of common stock under the listing standards of The Nasdaq Stock Market, including Nasdaq Stock Market Rule 5635(b) (the "Stockholder Approval"), the convertible preferred stock beneficially owned by holders could not be voted to the extent that the aggregate voting power of all of the Company's voting stock beneficially owned by the holder exceeds 19.99% of the aggregate voting power of all of the Company's voting stock outstanding on the applicable record date for determining stockholders who may vote with respect to any proposal (the "Voting Cap"). On May 11, 2015 we obtained Stockholder Approval, and as a result, the Voting Cap and the other restrictions and conditions described below relating to the holders and their respective affiliates' ability to convert their shares of convertible preferred stock and exercise their warrants ceased to apply.

In addition to any other vote or consent required in the certificate of designations or by applicable law, unless waived in writing by holders of a majority in voting power of the outstanding shares of the convertible preferred stock, the vote or written consent of the holders of a majority in voting power of the outstanding shares of the convertible preferred stock shall be necessary for effecting or validating the following actions (whether taken by amendment, merger, consolidation or otherwise): (i) any change, amendment, alteration or repeal (including as a result of a merger, consolidation, or other similar or extraordinary transaction) of any provisions of the certificate of incorporation or bylaws of the Company that amends or modifies, in a manner adverse to, in any material respect, the rights, preferences, privileges or voting powers of the convertible preferred stock, except as permitted by the certificate of designations; (ii) any authorization, designation, recapitalization, whether by reclassification, by merger or otherwise, or issuance of any new class or series of stock or any other securities convertible into equity securities of the Company having rights, preferences or privileges senior to or on a parity with the convertible preferred stock; (iii) subject to certain limited exceptions, any increase or decrease in the authorized number of shares of convertible preferred stock; (iv) any redemption, repurchase or other acquisition, or payment of dividends or other distributions, by the Company with respect to any securities of the Company that constitute junior stock, except as permitted by the certificate of designations; (v) the entry by the Company into any contract, agreement, arrangement, or understanding that would prohibit or otherwise restrict the Company from performing its obligations to the holders of convertible preferred stock under the certificate of designations, the certificate of incorporation or otherwise; (vi) the entry by any Company subsidiary into any contract, agreement, arrangement, or understanding that would prohibit or otherwise restrict the payment of dividends or the making of distributions to the Company; or (vii) the issuance by the Company of equity or securities convertible into equity of the Company at a price that is more than 25% below fair market value of such equity or securities at the time of issuance thereof.

In addition, the vote or written consent of a majority in voting power of the outstanding shares of the convertible preferred stock will be necessary for effecting or validating (i) any voluntary initiation of any liquidation, dissolution or winding up of the Company and (ii) certain Deemed Liquidation Events; *provided however*, that in each case the holders of the convertible preferred stock shall only be entitled to approve such events or transactions if those events or transactions would result in the holders of the convertible stock not being entitled to convert their shares of convertible preferred stock or receive the full value of the Liquidation Preference as a result of the transaction.

The PIPE Investors are currently the beneficial owners of all 625,000 issued and outstanding shares of convertible preferred stock. The PIPE Investors would hold collectively 75.8% of the 825,000 shares of convertible preferred stock outstanding following the completion of the rights offering, assuming that the rights offering is fully subscribed. This majority ownership of our convertible preferred stock will limit the ability of our other convertible preferred stockholders to influence corporate matters requiring the approval of the holders of convertible preferred stock. See "Risk Factors – The PIPE Investors will hold a majority of the outstanding shares of convertible preferred stock following the completion of the rights offering, which will limit your ability to influence matters requiring the approval of the holders of Series A convertible preferred stock" and "Description of Units, Capital Stock and Warrants—Series A Convertible Preferred Stock—Voting."

*Series A Director designee.* So long as shares of the convertible preferred stock represent at least five percent (5%) of the outstanding voting stock of the Company (on an as converted into common stock basis), the holders of the convertible preferred stock shall be entitled to designate one (1) member of the board of directors by a majority of the voting power of the outstanding shares of convertible preferred stock. Such designee shall be appointed to a minimum of two (2) committees of the board of directors at the designee's request. The holders of the convertible preferred stock will also be permitted to vote their shares of convertible preferred stock (on an as converted basis) for the members of the board of directors elected by the common stock. Upon completion of this offering and assuming we sell all of the units offered hereby, the PIPE Investors will own approximately 75.8% of the outstanding convertible preferred stock and therefore will collectively be able to designate the member to the board of directors until such time as they no longer hold a majority of the outstanding convertible preferred stock.

*Optional Conversion by Holders.* The number of shares of common stock to which a holder of convertible preferred stock shall be entitled upon conversion shall be equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of fractional shares. Because we received Stockholder Approval, there are no caps on the number of shares of convertible preferred stock that may be converted into shares of common stock by a holder.

*Optional Conversion by the Company.* If, at any time following the third anniversary date of the issue date, the volume weighted average price of our common stock equals or exceeds three times the conversion price of the convertible preferred stock for a period of 30 consecutive trading days, we may, at our option, require that any or all of the then outstanding shares of convertible preferred stock be converted automatically into a number shares of common stock equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of any fractional shares. Notwithstanding the foregoing, the Company may not elect to exercise the foregoing option at any time during the period commencing on the earlier of (1) the date that the Company has made a public announcement and (2) the date that such information is otherwise made public, that the Company is in negotiations relating to, or has entered into, a definitive agreement with respect to a transaction constituting a Deemed Liquidation Event and ending on the date of the first to occur of (i) the consummation of such transaction and (ii) the date that the Company has made a public announcement that any such definitive agreement or the negotiations relating thereto has been terminated.

*Optional Special Dividend and Conversion on Certain Change of Control.* At the written election (including written notice to the Company) by holders of a majority in voting power of the outstanding shares of convertible preferred stock, upon the occurrence of a change of control that would, subject to certain exceptions, result in any person (other than the PIPE Investors or any of their respective affiliates or a person acting as a group with the PIPE Investors or any of their respective affiliates) beneficially owning, directly or indirectly shares of the Company's capital stock entitling such person to exercise 50% or more of the total voting power of all classes of voting stock of the Company (but solely in connection with a transaction that is a third party tender offer that is publicly disclosed and approved (or recommended to the stockholders of the Company)): (i) the Board shall, subject to applicable law, declare and the Company shall pay a special cash dividend (as such may be adjusted as described below, the "special dividend") on each share of convertible preferred stock, out of any funds that are legally available therefor (the "legally available funds"), in the amount of the liquidation preference per share then in effect with respect to the convertible preferred stock, pursuant to the certificate of designation governing such preferred stock; provided, however, that to the extent the legally available funds are not sufficient to pay the special dividend in full (the amount of such shortfall being referred to as a "funds shortfall"), the aggregate special dividend in respect of all shares of convertible preferred stock and any special dividend applicable to parity stock shall be reduced to an aggregate amount equal to the legally available funds and the special dividend (as so reduced) and any applicable special dividend with respect to parity stock shall be paid to the holders of convertible preferred stock and the holders of the parity stock in proportion to the full amounts to which the holders of the convertible preferred stock and the holders of the parity stock would otherwise be entitled pursuant to the certificate of designations for the convertible preferred stock and the certificate of designations (or other governing instrument) of the parity stock, respectively; and (ii) as of the payment date of the special dividend, all outstanding shares of convertible preferred stock automatically will be converted (without further action) into a number of shares of common stock equal to the product obtained by multiplying the conversion rate then in effect, by the number of shares of convertible preferred stock being converted, plus cash in lieu of fractional shares; provided; however, that for purposes of determining the conversion rate as applicable to such conversion, the aggregate liquidation preference on each share of convertible preferred stock and the liquidation preference on each share of any applicable parity stock as provided in the certificate of designations (or other governing instrument) of such parity stock shall be increased by the funds shortfall applicable to each such share.

*Conversion Rate and Conversion Price.* The conversion rate in effect at any applicable time for conversion of each share of convertible preferred stock into common stock will be the quotient obtained by dividing the liquidation preference then in effect by the conversion price then in effect. The conversion price for the convertible preferred stock will initially be \$5.17 and is subject to adjustment from time to time upon the occurrence of certain events, including in the event of a stock split, a reverse stock split, or a dividend of common stock to our common stock holders, in each case as more fully described in the certificate of designations for the convertible preferred stock.

*No Fractional Shares.* If, upon conversion of the convertible preferred stock, a holder would be entitled to receive a fractional interest in a share of our common stock, we will, upon conversion, pay in lieu of such fractional interest, cash in an amount equal to such fraction of a share multiplied by the Closing Price (as defined in the next sentence) of a share of common stock on the last trading day before the date on which shares of common stock are issued in connection with such conversion. The “Closing Price” means, on any particular date, (a) the last reported trade price per share of common stock on such date on Nasdaq (as reported by Bloomberg L.P. at 4:15 p.m. (New York City time)), or (b) if there is no such price on such date, the closing bid price on Nasdaq on the date nearest preceding such date (as reported by Bloomberg L.P. at 4:15 p.m. (New York City time)), or (c) if the common stock is not then listed or quoted for Nasdaq and if prices for the common stock are then reported in the “pink sheets” published by Pink Sheets LLC (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the common stock so reported, or (d) if the shares of common stock are not publicly traded, the fair market value of a share of common stock as determined by our board of directors in good faith.

*Rank.* The convertible preferred stock will, with respect to dividend rights and rights upon liquidation, winding up or dissolution, rank senior to our common stock and each other class or series of shares that we may issue in the future the terms of which do not expressly provide that such class or series ranks equally with, or senior to, the convertible preferred stock, with respect to dividend rights and/or rights upon liquidation, winding up or dissolution.

The convertible preferred stock will, with respect to dividend rights and rights upon liquidation, winding up or dissolution, rank equally with each other class or series of shares that we may issue in the future the terms of which expressly provide that such class or series shall rank equally with the convertible preferred stock with respect to dividend rights and rights upon liquidation, winding up or dissolution.

The convertible preferred stock will, with respect to dividend rights and rights upon liquidation, winding up or dissolution, rank junior to each class or series of shares that we may issue in the future the terms of which expressly provide that such class or series shall rank senior to the convertible preferred stock with respect to dividend rights and rights upon liquidation, winding up or dissolution. The convertible preferred stock will also rank junior to our existing and future indebtedness.

*Redemption at the Option of the Holder Upon Change of Control.* Upon the occurrence of a change of control (other than a change of control that would constitute a Deemed Liquidation Event (unless waived in writing by holders of a majority in voting power of the outstanding shares of the convertible preferred stock) or the type of change of control described above under the section entitled “—Optional Special Dividend and Conversion on Certain Change of Control”) and subject to applicable law, each holder of shares of convertible preferred stock that remain outstanding thereafter, if any, subject to certain exceptions shall have the right to require us to redeem, in full, out of funds legally available therefor, by irrevocable written notice to us, all of such holder’s shares of convertible preferred stock at a redemption price per share equal to the liquidation preference then in effect per share of convertible preferred stock.

*Redemption at the Option of the Holder Other than Upon Change of Control.* From and after the tenth anniversary of the original issuance of the convertible preferred stock, each holder of shares of convertible preferred stock shall have the right to request that we redeem, in full, out of funds legally available therefor, by irrevocable written notice to us, all of such holder's shares of convertible preferred stock at a redemption price per share equal to the liquidation preference then in effect per share of convertible preferred stock. Such notice must be given by first class mail, postage prepaid, addressed to us. Each notice of redemption to us must state the redemption date and the number of shares of convertible preferred stock to be redeemed, and such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption in the notice.

If we elect to redeem a holder's shares of convertible preferred stock pursuant to such notice, we will notify the holder of our election and the place or places where certificates for such shares are to be surrendered (or an indemnification undertaking as reasonably determined by us with respect to such certificates in the event of their loss, theft or destruction) for payment of the redemption price.

If we elect not to redeem a holder's shares of convertible preferred stock pursuant to such notice, we will notify the holder of our election not to redeem, and the conversion price then in effect with respect to the shares of convertible preferred stock subject to the notice provided by such holder will, as of the date we notify the holder of our election not to redeem, be decreased to the lesser of (A) the conversion price then in effect and (B) 80% of the volume weighted average price of our common stock for the 10 consecutive trading days prior to the date such holder notified us. Any such adjustment to the conversion price will be in addition to any adjustments to the conversion price pursuant to the anti-dilution provisions.

*Redemption at the Option of the Company.* From and after the tenth anniversary of the original issuance of the convertible preferred stock, subject to the satisfaction of our obligations to our creditors, we may redeem the outstanding convertible preferred stock, in whole or in part, at a price per share equal to the liquidation preference then in effect per share of convertible preferred stock.

*Reorganizations, Mergers and Consolidations.* If at any time or from time to time after the issue date, there is a reorganization of the Company (other than in instances where the certificate of designations allows for any adjustment to the liquidation preference or the conversion price) or a merger or consolidation of the Company with or into another corporation (except a Deemed Liquidation Event that is not waived as provided in the certificate of designation), then, as a part of such reorganization, merger or consolidation, provision will be made so that the holders of such convertible preferred stock will then have the right to convert such stock into the kind and amount of stock and other securities and property receivable upon such reorganization, merger or consolidation by holders of the number of shares of common stock into which such shares of convertible preferred stock could have been converted immediately prior to such reorganization, merger or consolidation, all subject to further adjustment as provided in the certificate of designation or with respect to such other securities or property by the terms thereof. The Company may not effect any such reorganization, merger or consolidation unless prior to the consummation thereof the successor entity (if other than the Company) resulting from such consolidation or merger has assumed by written instrument the obligations of the Company under the certificate of designations governing the convertible preferred stock.

*Transferability.* The convertible preferred stock will, subject to any applicable federal, state, or foreign securities law restrictions, be transferable. We will not list the convertible preferred stock on NASDAQ or on any other exchange or market and cannot provide you with any assurances as to the liquidity of or the trading market for the convertible preferred stock.

## **Warrants**

This section describes the material terms of the warrants composing part of the units. The Class A warrants and Class B warrants compose part of each unit. The Class A warrants and the Class B warrants have identical terms except for the exercise price. The Class A warrants and the Class B warrants will be immediately exercisable by a holder. The PIPE Warrants became exercisable on May 11, 2015 upon the receipt of Stockholder Approval.



The warrants will be issued pursuant to a warrant agreement between us and American Stock Transfer & Trust Company, LLC as Warrant Agent (the “Warrant Agreement”). The warrants are subject to the terms of the Warrant Agreement and may only be exercised or transferred in accordance with the terms thereof. You should read the Warrant Agreement for a more complete discussion of the terms of the Warrants. Beneficial owners of our common stock whose shares are held in “street name” will have their warrants credited to the account of their broker, dealer, custodian bank or other nominee, and record holders of our common stock who acquire warrants in their own name will have their warrants credited in book-entry directly to them.

*Exercise Prices and Terms.* The warrants may be exercised to acquire shares of Company common stock. Class A warrants are exercisable at \$5.17 per share and the Class B warrants are exercisable at \$6.45 per share. The Class B warrants are identical to the Class A warrants, except for the exercise price. The warrants may only be exercised for cash. The Company may pay an exercising holder cash in lieu of issuing a fractional share in connection with an exercise of warrants. In order to exercise all or any of the warrants, the holder thereof is required to deliver to the Warrant Agent a notice of election attached to the Warrant Agreement and pay the amount of the full exercise price for each share of common stock to be acquired upon exercise. If the warrants are held in the name of a broker, dealer, or other nominee who uses the services of DTC, a notice of election and payment of the full exercise price is to be delivered in accordance with instruction from such broker, dealer, or other nominee.

*Term:* The warrants expire ten years from their date of issuance.

*No Rights as Stockholders:* The holders of unexercised warrants are not entitled to any of the rights to which the holders of outstanding shares of Company common stock are entitled and, as such, are not entitled to receive notice of, or to vote at, any meeting, to consent, to receive notice of any other proceedings of the Company or to exercise any other rights whatsoever as our stockholders.

*Transferability:* The warrants will, subject to any applicable federal, state, or foreign securities law restrictions, be transferable. We will not list the warrants on NASDAQ or on any other exchange or market and cannot provide you with any assurances as to the liquidity of or the trading market for the warrants.

*Adjustment:* The number of shares of Company common stock issuable upon exercise of each warrant, referred to as the “warrant shares,” will be adjusted upon occurrence of certain events as follows:

- *In the case of stock splits, subdivisions, reclassifications or combinations of common stock.* If the Company (i) declares and pays a dividend or makes a distribution on its common stock in shares of common stock, (ii) subdivides or reclassifies the outstanding shares of common stock into a greater number of shares, or (iii) combines or reclassifies the outstanding shares of common stock into a smaller number of shares, the number of shares of common stock issuable upon exercise of the warrants at the time of the record date for the dividend or effective date of the split, reverse split, subdivision, combination or reclassification shall be proportionately adjusted so that the holder of warrants after such date shall be entitled to purchase the number of shares of common stock which such holder would have owned or been entitled to receive in respect of the shares of common stock subject to such warrants after such date had the warrants been exercised immediately prior to such date. In such event, the exercise price of the warrants at the time of the effective date of such split, reverse split, subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of shares of common stock issuable upon the exercise of such warrants before such adjustment and (2) the exercise price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, split, reverse split, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of shares of common stock issuable upon exercise of such warrants determined pursuant to the immediately preceding sentence.
- *Price Based Anti-Dilution.* If the Company shall issue or sell any shares of common stock for a consideration per share less than 85% of the then current market price per share immediately prior to such issuance or sale, or if earlier, upon the execution of the definitive documentation with respect to such issuance or sale (the “Effective Time”), then immediately upon the Effective Time the number of shares of common stock issuable upon exercise of any warrants at the time of the effective date shall be increased by multiplying such number of shares of common stock by a fraction, (i) the numerator of which shall be the fully diluted number of shares of common stock outstanding immediately prior to the Effective Time plus the number of shares of common stock so issued or sold, and (ii) the denominator of which shall be the fully diluted number of shares of common stock outstanding immediately prior to the Effective Time plus the number of shares of common stock which the aggregate consideration received by the Company for the total number of shares of common stock so issued or sold would purchase if such shares were sold at the then current market price. However, certain issuance of common stock will not trigger the price based anti-dilution provisions, such as issuance of common stock upon conversion of the Series A convertible preferred stock and issuances of equity awards to employees that are approved by the board of directors.

