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

SCHEDULE 13D
(Rule (13d-101))

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)
(Amendment No. __)

BIOSCRIP, INC.
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.0001 PER SHARE
(Title of Class of Securities)

09069N108
(CUSIP Number)

GORDON WOODWARD
Kohlberg & Company
111 Radio Circle
Mt. Kisco, New York 10549
(914) 241-7430
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

With a copy to:

ANGELO BONVINO, ESQ.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019 6064
(212) 757-3990

March 25, 2010
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

1	NAME OF REPORTING PERSONS Kohlberg Management V, L.L.C.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 15,753,153
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 15,753,153
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 15,753,153	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 28.17%	
14	TYPE OF REPORTING PERSON OO	

SCHEDULE 13D

1	NAME OF REPORTING PERSONS Kohlberg Investors V, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 9,587,484
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 6,890,968
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 9,587,484	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 17.15%	
14	TYPE OF REPORTING PERSON PN	

SCHEDULE 13D

1	NAME OF REPORTING PERSONS Kohlberg Partners V, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 388,028
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 388,028
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 388,028	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.69%	
14	TYPE OF REPORTING PERSON PN	

SCHEDULE 13D

1	NAME OF REPORTING PERSONS Kohlberg Offshore Investors V, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 461,592
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 461,592
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 461,592	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.83%	
14	TYPE OF REPORTING PERSON PN	

SCHEDULE 13D

1	NAME OF REPORTING PERSONS Kohlberg TE Investors V, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 5,011,709
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 5,011,709
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 5,011,709	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.96%	
14	TYPE OF REPORTING PERSON PN	

SCHEDULE 13D

1	NAME OF REPORTING PERSONS KOCO Investors V, L.P.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS OO
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) <input type="radio"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER -0-
	8 SHARED VOTING POWER 304,340
	9 SOLE DISPOSITIVE POWER -0-
	10 SHARED DISPOSITIVE POWER 304,340
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 304,340
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: <input type="radio"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.54%
14	TYPE OF REPORTING PERSON PN

SCHEDULE 13D

Item 1. Security and Issuer.

This Schedule 13D is being filed by the undersigned with respect to the shares of Common Stock, par value \$0.0001 per share of BioScrip, Inc. (the "Shares"), a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 100 Clearbrook Road, Elmsford NY 10523.

Item 2. Identity and Background.

(a and f) This Schedule 13D is being filed on behalf of the following (each such person a "Reporting Person" and collectively, the "Reporting Persons"): (i) Kohlberg Management V, L.L.C., a Delaware limited liability company ("Fund V"), (ii) Kohlberg Investors V, L.P., a Delaware limited partnership ("Investors"), (iii) Kohlberg Partners V, L.P., a Delaware limited partnership ("Partners"), (iv) Kohlberg Offshore Investors V, L.P., a Delaware limited partnership ("Offshore"), (v) Kohlberg TE Investors V, L.P., a Delaware limited partnership ("TE") and (vi) KOCO Investors V, L.P., a Delaware limited partnership ("KOCO" and collectively with Investors, Partners, Offshore and TE, the "Funds").

Fund V is the general partner of the Funds. James A. Kohlberg is the Managing Member of Fund V (the "Managing Member"). Christopher Anderson, Samuel P. Frieder, Seth H. Hollander, Christopher Lacovara, Shant Mardirossian, Evan Wildstein and Gordon Woodward are members of Fund V and Mr. Kohlberg, Mr. Anderson, Mr. Frieder, Mr. Lacovara, Mr. Wildstein and Mr. Woodward (together, the "Principals") are members of its Operating Committee. The investment decisions of Fund V are made by a vote of a majority of the members of the Operating Committee. All of the Principals are citizens of the United States. Fund V is a Delaware limited liability company. Each of the Funds is a Delaware limited partnership.

Based on the foregoing and the transactions described herein, the Reporting Persons may be deemed to constitute a "group" for purposes of Section 13(d)(3) of the Act. The filing of this Schedule 13D shall not be construed as an admission that the Reporting Persons are a group, or have agreed to act as a group. Each Reporting Person expressly disclaims beneficial ownership in the securities reported herein except to the extent such Reporting Person actually exercises voting or dispositive power with respect to such securities.

(b) The principal place of business and principal office of the Reporting Persons and the Principals is 111 Radio Circle, Mt. Kisco, New York 10549.

(c) The principal occupation or employment of the Principals is set forth on Schedule A hereto and incorporated herein by reference. The principal business of Fund V is to be the general partner of the Funds. The principal business of the Funds is to make investments in, buy, sell, hold, pledge and assign securities.

(d and e) During the last five years, neither the Reporting Persons nor, to the knowledge of any Reporting Person, any of the Principals: (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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Item 3. Source and Amount of Funds or Other Consideration.

As further described in Item 4 herein, on January 24, 2010, the Funds entered into an Agreement and Plan of Merger (the "Merger Agreement") with the Issuer, Camelot Acquisition Corp., a Delaware corporation and wholly owned subsidiary of the Issuer (the "Merger Sub"), Critical Homecare Solutions Holdings, Inc., a Delaware corporation ("CHS"), Blackstone Mezzanine Partners II L.P., a Delaware limited partnership ("Blackstone Partners"), Blackstone Mezzanine Holdings II L.P., a Delaware limited partnership ("Blackstone Holdings"), S.A.C. Domestic Capital Funding, Ltd., a Cayman Islands limited company ("S.A.C."), Robert Cucuel ("Cucuel"), Mary Jane Graves ("Graves") and Nitin Patel ("Patel") and Joey Ryan ("Ryan") and collectively with the Funds, Blackstone Partners, Blackstone Holdings, S.A.C., Cucuel, Graves and Patel, the "CHS Stockholders"). Pursuant to the terms of the Merger Agreement, on March 25, 2010 (the "Closing Date"), CHS merged with and into Merger Sub, with Merger Sub continuing as the surviving entity (the "Merger"). On the Closing Date, as a result of the Merger, CHS became a wholly owned subsidiary of the Issuer. Pursuant to the terms of the Merger Agreement, on the Closing Date: (i) the Funds received, among other consideration further described in Item 4 below, (x) 10,051,750 Shares and (y) Warrants ("Warrants") to acquire up to an aggregate of 3,004,887 Shares, having a \$10 per Share strike price and a five-year term; and (ii) a total of 2,696,516 Shares were deposited into an escrow account to satisfy any indemnity or purchase price adjustment payment to the Issuer (the "Escrow Fund"), of which 2,601,415 of such Shares are distributable to the Funds upon the release of the Escrow Fund on September 25, 2011.