- *Other Distributions.* In case the Company fixes a record date for the making of a dividend or distribution to all holders of shares of common stock of securities, evidences of indebtedness, assets, cash, rights or warrants (but subject to certain exclusions), in each such case, the exercise price of the warrants in effect prior to such record date shall be reduced immediately thereafter to the price determined in accordance with a defined formula in the warrant.
- *Business Combinations.* In case of any merger, consolidation, statutory share exchange, amalgamation, tender offer, recapitalization, reorganization, scheme of arrangement or similar transaction that requires the approval of the Company's stockholders (collectively, a "Business Combination"), the right of a holder of a warrant to receive shares of common stock upon exercise of a warrant shall be converted into the right to exercise such warrant to acquire the number of shares of stock or other securities or property (including cash) which the common stock issuable (at the time of such Business Combination) upon exercise of such warrant immediately prior to such Business Combination or reclassification would have been entitled to receive upon closing of such Business Combination or reclassification.

**Warrant Agent**

American Stock Transfer & Trust Company, LLC will serve as the Warrant Agent.

**Governing Law**

The Warrant Agreement and the warrants will be governed by and construed in accordance with the laws of the State of New York.

**No Fractional Warrants**

No fractional warrants will be delivered by us upon the exercise of a right. If the exercise of a right would result in the delivery of a fractional warrant, the number of warrants will be rounded down to the nearest whole number.

## PLAN OF DISTRIBUTION

On or about \_\_\_\_\_, 2015, we will distribute the rights, rights certificates and copies of this prospectus to individuals who owned shares of common stock on the record date. If you wish to exercise your rights and purchase units, you should complete the rights certificate and return it with payment for the units, to the subscription agent, American Stock Transfer & Trust Company, LLC, at the following address:

*By First Class Mail, Express Mail, Overnight Courier or By Hand:*  
American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
Attn: Corporate Actions

See “The Rights Offering—Method of Subscription—Exercise of Rights.” If you have any questions, you should contact the information agent, Georgeson Inc., at (877) 278-4775. We have agreed to pay the subscription agent and information agent customary fees plus certain expenses, which we estimate will total approximately \$35,000. Some of our employees may solicit responses from you as a holder of rights, but we will not pay our employees any commissions or compensation for these services other than their normal employment compensation. We estimate that our total expenses in connection with the rights offering will be approximately \$388,125.

We have not entered into any agreements regarding stabilization activities with respect to our securities. We are not aware of any existing agreements between any stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the units underlying the rights or the common stock issuable upon conversion of the convertible preferred stock and exercise of the warrants.

If your shares of common stock are held in your name, we will send you a direct registration account statement as soon as practicable following the closing of this rights offering. If your shares of common stock are held by a broker, dealer, custodian bank or other nominee and you purchase shares of convertible preferred stock in this rights offering, your account with your nominee will be credited by your nominee. Shares of our common stock are currently listed for trading on NASDAQ under the symbol “BIOS,” and the shares of common stock issuable upon conversion of the convertible preferred stock and exercise of warrants will be eligible for trading on NASDAQ. We will not list the subscription rights, units, convertible preferred stock or warrants on NASDAQ or on any other exchange or market.

## WHERE YOU CAN FIND MORE INFORMATION

### Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of this information at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 or (202) 942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including us, who file electronically with the SEC. The address of that site is [www.sec.gov](http://www.sec.gov). The information contained on the SEC's website is expressly not incorporated by reference into this prospectus.

We also maintain an Internet website at [www.bioscrip.com](http://www.bioscrip.com) and can be used to access free of charge, through the investor relations section, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with or furnish it to the SEC and all such reports of ours going forward. The information set forth on, or connected to, our website is expressly not incorporated by reference into, and does not constitute a part of, this prospectus, and should not be relied upon in connection with making any investment decision with respect to our shares of convertible preferred stock or our shares of common stock.

This prospectus contains summaries of provisions contained in some of the documents discussed in this prospectus, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to in this prospectus have been filed or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus forms a part. If any contract, agreement or other document is filed or incorporated by reference as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Do not rely on or assume the accuracy of any representation or warranty in any agreement that we have filed or incorporated by reference as an exhibit to the registration statement because such representation or warranty may be subject to exceptions and qualifications contained in separate disclosure schedules, may have been included in such agreement for the purpose of allocating risk between the parties to the particular transaction, and may no longer continue to be true as of any given date.

### Incorporation of Documents by Reference

The SEC allows us to incorporate by reference information into this prospectus. This means we can disclose information to you by referring you to another document we filed with the SEC. We will make those documents available to you without charge upon your oral or written request. Requests for those documents should be directed to BioScrip, Inc., 100 Clearbrook Road, Elmsford, New York 10523, Attention: Corporate Secretary, telephone: (914) 460-1600. This prospectus incorporates by reference the following documents (other than any portion of the respective filings furnished, rather than filed, under the applicable SEC rules) that we have filed with the SEC but have not included or delivered with this prospectus:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed on March 2, 2015, as amended on March 9, 2015;
- Portions of our definitive proxy statement on Schedule 14A that are deemed "filed" with the SEC under the Exchange Act, filed on April 8, 2015;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed on May 8, 2015;
- Current Reports on Form 8-K filed on February 4, 2015, February 9, 2015, March 2, 2015, March 10, 2015, as amended on March 24, 2015, April 28, 2015, May 1, 2015, May 14, 2015, and May 27, 2015; and

The description of our common stock included in our amended registration statements on Form 8-A/A filed on August 1, 1996, December 4, 2002, December 14, 2006, March 4, 2009 and any amendment or report we may file with the SEC for the purpose of updating such description.

We are also incorporating by reference additional documents we may file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus until we close this offering, other than any portion of the respective filings furnished, rather than filed, under the applicable SEC rules. In addition, all documents we may file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the registration statement of which this prospectus forms a part, and prior to effectiveness of such registration statement, shall be deemed to be incorporated by reference into this prospectus. This additional information is a part of this prospectus from the date of filing of those documents.

Any statements made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document, which is also incorporated or deemed to be incorporated into this prospectus, modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. The information relating to us contained in this prospectus should be read together with the information in the documents incorporated by reference.

## **LEGAL MATTERS**

The validity of the securities will be passed upon for us by Polsinelli PC, Washington, D.C.

## **EXPERTS**

The consolidated financial statements and the related financial statement schedule of BioScrip, Inc. as of December 31, 2014, and for the year ended December 31, 2014, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2014 have been incorporated by reference in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report on the effectiveness of internal control over financial reporting as of December 31, 2014, expresses an opinion that BioScrip, Inc. did not maintain effective internal control over financial reporting as of December 31, 2014 because of the effect of a material weakness on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states material weaknesses related to the establishment of accounts receivable related reserves and the timely recognition of bad debt expense, significant and unusual transactions, and general information technology controls have been identified and included in management's assessment.

The consolidated financial statements of BioScrip, Inc. incorporated in this prospectus by reference from the Annual Report on Form 10-K for the year ended December 31, 2014, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in its report thereon. Such financial statements have been incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.



## **BioScrip, Inc.**

**Rights to Purchase up to 200,000 Units at \$100.00 per Unit  
Consisting of an Aggregate of  
200,000 Shares of 8.5%/11.5% Series A Convertible Preferred Stock,  
Class A Warrants to Purchase 576,000 Shares of Common Stock at \$5.17 per Share and  
Class B Warrants to Purchase 576,000 Shares of Common Stock at \$6.45 per Share**

, 2015

## PART II

### Information Not Required in Prospectus

#### Item 14. Other Expenses of Issuance and Distribution

The following is a statement of the expenses (all of which are estimated) to be incurred by us in connection with a distribution of securities registered under this registration statement:

SEC registration fee	\$	3,125
Subscription Agent and Information Agent fees and expenses		35,000*
Printing and mailing costs		40,000*
Accounting fees and expenses		55,000*
Legal fees and expenses		230,000*
Miscellaneous expenses		25,000*
Total	\$	388,125*

\* Estimated.

#### Item 15. Indemnification of Directors and Officers

The following summary is qualified in its entirety by reference to the complete text of the statutes referred to below and the amended and restated certificate of incorporation and amended and restated bylaws of BioScrip, Inc. ("BioScrip").

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer, director, employee or agent of such corporation, or is or was serving at the request of such person as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses which such officer or director has actually and reasonably incurred.

Section 6.01 of our amended and restated bylaws makes mandatory that we will indemnify our directors and officers to the fullest extent permissible under the Delaware General Corporation Law. We are not required to indemnify any director or officer in connection with a proceeding brought by such director or officer unless (i) such indemnification is expressly required by law; or (ii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the Delaware General Corporation Law.

Article Eighth of our amended and restated certificate of incorporation provides that our directors shall have no personal liability to the Company or to its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that Section 102(b)(7) (or any successor or additional provision) of the Delaware General Corporation Law, as amended from time to time, expressly provides that the liability of a director may not be eliminated or limited.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

In addition, the Delaware General Corporation Law and our amended and restated bylaws authorize us to purchase insurance for our directors and officers insuring them against certain risks as to which we may be unable lawfully to indemnify them. We have purchased insurance coverage for our directors and officers as well as insurance coverage to reimburse us for potential costs of corporate indemnification of our directors and officers, including liabilities arising under the Securities Act.

#### **Item 16. Exhibits**

The exhibits to this registration statement are listed in the exhibit index that immediately precedes such exhibits and is incorporated herein by reference.

#### **Item 17. Undertakings**

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however,* that paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;



(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser: each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act, (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3/A and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Elmsford, State of New York, on May 28, 2015.

**BIOSCRIP, INC.**

By: /s/ Kimberlee C. Seah  
Name: Kimberlee C. Seah  
Title: Senior Vice President, Secretary and General Counsel

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on May 28, 2015.

<b>Signature</b>	<b>Title(s)</b>
<u>/s/ Richard M. Smith</u> Richard M. Smith	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Jeffrey M. Kreger</u> Jeffrey M. Kreger	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)
<u>*</u> Myron Z. Holubiak	Chairman of the Board and Director
<u>/s/ David W. Golding</u> David W. Golding	Director
<u>Michael Goldstein</u>	Director
<u>*</u> Tricia Nguyen	Director
<u>/s/ R. Carter Pate</u> R. Carter Pate	Director
<u>Christopher S. Shackelton</u>	Director
<u>* By: /s/ Kimberlee C. Seah</u> Kimberlee C. Seah <i>Attorney-in-Fact for persons indicated</i>	

## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
3.1	Second Amended and Restated Certificate of Incorporation, incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on March 17, 2005, SEC File Number 000-28740.
3.2	Amendment to Second Amended and Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on June 10, 2010, SEC File Number 000-28740.
3.3	Amended and Restated Bylaws, incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on April 28, 2011, SEC File Number 000-28740.
4.1	Form of Subscription Rights Certificate.
4.2	Certificate of Designations for Series A Convertible Preferred Stock.*
4.3	Form of certificate representing Series A Convertible Preferred Stock.*
4.4	Form of Warrant Agreement.
5.1	Opinion of Polsinelli PC regarding the validity of the securities being registered.*
23.1	Consent of KPMG LLP.
23.2	Consent of Ernst & Young LLP.
23.3	Consent of Polsinelli PC (included in Exhibit 5.1).
24.1	Powers of Attorney.*
99.1	Form of Instruction for Use of the BioScrip, Inc. Subscription Rights Certificates.
99.2	Form of Letter to Stockholders who are Record Holders.
99.3	Form of Letter to Nominee Holders Whose Clients are Beneficial Holders.
99.4	Form of Letter to Clients of Nominee Holders.
99.5	Form of Nominee Holder Certification.
99.6	Form of Beneficial Owner Election.
99.7	Form of Notice of Important Tax Information

\* Previously filed.

RIGHTS CERTIFICATE #:

NUMBER OF RIGHTS

CUSIP

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED \_\_\_\_\_, 2015 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM GEORGESON INC., THE INFORMATION AGENT.

## BIOSCRIP, INC.

Incorporated under the laws of the State of Delaware

### NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE

Evidencing Non - Transferable Subscription Rights to Purchase Units Consisting of (i) one (1) Share of Series A Convertible Preferred Stock of BioScrip, Inc., (ii) 2.88 Class A warrants, each full warrant to purchase one share of common stock of BioScrip, Inc. at a price of \$5.17, and (iii) 2.88 Class B warrants, each full warrant to purchase one share of common stock of BioScrip, Inc. at a price of \$6.45.

Subscription Price: \$100.00 per Unit

**THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2015, UNLESS EXTENDED BY THE COMPANY**

#### REGISTERED OWNER:

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of non-transferable subscription rights ("Rights") set forth above. Each whole Right entitles the holder thereof to subscribe for and purchase one (1) unit consisting of (i) one (1) share of 8.5%/11.5% Series A Convertible Preferred Stock, par value \$.0001 per share, of BioScrip, Inc., a Delaware corporation, (ii) 2.88 Class A warrants, each full warrant to purchase one share of common stock of BioScrip, Inc. at a price of \$5.17, and (iii) 2.88 Class B warrants, each full warrant to purchase one share of common stock of BioScrip, Inc. at a price of \$6.45, at a subscription price of \$100.00 per unit, pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus and the "Instructions for Use of BioScrip, Inc. Subscription Rights Certificates" accompanying this Subscription Rights Certificate.

Any Rights holder that had been entitled to receive a fractional Right consisting of at least  $\frac{1}{2}$  Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than  $\frac{1}{2}$  Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering. The Rights represented by this Subscription Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by returning the full payment of the subscription price for each unit in accordance with the "Instructions for Use of BioScrip, Inc. Subscription Rights Certificates" that accompany this Subscription Rights Certificate.

This Subscription Rights Certificate is not valid unless countersigned by the subscription agent and registered by the registrar.

Witness the seal of BioScrip, Inc. and the signatures of its duly authorized officers.

Dated:

\_\_\_\_\_  
President, Chief Executive Officer  
and Principal Executive Officer

\_\_\_\_\_  
Senior Vice President,  
General Counsel and Secretary

COUNTERSIGNED AND REGISTERED  
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC  
(NEW YORK, N.Y.)  
TRUSTEE, AGENT  
AND REGISTRAR  
By: *[Signature]*  
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

DELIVERY OPTIONS FOR SUBSCRIPTION RIGHTS CERTIFICATE

Delivery other than in the manner or to the address listed below will not constitute valid delivery.

If delivering by mail, hand or overnight courier:
American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

FORM 1-EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for unit(s) pursuant to your subscription Right(s), please complete lines (a) and (b) and sign under Form 3 below. To the extent you subscribe for more units than you are entitled under the subscription Right(s), you will be deemed to have elected to purchase the maximum number of units for which you are entitled to subscribe under the subscription Right(s).

(a) EXERCISE OF SUBSCRIPTION RIGHT(S):
I apply for \_\_\_\_\_ units x \$ 100.00 = \$ \_\_\_\_\_
(no. of new units) (subscription price) (amount enclosed)

(b) Total Amount of Payment Enclosed = \$ \_\_\_\_\_

METHOD OF PAYMENT (CHECK ONE)

- Check or bank draft payable to "American Stock Transfer & Trust Company, LLC as Subscription Agent."
Wire transfer of immediately available funds directly to the account maintained by American Stock Transfer & Trust Company, LLC, as Subscription Agent, for purposes of accepting subscriptions in this Rights Offering at JPMorgan Chase Bank, 55 Water Street, New York, New York 10005, ABA #021000021, Account # 530-354616 American Stock Transfer FBO BioScrip, Inc. with reference to the rights holder's name.

FORM 2-DELIVERY TO DIFFERENT ADDRESS

If you wish for the securities underlying your subscription Rights(s) to be delivered to an address different from that shown on the face of this Subscription Rights Certificate, please enter the alternate address below, sign under Form 3 and have your signature guaranteed under Form 4.

Blank lines for alternate address entry.

FOR INSTRUCTIONS ON THE USE OF BIOSCRIP, INC. SUBSCRIPTION RIGHTS CERTIFICATES, CONSULT GEORGESON INC., THE INFORMATION AGENT, AT (877) 278-4775.

FORM 3-SIGNATURE

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for this Rights Offering and I hereby irrevocably subscribe for the number of units indicated above on the terms and conditions specified in the Prospectus.

Signature(s): \_\_\_\_\_

IMPORTANT: The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

FORM 4-SIGNATURE GUARANTEE

This form must be completed if you have completed any portion of Form 2.