Item 4. Purpose of Transaction.**Merger Agreement**

On the Closing Date pursuant to the terms of the Merger Agreement, for the acquisition of CHS the Issuer paid to the CHS Stockholders and the holders of rights (the "Options") to purchase shares of common stock, \$0.001 par value ("CHS Common Stock"), of CHS under the Critical Homecare Solutions Holdings, Inc. 2006 Equity Incentive Plan, as amended (the "Stock Option Plan"), consideration comprised of:

- cash of \$105,029,855, comprised of \$71,794,452 payable with respect to CHS Common Stock, \$27,831,836 payable with respect to CHS' Series A Preferred Stock and \$5,403,567 payable with respect to the Options cashed out as described below;
 - the repayment of CHS' expenses in connection with the Merger of \$9,000,338;
 - 13,115,725 Shares, which number of Shares was calculated using an aggregate value of \$86,938,984 based on an agreed upon price per Share of \$8.3441, which price was calculated based on the volume weighted trading average price of the Shares over the 10-day period ended January 22, 2010, the last trading day prior to execution of the Merger Agreement (of which 2,696,516 Shares were deposited into the Escrow Fund); and
 - Warrants to acquire up to an aggregate of 3,400,945 Shares for \$10 per Share, which number of Shares was calculated using an aggregate value of \$15,000,000 based on an agreed price per Share of \$8.3441, which price was calculated based on certain factors including (i) the volume weighted trading average price of the Shares over the 10-day period ended January 22, 2010, the last trading day prior to execution of the Merger Agreement and (ii) the historical trading volatility of the Shares.
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In addition, the Issuer assumed and adopted the Stock Option Plan, at the closing of the Merger. With respect to the Options held by the top five executives of CHS, approximately 35% of such Options were rolled over into the Stock Option Plan assumed by the Issuer at the closing of the Merger, and all remaining Options were cashed out.

The representations and warranties of the CHS Stockholders, CHS and the Issuer will survive for 18 months following the Closing Date, except that specified representations and warranties, including organization, due authority, capitalization and broker fees (the "Specified Representations"), will survive for their applicable statute of limitations. The tax indemnity provided by the CHS Stockholders to the Issuer (which includes an indemnity for any taxes of CHS and its subsidiaries due for any taxable period ending on or before the Closing Date ("Pre-Closing Taxes")) will also survive for the applicable statute of limitations. The Issuer will be indemnified for losses related to, among other things, (i) breaches of the representations and warranties of CHS and CHS Stockholders, (ii) breaches of covenants and agreements of CHS and CHS Stockholders and (iii) the Pre-Closing Taxes. Except with respect to the Specified Representations and Pre-Closing Taxes, among other things, the indemnity is subject to a deductible of \$1,500,000 for aggregate losses. Except for the Specified Representations, Pre-Closing Taxes, intentional or willful breaches by CHS, and any breaches by the CHS Stockholders of any covenants made by CHS or CHS Stockholders in the Merger Agreement, the indemnification obligations of the CHS Stockholders will be recoverable solely from the Escrow Fund. In addition, any purchase price adjustment required to be paid to the Issuers by the CHS Stockholder will also be recoverable from the Escrow Fund. The indemnification obligations of the Issuer and any purchase price adjustment required to be paid by the Issuer to the CHS Stockholders will be payable in cash.

At the effective time of the Merger, the board of directors of the Issuer (the "Board") expanded the size of the Board from nine to ten directors. In accordance with the Merger Agreement, the Board appointed as directors Messrs. Samuel P. Frieder and Gordon Woodward to fill the vacancy created by the expansion of the size of the Board and a then-existing vacancy.

Stockholders' Agreement

Concurrently with the execution of the Merger Agreement, the Issuer, the CHS Stockholders and Colleen Lederer ("Lederer") and collectively with the CHS Stockholders, the "Stockholders") entered into a Stockholders' Agreement (the "Stockholders' Agreement"). The Stockholders' Agreement, which became effective upon the closing of the Merger, governs each Stockholder's ownership interest in the Issuer following consummation of the Merger.

Board Representation

Pursuant to the terms of the Stockholders' Agreement, for as long as the Funds and/or their affiliates beneficially own in the aggregate: (i) at least 50% of the Shares received by the Funds at the closing of the Merger (as adjusted for any splits, conversions and reverse splits on or after the closing) (the "Initial Kohlberg Shares"), Investors will be entitled to designate two nominees for election by the Issuer's stockholders to the Board, and (ii) at least 15% (but less than 50%) of the Initial Kohlberg Shares, Investors will be entitled to designate one nominee for election by the Issuer's stockholders to the Board. If at any time the Funds and/or their affiliates beneficially own in the aggregate less than 15% of the Initial Kohlberg Shares, then Investors will not have the right to designate any nominees for election to the Board. Messrs. Samuel P. Frieder and Gordon Woodward are Investors' initial designees of to the Board.

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For as long as Investors has the right to nominate one or two directors in accordance with the Stockholders' Agreement, the number of directors on the Board will be fixed at 9 or 10, respectively. The Issuer has agreed to include any person designated by Investors in each slate of nominees recommended by the Board in connection with any stockholders meeting at which directors are to be elected and to use commercially reasonable efforts to ensure such nominees are elected as directors.

Upon the death, disability, retirement, resignation or removal (with or without cause) of any director nominated by Investors, Investors will be entitled to designate the replacement director for such director.

Until Investors ceases to have the right to designate one or more directors in accordance with the Stockholders' Agreement, except as may be prohibited by law, at least one of the directors designated by Investors will be entitled to representation on each of the audit committee, the compensation committee and the corporate strategy committee of the Board.

Transfer Restrictions

Under the terms of the Stockholders' Agreement, for a period of two years from the Closing Date, none of the Stockholders may make or solicit any sale, assignment, transfer, distribution or other disposition of any Shares, except for sales or transfers made:

- pursuant to one or more registered secondary public offerings in connection with the exercise of the Stockholders' registration rights described below;
- pursuant to one or more private placements exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations promulgated thereunder, including Rule 144 promulgated under the Securities Act (subject to the Issuer's right to receive from the Stockholder making such transfer an opinion of counsel reasonably acceptable in form and substance to the Issuer that registration under the Securities Act is not required in connection with such transfer);
- in the case of any Stockholder who is an individual, to a member of such Stockholder's immediate family or to a trust, corporation, partnership or limited liability company, all of the beneficial interests in which are held by such Stockholder or by one or more members of such Stockholder's immediate family;
- to any of such Stockholder's affiliates; or
- in the case of Blackstone Partners, Blackstone Holdings and S.A.C. (the "Institutional Stockholders"), in connection with a pledge or collateral assignment of Shares to a third party lender or other financing source, or any foreclosure or other exercise of rights or remedies by a permitted pledgee or assignee whereby Shares are further sold, assigned or conveyed.

Before effecting any of the permitted transfers described above, a Stockholder must provide at least five business days' written notice to the Issuer specifying in reasonable detail the terms and conditions of such transfer. Any transferee of any Shares permitted under the Stockholders' Agreement is referred to as a "Permitted Transferee." Any Permitted Transferee (other than a family member) that

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beneficially owns more than 5% of the issued and outstanding Shares, will be subject to the restrictions, including the transfer restrictions, set forth in the Stockholders' Agreement, and the Issuer has the right to require any Permitted Transferee that beneficially owns more than 5% of the issued and outstanding Shares to execute a joinder to the Stockholders' Agreement.

Any disposition of or the creation of any encumbrance on any Shares in violation of the terms and conditions of the Stockholders' Agreement will be null and void, and the purported transferee of any such dispositions or the purported holder of any such encumbrances will have no rights or privileges with respect to such shares of common stock.

Standstill Restrictions

Under the terms of the Stockholders' Agreement, until the later of (i) the third anniversary of the Closing Date and (ii) the date upon which Investors is no longer entitled to designate any nominees for director, except as expressly contemplated by the Stockholders' Agreement or permitted in writing pursuant to a resolution of a majority of the directors of the Issuer, none of the Stockholders (other than the Institutional Stockholders) or any directors, officers or controlled affiliates (or any directors or officers of such controlled affiliates) of any such Stockholder may take any of the following actions:

- effect, offer, propose or cause or participate in, or assist any other person to effect, offer or propose or participate in (i) any acquisition or any proposal to acquire any debt or equity securities of the Issuer after Merger (other than through the exercise of the Warrants or the Options), (ii) any tender or exchange offer for debt or equity securities of the Issuer, (iii) any merger, consolidation, share exchange or business combination involving the Issuer or any material portion of its business or any purchase of all or any substantial part of the assets of the Issuer, (iv) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Issuer or any material portion of its business or (v) any solicitation of proxies with respect to the Issuer or any action resulting in such person or entity becoming a participant in any election contest with respect to the Issuer;
 - propose or make any recommendation with respect to any matter for submission to a vote of stockholders of the Issuer;
 - form, join or participate in a group with respect to any Shares, other than any group consisting solely of a Stockholder and its affiliates;
 - grant any proxy with respect to any Share to any person or entity not designated by the Issuer, other than a revocable proxy authorizing a representative of a Stockholder to vote at a meeting of stockholders of the Issuer in the ordinary course of business;
 - deposit any Shares in a voting trust or subject any such shares to any arrangement or agreement with respect to the voting of such shares, except for agreement solely among the Stockholders and the Issuer and except for the permitted transfers described above;
 - execute any written stockholder consent with respect to the Issuer;
 - take any other action to seek to affect the control of the Issuer (other than in connection with any director nominated by Investors acting in accordance with such director's fiduciary duties);
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- enter into any discussions, negotiations, arrangements or understandings with any person with respect to any of the restrictions described above, or advise, or advise, assist, encourage or seek to persuade others to take any action with respect to the restrictions described above;
- disclose to any person any intention, plan or arrangement inconsistent with the restrictions described above that would result in any Stockholder or the Issuer being required to make any such disclosure in any filing (other than a filing required under Sections 13 or 16 of the Securities Act in connection with a permitted transfer) with a governmental authority or exchange or being required by applicable law to make a public announcement with respect thereto; or
- request the Issuer or any of its affiliates, directors, officers, employees, representatives, advisors or agents, directly or indirectly, to amend or waive in any respect the Stockholders' Agreement or the certificate of incorporation or the bylaws of the Issuer or any of its affiliates.

Registration Rights

The Stockholders' Agreement provides for certain registration rights of the shares held by the Stockholders, including (i) the aggregate issued and outstanding Shares beneficially owned by the Stockholders, (ii) any other securities issued and issuable with respect to any such shares by the Issuer or by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, including any such securities issued or issuable by the Issuer and (iii) Shares issued upon the exercise of the Warrants (as adjusted from time to time in accordance with their terms) (collectively, the "Stockholder Shares").

Demand Registration

At any time after the six month anniversary of the Closing Date, holders of then-outstanding Stockholder Shares will have the right to require the Issuer to effect unlimited registrations of Stockholder Shares. Each request for registration must be made for Stockholders Shares having a market value of at least \$25 million, based on the closing price of the Shares on the business day prior to the day such registration request is made. The demand registration rights granted in the Stockholders' Agreement are subject to customary restrictions, such as limitations on the number of shares to be included in any underwritten offering imposed by the underwriter.

Piggyback Registration

The Issuer also has agreed to provide the Stockholders with piggyback registration rights, such that if at any time the Issuer proposes register any shares under the Securities Act in connection with a public offering (subject to certain exceptions), then the Issuer will give each of the Stockholders written notice of such registration as soon as practicable but in no event less than 30 days prior to such registration, and must include in such registration all Stockholder Shares requested in writing to be included therein. The piggyback registration rights granted in the Stockholders' Agreement are subject to customary restrictions, such as limitations on the number of shares to be included in any underwritten offering imposed by the underwriter.

SCHEDULE 13D*Expenses*

The Issuer has agreed to pay all registration expenses, including the legal fees of one counsel for the selling Stockholders, to be selected by the holders of a majority of the Stockholder Shares to be included in such registration, other than underwriting discounts or commissions on the sale of stockholder shares.

As a condition to including Stockholder Shares in any registration, the participating Stockholders and the Issuer have agreed to execute a customary underwriting agreement or similar agreement in a form reasonably acceptable to the Issuer and the underwriter(s), if any, for such offering containing customary indemnification and holdback provisions. No Stockholder will be required to incur indemnification obligations which are in excess of the net proceeds received by such Stockholder pursuant to such registration or which relates to information not supplied by such Stockholder for inclusion in the registration statement.

Postponement of Demand Registration

Under the Stockholders' Agreement, the Issuer is entitled to postpone not more than once in any 12-month period, for a reasonable period of time not to exceed 90 days, the filing of a registration statement if in the good faith judgment of the Board (in consultation with outside advisors), such registration and offering would be reasonably expected to materially and adversely affect or materially interfere with any bona fide material financing of the Issuer or any material transaction under consideration by the Issuer, or would require disclosure of material non-public information which would materially and adversely affect the Issuer if disclosed prematurely. The Issuer will provide notice to any applicable Stockholders of its decision to postpone filing a registration statement, which notice will include the reasons for the postponement and an estimation of the anticipated delay.

Restrictions on Other Agreements

Without the written consent of the Stockholders holding not less than a majority of the Stockholder Shares (which consent may be given or withheld in the sole discretion of such Stockholders), the Issuer is not permitted to grant any rights relating to the registration of its securities if the exercise thereof interferes with or is inconsistent with or will delay (or could reasonably be expected to interfere with or be inconsistent with or delay) the exercise and enjoyment by the Stockholders of any of the demand registration rights described above.

Transfer of Registration Rights

The registration rights described above may be assigned, in whole or in part, to any Permitted Transferee (which Permitted Transferee will be bound by the obligations of the Stockholders' Agreement), but are not assignable by such Permitted Transferee to any subsequent transferee.

SCHEDULE 13D*Subsequent Issuances and Purchases*

All Shares (or any other series or class of capital stock of the Issuer) that are issued to or purchased by any Stockholder after the Merger, including without limitation, any shares obtained by exercise of a Warrant or stock option (other than an Option) or pursuant to any stock dividend, stock split or similar change, will become immediately subject to the terms of the Stockholders' Agreement without further action by any party to the Stockholders' Agreement.

Voting Agreement

Concurrently with the execution of the Merger Agreement, certain of the Issuer's directors and executive officers entered into the Common Stock Voting Agreement (the "Voting Agreement") with CHS and Investors pursuant to which such directors and executive officers agreed to vote their Shares in favor of (i) the proposal to issue Shares to the CHS Stockholders in connection with the Merger to the CHS Stockholders and to vote their Shares against any action that would impede, delay or interfere with the approval and adoption such proposal and (ii) the election of the two designees of Investors at the first annual meeting of the Issuer's stockholders following the Closing.

Warrant Agreement

On the Closing Date, the Stockholders and the Issuer entered into a Warrant Agreement pursuant to which the Issuer issued the Warrants to the Stockholders.

Exercise of Warrants and Exercise Price

The Warrants may be exercised at any time prior to the fifth anniversary of the Closing Date (the "Expiration Time") upon the payment of the exercise price for each Share with respect to which the Warrants are then being exercised. The initial exercise price is equal to \$10.00 per Share, subject to adjustment as described below and as described more fully in the Warrant Agreement. Upon the exercise of any Warrants, a warrant holder ("Warrant Holder") may pay the applicable exercise price in cash or by "net exercise" such that the holder becomes entitled to receive, after notice to the Issuer, instead of the number of Shares such holder would have otherwise received had the exercise price been paid in cash, the number of Shares equal to the product of (i) the number of Shares issuable upon such exercise; multiplied by (ii) the quotient of (A) the last reported sale price per Share at the time of such exercise, minus the per Share exercise price at the time of such exercise; divided by (B) the last reported sale price per Share at the time of such exercise.