Signature Guaranteed: \_\_\_\_\_
(Name of Bank or Firm)

By: \_\_\_\_\_
(Signature of Officer)

IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

COMMON STOCK WARRANT AGREEMENT

between

BIOSCRIP, INC.

and

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

as warrant agent

, 2015

---

## TABLE OF CONTENTS

<b>ARTICLE I. DEFINITIONS</b>	<b>1</b>
Section 1.1    Definition of Terms	1
<b>ARTICLE II. APPOINTMENT OF WARRANT AGENT</b>	<b>5</b>
Section 2.1    Appointment	5
<b>ARTICLE III. WARRANTS</b>	<b>5</b>
Section 3.1    Issuance of Warrants	5
Section 3.2    Form of Warrant	5
Section 3.3    Execution of Global Warrant Certificates	6
Section 3.4    Registration and Countersignature	6
<b>ARTICLE IV. TERMS AND EXERCISE OF WARRANTS</b>	<b>7</b>
Section 4.1    Exercise Price	7
Section 4.2    Exercise Period and Expiration	7
Section 4.3    [Intentionally Omitted]	7
Section 4.4    Method of Exercise	7
Section 4.5    Issuance of Warrant Shares	9
Section 4.6    Taxes	10
Section 4.7    Reservation of Shares	10
Section 4.8    Listing	10
Section 4.9    Compliance with Law	10
<b>ARTICLE V. ADJUSTMENT OF SHARES OF COMMON STOCK PURCHASABLE AND OF EXERCISE PRICE</b>	<b>11</b>
Section 5.1    Stock Splits, Subdivisions, Reclassifications or Combinations	11
Section 5.2    Price Based Anti-Dilution.	12
Section 5.3    Other Distributions	14
Section 5.4    Reorganization or Reclassification	14
Section 5.5    Expiration of Rights or Options	15
Section 5.6    Rounding of Calculations; Minimum Adjustments	15
Section 5.7    Timing of Issuance of Additional Common Stock Upon Certain Adjustments	15
Section 5.8    Form of Warrant After Adjustments	16
Section 5.9    Notice to Warrant Holders	16
Section 5.10   Miscellaneous	17
<b>ARTICLE VI. TRANSFER AND EXCHANGE OF WARRANTS AND WARRANT SHARES</b>	<b>17</b>
Section 6.1    Registration of Transfers and Exchanges	17
Section 6.2    Obligations with Respect to Transfers and Exchanges of Warrants	19
<b>ARTICLE VII. OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF WARRANTS</b>	<b>20</b>
Section 7.1    No Rights or Liability as Stockholder; Notice to Registered Holders	20
Section 7.2    Lost, Stolen, Mutilated or Destroyed Global Warrant Certificates	20
Section 7.3    Restrictive Legends	20
Section 7.4    Cancellation of Warrants	20
Section 7.5    Mutilated or Missing Warrant Certificates	21
<b>ARTICLE VIII. CONCERNING THE WARRANT AGENT AND OTHER MATTERS</b>	<b>21</b>
Section 8.1    Payment of Taxes	21

Section 8.2	Resignation, Consolidation or Merger of Warrant Agent.	21
Section 8.3	Fees and Expenses of Warrant Agent.	22
Section 8.4	Liability of Warrant Agent.	23
Section 8.5	Acceptance of Agency	23
ARTICLE IX. MISCELLANEOUS PROVISIONS		23
Section 9.1	Binding Effects; Benefits	23
Section 9.2	Notices	24
Section 9.3	Persons Having Rights under this Agreement	24
Section 9.4	Examination of this Agreement	24
Section 9.5	Counterparts	25
Section 9.6	Effect of Headings	25
Section 9.7	Amendments	25
Section 9.8	No Inconsistent Agreements; No Impairment	25
Section 9.9	Integration/Entire Agreement	25
Section 9.10	Governing Law, Etc	26
Section 9.11	Termination	26
Section 9.12	Waiver of Trial by Jury	26
Section 9.13	Severability	26
Section 9.14	Attorneys' Fees	26



**BIOSCRIP, INC.**

**COMMON STOCK WARRANT AGREEMENT**

This Common Stock Warrant Agreement (this "Agreement"), dated as of [\_\_\_\_\_], 2015, between BioScrip, Inc., a Delaware corporation (the "Company") and American Stock Transfer & Trust Company, LLC, a New York limited liability trust company and having a corporate trust office at 6201 15th Avenue, Brooklyn, New York 11219, as warrant agent (in such capacity, together with any successor appointed pursuant to the terms of this Agreement, the "Warrant Agent").

**WHEREAS**, the Company proposes to issue Class A warrants ("Class A Warrants") and Class B warrants ("Class B Warrants") and, together with the Class A Warrants, the "Warrants") in connection with a rights offering by the Company (the "Offering") in which the Company will offer up to 200,000 Units (each a "Unit" and collectively, the "Units") to holders of its Common Stock, with each Unit consisting of (a) one share of Series A Convertible Preferred Stock, par value \$0.0001 per share (the "Series A Stock"), (b) 2.88 Class A Warrants, each initially exercisable to purchase one Class A Warrant Share at an exercise price of \$5.17 (the "Class A Exercise Price"), and (c) 2.88 Class B Warrants, each initially exercisable to purchase one Class B Warrant Share at an exercise price of \$6.45 (the "Class B Exercise Price").

**WHEREAS**, the Offering, including without limitation, the offer and sale of the Units, the Series A Stock (and the shares of Common Stock that may be acquired upon the conversion thereof), the Warrants (and the Warrant Shares underlying the Warrants), has been registered pursuant to that certain Registration Statement on Form S-3 (File No. 333-202631) filed by the Company (as it may be amended from time to time, the "Registration Statement") with the SEC under the Securities Act of 1933, as amended (the "Securities Act"); and

**WHEREAS**, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, registration, transfer, exchange, redemption, exercise and cancellation of the Warrants and other matters as expressly provided herein.

**NOW THEREFORE**, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

**ARTICLE I.  
DEFINITIONS**

**Section 1.1** **Definition of Terms.** As used in this Agreement, in addition to the terms defined in the preamble hereto or in the body of the Agreement, the following capitalized terms shall have the following respective meanings:

(a) "Affiliate" means, with respect to any Person, (a) a director, officer or shareholder of such Person, (b) a spouse, parent, sibling or descendant of such Person (or spouse, parent, sibling or descendant of any director or executive officer of such Person) and (c) any other Person that, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person, at such time; provided, however, that no Person holding any one or more of the Warrants shall be deemed to be an "Affiliate" of the Company solely by virtue of the ownership thereof.

---

- (b) “Business Day” shall mean day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized by law to remain closed.
- (c) “Beneficial Holder” shall mean any person or entity that holds beneficial interests in a Global Warrant Certificate.
- (d) “Board of Directors” means the board of directors of the Company, including any duly authorized committee thereof.
- (e) “Business Combination” means any consolidation of the Company with, or merger of the Company with or into, another Person (other than a merger in which (a) the Company is the surviving corporation, (b) that does not result in any reclassification or change of shares of Common Stock outstanding immediately prior to such merger and (c) the holders of Common Stock are not entitled to receive any consideration therefrom), or any sale or conveyance to another Person of the assets of the Company substantially as an entirety.
- (f) “Certificate of Designations” shall mean this Certificate of Designations relating to the Series A Stock, as it may be amended from time to time.
- (g) “Class A Warrant Shares” shall mean the Common Stock, and any other securities purchased or purchasable upon exercise of the Class A Warrants (and, if the context requires, securities which may thereafter be issued by the Company in respect of any such securities so purchased, by means of any subdivisions or combinations of its capital stock, or recapitalizations, reclassifications or the like).
- (h) “Class B Warrant Shares” shall mean the Common Stock and any other securities purchased or purchasable upon exercise of the Class B Warrants (and, if the context requires, securities which may thereafter be issued by the Company in respect of any such securities so purchased, by means of any subdivisions or combinations of its capital stock, or recapitalizations, reclassifications or the like).
- (i) “Common Stock” shall mean the common stock of the Company, par value \$0.0001 per share.
- (j) “Common Stock Equivalents” means outstanding Warrants or other securities convertible or exchangeable into Common Stock, including the Series A Stock.
- (k) “Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(l) “Credit Facility” means that certain senior secured credit agreement, dated July 31, 2013, by and among the Company, the several banks and financial institutions and lenders from time to time party thereto, and SunTrust Bank, in its capacity as administrative agent (as amended by the first, second and third amendments thereto, and as further amended, modified, supplemented, restated, replaced or refinanced from time to time).

(m) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(n) “Expiration Date” shall mean 5:00 p.m., New York City time, on \_\_\_\_\_, 2025 or such earlier date as specified in Section 5.3 hereof, or if such day is not a Business Day, the next succeeding day which is a Business Day.

(o) “Fair Market Value” means, with respect to any security or other property, the fair market value of such security or other property as determined by the Board of Directors, acting in good faith. The Required Warrantholders may object in writing to the Board of Director’s calculation of Fair Market Value within 10 days of receipt of written notice thereof. If the Required Warrantholders and the Board of Directors are unable to agree on Fair Market Value during the 10-day period following the delivery of the Required Warrantholders’ objection, then the Board of Directors shall select and approve an appraiser experienced in the business of evaluating or appraising the market value of securities (which appraiser shall be subject to approval by the Required Warrantholders, which approval shall not be unreasonably withheld). The Fair Market Value established by such appraiser shall be conclusive and binding on the parties. In the event the Fair Market Value established by such appraiser is greater than the Fair Market Value previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the Company. In the event the Fair Market Value established by such appraiser is less than or equal to the Fair Market Value previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the holders of Warrants.

(p) “Fully Diluted Number of Common Shares” means the sum of (i) all shares of Common Stock actually outstanding (which shall in no event include the Common Stock to be so issued and sold and for which Section 5.2 is being applied) and (ii) all shares of Common Stock issuable upon conversion or exchange of the Common Stock Equivalents.

(q) “Indenture” means that certain Indenture, dated as of February 11, 2014, by and among the Company, the Guarantors party thereto and U.S. Bank National Association, as Trustee.

(r) “Market Price” means, with respect to a particular security, on any given day, the last reported sale price or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices, in either case on the stock exchange on which the applicable securities are listed or admitted to trading. “Market Price” shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the Board of Directors in reliance on an opinion of a nationally recognized independent investment banking corporation retained by the Company for this purpose (which opinion shall be made available to the holders of Warrants); provided that the Required Warrantholders may object in writing to the Board of Director’s calculation of fair market value within 10 days of receipt of written notice thereof. If the Required Warrantholders and the Board of Directors are unable to agree on fair market value during the 10-day period following the delivery of the Required Warrantholders’ objection, then the Board of Directors shall select and approve an appraiser experienced in the business of evaluating or appraising the market value of securities (which appraiser shall be subject to approval by the Required Warrantholders, which approval shall not be unreasonably withheld). The Market Price established by such appraiser shall be conclusive and binding on the parties. In the event the Market Price established by such appraiser is greater than the Market Price previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the Company. In the event the Market Price established by such appraiser is less than or equal to the Market Price previously determined by the Board of Directors, the fees and expenses for such appraiser shall be borne by the holders of Warrants. For the purposes of determining the Market Price of the Common Stock on the “trading day” preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the NASDAQ Stock Market or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

(s) “Person” has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

(t) “Required Warrantholders” means, at any time, the holders of Warrants representing at least a majority of the Common Stock issuable upon exercise of the Warrants issued hereunder and outstanding (exclusive of any Warrants directly or indirectly held by the Company or any Affiliate of the Company).

(u) “SEC” shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

(v) “Subsidiary” means any entity for which the Company owns, directly or indirectly, an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of such entity).

(w) “Warrant Shares” shall mean the Class A Warrant Shares and Class B Warrant Shares, collectively.

**ARTICLE II.  
APPOINTMENT OF WARRANT AGENT**

**Section 2.1**      **Appointment.** The Company hereby appoints the Warrant Agent to act as agent for the Company for the Warrants in accordance with the instructions hereinafter set forth in this Agreement, and the Warrant Agent hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in this Agreement.

**ARTICLE III.  
WARRANTS**

**Section 3.1**      **Issuance of Warrants.** The Warrants will be issued on the terms and subject to the conditions of this Agreement on the consummation of the Offering (such date, the “Issue Date”) in the amounts and to the Holders determined pursuant to the terms of the Offering. On such date, the Company will deliver, or cause to be delivered to the Depository, one or more Global Warrant Certificates evidencing a portion of the Warrants. The remainder of the Warrants shall be issued by book-entry registration on the books of the Warrant Agent (“Book-Entry Warrants”) and shall be evidenced by statements issued by the Warrant Agent from time to time to the Registered Holders of Book-Entry Warrants reflecting such book-entry position (the “Warrant Statements”). The maximum aggregate number of shares of Common Stock issuable pursuant to the Warrants shall be 1,152,000 Warrant Shares, composed of 576,000 Class A Warrant Shares and 576,000 Class B Warrant Shares, as such amounts may be adjusted from time to time pursuant to this Agreement.

**Section 3.2**      **Form of Warrant.**

(a)              Subject to Section 6.1 of this Agreement, the Warrants shall be issued (i) in the form of one or more global certificates (the “Global Warrant Certificates”), with the forms of election to exercise and of assignment printed on the reverse thereof, in substantially the form set forth in **Exhibit A-2** attached hereto; and or (ii) via book-entry registration on the books and records of the Warrant Agent and evidenced by the Warrant Statements, in substantially the form set forth in **Exhibit A-1** attached hereto. The Global Warrant Certificates and Warrant Statements may bear such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, or, be determined by (i) in the case of Global Warrant Certificates, the Appropriate Officers (as defined below) executing such Global Warrant Certificates, as evidenced by their execution of the Global Warrant Certificates, or (ii) in the case of a Warrant Statement, any Appropriate Officer, and all of which shall be reasonably acceptable to the Warrant Agent.

(b)              The Global Warrant Certificates shall be deposited on or after Issue Date with the Warrant Agent and registered in the name of Cede & Co., as the nominee of The Depository Trust Company (the “Depository”). Each Global Warrant Certificate shall represent such number of the outstanding Warrants as specified therein, and each shall provide that it shall represent the aggregate amount of outstanding Warrants from time to time endorsed thereon and that the aggregate amount of outstanding Warrants represented thereby may from time to time be reduced or increased, as appropriate, in accordance with the terms of this Agreement.

**Section 3.3      Execution of Global Warrant Certificates.**

(a)      The Global Warrant Certificates shall be signed on behalf of the Company by its Chief Executive Officer, its President, any Senior Vice President or its Chief Financial Officer (each, an “Appropriate Officer”). Each such signature upon the Global Warrant Certificates may be in the form of a facsimile signature of any such Appropriate Officer and may be imprinted or otherwise reproduced on the Global Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any Appropriate Officer.

(b)      If any Appropriate Officer who shall have signed any of the Global Warrant Certificates shall cease to be such Appropriate Officer before the Global Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company, such Global Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such Appropriate Officer had not ceased to be such Appropriate Officer of the Company; and any Global Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Global Warrant Certificate, shall be a proper Appropriate Officer of the Company to sign such Global Warrant Certificate, although at the date of the execution of this Agreement any such person was not such Appropriate Officer.

**Section 3.4      Registration and Countersignature.**

(a)      Upon written order of the Company, the Warrant Agent shall (i) register in the Warrant Register the Book-Entry Warrants and (ii) upon receipt of the Global Warrant Certificates duly executed on behalf of the Company, countersign one or more Global Warrant Certificates evidencing Warrants. Such written order of the Company shall specifically state the number of Warrants that are to be issued as Book-Entry Warrants and the number of Warrants that are to be issued as a Global Warrant Certificate. A Global Warrant Certificate shall be, and shall remain, subject to the provisions of this Agreement until such time as all of the Warrants evidenced thereby shall have been duly exercised or shall have expired or been canceled in accordance with the terms hereof.

(b)      No Global Warrant Certificate shall be valid for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Global Warrant Certificate has been countersigned by the manual signature of the Warrant Agent. Such signature by the Warrant Agent upon any Global Warrant Certificate executed by the Company shall be conclusive evidence that such Global Warrant Certificate so countersigned has been duly issued hereunder.

(c)      The Warrant Agent shall keep, at an office designated for such purpose, books (the “Warrant Register”) in which, subject to such reasonable regulations as it may prescribe, it shall register the Book-Entry Warrants as well as any Global Warrant Certificates and exchanges and transfers of outstanding Warrants in accordance with the procedures set forth in Section 6.1 of this Agreement, all in form satisfactory to the Company and the Warrant Agent. No service charge shall be made for any exchange or registration of transfer of the Warrants, but the Company may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed on the Registered Holder in connection with any such exchange or registration of transfer. The Warrant Agent shall have no obligation to effect an exchange or register a transfer unless and until any payments required by the immediately preceding sentence have been made.

(d) Prior to due presentment for registration of transfer or exchange of any Warrant in accordance with the procedures set forth in this Agreement, the Company and the Warrant Agent may deem and treat the person in whose name any Warrant is registered upon the Warrant Register (the “Registered Holder” of such Warrant) as the absolute owner of such Warrant (notwithstanding any notation of ownership or other writing on a Global Warrant Certificate made by anyone other than the Company or the Warrant Agent), for the purpose of any exercise thereof, any distribution to the holder thereof and for all other purposes, and neither the Warrant Agent nor the Company shall be affected by notice to the contrary.

**ARTICLE IV.  
TERMS AND EXERCISE OF WARRANTS**

**Section 4.1**      **Exercise Price.** On the Issue Date, each Class A Warrant and each Class B Warrant shall entitle (i) in the case of the Book-Entry Warrants, the Registered Holder thereof and (ii) in the case of Warrants held through the book-entry facilities of the Depository or by or through persons that are direct participants in the Depository, the Beneficial Holder thereof ((i) and (ii) collectively, the “Holder”), subject to the provisions of such Warrant and of this Agreement, to purchase from the Company the number of Class A Warrant Shares, at a price per share equal to the Class A Exercise Price, and the number of Class B Warrant Shares, at a price per share equal to the Class B Exercise Price, as the case may be (each of the Class A Exercise Price and Class B Exercise Price, as each may be hereafter adjusted pursuant to Article V, are referred to as the “Exercise Price”) specified in such Warrant.

**Section 4.2**      **Exercise Period and Expiration.** Subject to the provisions of the Warrants and this Agreement, Warrants may be exercised by the Holder thereof at any time and from time to time during the period commencing on the Issue Date and terminating at 5:00 p.m., New York City time, on the Expiration Date. Any Warrant not exercised prior to 5:00 p.m., New York City time, on the Expiration Date, shall become permanently and irrevocably null and void at 5:00 p.m., New York City time, on the Expiration Date, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at such time.

**Section 4.3**      **[Intentionally Omitted]**

**Section 4.4**      **Method of Exercise.**

(a) Subject to the provisions of the Warrants and this Agreement, the Holder of a Warrant may exercise such Holder’s right to purchase the Warrant Shares, in whole or in part, by: (x) in the case of persons who hold Book-Entry Warrants, providing an exercise form for the election to exercise such Warrant (“Exercise Form”) substantially in the form of Exhibit B-1 hereto, properly completed and executed by the Registered Holder thereof, together with payment of the Exercise Amount in accordance with Section 4.4(b), to the Warrant Agent, and (y) in the case of Warrants held through the book-entry facilities of the Depository or by or through persons that are direct participants in the Depository, providing an Exercise Form (as provided by such Holder’s broker) to its broker, properly completed and executed by the Beneficial Holder thereof, together with payment of the applicable Exercise Price in accordance with Section 4.4(b).