Anti-Dilution Adjustments

Under the Warrant Agreement, if the Issuer declares and pays a dividend in Shares, or effects a stock split, reverse stock split, subdivision, combination or reclassification of the Shares, then the number of Shares issuable upon exercise of the Warrants at the time of the record date of such dividend, stock split, reverse stock split, subdivision, combination or reclassification will be proportionately adjusted so that the holder of such Warrants after such date will be entitled to purchase the number of Shares which such holder would have owned or been entitled to receive in respect of the shares subject to such

SCHEDULE 13D

Warrants after such date had such Warrants been exercised immediately before such date. In such event, the exercise price in effect at the time of the effective date of such split, reverse split, subdivision, combination or reclassification also will be adjusted to take into account the new number of common shares issuable upon exercise of a holder's Warrants.

If the Issuer issues or sells any Shares for a consideration per share of less than 90% of the last reported sale price per Share immediately prior to such issuance or sale, then immediately upon the effective time of such issuance or sale, the number of Shares issuable upon exercise of any Warrants will be increased to account for such issuance or sale below the market price per share. This adjustment mechanism does not apply to certain types of Share issuances, including (i) issuances of Shares upon the conversion of any then-outstanding Share equivalents, (ii) issuances of Shares for which the Warrant Agreement otherwise provides adjustment, (iii) issuances of Shares to employees of the Issuer or its subsidiaries that have been approved by the Board and (iv) the issuance of Shares pursuant to the terms of the Rights Agreement.

If the Issuer fixes a record date to make a dividend or distribution to all holders of Shares or securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of Shares), in each such case, the exercise price in effect before such record date will be reduced in accordance with the terms of the Warrant Agreement immediately thereafter and the number of Shares issuable upon the exercise of any Warrants will be increased, to account for such dividend or distribution. In the event that after the record date for such dividend or distribution is set, no dividend or distribution occurs, then the exercise price and the number of Shares issuable upon exercise of any Warrants will be readjusted to the original exercise price and number of Shares issuable upon such exercise as though such record date had never been set.

If the Issuer undertakes any consolidation, merger (subject to certain exceptions) or sale of substantially all of its assets or any reclassification of Shares (other than any reclassification described in the first paragraph of this subsection), then a Warrant Holder's right to receive Shares upon the exercise of any Warrants will be converted into the right to exercise such Warrants to acquire the number of shares of stock or other security or property (including cash) which the Shares issuable at the time of such consolidation, merger, sale of assets or reclassification upon exercise of such Warrants immediately prior to the consolidation, merger, sale of assets or reclassification would have been entitled to receive upon consummation of such consolidation, merger, sale of assets or reclassification. The Issuer has agreed not to enter into or be a party to any business combination unless the successor of the Issuer (if any) assumes in writing all of the obligations of the Issuer under the Warrant Agreement.

Escrow Agreement

On the Closing Date, the Issuer and Investors, as the representative of the CHS Stockholders, entered into an Escrow Agreement (the "Escrow Agreement"), with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to which the 2,696,516 Shares were deposited into the Escrow Fund. Such Shares may be disbursed to the Issuer (i) in the case that a purchase price adjustment is required to be paid, or (ii) pursuant to indemnification obligations, in each case in accordance with the terms of the Agreement and Plan of Merger. In accordance with the terms of the Escrow Agreement, Investors, as the representative of the CHS Stockholders, may direct the Escrow Agent to exercise voting or consent authority with respect to the 2,696,516 Shares until such of Shares are released from the Escrow Fund, if any, to the CHS Stockholders on September 25, 2011. As a result, Investors may be deemed to beneficially own such Shares until they are released from the Escrow Fund.

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The foregoing descriptions of the Merger Agreement, Stockholders' Agreement, Voting Agreement, Warrant Agreement, and the Escrow Agreement do not purport to be a complete description of the terms thereof and are qualified in their entirety by reference to the full texts of each agreement. Copies of the Merger Agreement, Stockholders' Agreement, Voting Agreement, Warrant Agreement and Escrow Agreement are filed as Exhibit B, Exhibit C, Exhibit D, Exhibit E and Exhibit F respectively, and are incorporated herein by reference.

The Reporting Persons intend to act in accordance with the terms of the Merger Agreement, Stockholders' Agreement, Warrant Agreement, Voting Agreement and the Escrow Agreement for as long as such agreements remain in effect. Subject to the foregoing, each Reporting Person expects to evaluate on an ongoing basis the Issuer's financial condition and prospects and its interest in, and intentions with respect to, the Issuer and their investment in the securities of the Issuer, which review may be based on various factors, the Issuer's business and financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Issuer's securities in particular, as well as other developments and other investment opportunities. ¶ 60; Accordingly, each Reporting Person reserves the right to change its intentions, as it deems appropriate. In particular, each Reporting Person may at any time and from time to time, in the open market, in privately negotiated transactions or otherwise, dispose of all or a portion of the securities of the Issuer, that the Reporting Persons now own or may hereafter acquire, including sales pursuant to the exercise of the registration rights provided by the Stockholders' Agreement. In addition, the Reporting Persons may engage in discussions with management and members of the Board regarding the Issuer, including, but not limited to, Issuer's business and financial condition, results of operations and prospects. The Reporting Persons may take positions with respect to and seek to influence the Issuer regarding the matters discussed above. Such suggestions or positions may include one or more plans or proposals that relate to or would result in any of the actions required to be reported herein.

Item 5. Interest in Securities of the Issuer.

(a and b) The aggregate number of Shares and the percentage of total outstanding Shares beneficially owned by the Reporting Persons is set forth below. References to percentage ownerships of Shares in this Schedule 13D are based upon the 39,794,757 Shares stated to be outstanding as of February 24, 2010 by the Issuer in the Issuer's Annual Report for the fiscal year ended December 31, 2009 on Form 10-K filed with the Securities and Exchange Commission on March 2, 2010, plus (i) the 13,115,720 Shares issued to the CHS Stockholders in connection with the Merger (of which 2,696,516 Shares were deposited into the Escrow Fund) and (ii) the 3,004,887 Shares issuable to the Reporting Persons upon the exercise of the Warrants.

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Reporting Person	Aggregate Number of Shares and Percentage of the Total Outstanding Shares	Number of Shares: Sole Power to Vote	Number of Shares: Shared Power to Vote	Number of Shares: Sole Power to Dispose	Number of Shares: Shared Power to Dispose
Kohlberg Management V, LLC (1) (2)	15,753,153 28.17%	0	15,753,153	0	13,056,637
Kohlberg Investors V, L.P. (2)	9,587,484 17.15%	0	9,587,484	0	6,890,968
Kohlberg Partners V, L.P. (3)	388,028 0.69%	0	388,028	0	388,028
Kohlberg Offshore Investors V, L.P. (3)	461,592 0.83%	0	461,592	0	461,592
Kohlberg TE Investors V, L.P. (3)	5,011,709 8.96%	0	5,011,709	0	5,011,709
KOCO Investors V, L.P. (3)	304,340 0.54%	0	304,340	0	304,340

- (1) Includes all Shares owned by the Funds. Fund V is the general partner of each Fund and, as a result, may be deemed to beneficially own all of the Shares owned by the Funds. Fund V does not directly own any Shares.
- (2) Includes all 2,696,516 Shares held in the Escrow Fund. Investors, as the representative of the CHS Stockholders, may direct the Escrow Agent to exercise voting or consent authority with respect to all of the Shares held in the Escrow Fund until the release of such Shares, if any, to the CHS Stockholders on September 25, 2011. As a result, Investors may be deemed to beneficially own such Shares until they are released from the Escrow Fund.
- (3) Such amount does not include such Fund's pro rata portion of the Shares held in the Escrow Fund, which may be released to such Fund on September 25, 2011 in accordance with the Escrow Agreement.