(b) Warrants may be exercised by the Holders thereof by delivery of payment to the Warrant Agent, for the account of the Company, by certified or official bank cashier's check payable to the order of the Warrant Agent or by wire transfer of immediately available funds to the account of the Warrant Agent (or as otherwise agreed to by the Warrant Agent), in lawful money of the United States of America, of the full applicable Exercise Price for the number of Warrant Shares specified in the Exercise Form (which shall be equal to the applicable Exercise Price multiplied by the number of Warrant Shares in respect of which any Warrants are being exercised) and any and all applicable taxes and governmental charges due in connection with the exercise of Warrants and the exchange of Warrants for Warrant Shares (the "Exercise Amount").

(c) Any exercise of a Warrant pursuant to the terms of this Agreement shall be irrevocable and shall constitute a binding agreement between the Holder and the Company, enforceable in accordance with its terms.

(d) The Warrant Agent shall:

(i) examine all Exercise Forms and all other documents delivered to it by or on behalf of Holders as contemplated hereunder to ascertain whether or not, on their face, such Exercise Forms and any such other documents have been executed and completed in accordance with their terms and the terms hereof;

(ii) where an Exercise Form or other document appears on its face to have been improperly completed or executed or some other irregularity in connection with the exercise of the Warrants exists, endeavor to inform the appropriate parties (including the person submitting such instrument) of the need for fulfillment of all requirements, specifying those requirements which appear to be unfulfilled;

(iii) inform the Company of and cooperate with and assist the Company in resolving any reconciliation problems between Exercise Forms received and the delivery of Warrants to the Warrant Agent's account;

(iv) advise the Company no later than three (3) Business Days after receipt of an Exercise Form, of (A) the receipt of such Exercise Form and the number of Warrants exercised in accordance with the terms and conditions of this Agreement, (B) the instructions with respect to delivery of the Warrant Shares deliverable upon such exercise, subject to timely receipt from the Depository of the necessary information, and (C) such other information as the Company shall reasonably require; and

(v) subject to Warrant Shares being made available to the Warrant Agent by or on behalf of the Company for delivery to the Depository, liaise with the Depository and endeavor to effect such delivery to the relevant accounts at the Depository in accordance with its customary requirements.



(e) The Company reserves the right to reasonably reject any and all Exercise Forms not in proper form or for which any corresponding agreement by the Company to exchange would, in the opinion of the Company, be unlawful. Such determination by the Company shall be final and binding on the Holders of the Warrants, absent manifest error. Moreover, the Company reserves the absolute right to waive any of the conditions to the exercise of Warrants or defects in Exercise Forms with regard to any particular exercise of Warrants. Neither the Company nor the Warrant Agent shall be under any duty to give notice to the Holders of the Warrants of any irregularities in any exercise of Warrants, nor shall it incur any liability for the failure to give such notice.

(f) The Company shall not be required to issue fractional shares of Common Stock upon the exercise of any Warrant. If fractional shares are not issued upon the exercise of any Warrant, there shall be paid to the holder thereof, in lieu of any fractional share of Common Stock resulting therefrom, an amount of cash equal to the product of:

- (i) the fractional amount of such share of Common Stock; and
- (ii) the Market Price, as determined on the trading day immediately prior to the date of exercise of such Warrant.

**Section 4.5 Issuance of Warrant Shares.**

(a) Upon exercise of any Warrants pursuant to Section 4.4 and clearance of the funds in payment of the applicable Exercise Price, the Company shall promptly at its expense, cause to be issued to the Holder of such Warrants the total number of whole Warrant Shares for which such Warrants are being exercised (as the same may be hereafter adjusted pursuant to Article V) in such denominations as are requested by the Holder as set forth below:

(i) in the case of a Beneficial Holder who holds the Warrants being exercised through the Depository's book-entry transfer facilities, by same-day or next-day credit to the Depository for the account of such Beneficial Holder or for the account of a participant in the Depository the number of Warrant Shares to which such person is entitled, in each case registered in such name and delivered to such account as directed in the Exercise Form by such Beneficial Holder or by the direct participant in the Depository through which such Beneficial Holder is acting, or

(ii) in the case of a Registered Holder who holds the Warrants being exercised in the form of Book-Entry Warrants, a book-entry interest in the Warrant Shares registered on the books of the Company's transfer agent.

(b) If less than all of the Warrants evidenced by a Global Warrant Certificate surrendered upon the exercise of Warrants are exercised at any time prior to the Expiration Date, a new Global Warrant Certificate or Global Warrant Certificates shall be issued for the remaining number of Warrants evidenced by the Global Warrant Certificate so surrendered, and the Warrant Agent is hereby authorized to countersign the required new Global Warrant Certificate or Certificates pursuant to the provisions of Section 3.4 and this Section 4.5.

**Section 4.6** **Taxes.** Subject to the limitations set forth in Section 8.1 below, the Company covenants and agrees that it will pay when due and payable any and all taxes and charges that may be payable in respect of the initial issuance or delivery of:

- (a) any Global Warrant Certificate;
- (b) any Warrant Certificate issued in exchange for any other Warrant Certificate pursuant to Article V; and
- (c) each Warrant Share issued upon the exercise of any Warrant.

**Section 4.7** **Reservation of Shares.** The Company hereby agrees that at all times there shall be reserved for issuance and delivery upon exercise of Warrants such number of Warrant Shares as may be from time to time issuable upon exercise in full of the Warrants. All Warrant Shares shall be duly authorized, and when issued upon such exercise, shall be validly issued, fully paid and non-assessable, may validly and legally issue all Warrant Shares in compliance with this sentence. If at any time prior to the Expiration Date the number and kind of authorized but unissued shares of the Company's capital stock shall not be sufficient to permit exercise in full of the Warrants, the Company will promptly take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares to such number of shares as shall be sufficient for such purposes. The Company agrees that its issuance of Warrants shall constitute full authority to its officers who are charged with the issuance of Warrant Shares to issue shares of Common Stock upon the exercise of Warrants. Without limiting the generality of the foregoing, the Company will not increase the stated or par value per share, if any, of the Common Stock above the Class B Exercise Price in effect immediately prior to such increase in stated or par value.

**Section 4.8** **Listing.** Prior to the first issuance of any Warrant Shares upon exercise of Warrants, the Company shall secure the listing of such number of Warrant Shares as may be from time to time issuable upon exercise in full of the Warrants upon the NASDAQ Stock Market, or any other national securities exchange, stock market or automated quotation system, if any, upon which shares of Common Stock (or securities of the same class as such other Warrant Shares, if applicable) are then listed (subject to official notice of issuance upon exercise of Warrants) and shall maintain, so long as any other shares of Common Stock (or, as applicable, other securities) shall be so listed, such listing of all Warrant Shares from time to time issuable upon the exercise of Warrants, including any Warrant Shares pursuant to adjustments in accordance with Article V.

**Section 4.9** **Compliance with Law.**

(a) If any Warrant Shares require, under any federal or state law of applicable governing rule or regulation of any national securities exchange, registration with or approval of any governmental authority or the listing of any such national securities exchange before such shares may be issued upon exercise, the Company will use its commercially reasonable efforts to cause such shares to be duly registered or approved by such governmental authority or listed on the relevant national securities exchange, as the case may be.

(b) The Warrants shall not be exercisable and the Company shall not be obligated to issue Warrant Shares unless, at the time a holder seeks to exercise the Warrants, a prospectus relating to Warrant Shares is current and a registration statement for the Warrant Shares is effective or qualified or the issuance of Warrant Shares is deemed to be exempt under the securities laws of the state of residence of the holder of the Warrants

**ARTICLE V.**  
**ADJUSTMENT OF SHARES OF COMMON STOCK**  
**PURCHASABLE AND OF EXERCISE PRICE**

The applicable Exercise Price and the number and kind of Warrant Shares shall be subject to adjustment from time to time upon the happening of certain events as provided in this Article V.

**Section 5.1** **Stock Splits, Subdivisions, Reclassifications or Combinations.** If the Company shall (i) declare and pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon exercise of any Warrants at the time of the record date for such dividend or effective date of such split, reverse split, subdivision, combination or reclassification shall be proportionately adjusted so that the holder of such Warrants after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to such Warrants after such date had such Warrants been exercised immediately prior to such date. In such event, the Class A Exercise Price and the Class B Exercise Price in effect at the time of the effective date of such split, reverse split, subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of shares of Common Stock issuable upon the exercise of such Class A Warrants or Class B Warrants, as the case may be, before such adjustment and (2) the Class A Exercise Price or the Class B Exercise Price, as the case may be, in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, split, reverse split, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of shares of Common Stock issuable upon exercise of such Class A Warrants or Class B Warrants, as the case may be, determined pursuant to the immediately preceding sentence; provided that the Class A Exercise Price and the Class B Exercise Price shall not be adjusted to be less than the par value of the Common Stock.

**Section 5.2      Price Based Anti-Dilution.**

(a) Without duplication of the adjustments set forth in Sections 5.1 or 5.3, if the Company shall issue or sell any shares of Common Stock (as actually issued or, pursuant to Section 5.2(b), deemed to be issued) for a consideration per share less than 85% of the Market Price per share immediately prior to such issuance or sale, or if earlier, upon the execution of the definitive documentation with respect to such issuance or sale (the "Effective Time"), then immediately upon the Effective Time the number of shares of Common Stock issuable upon exercise of any Warrants at the time of the effective date shall be increased by multiplying such number of shares of Common Stock by a fraction, (i) the numerator of which shall be the Fully Diluted Number of Common Shares outstanding immediately prior to the Effective Time plus the number of shares of Common Stock so issued or sold, and (ii) the denominator of which shall be the Fully Diluted Number of Common Shares outstanding immediately prior to the Effective Time plus the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of shares of Common Stock so issued or sold would purchase if such shares were sold at Market Price. For the purposes of this Section 5.2(a), none of the following issuances shall be considered the issuance or sale of Common Stock:

- (i) the issuance of the Series A Stock;
- (ii) the issuance of Common Stock upon the conversion of any then-outstanding Common Stock Equivalents (including the Series A Stock);
- (iii) the issuance of any Common Stock or Common Stock Equivalents for which the adjustment provided in Section 5.1 applies; or
- (iv) the issuance of shares of Common Stock or Common Stock Equivalents to employees of the Company or any Company Subsidiary that is approved by the Board of Directors.

(b) For the purposes of Section 5.2(a), the following subparagraphs (i) to (iii), inclusive, shall also be applicable:

(i) If the Company shall grant any rights to subscribe for, or any rights or options to purchase, Common Stock Equivalents, whether or not such rights or options or the right to convert or exchange any such Common Stock Equivalents are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such rights or options or upon conversion or exchange of such Common Stock Equivalents (determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the granting of such rights or options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such rights or options, plus, in the case of any such rights or options which relate to such Common Stock Equivalents, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Common Stock Equivalents and upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the exercise of such rights or options or upon the conversion or exchange of all such Common Stock Equivalents issuable upon the exercise of such rights or options) shall be less than the Market Price per share of Common Stock immediately prior to the time of the granting of such rights or options, or, if earlier, the execution of definitive documentation with respect to such grant, then the total maximum number of shares of Common Stock issuable upon the exercise of such rights or options or upon conversion or exchange of the total maximum amount of such Common Stock Equivalents issuable upon the exercise of such rights or options shall (as of the date of granting of such rights or options) be deemed to be outstanding and to have been issued for such price per share; provided that no further adjustment of the conversion price pursuant to this Section 5.2(b)(i) shall be made (i) upon the actual issuance or sale of such Common Stock Equivalents upon the exercise of any rights to subscribe for, or any rights or options to purchase, such Common Stock Equivalents or (ii) upon the actual issuance or sale of such Common Stock upon the exercise of any such Common Stock Equivalents, including without limitation, in each case of clauses (i) and (ii) with respect to shares of Common Stock Equivalents or Common Stock issued or issuable as a result of the effect of anti-dilution adjustments under any such security.

(ii) If the Company shall issue or sell any Common Stock Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (A) the total amount received or receivable by the Company as consideration for the issue or sale of such Common Stock Equivalents, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Common Stock Equivalents) shall be less than the Market Price per share of Common Stock immediately prior to the Effective Time, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of such Common Stock Equivalents shall (as of the date of the issue or sale of such Common Stock Equivalents) be deemed to be outstanding and to have been issued for such price per share, provided that no further adjustment of the conversion price pursuant to this Section 5.2(b)(ii) shall be made upon the actual issuance or sale of such Common Stock upon the exercise of any such Common Stock Equivalents, including without limitation, in each case with respect to shares of Common Stock issued or issuable as a result of the effect of anti-dilution adjustments under any such security.

(iii) In case at any time any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any such Common Stock, or Common Stock Equivalents shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor. In case any shares of Common Stock or Common Stock Equivalents or any rights or options to purchase any such Common Stock or Common Stock Equivalents shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the Fair Market Value of such consideration.

**Section 5.3**      **Other Distributions.** In case the Company shall fix a record date for the making of a dividend or distribution to all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 5.1), in each such case, the Class A Exercise Price and the Class B Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Class A Exercise Price or the Class B Exercise Price, as the case may be, in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades on the exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the “Per Share Fair Market Value”) divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of shares of Common Stock issuable upon the exercise of any Warrants shall be increased to the number obtained by dividing (x) the product of (1) the number of shares of Common Stock issuable upon the exercise of such Warrants before such adjustment, and (2) the Class A Exercise Price or the Class B Exercise Price, as the case may be, in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Class A Exercise Price or the Class B Exercise Price, as the case may be, determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Class A Exercise Price or the Class B Exercise Price, as the case may be, and the number of shares of Common Stock issuable upon exercise of such Warrants then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the Class A Exercise Price or the Class B Exercise Price, as the case may be, that would then be in effect and the number of shares of Common Stock that would then be issuable upon exercise of such Warrants if such record date had not been fixed.

**Section 5.4**      **Reorganization or Reclassification.** In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 5.1), a holder’s right to receive shares of Common Stock upon exercise of any Warrants shall be converted into the right to exercise such Warrant to acquire the number of shares of stock or other securities or property (including cash) which the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of such Warrants immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of such holder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to such holder’s right to exercise such Warrants in exchange for any shares of stock or other securities or property pursuant to this Section 5.4; provided that a holder’s right to receive cash consideration under this Section 5.4 shall be subject to the prior indefeasible payment in full in cash of all outstanding Indebtedness (as defined in the Credit Facility) and other obligations under the Credit Facility (and the termination of all commitments thereunder) and the Indenture (after the termination of all commitments thereunder), to the extent the outstanding Common Stock’s right to receive cash in such transaction is subject to such payment. In determining the kind and amount of stock, securities or the property receivable upon exercise of any Warrants following the consummation of such Business Combination, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the holder of such Warrants shall be entitled to elect the kind or amount of consideration receivable upon consummation of such Business Combination. The Company shall not enter into or be party to any Business Combination unless the successor of the Company (if any), assumes in writing all of the obligations of the Company under this Agreement pursuant to written agreements, including agreements to deliver to each holder of Warrants hereunder in exchange for such Warrants a security of such successor evidenced by a written instrument substantially similar in form and substance to this Agreement.

**Section 5.5**      **Expiration of Rights or Options.** Upon the expiration of any rights or options to subscribe for, purchase or convert or exchange Common Stock or Common Stock Equivalents in respect of the issuance, sale or grant of which adjustment was made pursuant to Section 5.2, without the exercise thereof, the Class A Exercise Price and Class B Exercise Price and the number of shares of Common Stock purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such Class A Exercise Price and Class B Exercise Price, as the case may be, and such number of shares of Common Stock as would have been had such Class A Exercise Price and Class B Exercise Price, as the case may be, and such number of shares of Common Stock not been originally adjusted (or had the original adjustment not been required, as the case may be), as if:

(a)            the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights or options; and

(b)            such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all of such rights or options, whether or not exercised; provided that no such readjustment shall have the effect of increasing the Class A Exercise Price and Class B Exercise Price, as the case may be, by an amount in excess of the amount of the reduction initially made in respect of the issuance, sale, or grant of such rights or options.

**Section 5.6**      **Rounding of Calculations; Minimum Adjustments.** All calculations under this Article V shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Article V to the contrary notwithstanding, no adjustment in the Class A Exercise Price and Class B Exercise Price or the number of shares of Common Stock into which any Warrants are exercisable shall be made if the amount of such adjustment would be less than \$0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$0.01 or 1/10th of a share of Common Stock, or more.

**Section 5.7**      **Timing of Issuance of Additional Common Stock Upon Certain Adjustments.** In any case in which the provisions of this Article V shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the holder of any Warrants exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such holder any amount of cash in lieu of a fractional share of Common Stock; provided, however, that the Company upon request shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

**Section 5.8**      **Form of Warrant After Adjustments.** The form of the Global Warrant Certificate need not be changed because of any adjustments in the Class A Exercise Price or Class B Exercise Price or the number or kind of the Warrant Shares, and Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in Warrants, as initially issued. The Company, however, may at any time in its sole discretion make any change in the form of Global Warrant Certificate that it may deem appropriate to give effect to such adjustments and that does not affect the substance of the Global Warrant Certificate (including the rights, duties or obligations of the Warrant Agent), and any Global Warrant Certificate thereafter issued, whether in exchange or substitution for an outstanding Global Warrant Certificate, may be in the form so changed.

**Section 5.9**      **Notice to Warrant Holders.**

(a)      **Statement Regarding Adjustments.** Whenever the number and/or kind of Warrant Shares or the Class A Exercise Price or Class B Exercise Price is adjusted as herein provided, the Company shall (i) prepare and deliver, or cause to be prepared and delivered, forthwith to the Warrant Agent a statement setting forth the adjusted number and/or kind of shares purchasable upon the exercise of Warrants and the Class A Exercise Price and/or Class B Exercise Price of such shares after such adjustment, the facts requiring such adjustment and the computation by which adjustment was made, and (ii) cause the Warrant Agent to give written notice to each Holder in the manner provided in Section 9.2 below, of the record date or the effective date of the event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event.