Each Reporting Person expressly disclaims beneficial ownership of any securities reported herein except to the extent such Reporting Person actually exercises voting or dispositive power with respect to such securities.

SCHEDULE 13D

(c) Except with respect to the Merger as more fully described in Item 4 and as set forth in this Item 5, the Reporting Persons have not effected any transactions in the Shares during the past 60 days.

(d and e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

See Item 4 for a description of the Merger Agreement, the Stockholders' Agreement, Voting Agreement, Warrant Agreement and Escrow Agreement which are incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

- Exhibit A: Agreement relating to the filing of joint acquisition statements, dated as of the date hereof, by and among the Reporting Persons as required by Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended.
- Exhibit B: Merger Agreement (incorporated herein by reference from Exhibit 2.1 of the Issuer's Current Report on Form 8-K (File No. 000-28740) filed on January 27, 2010).
- Exhibit C: Stockholders' Agreement (incorporated herein by reference from Exhibit 10.1 of the Issuer's Current Report on Form 8-K (File No. 000-28740) filed on January 27, 2010).
- Exhibit D: Voting Agreement (incorporated herein by reference from Exhibit 10.2 of the Issuer's Current Report on Form 8-K (File No. 000-28740) filed on January 27, 2010).
- Exhibit E: Warrant Agreement (incorporated herein by reference from Annex C of the Issuer's Definitive Proxy Statement on Schedule 14A (File No. 000-28740) filed on February 23, 2010).
- Exhibit F: Escrow Agreement.
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SCHEDULE 13D

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

KOHLBERG MANAGEMENT V, L.L.C.

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG PARTNERS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG OFFSHORE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

SCHEDULE 13D

KOHLBERG TE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward

Name: Gordon Woodward

Title: Vice President

KOCO INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward

Name: Gordon Woodward

Title: Vice President

April 2, 2010

Attention: Intentional misstatements or omissions of fact constitute federal violations (see 18 U.S.C. 1001).

SCHEDULE 13D

Schedule A

THE PRINCIPALS

<u>Name</u>	<u>Present Principal Occupation or Employment</u>
Christopher Anderson	Member and Vice President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and a Partner of Kohlberg & Company, L.L.C., a private equity firm
Samuel P. Frieder	Member and Vice President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and Co-Managing Partner of Kohlberg & Company, L.L.C., a private equity firm
Seth H. Hollander	Member and Vice President of Kohlberg Management V, L.L.C.; and Partner of Kohlberg & Company, L.L.C., a private equity firm
James A. Kohlberg	Managing Member and President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and Chairman of Kohlberg & Company, L.L.C., a private equity firm
Christopher Lacovara	Member and Vice President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and Co-Managing Partner of Kohlberg & Company, L.L.C., a private equity firm
Shant Mardirossian	Member, Secretary and Treasurer of Kohlberg Management V, L.L.C.; and Partner and Chief Financial Officer of Kohlberg & Company, L.L.C., a private equity firm
Evan Wildstein	Member and Vice President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and Partner of Kohlberg & Company, L.L.C., a private equity firm
Gordon Woodward	Member and Vice President of Kohlberg Management V, L.L.C. and a member of its Operating Committee; and Partner of Kohlberg & Company, L.L.C., a private equity firm

SCHEDULE 13D

Exhibit A

JOINT FILING AGREEMENT

The undersigned agree that this Schedule 13D dated April 2, 2010 relating to the shares of Common Stock, par value \$0.0001 per share, of BioScrip, Inc. shall be filed on behalf of the undersigned.

KOHLBERG MANAGEMENT V, L.L.C.

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG PARTNERS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

KOHLBERG OFFSHORE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward
Name: Gordon Woodward
Title: Vice President

SCHEDULE 13D

KOHLBERG TE INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward

Name: Gordon Woodward

Title: Vice President

KOCO INVESTORS V, L.P.

By: Kohlberg Management V, L.L.C., *its General Partner*

By: /s/ Gordon Woodward

Name: Gordon Woodward

Title: Vice President

April 2, 2010

ESCROW AGREEMENT

ESCROW AGREEMENT (the "Agreement") is made and entered into as of March 25, 2010 by and among U.S. Bank National Association, a national banking association (the "Escrow Agent"), Kohlberg Investors V, L.P., a Delaware limited partnership, solely in its capacity as the Stockholders' Representative (the "Stockholders' Representative"), and BioScrip, Inc., a Delaware corporation (the "Parent").

Capitalized terms used but not defined herein shall have the respective meanings given to them in the Agreement and Plan of Merger, dated as of January 24, 2010 (the "Merger Agreement"), by and among Critical Homecare Solutions Holdings, Inc., a Delaware corporation, the Stockholders' Representative (in its capacity as the Stockholders' Representative), Kohlberg Investors V, L.P. ("KIV"), Kohlberg TE Investors V, L.P. ("KTE"), Kohlberg Offshore Investors V, L.P. ("KOI"), Kohlberg Partners V, L.P. ("KPV"), KOCO Investors V, L.P. ("KOCO"), S.A.C. Domestic Capital Funding, Ltd ("SAC"), Blackstone Mezzanine Partners II L.P. ("BMP"), Blackstone Mezzanine Holdings II L.P. ("BMH"), Nitin Patel ("Patel"), Robert Cucuel ("Cucuel"), Mary Jane Graves ("Graves") and Joey Ryan ("Ryan") (KIV, KTE, KOI, KPV, KOCO, SAC, BMP, BMH, Patel, Cucuel, Graves and Ryan shall be individually referred to herein as a "Stockholder" and collectively, the "Stockholders"), the Parent and Camelot Acquisition Corp., a Delaware corporation.

WHEREAS, pursuant to Section 4.2(j) of the Merger Agreement, the Parent will deliver to the Escrow Agent certificates representing 2,696,516 shares of common stock, par value \$0.0001 per share of the Parent (the "Parent Shares"), having an aggregate value (with each Parent Share valued at the Agreed Upon Share Value as defined herein) equal to Twenty-two Million Five Hundred Thousand United States Dollars (\$22,500,000), registered in the name of "Var & Co." as nominee for the Escrow Agent along with stock powers executed in blank (the "Escrow Property"), for the sole purposes of satisfying (x) the Stockholders' obligations, if any, to pay to the Parent a post-closing purchase price adjustment pursuant to Section 3.6 of the Merger Agreement and (y) certain indemnification obligations of the Stockholders pursuant to Articles XII and XIII of the Merger Agreement;

WHEREAS, all dividends and other distributions declared and paid on the Escrow Property is referred to as the "Escrow Property Interest";

WHEREAS, the Stockholders' Representative, on behalf of the Stockholders, and the Parent desire to create an escrow account for the Escrow Property, and to appoint the Escrow Agent as the escrow agent for such account upon the terms and subject to the conditions set forth herein;

WHEREAS, the parties have agreed that for purposes of making purchase price adjustment and indemnification payments under the Escrow Property and the disbursement of the same, each Parent Share shall be valued at \$8.3441 (the "Agreed Upon Per Share Value"); and

WHEREAS, the parties wish to specify their respective rights and obligations with respect to the Escrow Property and the Escrow Property Interest.