(b)      **Notice of Adjustment Event.** In the event that the Company shall propose to take any action of the type described in this Article V (but only if the action of the type described in this Article V would result in an adjustment in the Class A Exercise Price and/or Class B Exercise Price or the number of shares of Common Stock into which Warrants are exercisable or a change in the type of securities or property to be delivered upon exercise of Warrants), then the Company shall send to the Warrant Agent a notice and shall cause the Warrant Agent within five days after receipt by the Warrant Agent to give written notice (in such form as shall be furnished to the Warrant Agent by the Company) to each Holder in the manner provided in Section 9.2 of such action. Such notice shall specify (i) the record date, if any, for the action, (ii) the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Class A Exercise Price and/or Class B Exercise Price and the number, kind or class of shares or other securities or property which shall be deliverable upon exercise of any Warrants, (iii) the approximate date such action is expected to take place, and (iv) the effect, if any, of such action on the Common Stock, if any. In the case of any action which would require the fixing of a record date, such notice shall be given to Holders at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action, but in no event shall the Company be required to give notice prior to public announcement if the Company has in good faith determined that the matters relating to such notice constitute material, nonpublic information relating to the Company or its Subsidiaries. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such event. Without limiting the foregoing, to the extent notice of any of the foregoing actions or events is given to the holders of the Common Stock, such notice shall be provided to the Holders of the Warrants on or before such notice to the holders of Common Stock



**Section 5.10**     **Miscellaneous.** Any adjustments pursuant to this Article V shall be made successively whenever an event referred to herein shall occur. If more than one subsection of this Article V is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Article V so as to result in duplication. If an adjustment in Class A Exercise Price or the Class B Exercise Price made hereunder would reduce the Class A Exercise Price or the Class B Exercise Price to an amount below par value of the Common Stock, then such adjustment in Class A Exercise Price or the Class B Exercise Price made hereunder shall reduce the Class A Exercise Price or the Class B Exercise Price to the par value of the Common Stock.

**ARTICLE VI.**  
**TRANSFER AND EXCHANGE OF WARRANTS AND**  
**WARRANT SHARES**

**Section 6.1**     **Registration of Transfers and Exchanges.**

(a)     Transfer and Exchange of Global Warrant Certificates or Beneficial Interests Therein. The transfer and exchange of Global Warrant Certificates or beneficial interests therein shall be effected through the Depository, in accordance with this Agreement and the procedures of the Depository therefor.

(b)     Exchange of a Beneficial Interest in a Global Warrant Certificate for a Book-Entry Warrant.

(i)     Any Holder of a beneficial interest in a Global Warrant Certificate may, upon request, exchange such beneficial interest for a Book-Entry Warrant. Upon receipt by the Warrant Agent from the Depository or its nominee of written instructions or such other form of instructions as is customary for the Depository on behalf of any person having a beneficial interest in a Global Warrant Certificate, the Warrant Agent shall cause, in accordance with the standing instructions and procedures existing between the Depository and Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be reduced by the number of Warrants to be represented by the Book-Entry Warrants to be issued in exchange for the beneficial interest of such person in the Global Warrant Certificate and, following such reduction, the Warrant Agent shall register in the name of the Holder a Book-Entry Warrant and deliver to said Holder a Warrant Statement.

(ii)    Book-Entry Warrants issued in exchange for a beneficial interest in a Global Warrant Certificate pursuant to this Section 6.1(b) shall be registered in such names as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Warrant Agent. The Warrant Agent shall deliver such Warrant Statements to the persons in whose names such Warrants are so registered.

(c) Transfer and Exchange of Book-Entry Warrants. When Book-Entry Warrants are presented to the Warrant Agent with a written request: (i) to register the transfer of the Book-Entry Warrants; or (ii) to exchange such Book-Entry Warrants for an equal number of Book-Entry Warrants of other authorized denominations, the Warrant Agent shall register the transfer or make the exchange as requested if its customary requirements for such transactions are met; provided, however, that the Warrant Agent has received a written instruction of transfer in form satisfactory to the Warrant Agent, duly executed by the Registered Holder thereof or by his attorney, duly authorized in writing.

(d) Restrictions on Exchange or Transfer of a Book-Entry Warrant for a Beneficial Interest in a Global Warrant Certificate. A Book-Entry Warrant may not be exchanged for a beneficial interest in a Global Warrant Certificate except upon satisfaction of the requirements set forth below. Upon receipt by the Warrant Agent of appropriate instruments of transfer with respect to a Book-Entry Warrant, in form satisfactory to the Warrant Agent, together with written instructions directing the Warrant Agent to make, or to direct the Depository to make, an endorsement on the Global Warrant Certificate to reflect an increase in the number of Warrants represented by the Global Warrant Certificate equal to the number of Warrants represented by such Book-Entry Warrant, then the Warrant Agent shall cancel such Book-Entry Warrant on the Warrant Register and cause, or direct the Depository to cause, in accordance with the standing instructions and procedures existing between the Depository and the Warrant Agent, the number of Warrants represented by the Global Warrant Certificate to be increased accordingly. If no Global Warrant Certificates are then outstanding, the Company shall issue and the Warrant Agent shall countersign a new Global Warrant Certificate representing the appropriate number of Warrants.

(e) Restrictions on Transfer and Exchange of Global Warrant Certificates. Notwithstanding any other provisions of this Agreement (other than the provisions set forth in Section 6.1(f)), unless and until it is exchanged in whole for a Book-Entry Warrant, a Global Warrant Certificate may not be transferred as a whole except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(f) Book-Entry Warrants. If at any time:

(i) the Depository for the Global Warrant Certificates notifies the Company that the Depository is unwilling or unable to continue as Depository for the Global Warrant Certificates and a successor Depository for the Global Warrant Certificates is not appointed by the Company within 90 days after delivery of such notice; or

(ii) the Company, in its sole discretion, notifies the Warrant Agent in writing that it elects to exclusively cause the issuance of Book-Entry Warrants under this Agreement, then the Warrant Agent, upon written instructions signed by an Appropriate Officer of the Company, shall register Book-Entry Warrants, in an aggregate number equal to the number of Warrants represented by the Global Warrant Certificates, in exchange for such Global Warrant Certificates.

(g) Restrictions on Transfer. No warrant or Warrant Shares shall be sold, exchanged or otherwise transferred in violation of the Securities Act or applicable state securities laws.

(h) Cancellation of Global Warrant Certificate. At such time as all beneficial interests in Global Warrant Certificates have either been exchanged for Book-Entry Warrants, redeemed, repurchased or cancelled, all Global Warrant Certificates shall be returned to, or retained and cancelled by, the Warrant Agent, upon written instructions from the Company satisfactory to the Warrant Agent.

**Section 6.2** Obligations with Respect to Transfers and Exchanges of Warrants.

(a) To permit registrations of transfers and exchanges, the Company shall execute Global Warrant Certificates, if applicable, and the Warrant Agent is hereby authorized, in accordance with the provisions of Section 3.4 and this Article VI, to countersign such Global Warrant Certificates, if applicable, or register Book-Entry Warrants, if applicable, as required pursuant to the provisions of this Article VI and for the purpose of any distribution of new Global Warrant Certificates contemplated by Section 8.2 or additional Global Warrant Certificates contemplated by Article V.

(b) All Book-Entry Warrants and Global Warrant Certificates issued upon any registration of transfer or exchange of Book-Entry Warrants or Global Warrant Certificates shall be the valid obligations of the Company, entitled to the same benefits under this Agreement as the Book-Entry Warrants or Global Warrant Certificates surrendered upon such registration of transfer or exchange.

(c) No service charge shall be made to a Holder for any registration, transfer or exchange of a Warrant, but the Company may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed on the Holder in connection with any such exchange or registration of transfer.

(d) So long as the Depositary, or its nominee, is the registered owner of a Global Warrant Certificate, the Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the Warrants represented by such Global Warrant Certificate for all purposes under this Agreement. Except as provided in Sections 6.1(b) and (f) upon the exchange of a beneficial interest in a Global Warrant Certificate for Book-Entry Warrants, Beneficial Holders will not be entitled to have any Warrants registered in their names, and will under no circumstances be entitled to receive physical delivery of any such Warrants and will not be considered the Registered Holder thereof under the Warrants or this Agreement. Neither the Company nor the Warrant Agent, in its capacity as registrar for such Warrants, will have any responsibility or liability for any aspect of the records relating to beneficial interests in a Global Warrant Certificate or for maintaining, supervising or reviewing any records relating to such beneficial interests.

(e) Subject to Sections 6.1(b), (c) and (d), and this Section 6.2, the Warrant Agent shall, upon receipt of all information required to be delivered hereunder, from time to time to register the transfer of any outstanding Warrants in the Warrant Register, upon surrender of Global Warrant Certificates, if applicable, representing such Warrants at the Warrant Agent's office as set forth in Section 9.2, duly endorsed, and accompanied by a completed form of assignment substantially in the form of **Exhibit C** hereto (or with respect to a Book-Entry Warrant, only such completed form of assignment substantially in the form of **Exhibit C** hereto), duly signed by the Registered Holder thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program. Upon any such registration of transfer, a new Global Warrant Certificate or a Warrant Statement, as the case may be, shall be issued to the transferee.

**ARTICLE VII.**  
**OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF WARRANTS**

**Section 7.1**      **No Rights or Liability as Stockholder; Notice to Registered Holders.** Nothing contained in the Warrants shall be construed as conferring upon the Holder or his, her or its transferees the right to vote or to receive dividends or to consent or to receive notice as a stockholder in respect of any meeting of stockholders for the election of directors of the Company or of any other matter, or any rights whatsoever as stockholders of the Company. No provision thereof and no mere enumeration therein of the rights or privileges of the Holder shall give rise to any liability of such holder for the Exercise Price hereunder or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

**Section 7.2**      **Lost, Stolen, Mutilated or Destroyed Global Warrant Certificates.** If any Global Warrant Certificate is lost, stolen, mutilated or destroyed, the Company shall issue, and the Warrant Agent shall countersign and deliver, in exchange and substitution for and upon cancellation of the mutilated Global Warrant Certificate, or in lieu of and substitution for the Global Warrant Certificate lost, stolen or destroyed, a new Global Warrant Certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence and an affidavit reasonably satisfactory to the Company and the Warrant Agent of the loss, theft or destruction of such Global Warrant Certificate, and an indemnity of the Company and Warrant Agent for any losses in connection therewith, if requested by either the Company or the Warrant Agent, also satisfactory to them. Applicants for such substitute Global Warrant Certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe and as required by Section 8-405 of the Uniform Commercial Code as in effect in the State of New York.

**Section 7.3**      **Restrictive Legends.** Any legends which are stamped or imprinted on certificates of shares of Common Stock shall also be stamped or imprinted on any stock certificate for Warrant Shares issued upon the exercise of any Warrant and or stock certificate issued upon the direct or indirect transfer of any such Warrant Shares.

**Section 7.4**      **Cancellation of Warrants.** If the Company shall purchase or otherwise acquire Warrants, the Global Warrant Certificates and the Book-Entry Warrants representing such Warrants shall thereupon be delivered to the Warrant Agent, if applicable, and be cancelled by it and retired. The Warrant Agent shall cancel all Global Warrant Certificates surrendered for exchange, substitution, transfer or exercise in whole or in part. Such cancelled Global Warrant Certificates shall thereafter be disposed of in a manner satisfactory to the Company provided in writing to the Warrant Agent.

**Section 7.5**      **Mutilated or Missing Warrant Certificates.** If any of the Warrant Certificates shall be mutilated, lost, stolen or destroyed, the Company shall issue, and the Warrant Agent shall countersign and deliver, in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate, or in lieu of and substitution for the Warrant Certificate lost, stolen or destroyed, a new Warrant Certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence reasonably satisfactory to the Company and the Warrant Agent of the loss, theft or destruction of such Warrant Certificate and an affidavit or the posting of an indemnity or bond, if requested by either the Company or the Warrant Agent, also satisfactory to them. Applicants for such substitute Warrant Certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe and as required by Section 8-405 of the Uniform Commercial Code as in effect in the State of New York.

**ARTICLE VIII.  
CONCERNING THE WARRANT AGENT AND OTHER MATTERS**

**Section 8.1**      **Payment of Taxes.** The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the issuance or delivery of the Warrant Shares upon the exercise of Warrants, but any taxes or charges in connection with the issuance of Warrants or Warrant Shares in any name other than that of the Holder of the Warrants shall be paid by such Holder; and in any such case, the Company shall not be required to issue or deliver any Warrants or Warrant Shares until such taxes or charges shall have been paid or it is established to the Company's satisfaction that no tax or charge is due.

**Section 8.2**      **Resignation, Consolidation or Merger of Warrant Agent.**

(a)      **Appointment of Successor Warrant Agent.** The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving sixty (60) days' notice in writing to the Company. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor Warrant Agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of sixty (60) days after it has been notified in writing of such resignation or incapacity by the Warrant Agent or by the Registered Holder of a Warrant (who shall, with such notice, submit his Warrant for inspection by the Company), then the Warrant Agent shall appoint a successor Warrant Agent or shall petition a court to approve a successor Warrant Agent at the Company's cost. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, rights, immunities, duties and obligations of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent, the Company shall make, execute, acknowledge and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties and obligations.

(b) Notice of Successor Warrant Agent. In the event a successor Warrant Agent shall be appointed, the Company shall (i) give notice thereof to the predecessor Warrant Agent and the transfer agent for the Common Stock not later than the effective date of any such appointment, and (ii) cause written notice thereof to be delivered to each Registered Holder at such holder's address appearing on the Warrant Register. Failure to give any notice provided for in this Section 8.2(b) or any defect therein shall not affect the legality or validity of the removal of the Warrant Agent or the appointment of a successor Warrant Agent, as the case may be.

(c) Merger, Consolidation or Name Change of Warrant Agent.

(i) Any corporation into which the Warrant Agent may be merged or with which it may be converted, consolidated or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party shall be the successor Warrant Agent under this Agreement, without any further act or deed, if such person would be eligible for appointment as a successor Warrant Agent under the provisions of Section 8.2(a). If any of the Global Warrant Certificates have been countersigned but not delivered at the time such successor to the Warrant Agent succeeds under this Agreement, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent; and if at that time any of the Global Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Global Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Global Warrant Certificates shall have the full force provided in the Global Warrant Certificates and in this Agreement.

(ii) If at any time the name of the Warrant Agent is changed and at such time any of the Global Warrant Certificates have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Global Warrant Certificates have not been countersigned, the Warrant Agent may countersign such Global Warrant Certificates either in its prior name or in its changed name; and in all such cases such Global Warrant Certificates shall have the full force provided in the Global Warrant Certificates and in this Agreement.

**Section 8.3 Fees and Expenses of Warrant Agent.**

(a) Remuneration. The Company agrees to pay the Warrant Agent reasonable remuneration for its services as Warrant Agent hereunder and will reimburse the Warrant Agent upon demand for all expenditures that the Warrant Agent may reasonably incur in the execution of its duties hereunder.

(b) Further Assurances. The Company agrees to perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments, and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

**Section 8.4**      **Liability of Warrant Agent.**

(a)      **Reliance on Company Statement.** Whenever in the performance of its duties under this Agreement, the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement signed by the Chief Executive Officer or Chief Financial Officer and delivered to the Warrant Agent. The Warrant Agent may rely upon such statement for any action taken or suffered in good faith by it pursuant to the provisions of this Agreement.

(b)      **Indemnity.** The Warrant Agent shall be liable hereunder only for its own gross negligence, willful misconduct or bad faith. The Company agrees to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and reasonable counsel fees, for anything done or omitted by the Warrant Agent in the execution of this Agreement except as a result of the Warrant Agent's gross negligence, willful misconduct or bad faith. Notwithstanding the foregoing, the Company shall not be responsible for any settlement made without its written consent. No provision in this Agreement shall be construed to relieve the Warrant Agent from liability for its own gross negligence, willful misconduct or bad faith.

(c)      **Exclusions.** The Warrant Agent shall have no responsibility with respect to the validity of this Agreement or with respect to the validity or execution of any Warrant (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant; nor shall it be responsible to make any adjustments required under the provisions of Article V hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Warrant Shares to be issued pursuant to this Agreement or any Warrant or as to whether any Warrant Shares will, when issued, be valid and fully paid and nonassessable.

**Section 8.5**      **Acceptance of Agency.** The Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the terms and conditions herein set forth and, among other things, shall account promptly to the Company with respect to Warrants exercised and concurrently account for and pay to the Company all moneys received by the Warrant Agent for the purchase of Warrant Shares through the exercise of Warrants.

**ARTICLE IX.**  
**MISCELLANEOUS PROVISIONS**

**Section 9.1**      **Binding Effects; Benefits.** This Agreement shall inure to the benefit of and shall be binding upon the Company, the Warrant Agent and the Holders and their respective heirs, legal representatives, successors and assigns. Nothing in this Agreement, expressed or implied, is intended to or shall confer on any person other than the Company, the Warrant Agent and the Holders, or their respective heirs, legal representatives, successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**Section 9.2**      **Notices.** Any notice or other communication required or which may be given hereunder shall be in writing and shall be sent by certified or registered mail, by private national courier service (return receipt requested, postage prepaid), by personal delivery or by facsimile transmission. Such notice or communication shall be deemed given (a) if mailed, two days after the date of mailing, (b) if sent by national courier service, one Business Day after being sent, (c) if delivered personally, when so delivered, or (d) if sent by facsimile transmission, on the Business Day after such facsimile is transmitted, in each case as follows:

if to the Warrant Agent, to:

American Stock Transfer & Trust Company, LLC  
Attention: Corporate Trust Department

with a copy to:

American Stock Transfer & Trust Company, LLC  
Attention: General Counsel

if to the Company, to:

BioScrip, Inc.  
100 Clearbrook Road  
Elmsford, New York 10523  
Attention: General Counsel

with a copy to:

Polsinelli PC  
1401 Eye Street N.W., Suite 800  
Washington, D.C. 20005  
Attention: Eric S. Wu, Esq.

if to Registered Holders, at their addresses as they appear in the Warrant Register.

**Section 9.3**      **Persons Having Rights under this Agreement.** Nothing in this Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto and the Holders, any right, remedy, or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise, or agreement hereof. All covenants, conditions, stipulations, promises, and agreements contained in this Agreement shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns and the Holders.

**Section 9.4**      **Examination of this Agreement.** A copy of this Agreement shall be available at all reasonable times at the office of the Warrant Agent at 6201 15th Avenue, Brooklyn, New York 11219, for examination by the Holder of any Warrant. Prior to such examination, the Warrant Agent may require any such holder to submit his Warrant for inspection by it.



**Section 9.5**            **Counterparts.** This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

**Section 9.6**            **Effect of Headings.** The section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation hereof.

**Section 9.7**            **Amendments.**

(a)            Subject to Section 9.7(b) below, this agreement may not be amended except in writing signed by both parties hereto.

(b)            The Company and the Warrant Agent may from time to time supplement or amend this Agreement or the Warrants (a) without the approval of any Holders in order to cure any ambiguity, manifest error or other mistake in this Agreement or the Warrants that shall not adversely affect, alter or change the interests of the Holders or (b) with the prior written consent of holders of the Warrants exercisable for a majority of the Warrant Shares then issuable upon exercise of the Warrants then outstanding. Notwithstanding anything to the contrary herein, upon the delivery of a certificate from an Appropriate Officer which states that the proposed supplement or amendment is in compliance with the terms of this Section 9.7 and, provided such supplement or amendment does not change the Warrant Agent's rights, duties, liabilities or obligations hereunder, the Warrant Agent shall execute such supplement or amendment. Any amendment, modification or waiver effected pursuant to and in accordance with the provisions of this Section 9.7 will be binding upon all Holders and upon each future Holder, the Company and the Warrant Agent. In the event of any amendment, modification or waiver, the Company will give prompt notice thereof to all Registered Holders and, if appropriate, notation thereof will be made on all Global Warrant Certificates thereafter surrendered for registration of transfer or exchange.

**Section 9.8**            **No Inconsistent Agreements; No Impairment.** The Company will not, on or after the date hereof, enter into any agreement with respect to its securities which conflicts with the rights granted to the Holders in the Warrants or the provisions hereof. The Company represents and warrants to the Holders that the rights granted hereunder do not in any way conflict with the rights granted to holders of the Company's securities under any other agreements. The Company will not, by amendment of its Certificate of Incorporation, as amended or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of the Warrants and in the taking of all such action as may be necessary in order to preserve the exercise rights of the Holders against impairment.

**Section 9.9**            **Integration/Entire Agreement.** This Agreement, together with the Warrants, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the Company, the Warrant Agent and the Holders in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the Warrants. This Agreement and the Warrants supersede all prior agreements and understandings between the parties with respect to such subject matter.

**Section 9.10** **Governing Law, Etc.** This Agreement and each Warrant issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such State. Each party hereto consents and submits to the jurisdiction of any New York State court or federal district court located in the Southern District of New York in connection with any action or proceeding brought against it that arises out of or in connection with, that is based upon, or that relates to this Agreement or the transactions contemplated hereby. In connection with any such action or proceeding in any such court, each party hereto hereby waives personal service of any summons, complaint or other process and hereby agrees that service thereof may be made in accordance with the procedures for giving notice set forth in Section 9.2 hereof. Each party hereto hereby waives any objection to jurisdiction or venue in any such court in any such action or proceeding and agrees not to assert any defense based on *forum non conveniens* or lack of jurisdiction or venue in any such court in any such action or proceeding.

**Section 9.11** **Termination.** This Agreement shall terminate on the Expiration Date. Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised. The provisions of Section 8.4 and this Article IX shall survive such termination and the resignation or removal of the Warrant Agent.

**Section 9.12** **Waiver of Trial by Jury.** Each party hereto hereby irrevocably and unconditionally waives the right to a trial by jury in any action, suit, counterclaim or other proceeding (whether based on contract, tort or otherwise) arising out of, connected with or relating to this Agreement and the transactions contemplated hereby.

**Section 9.13** **Severability.** In the event that any one or more of the provisions contained herein or in the Warrants, or the application thereof in any circumstances, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provisions in every other respect and of the remaining provisions contained herein and therein shall not be affected or impaired thereby.

**Section 9.14** **Attorneys' Fees.** In any action or proceeding brought to enforce any provisions of this Agreement or any Warrant, or where any provision hereof or thereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees and disbursements in addition to its costs and expenses and any other available remedy.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed all as of the day and year first above written.

**BIOSCRIP, INC., as Company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
ATTEST: \_\_\_\_\_

**COUNTERSIGNED**

**AMERICAN STOCK TRANSFER & TRUST  
COMPANY, LLC, as Warrant Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
ATTEST: \_\_\_\_\_

---

EXHIBIT A-1  
FORM OF WARRANT STATEMENT

[As provided by Warrant Agent]

---

EXIHIBIT A-2  
FORM OF FACE OF GLOBAL WARRANT CERTIFICATE

VOID AFTER 5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2025

This Global Warrant Certificate is held by The Depository Trust Company (the "Depository") or its nominee in custody for the benefit of the beneficial owners hereof, and is not transferable to any person under any circumstances except that (i) this Global Warrant Certificate may be exchanged in whole but not in part pursuant to Section 6.1(a) of the Warrant Agreement, (ii) this Global Warrant Certificate may be delivered to the Warrant Agent for cancellation pursuant to Section 6.1(h) of the Warrant Agreement and (iii) this Global Warrant Certificate may be transferred to a successor Depository with the prior written consent of the Company.

Unless this Global Warrant Certificate is presented by an authorized representative of the Depository to the Company or the Warrant Agent for registration of transfer, exchange or payment and any certificate issued is registered in the name of Cede & Co. or such other entity as is requested by an authorized representative of the Depository (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depository), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful because the registered owner hereof, Cede & Co., has an interest herein.

Transfers of this Global Warrant Certificate shall be limited to transfers in whole, but not in part, to nominees of the Depository or to a successor thereof or such successor's nominee, and transfers of portions of this Global Warrant Certificate shall be limited to transfers made in accordance with the restrictions set forth in Section 6 of the Warrant Agreement.

No registration or transfer of the securities issuable pursuant to the Warrant will be recorded on the books of the Company until such provisions have been complied with.

---

THE SECURITIES REPRESENTED BY THIS WARRANT CERTIFICATE (INCLUDING THE SECURITIES ISSUABLE UPON EXERCISE OF THE WARRANT) ARE SUBJECT TO ADDITIONAL AGREEMENTS SET FORTH IN THE WARRANT AGREEMENT DATED AS OF \_\_\_\_\_, 2015, BY AND BETWEEN THE COMPANY AND THE WARRANT AGENT (THE "WARRANT AGREEMENT").

THE SECURITIES REPRESENTED BY THIS WARRANT CERTIFICATE MAY NOT BE EXERCISED BY OR TRANSFERRED TO RESIDENTS IN FLORIDA EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION.

THIS WARRANT WILL BE VOID IF NOT EXERCISED PRIOR TO

5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2025

**WARRANT TO PURCHASE  
SHARES OF COMMON STOCK OF  
BIOSCRIP, INC.**

CUSIP # \_\_\_\_\_

ISSUE DATE: \_\_\_\_\_, 2015

No. \_\_\_\_\_

This certifies that, for value received, \_\_\_\_\_, and its registered assigns (collectively, the "Registered Holder"), is entitled to purchase from BioScrip, Inc., a corporation incorporated under the laws of the State of Delaware (the "Company"), subject to the terms and conditions hereof and set forth in the Warrant Agreement, at any time after 5:00 p.m. New York time on \_\_\_\_\_, 2015, and before 5:00 p.m., New York time, on \_\_\_\_\_, 2025, the number of fully paid and non-assessable shares of Common Stock of the Company set forth above at the [Class A][Class B] Exercise Price (as defined in the Warrant Agreement). The [Class A][Class B] Exercise Price and the number and kind of shares purchasable hereunder are subject to adjustment from time to time as provided in Article V of the Warrant Agreement. The initial [Class A][Class B] Exercise Price shall be \$[5.17][6.45].

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, this Warrant has been duly executed by the Company under its corporate seal as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**BIOSCRIP, INC., as Company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
ATTEST: \_\_\_\_\_

**COUNTERSIGNED**

---

**AMERICAN STOCK TRANSFER & TRUST  
COMPANY, LLC, as Warrant Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
ATTEST: \_\_\_\_\_

Address of Registered Holder for Notices (until changed in accordance with this Warrant):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS WARRANT CERTIFICATE SET FORTH ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

FORM OF REVERSE OF WARRANT

The Warrants evidenced by this Warrant Certificate are a part of a duly authorized issue of Warrants with each Warrant entitling the Holder to purchase one share of Common Stock issued pursuant to that the Warrant Agreement, a copy of which may be inspected at the Warrant Agent's office. The Warrant Agreement hereby is incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the Registered Holders of the Warrants. All capitalized terms used on the face of this Warrant herein but not defined that are defined in the Warrant Agreement shall have the meanings assigned to them therein.

Upon due presentment for registration of transfer of the Warrant at the office of the Warrant Agent, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any applicable tax or other governmental charge.

The Company shall not be required to issue fractions of Warrant Shares or any certificates that evidence fractional Warrant Shares.

No Warrants may be sold, exchanged or otherwise transferred in violation of the Securities Act or state securities laws.

This Warrant does not entitle the Registered Holder to any of the rights of a stockholder of the Company.

The Company and Warrant Agent may deem and treat the Registered Holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

---



EXHIBIT B-1

EXERCISE FORM FOR REGISTERED HOLDERS  
HOLDING BOOK-ENTRY WARRANTS

(To be executed upon exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by the Book-Entry Warrants, to purchase Warrant Shares and (check one):

- herewith tenders payment for \_\_\_\_\_ of the Warrant Shares to the order of BioScrip, Inc. in the amount of \$ \_\_\_\_\_ in accordance with the terms of the Warrant Agreement and this Warrant; or
- This exercise and election shall  be immediately effective or  shall be effective as of 5:00 pm., New York time, on \_\_\_\_\_.

The undersigned requests that [a statement representing] the Warrant Shares be delivered as follows:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Delivery Address (if different)  
\_\_\_\_\_  
\_\_\_\_\_

If said number of shares shall not be all the shares purchasable under the within Warrant Certificate, the undersigned requests that a new Book-Entry Warrant representing the balance of such Warrants shall be registered, with the appropriate Warrant Statement delivered as follows:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Delivery Address (if different)  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Social Security or Other Taxpayer  
Identification Number of Holder

Signature \_\_\_\_\_

Note: If the statement representing the Warrant Shares or any Book-Entry Warrants representing Warrants not exercised is to be registered in a name other than that in which the Book-Entry Warrants are registered, the signature of the holder hereof must be guaranteed.

SIGNATURE GUARANTEED BY:

---

Signatures must be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program.

Countersigned:

Dated: \_\_\_\_\_, 20\_\_

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC,  
as Warrant Agent

Signature \_\_\_\_\_  
Authorized Signatory

EXHIBIT B-2

EXERCISE FORM FOR BENEFICIAL HOLDERS  
HOLDING WARRANTS THROUGH THE DEPOSITORY TRUST COMPANY

TO BE COMPLETED BY DIRECT PARTICIPANT  
IN THE DEPOSITORY TRUST COMPANY

(To be executed upon exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by \_\_\_\_\_ Warrants held for its benefit through the book-entry facilities of The Depository Trust Company (the "Depository"), to purchase Warrant Shares and (check one):

- herewith tenders payment for \_\_\_\_\_ of the Warrant Shares to the order of BioScrip, Inc. in the amount of \$ \_\_\_\_\_ in accordance with the terms of the Warrant Agreement and this Warrant; or
- This exercise and election shall  be immediately effective or  shall be effective as of 5:00 pm., New York time, on \_\_\_\_\_.

The undersigned requests that the Warrant Shares issuable upon exercise of the Warrants be in registered form in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions set forth below; provided, that if the Warrant Shares are evidenced by global securities, the Warrant Shares shall be registered in the name of the Depository or its nominee.

Dated: \_\_\_\_\_

NOTE: THIS EXERCISE NOTICE MUST BE DELIVERED TO THE WARRANT AGENT, PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. THE WARRANT AGENT SHALL NOTIFY YOU (THROUGH THE CLEARING SYSTEM) OF (1) THE WARRANT AGENT'S ACCOUNT AT THE DEPOSITORY TO WHICH YOU MUST DELIVER YOUR WARRANTS ON THE EXERCISE DATE AND (2) THE ADDRESS, PHONE NUMBER AND FACSIMILE NUMBER WHERE YOU CAN CONTACT THE WARRANT AGENT AND TO WHICH WARRANT EXERCISE NOTICES ARE TO BE SUBMITTED. NAME OF DIRECT PARTICIPANT IN THE DEPOSITORY:

(PLEASE PRINT)

ADDRESS: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_

TELEPHONE (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

FAX (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE): \_\_\_\_\_

ACCOUNT FROM WHICH WARRANTS ARE BEING DELIVERED: \_\_\_\_\_

DEPOSITORY ACCOUNT NO: \_\_\_\_\_

---

WARRANT EXERCISE NOTICES WILL ONLY BE VALID IF DELIVERED IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THIS NOTIFICATION (OR AS OTHERWISE DIRECTED), MARKED TO THE ATTENTION OF "WARRANT EXERCISE". WARRANT HOLDER DELIVERING WARRANTS, IF OTHER THAN THE DIRECT DTC PARTICIPANT DELIVERING THIS WARRANT EXERCISE NOTICE:

NAME: \_\_\_\_\_  
(PLEASE PRINT)

CONTACT NAME: \_\_\_\_\_

TELEPHONE (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

FAX (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE): \_\_\_\_\_

ACCOUNT TO WHICH THE SHARES OF COMMON STOCK ARE TO BE CREDITED: \_\_\_\_\_

DEPOSITARY ACCOUNT NO. \_\_\_\_\_

FILL IN FOR DELIVERY OF THE COMMON STOCK, IF OTHER THAN TO THE PERSON DELIVERING THIS WARRANT EXERCISE NOTICE:

NAME: \_\_\_\_\_  
(PLEASE PRINT)

ADDRESS: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_

TELEPHONE (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

FAX (INCLUDING INTERNATIONAL CODE): \_\_\_\_\_

SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION NUMBER (IF APPLICABLE): \_\_\_\_\_

NUMBER OF WARRANTS BEING EXERCISED: \_\_\_\_\_

(ONLY ONE EXERCISE PER WARRANT EXERCISE NOTICE)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Capacity in which Signing: \_\_\_\_\_

SIGNATURE GUARANTEED BY: \_\_\_\_\_

Signatures must be guaranteed by a participant in the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program.

\_\_\_\_\_

EXHIBIT C

FORM OF ASSIGNMENT

(To be executed only upon assignment of Warrant)

For value received, \_\_\_\_\_ hereby sells, assigns and transfers unto the Assignee(s) named below the rights represented by such Warrant to purchase number of Warrant Shares listed opposite the respective name(s) of the Assignee(s) named below and all other rights of the Registered Holder under the within Warrant, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer said Warrant on the books of the within-named Company with respect to the number of Warrant Shares set forth below, with full power of substitution in the premises:

Names of Assignee(s)	Address	No. of Warrant Shares

And if said number of Warrant Shares shall not be all the Warrant Shares represented by the Warrant, a new Warrant is to be issued in the name of said undersigned for the balance remaining of the Warrant Shares registered by said Warrant.

Dated: \_\_\_\_\_, 20\_\_

Signature \_\_\_\_\_

Note: The above signature should correspond exactly with the name on the face of this Warrant

---

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors  
BioScrip, Inc.:

We consent to the use of our reports dated March 2, 2015, with respect to the consolidated balance sheet of BioScrip, Inc. and subsidiaries as of December 31, 2014, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2014, the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2014, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

Our report dated March 2, 2015, on the effectiveness of internal control over financial reporting as of December 31, 2014, expresses our opinion that BioScrip, Inc. did not maintain effective internal control over financial reporting as of December 31, 2014 because of the effect of the material weaknesses on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states material weaknesses related to the establishment of accounts receivable related reserves and the timely recognition of bad debt expense, significant and unusual transactions, and general information technology controls have been identified and included in management's assessment.

/s/ KPMG LLP

Minneapolis, Minnesota  
May 28, 2015

---

**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Amendment No. 1 to Form S-3 (No. 333-202631) and related Prospectus of BioScrip, Inc. for the registration of Subscription Rights for the purchase of Units consisting of Series A Convertible Preferred Stock, Class A Warrants, and Class B Warrants, and the Common Stock issuable upon conversion of the Series A Convertible Preferred Stock and exercise of the Class A Warrants and Class B Warrants, and to the incorporation by reference therein of our report dated March 3, 2014 (except Note 5, as to which the date is March 2, 2015), with respect to the consolidated financial statements and schedule of BioScrip, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2014, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Minneapolis, Minnesota  
May 28, 2015

---

**FORM OF  
INSTRUCTIONS FOR USE OF  
BIOSCRIP, INC. SUBSCRIPTION RIGHTS CERTIFICATES**

**CONSULT THE INFORMATION AGENT, YOUR BANK,  
OR YOUR BROKER AS TO ANY QUESTIONS**

The following instructions relate to a rights offering (the "Rights Offering") by BioScrip, Inc., a Delaware corporation (the "Company"), to the holders of record (the "Record Holders") of its common stock, par value \$0.0001 per share (the "Common Stock"), as described in the Company's Prospectus, dated \_\_\_\_\_, 2015 (the "Prospectus"). Record Holders of Common Stock at 5:00 p.m., New York City time, on \_\_\_\_\_, 2015 (the "Record Date") are receiving non-transferable subscription rights (the "Rights") to subscribe for and purchase units ("units") consisting of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A Convertible Preferred Stock of the Company, par value \$0.0001 per share (the "Series A Preferred Stock"), (b) 576,000 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45 per share. The Class A warrants and Class B warrants are collectively referred to as the "Warrants." The shares of Series A Preferred Stock will be convertible into shares of Common Stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events. The Series A Preferred Stock and the Warrants constituting the unit will separate upon exercise of the rights.

Each Record Holder will receive one Right for every \_\_\_\_\_ outstanding shares of Common Stock owned of record as of the Record Date, subject to rounding adjustments up or down as described below. Fractional Rights or cash in lieu of fractional Rights will not be issued in the Rights Offering. Any Rights holder that had been entitled to receive a fractional Right consisting of at least  $\frac{1}{2}$  Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than  $\frac{1}{2}$  Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering (the "Pro Rata Reduction").