NOW THEREFORE, in consideration of the foregoing and the agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. (a) The Stockholders' Representative and the Parent hereby appoint the Escrow Agent as the escrow agent to hold, in a separate account, the Escrow Property Interest in accordance with the terms, conditions and provisions of this Agreement, and the Escrow Agent hereby accepts such appointment subject to the terms, conditions and provisions of this Agreement.

(b) The Escrow Agent hereby agrees to establish and maintain the Escrow Property in a separate account and shall invest any cash Escrow Property Interest, as directed by the Stockholders' Representative, from time to time, in writing, in (i) designated readily marketable direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America ("U.S. Securities"), (ii) bank time deposits evidenced by certificates of deposit issued by commercial banks in the United States having capital and surplus in excess of \$500,000,000, (iii) commercial paper rated at least A-1 or the equivalent thereof by Standard and Poor's Corporation or at least P-1 or the equivalent thereof by Moody's Investors Service Inc., (iv) repurchase agreements with the Escrow Agent or one of the Escrow Agent's affiliates using U.S. Securities as collateral, in each case with a maturity of not more than sixty (60) days, or (v) the Escrow Agent's "Money Market Deposit Account" ("MMDA") as described on Schedule 1 hereto (collectively, all investments referred to in clauses (i)-(v) are referred to herein as "Permitted Investments"). If the Escrow Agent does not receive investment direction from the Stockholders' Representative with respect to any portion of the cash Escrow Property, the Escrow Agent shall invest and reinvest such Escrow Property in the Escrow Agent's MMDA. All Escrow Property Interest shall accrue for the benefit of the Stockholders and shall be paid in accordance with Section 2(b)(vii), and the Parent shall not be entitled to receive any such Escrow Property Interest.

(c) Within five (5) Business Days after the date of this Agreement, the Parent shall have deposited with the Escrow Agent stock certificates registered in the name of "Var & Co." as nominee for the Escrow Agent evidencing the Parent Shares. The Escrow Agent shall hold and administer the Parent Shares in accordance with this Agreement. Any and all other rights with respect to the Parent Shares, including, without limitation, voting rights, shall be exercised by the Escrow Agent as directed by the Stockholders' Representative but in no event shall any of such rights be exercised in a manner inconsistent with or in violation of any of the provisions of the Escrow Agreement or the Merger Agreement.

(d) The Escrow Property will be held for the benefit of the parties hereto and will not be subject to any lien or attachment of any creditor of any party hereto and will be used solely for the purposes and subject to the conditions set forth herein. Until such time as the Parent Shares are released from the Escrow Property in accordance with the provisions hereof, the Stockholders will not sell, assign, transfer or otherwise dispose of, grant any option with respect to, or enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with, or pledge or grant any security interest in, or otherwise encumber any of the Parent Shares.

(e) Neither the Escrow Agent nor its nominee shall be under any duty to take any action to preserve, protect, exercise or enforce any rights or remedies under or with respect to the Escrow Property (including without limitation with respect to the exercise of any voting or consent rights, conversion or exchange rights, defense of title, preservation of rights against prior matters or otherwise). Notwithstanding the foregoing, if the Escrow Agent is so requested in a written request of the Stockholders' Representative received by the Escrow Agent at least three (3) Business Days prior to the date on which the Escrow Agent is requested therein to take such action (or such later date as may be acceptable to the Escrow Agent), the Escrow Agent shall execute or cause its nominee to execute and deliver to the Stockholders' Representative a proxy or other instrument in the form supplied to it by the Stockholders' Representative for voting or otherwise exercising any right of consent with respect to any of the Escrow Property held by it hereunder, to authorize therein the Stockholders' Representative to exercise such voting or consent authority in respect of the Parent Shares held in the Escrow Property (provided that the Escrow Agent shall not be obliged to execute any such proxy or other instrument if, in its reasonable judgment, the terms thereof may subject the Escrow Agent to any liabilities or obligations in its individual capacity). The Escrow Agent shall not be under any duty or responsibility to forward to any party, or to notify any party with respect to, or to take any action with respect to, any notice, solicitation or other document or information, written or otherwise, received from an issuer or other person with respect to the Escrow Property, including but not limited to, proxy material, tenders, options, the pendency of calls and maturities and expiration of rights.

(f) The Escrow Agent may conclusively rely upon, without independent verification or investigation, all decisions made by the Stockholders' Representative on behalf of the Stockholders in connection with this Agreement in writing and signed by a duly authorized officer of the Stockholders' Representative. The Stockholders' Representative agrees that it shall send a copy of all notices or statements received or sent hereunder to each Stockholder, within a reasonable period of time after receipt or delivery (as applicable) thereof.

(g) The Stockholders' Representative represents and warrants to the Escrow Agent and the Parent that it has the irrevocable right, power and authority (i) to enter into and perform this Agreement on behalf of itself in its capacity as a Stockholders' Representative and on behalf of the Stockholders, (ii) to give and receive directions and notices hereunder; and (iii) to make all determinations on behalf of the Stockholders that may be required or that it deems appropriate under this Agreement.

(h) Until notified in writing by the Stockholders' Representative that it has resigned or by a majority-in-interest of the Stockholders that it has been removed, the Escrow Agent and the Parent may rely conclusively and act (in each case, without independent verification) upon the directions, instructions and notices of the Stockholders' Representative named above and, thereafter, upon the directions, instructions and notices of any successor named in a writing executed by a majority-in-interest of the Stockholders and filed with the Escrow Agent.

2. Except as otherwise provided in Section 3, the Escrow Property shall be held and disposed of by the Escrow Agent as follows:

(a) Purchase Price Adjustment. Within five (5) Business Days after the date that the Statement becomes final and binding upon the Stockholders and the Parent as provided in Section 3.6(b) of the Merger Agreement, the Stockholders' Representative and the Parent shall, if any payment is due to the Parent, give a joint written notice to the Escrow Agent directing the disposition of a portion of the Escrow Property (the "Purchase Price Disposition Notice"). Within three (3) Business Days of the receipt of the Purchase Price Disposition Notice the Escrow Agent shall disburse to the Parent such number of Parent Shares from the Escrow Property having an aggregate value (based upon the Agreed Upon Per Share Value) as set forth in the Purchase Price Disposition Notice.

(b) Indemnification Payments.

(i) If the Parent intends to assert a claim against the Escrow Property for Losses pursuant to Articles XII or XIII of the Merger Agreement, the Parent shall deliver a Claims Notice in accordance with Section 12.4 of the Merger Agreement or notice in accordance with Section 13.4 of the Merger Agreement to the Escrow Agent and the Stockholders' Representative prior to the termination of the applicable survival period for such claim.