The Rights will expire, if not exercised, by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended in the sole discretion of the Company (as so extended, the "Expiration Date"). After the Expiration Date, unexercised Rights will be null and void. The Company will not be obligated to honor any purported exercise of Rights received by American Stock Transfer & Trust Company, LLC (the "Subscription Agent") after 5:00 p.m., New York City time, on the Expiration Date, regardless of when the documents relating to such exercise were sent. The Company may extend the Expiration Date by giving oral or written notice to the Subscription Agent on or before the Expiration Date, followed by a press release no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. The Rights are evidenced by Rights certificates (the "Subscription Rights Certificates").

---



Each whole Right allows the holder thereof to purchase one unit (the "Subscription Right") at a cash price of \$100.00 per share. Each unit comprises one (1) share of Series A Preferred Stock, 2.88 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17, and 2.88 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45. See "The Rights Offering—Subscription Rights" in the Prospectus. For example:

1. Assuming no Pro Rata Reduction, if you owned 400 shares of Common Stock as of the Record Date, you would receive      Rights pursuant to your Subscription Right, rounded down to the right to purchase      unit in the Rights Offering pursuant to your Subscription Right.
2. Assuming no Pro Rata Reduction, if you owned 600 shares of Common Stock as of the Record Date, you would receive      Rights pursuant to your Subscription Right, rounded up to the right to purchase      units in the Rights Offering pursuant to your Subscription Right.
3. If the total number of units subscribed for in the Rights Offering totals 210,000, thus exceeding the total number of 200,000 units offered in the Rights Offering, the Pro Rata Reduction will be effected. Each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis to  $200,000 \div 210,000 = 95.24\%$  of the units each such Rights holder originally subscribed for. Therefore, if you owned 6,000 shares of Common Stock as of the Record Date, you would receive      Rights pursuant to your Subscription Right, rounded down to the right to purchase      units in the Rights Offering pursuant to your Subscription Right. Pursuant to the Pro Rata Reduction in this example, assuming you subscribed for all      units, your allocation of units will be reduced on a *pro rata* basis to  $95.24\% \times \text{units} = \text{units}$ , rounded down to      units.

The number of Rights to which you are entitled is printed on the face of your Subscription Rights Certificate. You should indicate your wishes with regard to the exercise of your Rights by completing the appropriate portions of your Subscription Rights Certificate and returning the certificate to the Subscription Agent in the envelope provided pursuant to the procedures described in the Prospectus.

YOUR SUBSCRIPTION RIGHTS CERTIFICATE AND SUBSCRIPTION PRICE PAYMENT, BY CERTIFIED OR CASHIER'S CHECK DRAWN UPON A UNITED STATES OR CANADIAN BANK, MUST BE ACTUALLY RECEIVED BY THE SUBSCRIPTION AGENT ON OR BEFORE 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. ONCE A HOLDER OF RIGHTS HAS EXERCISED THE SUBSCRIPTION RIGHT, SUCH EXERCISE MAY NOT BE REVOKED. RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION DATE OF THE RIGHTS OFFERING WILL EXPIRE WITHOUT VALUE.

---

**1. Method of Subscription—Exercise of Rights**

To exercise Rights, complete your Subscription Rights Certificate and send the properly completed and executed Subscription Rights Certificate evidencing such Rights, with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each unit subscribed for pursuant to the Subscription Right, to the Subscription Agent so that it will be actually received by the Subscription Agent on or prior to 5:00 p.m., New York City time, on the Expiration Date. Payment of the Subscription Price will be held in a segregated account to be maintained by the Subscription Agent. **All payments must be made in U.S. dollars for the full number of units being subscribed for by cashier's or certified check drawn upon a United States or Canadian bank payable to American Stock Transfer & Trust Company, LLC, as Subscription Agent.** Please reference your Subscription Rights Certificate number on your check. Payments will be deemed to have been received by the Subscription Agent only upon receipt by the Subscription Agent of a cashier's or certified check drawn upon a United States or Canadian bank. Personal checks will not be accepted.

The Subscription Rights Certificate and payment of the Subscription Price must be delivered to the Subscription Agent by one of the methods described below:

*By First Class Mail, Express Mail, Overnight Courier or By Hand:*  
American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
Attn: Corporate Actions  
Tel: (718) 921-8200

*Telephone Number for Confirmation (Toll Free): (877) 248-6417*

**Delivery to any address or by a method other than those set forth above will not constitute valid delivery.**

If you have any questions, require assistance regarding the method of exercising Rights or require additional copies of relevant documents, please contact the Information Agent, Georgeson Inc., by telephone or mail at:

*By Telephone:*

Banks, brokers and shareholders please call toll-free: (877) 278-4775

*By Mail:*

Georgeson Inc.  
480 Washington Blvd., 26th floor  
Jersey City, New Jersey 07310

---

When making arrangements with your bank or broker for the delivery of funds on your behalf, you may also request such bank or broker to exercise the Subscription Rights Certificate on your behalf.

## 2. Effect of Over- and Under-Payments

If the aggregate Subscription Price paid by you is insufficient to purchase the number of units subscribed for, or if the number of units you requested is not specified in the forms, then you will be deemed to have exercised the Subscription Right to purchase units to the full extent of the payment tendered, subject to the availability of units following the Pro Rata Reduction and the elimination of fractional units.

If the aggregate Subscription Price paid by you exceeds the amount necessary to purchase the number of units for which you are entitled to subscribe (including if you are allocated fewer than all of the units for which you wished to subscribe due to the Pro Rata Reduction) or for which you have indicated an intention to subscribe (such excess being the “Subscription Excess”), then any excess Subscription Price will be returned to you by mail, without interest or penalty, as soon as practicable after the Expiration Date and after all *pro rata* allocations and adjustments (including the Pro Rata Reduction, if applicable) contemplated by the terms of the Rights Offering have been effected. Rights not exercised prior to the Expiration Date will expire automatically without value.

## 3. Issuance of Securities

Promptly after the closing of the Rights Offering and the valid exercise of Rights pursuant to the Subscription Right, and after all *pro rata* allocations and adjustments contemplated by the terms of the Rights Offering have been effected (including the Pro Rata Reduction, if applicable), the Company will deliver the securities composing the units as follows:

- a. **Registered Holder.** If shares of Common Stock are held in an exercising Rights holder’s name, the Company will deliver to each such exercising Rights holder a Direct Registration System book-entry statement representing the shares of Series A Preferred Stock and the Warrants that the holder purchased.
- b. **Beneficial Owners.** If shares of Common Stock are held for an exercising Rights holder by its broker, dealer, custodian bank or other nominee, there will be a credit to the exercising Rights holder’s account with its broker, dealer, custodian bank or other nominee, via delivery to the Depository Trust Company (the “Book-Entry Transfer Facility”) of a Direct Registration System book-entry statement representing the shares of Series A Preferred Stock and the Warrants.

See “The Rights Offering” and “Plan of Distribution” in the Prospectus.

## 4. Sale, Transfer, or Assignment of Rights

Rights may not be sold, transferred, or assigned; provided, however, that Rights are transferable by operation of law (for example, the transfer of Rights to the estate of a recipient upon the recipient’s death).

---

## 5. Commissions, Fees, and Expenses

The Company will pay all fees and expenses of the Subscription Agent and the Information Agent related to their acting in such roles in connection with the Rights Offering. The Company has also agreed to indemnify the Subscription Agent and the Information Agent from certain liabilities that they may incur in connection with the Rights Offering. However, all commissions, fees, and other expenses (including brokerage commissions and fees and transfer taxes) incurred in connection with the exercise of Rights will be for the account of the transferor of the Rights, and none of such commissions, fees, or expenses will be paid by the Company, the Information Agent, or the Subscription Agent.

## 6. Execution

- a. Execution by Registered Holder. The signature on the Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Rights Certificate without any alteration, enlargement or change whatsoever. Persons who sign the Subscription Rights Certificate in a representative or other fiduciary capacity on behalf of a registered holder must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority so to act.
- b. Signature Guarantees. If you are neither a registered holder (or signing in a representative or other fiduciary capacity on behalf of a registered holder) nor an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, your signature must be guaranteed by such an eligible institution.

## 7. Method of Delivery to Subscription Agent

The method of delivery of Subscription Rights Certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights holder, but, if sent by mail, it is recommended that such certificates and payments be sent by registered mail, properly insured, with return receipt requested and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and the clearance of payment prior to 5:00 p.m., New York City Time, on the Expiration Date.

## 8. Special Provisions Relating to the Delivery of Rights through the Depository Trust Company

In the case of Rights that are held of record through the Book-Entry Transfer Facility, exercises of the Subscription Right may be effected by instructing the Book-Entry Transfer Facility to transfer Rights from the Book-Entry Transfer Facility account of such holder to the Book-Entry Transfer Facility account of the Subscription Agent, together with certification as to the aggregate number of Rights exercised and the number of units thereby subscribed for pursuant to the Subscription Right by each beneficial owner of Rights on whose behalf such nominee is acting, and payment of the Subscription Price for each unit subscribed for pursuant to the Subscription Right. See the Company's "Letter to Stockholders Who Are Record Holders" and the "Nominee Holder Certification."

---

**9. No Revocation.**

Once you submit the Subscription Rights Certificate or have instructed your nominee of your subscription request, you are not allowed to revoke or change the exercise or request a refund of monies paid. You should not exercise your Subscription Rights unless you are certain that you wish to purchase units at the subscription price of \$100.00 per unit. All exercises of Subscription Rights are irrevocable, even if you learn information that you consider to be unfavorable to the exercise of your Subscription Rights.

**10. Limitation on the Purchase of Units.**

You may only purchase the number of whole units consisting of shares of Series A Preferred Stock and Warrants purchasable upon exercise of the subscription privileges included in the Subscription Rights distributed to you in the Rights Offering, or purchased by you as a result of buying Subscription Rights. Accordingly, the number of units that you may purchase in the Rights Offering is limited by the number of shares of the Company's Common Stock you held on the record date, by the number of Rights purchased by you as a result of buying Subscription Rights, by the extent to which other Record Holders exercise their Subscription Rights and whether the Pro Rata Reduction is effected, which cannot be determined prior to completion of the Rights Offering. The Company reserves the right to reject any or all subscriptions not properly submitted or the acceptance of which would, in the opinion of the Company's counsel, be unlawful.

---

## FORM OF LETTER TO STOCKHOLDERS WHO ARE RECORD HOLDERS

## BIOSCRIP, INC.

## Rights to Purchase up to 200,000 Units at \$100.00 per Unit

## Offered Pursuant to Rights Distributed to Record Stockholders of BioScrip, Inc.

, 2015

Dear Stockholder:

This notice is being distributed by BioScrip, Inc. (the “Company”) to all holders of record (the “Record Holders”) of shares of its common stock, par value \$0.001 per share (the “Common Stock”), at 5:00 p.m., New York City time, on \_\_\_\_\_, 2015 (the “Record Date”), in connection with the distribution in a rights offering (the “Rights Offering”) of non-transferable subscription rights (the “Rights”) to subscribe for and purchase units (“units”) consisting of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A Convertible Preferred Stock of the Company, par value \$0.0001 per share (the “Series A Preferred Stock”), (b) 576,000 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45 per share. The shares of Series A Preferred Stock will be convertible into shares of Common Stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events. The Rights are described in the Company’s Prospectus, dated \_\_\_\_\_, 2015 (the “Prospectus”).

In the Rights Offering, the Company is offering an aggregate of 200,000 units pursuant to the Prospectus. The Rights will expire, if not exercised, by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended in the sole discretion of the Company (as it may be extended, the “Expiration Date”).

As described in the accompanying Prospectus, you will receive one Right for every \_\_\_\_\_ outstanding shares of Common Stock owned of record as of the close of business on the Record Date, subject to rounding adjustments up or down as described below. Each whole Right will allow you to subscribe for one unit (the “Subscription Right”) at the cash price of \$100.00 per unit (the “Subscription Price”). Each unit comprises one (1) share of Series A Preferred Stock, 2.88 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17, and 2.88 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45. Fractional Rights or cash in lieu of fractional Rights will not be issued in the Rights Offering. Any Record Holder that had been entitled to receive a fractional Right consisting of at least ½ Right has been rounded up to the nearest whole Right, and any Record Holder that had been entitled to receive a fractional Right consisting of less than ½ Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Record Holder’s allocation of units will be reduced on a pro rata basis that results in a total subscription of 200,000 units in the Rights Offering (the “Pro Rata Reduction”). See “The Rights Offering—Subscription Rights” in the Prospectus. For example:

1. Assuming no Pro Rata Reduction, if you owned 400 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded down to the right to purchase \_\_\_\_\_ unit in the Rights Offering pursuant to your Subscription Right.
2. Assuming no Pro Rata Reduction, if you owned 600 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded up to the right to purchase \_\_\_\_\_ units in the Rights Offering pursuant to your Subscription Right.
3. If the total number of units subscribed for in the Rights Offering totals 210,000, thus exceeding the total number of 200,000 units offered in the Rights Offering, the Pro Rata Reduction will be effected. Each subscribing Rights holder’s allocation of units will be reduced on a *pro rata* basis to 200,000 divided by 210,000 = 95.24% of the units each such Rights holder originally subscribed for. Therefore, if you owned 6,000 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded down to the right to purchase \_\_\_\_\_ units in the Rights Offering pursuant to your Subscription Right. Pursuant to the Pro Rata Reduction in this example, assuming you subscribed for all \_\_\_\_\_ units, your allocation of units will be reduced on a *pro rata* basis to 95.24% x \_\_\_\_\_ units = \_\_\_\_\_ units, rounded down to \_\_\_\_\_ units.

The Rights are evidenced by Rights certificates (the “Subscription Rights Certificates”). Rights may not be sold, transferred, or assigned; provided, however, that Rights are transferable by operation of law (for example, a transfer of Rights to the estate of a recipient upon the recipient’s death).

Enclosed are copies of the following documents:

1. Prospectus;
2. Subscription Rights Certificate;

3. Instructions for Use of BioScrip, Inc. Subscription Rights Certificates;
4. Notice of Tax Information; and
5. A return envelope addressed to American Stock Transfer & Trust Company, LLC, the Subscription Agent.

Your prompt action is requested. To exercise your Rights, you should properly complete and sign the Subscription Rights Certificate and forward it, with payment of the Subscription Price in full for each unit subscribed for pursuant to the Subscription Right, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Subscription Rights Certificate with payment of the Subscription Price on or prior to 5:00 p.m., New York City time, on the Expiration Date. **All payments must be made in U.S. dollars for the full number of units being subscribed for by cashier's or certified check drawn upon a United States or Canadian bank payable to American Stock Transfer & Trust Company, LLC, as Subscription Agent. Failure to return the properly completed Subscription Rights Certificate with the correct payment will result in your not being able to exercise your Rights.** A Record Holder cannot revoke the exercise of his or her Rights. Rights not exercised prior to the Expiration Date will expire without value.

Additional copies of the enclosed materials may be obtained from the Information Agent, Georgeson Inc. The Information Agent's toll-free telephone number is (877) 278-4775.

Very truly yours,

BIOSCRIP, INC.

---

**FORM OF LETTER TO NOMINEE HOLDERS  
WHOSE CLIENTS ARE BENEFICIAL HOLDERS**

**BIOSCRIP, INC.**

**Rights to Purchase up to 200,000 Units at \$100.00 per Unit  
Offered Pursuant to Rights Distributed to Record Stockholders of BioScrip, Inc.**

, 2015

**To Brokers, Dealers, Custodian Banks,  
Trust Companies and Other Nominees:**

This letter is being distributed to brokers, dealers, custodian banks, trust companies and other nominees in connection with the rights offering (the "Rights Offering") by BioScrip, Inc. (the "Company") of non-transferable subscription rights (the "Rights") to subscribe for and purchase units ("units") consisting of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A Convertible Preferred Stock of the Company, par value \$0.0001 per share (the "Series A Preferred Stock"), (b) 576,000 Class A warrants, each full warrant to purchase one share of the Company's common stock ("Common Stock") at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45 per share, distributed to all holders of record ("Record Holders") of shares of Common Stock, at 5:00 p.m., New York City time, on \_\_\_\_\_, 2015 (the "Record Date"). The Rights are described in the Company's Prospectus, dated \_\_\_\_\_, 2015 (the "Prospectus").

In the Rights Offering, the Company is offering an aggregate of 200,000 units pursuant to the Prospectus. The Rights will expire, if not exercised, by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended in the sole discretion of the Company (as it may be extended, the "Expiration Date").

As described in the accompanying Prospectus, each beneficial owner of shares of Common Stock is entitled to receive and exercise one Right for every \_\_\_\_\_ shares of Common Stock owned by such beneficial owner as of the Record Date, subject to rounding adjustments up or down as described below.

Each whole Right will allow the holder thereof to subscribe for one unit (the "Subscription Right") at the cash price of \$100.00 per unit (the "Subscription Price"). Each unit comprises one (1) share of Series A Preferred Stock, 2.88 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17, and 2.88 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45. The Company will not issue fractional warrants. Instead, the Company will round down any fractional warrants to the nearest whole warrant.

Fractional Rights or cash in lieu of fractional Rights will not be issued in the Rights Offering. Any Rights holder that had been entitled to receive a fractional Right consisting of at least  $\frac{1}{2}$  Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than  $\frac{1}{2}$  Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering (the "Pro Rata Reduction"). See "The Rights Offering—Subscription Rights" in the Prospectus. For example:

1. Assuming no Pro Rata Reduction, if a Record Holder owned 400 shares of Common Stock as of the Record Date, the Record Holder would receive \_\_\_\_\_ Rights pursuant to their Subscription Right, rounded down to the right to purchase \_\_\_\_\_ unit in the Rights Offering pursuant to their Subscription Right.
  2. Assuming no Pro Rata Reduction, if a Record Holder owned 600 shares of Common Stock as of the Record Date, the Record Holder would receive \_\_\_\_\_ Rights pursuant to their Subscription Right, rounded up to the right to purchase \_\_\_\_\_ units in the Rights Offering pursuant to their Subscription Right.
-



3. If the total number of units subscribed for in the Rights Offering totals 210,000, thus exceeding the total number of 200,000 units offered in the Rights Offering, the Pro Rata Reduction will be effected. Each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis to 200,000 divided by 210,000 = 95.24% of the units each such Rights holder originally subscribed for. Therefore, if a Record Holder owned 6,000 shares of Common Stock as of the Record Date, the Record Holder would receive Rights pursuant to their Subscription Right, rounded down to the right to purchase units in the Rights Offering pursuant to their Subscription Right. Pursuant to the Pro Rata Reduction in this example, assuming the Record Holder subscribed for all units, their allocation of units will be reduced on a *pro rata* basis to 95.24% x units = units, rounded down to units.

The Rights are evidenced by a Rights certificate (a "Subscription Rights Certificate") registered in your name or the name of your nominee. Rights may not be sold, transferred, or assigned; provided, however, that Rights are transferable by operation of law (for example, a transfer of Rights to the estate of a recipient upon the recipient's death).

We are asking persons who hold shares of Common Stock beneficially and who have received the Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Subscription Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Subscription Rights Certificate be issued.

You will be required to certify to American Stock Transfer & Trust Company, LLC (the "Subscription Agent"), in connection with the exercise of the Subscription Rights, as to the aggregate number of units subscribed for pursuant to the exercise of the Subscription Rights by you or the beneficial owners for which you are acting and, if applicable, whether the Subscription Rights have been exercised in full by you or each beneficial owner for which you are acting.

Please take prompt action to notify any beneficial owners of Common Stock as to the Rights Offering and the procedures and deadlines that must be followed to exercise their Rights.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent and the Information Agent, incurred in connection with the exercise of the Rights will be for the account of the holder of the Rights, and none of such commissions, fees or expenses will be paid by the Company, the Subscription Agent, or the Information Agent. Enclosed are copies of the following documents:

1. Prospectus;
  2. Subscription Rights Certificate;
  3. Instructions for Use of BioScrip, Inc. Subscription Rights Certificates;
  4. A form of letter that may be sent to your clients for whose accounts you hold the Company's Common Stock registered in your name or the name of your nominee;
  5. Form of Beneficial Owners Election Form which may be sent to beneficial owners of the Company's Common Stock;
  6. Form of Nominee Holder Certification;
  7. Notice of Tax Information; and
  8. A return envelope addressed to American Stock Transfer & Trust Company, LLC, the Subscription Agent.
-

Your prompt action is requested. To exercise Rights, you should deliver the properly completed and signed Subscription Rights Certificate, with payment of the Subscription Price in full for each unit subscribed for, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Subscription Rights Certificate with payment of the Subscription Price on or prior to 5:00 p.m., New York City time, on the Expiration Date. **All payments must be made in U.S. dollars for the full number of units being subscribed for by cashier's or certified check drawn upon a United States or Canadian bank payable to American Stock Transfer & Trust Company, LLC, as Subscription Agent. Failure to return the properly completed Subscription Rights Certificate with the correct payment will result in your not being able to exercise the Rights held in your name on behalf of yourself or other beneficial owners.** A Record Holder cannot revoke the exercise of his or her Rights. Rights not exercised prior to the Expiration Date will expire without value.

Additional copies of the enclosed materials may be obtained from the Information Agent, Georgeson Inc. The Information Agent's toll-free telephone number is (877) 278-4775.

Very truly yours,

BIOSCRIP, INC.

NOTHING IN THE PROSPECTUS OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF BIOSCRIP, INC., THE SUBSCRIPTION AGENT, THE INFORMATION AGENT, OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE RIGHTS, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFERING EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE PROSPECTUS.

---

**FORM OF LETTER TO CLIENTS OF NOMINEE HOLDERS  
BIOSCRIP, INC.**

**Rights to Purchase up to 200,000 Units at \$100.00 per Unit  
Offered Pursuant to Rights Distributed to Record Stockholders of BioScrip, Inc.**

, 2015

**To Our Clients:**

Enclosed for your consideration are the Prospectus, dated \_\_\_\_\_, 2015 (the “Prospectus”), and the “Instructions for Use of BioScrip, Inc. Subscription Rights Certificates” relating to the offering (the “Rights Offering”) by BioScrip, Inc. (the “Company”) of units (“units”) consisting of (a) an aggregate of 200,000 shares of 8.5%/11.5% Series A Convertible Preferred Stock of the Company, par value \$0.0001 per share (the “Series A Preferred Stock”), (b) 576,000 Class A warrants, each full warrant to purchase one share of the Company’s common stock (“Common Stock”) at a price of \$5.17 per share, and (c) 576,000 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45 per share, and, pursuant to non-transferable subscription rights (the “Rights”) distributed to all holders of record (the “Record Holders”) of shares of Common Stock of the Company, at 5:00 p.m., New York City time, on \_\_\_\_\_, 2015 (the “Record Date”). The shares of Series A Preferred Stock will be convertible into shares of Common Stock at a conversion price of \$5.17 per share, subject to adjustment upon the occurrence of certain events. The Rights are described in the Prospectus.

In the Rights Offering, the Company is offering an aggregate of 200,000 units pursuant to the Prospectus. The Rights will expire, if not exercised, by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, unless extended in the sole discretion of the Company (as it may be extended, the “Expiration Date”).

Please note that since you hold your shares in the name of a broker, dealer, or other nominee that uses the services of the Depository Trust Company, you must exercise your subscription rights before 2:15 p.m., New York City time, on the Expiration Date.

As described in the accompanying Prospectus, you will receive one Right for every \_\_\_\_\_ shares of Common Stock owned of record as of the close of business on the Record Date, subject to rounding adjustments up or down as described below. Any Rights holder that had been entitled to receive a fractional Right consisting of at least ½ Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than ½ Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder’s allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering (the “Pro Rata Reduction”).

Each whole Right will allow you to subscribe for one unit (the “Subscription Right”) at the cash price of \$100.00 per unit (the “Subscription Price”). Each unit comprises one (1) share of Series A Preferred Stock, 2.88 Class A warrants, each full warrant to purchase one share of Common Stock at a price of \$5.17, and 2.88 Class B warrants, each full warrant to purchase one share of Common Stock at a price of \$6.45. Fractional Rights or cash in lieu of fractional Rights will not be issued in the Rights Offering. Any Rights holder that had been entitled to receive a fractional Right consisting of at least ½ Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than ½ Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then a Pro Rata Reduction will automatically occur. See “The Rights Offering—Subscription Rights” in the Prospectus. For example:

1. Assuming no Pro Rata Reduction, if you owned 400 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded down to the right to purchase \_\_\_\_\_ unit in the Rights Offering pursuant to your Subscription Right.

2. Assuming no Pro Rata Reduction, if you owned 600 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded up to the right to purchase \_\_\_\_\_ units in the Rights Offering pursuant to your Subscription Right.
3. If the total number of units subscribed for in the Rights Offering totals 210,000, thus exceeding the total number of 200,000 units offered in the Rights Offering, the Pro Rata Reduction will be effected. Each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis to 200,000 divided by 210,000 = 95.24% of the units each such Rights holder originally subscribed for. Therefore, if you owned 6,000 shares of Common Stock as of the Record Date, you would receive \_\_\_\_\_ Rights pursuant to your Subscription Right, rounded down to the right to purchase \_\_\_\_\_ units in the Rights Offering pursuant to your Subscription Right. Pursuant to the Pro Rata Reduction in this example, assuming you subscribed for all \_\_\_\_\_ units, your allocation of units will be reduced on a *pro rata* basis to 95.24% x \_\_\_\_\_ units = \_\_\_\_\_ units, rounded down to \_\_\_\_\_ units.

The Rights are evidenced by Rights certificates (the "Subscription Rights Certificates"). Rights may not be sold, transferred, or assigned; provided, however, that Rights are transferable by operation of law (for example, a transfer of Rights to the estate of a recipient upon the recipient's death).

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES OF RIGHTS MAY BE MADE ONLY BY US AS THE NOMINEE HOLDER AND PURSUANT TO YOUR INSTRUCTIONS. Accordingly, we request instructions as to whether you wish us to elect to subscribe for any units to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the Prospectus and other enclosed materials carefully before instructing us to exercise your Rights.

Enclosed for your review are copies of the following documents:

1. Prospectus;
2. Instructions for Use of BioScrip, Inc. Subscription Rights Certificates;
3. Beneficial Owner Election Form; and
4. Notice of Tax Information.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise Rights on your behalf in accordance with the provisions of the Rights Offering. The Rights Offering will expire at 5:00 p.m., New York City time, on the Expiration Date. Once you have exercised your Subscription Right, such exercise may not be revoked.

If you wish to have us, on your behalf, exercise the Rights for any units to which you are entitled, please so instruct us by timely completing, executing and returning to us the instruction form attached to this letter.

**With respect to any instructions to exercise (or not to exercise) Rights, the enclosed Beneficial Ownership Election must be completed and returned such that it will be actually received by us by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the last business day prior to the scheduled expiration date of the Rights Offering of \_\_\_\_\_, 2015 (which may be extended by the Company in its sole discretion).**

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO GEORGESON INC., THE INFORMATION AGENT, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: (877) 278-4775.

---

**FORM OF BENEFICIAL OWNER ELECTION**

The undersigned acknowledge(s) receipt of your letter, sent in your capacity as record holder or nominee, and the enclosed materials referred to therein relating to the rights offering (the "Rights Offering") by BioScrip, Inc. (the "Company") of subscription rights (the "Rights") to purchase units ("units") of the Company's securities, each unit consisting of (a) one (1) share of 8.5%/11.5% Series A Convertible Preferred Stock, par value \$0.0001 per share, (b) 2.88 Class A warrants, each to purchase one share of the Company's common stock ("Common Stock") at a price of \$5.17 per share, and (c) 2.88 Class B warrants, each to purchase one share of Common Stock at a price of \$6.45 per share.

**With respect to any instructions to exercise (or not to exercise) Rights, the undersigned acknowledges that this form must be completed and returned such that it will actually be received by you by 5:00 p.m., New York City Time, on \_\_\_\_\_, 2015, the last business day prior to the scheduled expiration date of the Rights Offering of \_\_\_\_\_, 2015 (which may be extended by the Company in its sole discretion).**

This will instruct you whether to exercise Rights to purchase units distributed with respect to the shares of the Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related "Instructions for Use of BioScrip, Inc. Subscription Rights Certificates."

Box 1.  Please DO NOT EXERCISE RIGHTS for units.

Box 2.  Please EXERCISE RIGHTS for units as set forth below.

The number of Rights for which the undersigned gives instructions for exercise under the Subscription Right should not exceed the number of Rights that the undersigned is entitled to exercise. Fractional Rights will not be issued in the Rights Offering. Any Rights holder that had been entitled to receive a fractional Right consisting of at least 1/2 Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than 1/2 Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering.

	<u>No. of Units</u>		<u>Per Unit Subscription Price</u>		<u>Payment</u>
Subscription Right*	X	\$	100.00	=	\$ (Line 1)**
<b>Total Payment Required:</b>					\$

\* Each subscription right is exercisable to purchase one unit.

\*\* Line 1 must equal total of amounts in Boxes 3 and 4.

Box 3.  Payment in the following amount is enclosed \$\_\_\_\_\_.

Box 4.  Please deduct payment from the following account maintained by you as follows:

Type of Account: \_\_\_\_\_  
 Account No.: \_\_\_\_\_  
 Amount to be deducted: \$ \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2015

**FORM OF  
NOMINEE HOLDER CERTIFICATION**

The undersigned, a bank, broker, dealer, custodian, trustee, depository or other nominee of non-transferable rights (the "Rights") to purchase units ("units") consisting of (a) shares of 8.5%/11.5% Series A Convertible Preferred Stock, par value \$0.0001 per share, (b) Class A warrants to purchase one share of common stock at a price of \$5.17 per share, and (c) Class B warrants to purchase one share of common stock at a price of \$6.45 per share, of BioScrip, Inc. (the "Company"), pursuant to the rights offering described and provided for in the Company's Prospectus dated \_\_\_\_\_, 2015 (the "Prospectus"), hereby certifies to the Company and to American Stock Transfer & Trust Company, LLC, as Subscription Agent for such rights offering, that the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the Subscription Right (as defined in the Prospectus), listing separately below each such exercised Subscription Right (without identifying any such beneficial owner):

	<b>Number of Shares of Common Stock Owned on the Record Date</b>	<b>Number of Units Subscribed for Pursuant to Subscription Right</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

Provide the following information if applicable:

Depository Trust Company ("DTC")

Participant Number

Participant Name:

By:

Name:

Title:

DTC Subscription Confirmation Number(s)

---

**FORM OF BENEFICIAL OWNER ELECTION**

The undersigned acknowledge(s) receipt of your letter, sent in your capacity as record holder or nominee, and the enclosed materials referred to therein relating to the rights offering (the "Rights Offering") by BioScrip, Inc. (the "Company") of subscription rights (the "Rights") to purchase units ("units") of the Company's securities, each unit consisting of (a) one (1) share of 8.5%/11.5% Series A Convertible Preferred Stock, par value \$0.0001 per share, (b) 2.88 Class A warrants, each to purchase one share of the Company's common stock ("Common Stock") at a price of \$5.17 per share, and (c) 2.88 Class B warrants, each to purchase one share of Common Stock at a price of \$6.45 per share.

**With respect to any instructions to exercise (or not to exercise) Rights, the undersigned acknowledges that this form must be completed and returned such that it will actually be received by you by 5:00 p.m., New York City Time, on \_\_\_\_\_, 2015, the last business day prior to the scheduled expiration date of the Rights Offering of \_\_\_\_\_, 2015 (which may be extended by the Company in its sole discretion).**

This will instruct you whether to exercise Rights to purchase units distributed with respect to the shares of the Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related "Instructions for Use of BioScrip, Inc. Subscription Rights Certificates."

Box 1.  Please DO NOT EXERCISE RIGHTS for units.

Box 2.  Please EXERCISE RIGHTS for units as set forth below.

The number of Rights for which the undersigned gives instructions for exercise under the Subscription Right should not exceed the number of Rights that the undersigned is entitled to exercise. Fractional Rights will not be issued in the Rights Offering. Any Rights holder that had been entitled to receive a fractional Right consisting of at least 1/2 Right has been rounded up to the nearest whole Right, and any Rights holder that had been entitled to receive a fractional Right consisting of less than 1/2 Right has been rounded down to the nearest whole Right. If the total number of units subscribed for in the Rights Offering exceeds 200,000, then each subscribing Rights holder's allocation of units will be reduced on a *pro rata* basis that results in a total subscription of 200,000 units in the Rights Offering.

	No. of Units	Per Unit Subscription Price	Payment
Subscription Right*	X	\$ 100.00	= \$ _____ (Line 1)**
<b>Total Payment Required:</b>			\$ _____

\* Each subscription right is exercisable to purchase one unit.

\*\* Line 1 must equal total of amounts in Boxes 3 and 4.

Box 3.  Payment in the following amount is enclosed \$ \_\_\_\_\_.

Box 4.  Please deduct payment from the following account maintained by you as follows:

Type of Account: \_\_\_\_\_  
 Account No.: \_\_\_\_\_  
 Amount to be deducted: \$ \_\_\_\_\_

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_, 2015

**FORM OF NOTICE OF  
IMPORTANT TAX INFORMATION**

This tax information is provided in connection with the prospectus of BioScrip, Inc. (the “Company”) dated \_\_\_\_\_, 2015 (the “Prospectus”).

Under the United States federal income tax laws, dividend payments that may be made by the Company on units (“units”) consisting of an aggregate of (a) 200,000 shares of 8.5%/11.5% Series A Convertible Preferred Stock, par value \$0.0001 per share, (b) 576,000 Class A warrants to purchase one share of the Company’s common stock (“Common Stock”) at a price of \$5.17 per share, and (c) 576,000 Class B warrants to purchase one share of Common Stock at a price of \$6.45 per share, issued upon the exercise of non-transferable subscription rights (the “Rights”) may be subject to backup withholding. Generally such payments will be subject to backup withholding unless the holder (i) is exempt from backup withholding or (ii) furnishes the payer with its correct taxpayer identification number (“TIN”) and certifies under penalties of perjury that the number provided is correct and provides certain other certifications. Each holder that exercises Rights and wants to avoid backup withholding must, unless an exemption applies, provide American Stock Transfer & Trust Company, LLC (the “Subscription Agent”), as the Company’s agent in respect of the exercised Rights, with such holder’s correct TIN (or with a certification that such holder is awaiting a TIN) and certain other certifications by completing Form W-9 below.

Certain holders (including, among others, certain foreign corporations and certain foreign individuals) are exempt from these backup withholding and reporting requirements. In general, in order for a foreign holder to qualify as an exempt recipient, that holder must submit a properly completed Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals) or Form W-8BEN-E Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) (each instead of a Form W-9), or other applicable Form W-8 signed under the penalties of perjury, attesting to that holder’s foreign status. Such Form W-8BEN, W-8BEN-E or other applicable Form W-8 may be obtained from the Subscription Agent.

Although a foreign holder may be exempt from backup withholding, payments of dividends may be subject to withholding tax, currently at a 30% rate (or, if certain tax treaties apply such applicable lower rate). Exempt U.S. holders should indicate their exempt status on Form W-9 to avoid possible erroneous backup withholding. Holders are urged to consult their tax advisers to determine whether they are exempt from withholding and reporting requirements.

If backup withholding applies, the Company or the Subscription Agent, as the case may be, will be required to withhold (currently at a 28% rate) on any dividend payments made to a holder that exercises Rights. Backup withholding is not an additional tax. Rather, the amount of backup withholding can be credited against the U.S. federal income tax liability of the holder subject to backup withholding, provided that the required information is provided to the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained.

---



A holder that exercises Rights is required to give the Subscription Agent the TIN of the record owner of the Rights. If such record owner is an individual, the taxpayer identification number is generally the taxpayer's social security number. For most other entities, the TIN is the employer identification number. If the Rights are in more than one name or are not in the name of the actual owner, consult the Instructions on Form W-9 for additional guidelines on which number to report or consult your tax advisors to determine the correct number to report. If the Subscription Agent is not provided with the correct TIN in connection with such payments, the holder may be subject to a penalty imposed by the IRS.

If you do not have a TIN, consult your tax advisors or consult the Instructions on Form W-9 for instructions on applying for a TIN, write "Applied For" in the space for the TIN in Part 1 of the Form W-9 and sign and date the Form W-9. If you do not provide your TIN to the Subscription Agent within 60 days, backup withholding will begin and continue until you furnish your TIN to the Subscription Agent. Note: Writing "Applied For" on the form means that you have already applied for a TIN or that you intend to apply for one in the near future.