(ii) If, within thirty (30) calendar days after receipt by the Escrow Agent and the Stockholders' Representative of a Claims Notice or other notice pursuant to Article XIII of the Merger Agreement (the "Objection Period"), the Escrow Agent has not received a written statement from the Stockholders' Representative (the "Objection Notice") disputing the Parent's right to indemnification and/or the amount of indemnification sought in such notice, the Escrow Agent shall, within five (5) Business Days following the expiration of the Objection Period, deliver to the Parent out of the Escrow Property such number of Parent Shares having an aggregate value (based upon the Agreed Upon Per Share Value) equal to the lesser of (x) the amount of the available remaining Escrow Property (based upon the Agreed Upon Per Share Value) and (y) the amount specified in the Claims Notice or other notice pursuant to Article XIII of the Merger Agreement.

(iii) If, during the Objection Period, the Escrow Agent receives an Objection Notice, the Escrow Agent shall (i) promptly forward a copy of that statement to the Parent, (ii) if applicable, deliver to the Parent out of the remaining Escrow Property such number of Parent Shares having an aggregate value (based upon the Agreed Upon Per Share Value) equal to the amount that is specifically set forth in the Objection Notice not to be in dispute and (iii) continue to hold, to the extent available, in escrow such number of Parent Shares having an aggregate value (based upon the Agreed Upon Per Share Value) equal to the amount in dispute, until receipt of (A) a joint statement signed by the Stockholders' Representative and the Parent directing the disposition of all or part of the remaining Escrow Property or (B) a certified copy of a final, non-appealable order of a court of competent jurisdiction (a "Final Determination") of the disputed matters set forth in the Objection Notice ordering the Escrow Agent to dispose of the amount in dispute (but in no event to exceed the number of Parent Shares remaining in the Escrow Property). The Escrow Agent shall be entitled to receive and may conclusively rely upon an opinion of counsel from the Stockholders' Representative's or the Parent's counsel accompanying each Final Determination, to the effect that the relevant court had authority to determine the amount and liability with respect to the claim made by the Parent, and that such court has rendered a final judgment for which all related rights to appeal have been denied or expired. Upon receipt of any such statement or Final Determination, the Escrow Agent shall promptly comply with its terms.

(iv) The Escrow Property shall only be available to pay for (x) any purchase price adjustment in favor of the Parent, (y) Losses incurred by a Buyer Indemnitee for Taxes under Article XIII of the Merger Agreement and (z) Losses incurred by a Buyer Indemnitee under Article XII of the Merger Agreement (such Losses referred to in clauses (y) and (z) above, "Indemnification Losses").

(v) The Parent and the Stockholders' Representative acknowledge and agree that the Escrow Property shall be the Parent's sole and exclusive remedy for any claims under Sections 12.2(a) and 13.1(a) of the Merger Agreement (other than Unrestricted Claims). In the event the number of Parent Shares in the Escrow Property is insufficient to pay the amount of the purchase price adjustment in favor of the Parent under the Merger Agreement or any claim for which the Escrow Property is the sole and exclusive remedy in full (other than Unrestricted Claims), the Parent shall not be entitled to collect any amounts in excess of the then available Escrow Property and no Stockholder or other Person shall have any liability for any shortfall.

(vi) Except as otherwise directed by the Stockholders' Representative, not later than ten (10) calendar days after the end of each calendar quarter during the term of this Agreement until such time as the Escrow Property is fully depleted, all accrued and unpaid Escrow Property Interest shall be released by the Escrow Agent to the Stockholders based on each Stockholder's Escrow Allocation Percentage as set forth on Schedule 2 attached hereto.

(vii) Except as otherwise directed by the Stockholders' Representative, on September 25, 2011, the Escrow Agent shall release all Parent Shares remaining in the Escrow Property (including any remaining accrued and unpaid Escrow Property Interest thereon) to the Stockholders based on each Stockholder's Escrow Allocation Percentage; provided, that the Escrow Agent shall retain in the remaining Escrow Property a number of Parent Shares having an aggregate value (based upon the Agreed Upon Share Value), to the extent available, equal to the sum of (A) any amount then payable to the Parent under Section 2(b)(ii) and (B) any additional amount of Indemnification Losses claimed in good faith by the Parent and disputed in good faith by the Stockholders' Representative in accordance with Section 2(b)(iii).

(c) This Agreement and the duties of the Escrow Agent hereunder shall terminate when all amounts of the Escrow Property have been paid to the Stockholders' Representative, on the one hand, or the Parent, on the other hand, in accordance with Section 2(a), Section 2(b) or Section 3 of this Agreement.

(d) Any distribution of all or a portion of the Parent Shares to the Parent shall be made by delivery to the Parent of the stock certificate(s) held by the Escrow Agent representing the Parent Shares. In the event less than all of the Parent Shares are to be so transferred, the Parent shall cause a new stock certificate(s) to be issued in the name of the Escrow Agent's nominee representing the balance of the shares following the disbursement and the Parent shall promptly deposit such new stock certificate with the Escrow Agent. In no event shall the Escrow Agent have any liability for the actions or omissions of, or any delay on the part of the Parent in connection with the foregoing.

(e) Any distribution of all or a portion of the Parent Shares to the Stockholders shall be made by delivery to the Parent of the stock certificate(s) held by the Escrow Agent representing the Parent Shares, endorsed for transfer, with instruction to the Parent to transfer and issue the aggregate number of Parent Shares being distributed allocated among the Stockholders based upon the Stockholders' Escrow Allocation Percentage. The Parent shall promptly but in no event more than two (2) Business Days thereafter, register such allocated Parent Shares on its books in the name of each respective Stockholder and issue to each Stockholder a stock certificate representing such allocated Parent Shares, which stock certificate shall be mailed by first class mail to each Stockholder at such Stockholder's address on record with the Parent. If less than all of the then remaining Parent Shares are to be so distributed and transferred, the Parent shall cause a new stock certificate(s) to be issued in the name of the Escrow Agent's nominee representing the balance of the shares following the disbursement and such certificate shall be deposited with the Escrow Agent. In no event shall the Escrow Agent have any liability for the actions or omissions of, or any delay on the part of the Parent in connection with the foregoing.

3. Notwithstanding anything to the contrary herein, the Escrow Agent shall dispose of the Escrow Property in accordance with the joint written instructions of the Parent and the Stockholders' Representative given at any time. Whenever this Agreement provides for a writing to be delivered by the Parent or the Stockholders' Representative to the Escrow Agent, the Escrow Agent shall only rely on a writing signed by a duly authorized officer of the Parent or the Stockholders' Representative, respectively, and the Escrow Agent shall be entitled to rely on an incumbency certificate from the Secretary of the Parent or the Stockholders' Representative, as applicable, as evidence that the officer executing such writing on behalf of such party is an authorized officer of such party.

4. (a) The Escrow Agent shall report to the Internal Revenue Service, as of each calendar year-end, all Escrow Property Interest based on the Stockholders' Escrow Allocation Percentage as and to the extent required by law.

(b) The parties hereto agree that the Stockholders (based on such Stockholders' Escrow Allocation Percentage as set forth on Schedule 2) shall be deemed the owners of the Escrow Property Interest, in accordance with their respective Escrow Allocation Percentage, for income tax purposes. Prior to the date hereof, the Parent and each Stockholder has provided the Escrow Agent with certified tax identification numbers for each of them by furnishing appropriate forms W-9 (or W-8 if a non-U.S. person) upon the execution hereof and other documents as the Escrow Agent has reasonably requested. The parties hereto understand that if such documentation is not delivered, the Escrow Agent may be required by the Internal Revenue Code to withhold a portion of the Escrow Property Interest.

(c) Notwithstanding anything to the contrary, the Escrow Agent shall be entitled to withhold from any distribution of the Escrow Property Interest any amount required to be withheld by applicable law. The Escrow Agent shall timely remit any withheld amounts to the appropriate taxing authorities. Any amount so withheld shall be treated for purposes of this Agreement as having been paid to the applicable party (for the benefit of the party from whom such amount was withheld) and shall be an offset to such amount.

5. Not later than ten (10) days after the end of each calendar month during the term of this Agreement, the Escrow Agent shall deliver to the Parent and Stockholders' Representative a statement reflecting the investment activity and month-end balance with respect to the Escrow Property Interest, if any, during the prior month.

6. In consideration of the services provided by the Escrow Agent in the performance of its duties hereunder, the Parent and the Stockholders agree to promptly reimburse the Escrow Agent for all out-of-pocket costs and expenses reasonably incurred by it with respect to this Agreement, including reasonable fees of legal counsel, and to further compensate the Escrow Agent in accordance with the fee arrangements described in Schedule 3 attached hereto. All such fees and expenses paid under this Section 6 shall be paid fifty percent (50%) by the Parent and fifty percent (50%) by the Stockholders' Representative, on behalf of the Stockholders. The Parent and the Stockholders' Representative hereby agree that the Escrow Agent shall have, and hereby grant the Escrow Agent, a lien for the payment of such fees and expenses upon the Escrow Property.

7. (a) All parties hereto acknowledge that the duties of the Escrow Agent hereunder are solely ministerial in nature and have been requested for their convenience. The Escrow Agent shall not be deemed to be the agent of either/any party hereto, or to have any legal or beneficial interest in the Escrow Property, except as provided in the last sentences of Sections 6 and 8 of this Agreement. The parties hereto agree that the Escrow Agent (i) is a party to this Agreement only and has no duties or responsibilities in connection with, and shall not be charged with knowledge of, any agreements related hereto and (ii) shall not be liable for any act or omission taken or suffered in good faith with respect to this Agreement unless such act or omission is the result of the gross negligence or willful misconduct of the Escrow Agent. In no event shall the Escrow Agent be liable for punitive, consequential or incidental damages.

(b) The Escrow Agent may consult with legal counsel in connection with its duties hereunder and shall be fully protected and incur no liability relative to any action or inaction taken in good faith in accordance with the advice of such legal counsel. The Escrow Agent shall have no responsibility for determining the genuineness or validity of any certificate, document, notice or other instrument or item presented to or deposited with it and shall be fully protected in acting in accordance with any written instruction given to it by any of the parties hereto and reasonably believed by the Escrow Agent to have been signed by the proper representatives of such parties.

(c) The Escrow Agent shall not be responsible for any losses relative to the investment or liquidation of the Escrow Property, provided the Escrow Property Interest is invested and held in accordance with Section 1 of this Agreement. In addition, the Escrow Agent shall not be responsible for assuring that the Escrow Property is sufficient for the disbursements contemplated under Section 2 of this Agreement. The Escrow Agent shall be entitled to break or cancel any investment to the extent reasonably necessary or appropriate to make any payment required hereby, and shall not be responsible for any costs or penalties associated therewith. The Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communications line failures, computer viruses, power failures, earthquakes or other disasters.

(d) The Escrow Agent shall not be required to institute legal proceedings of any kind. The Escrow Agent shall not be required to defend any legal proceedings which may be instituted against it with respect to this Agreement unless requested to do so in writing by any of the parties hereto, and unless and until it is indemnified by the requesting party to the satisfaction of the Escrow Agent, in its sole discretion, against the cost and expense of such defense, including without limitation, the reasonable fees and expenses of its legal counsel. If any conflicting demand shall be made upon the Escrow Agent, it shall not be required to determine the same or take any action thereon and may await settlement of the controversy by appropriate and non-appellable legal proceedings. Upon the commencement of any action against or otherwise involving the Escrow Agent with respect to this Agreement, the Escrow Agent shall be entitled to interplead the matter of this escrow in the Chosen Court (as defined in Section 14 of this Agreement) and, in such event, the Escrow Agent shall be relieved of and discharged from any and all obligations and liabilities under this Agreement. In any such action, the Escrow Agent shall be entitled to the indemnities provided in Section 8 below.

(e) To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

8. The Parent and the Stockholders' Representative (acting on behalf of the Stockholders) hereby jointly and severally hold harmless and indemnify the Escrow Agent, its directors, officers, employees and agents (collectively, the "Indemnitees") from and against all obligations, liabilities, claims, suits, judgments, losses, damages, costs or expenses of any kind or nature, including without limitation, reasonable attorney's fees, which may be imposed on, incurred by, or asserted against any of them in connection with this Agreement or the Escrow Agent's duties hereunder, except to the extent arising from the Escrow Agent's gross negligence or willful misconduct. 0; The foregoing indemnities shall survive the resignation of the Escrow Agent or the termination of this Agreement. The Parent and the Stockholders' Representative agree that any payments made to the Escrow Agent under the indemnification obligation in this Section 8, whether made by the Parent or the Stockholders' Representative, are to be borne (i) fifty (50%) percent by the Parent and (ii) fifty (50%) percent by Stockholders' Representative and hereby grant to each other a right of contribution to effect the same; provided, however, this sentence shall not affect the joint and several obligations of the Parent and the Stockholders' Representative to the Escrow Agent under this Agreement. To the extent the Escrow Agent is entitled to indemnification, fees or expenses hereunder and such indemnification, fees or expenses are not timely paid, the parties agree that the Escrow Agent shall have, and hereby grant the Escrow Agent, a lien for the payment of such indemnification, expenses, or fees upon the Escrow Property.

9. The Escrow Agent may resign as escrow agent at any time and be discharged of its duties hereunder after thirty (30) days' notice to the Parent and the Stockholders' Representative, but only if a successor escrow agent has been appointed by the Parent and the Stockholders' Representative prior to the effective date of the Escrow Agent's resignation. Upon receipt of notice of resignation, the Parent and the Stockholders' Representative promptly shall use their commercially reasonable efforts to designate a successor escrow agent to serve in accordance with the terms of this Agreement. If the Parent and the Stockholders' Representative cannot agree on a successor escrow agent during such thirty (30) day period, the Escrow Agent shall be deemed to be solely a custodian to the Escrow Property, without further duties and the Escrow Agent shall have the right to appoint (or to petition a court of competent jurisdiction to appoint) a successor escrow agent to serve in accordance with the terms of this agreement. Upon receipt of a statement signed by the Stockholders' Representative and the Parent directing the disposition of the Escrow Property and/or the Escrow Property Interest to a successor escrow agent, the Escrow Agent shall comply promptly with that statement. Any successor escrow agent appointed by the Escrow Agent shall be a banking corporation or trust company having total assets in excess of \$500,000,000, which shall agree in writing to be bound by the provisions hereof. Upon the appointment of a successor escrow agent by the Parent and the Stockholders' Representative or by the Escrow Agent hereunder, the Escrow Agent's duties and responsibilities under this Agreement shall terminate. If the Escrow Agent merges or consolidates with another entity, or transfers all or substantially all of its corporate trust business to another entity, the surviving entity or transferee, as applicable, shall be the successor Escrow Agent hereunder without any further action by the parties hereto.

10. This Agreement cannot be changed or terminated orally and may be changed only with the written consent of the Parent, the Stockholders' Representative and the Escrow Agent, which in the case of the Escrow Agent, such consent shall not be unreasonably withheld.

11. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telecopied or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, telecopied (upon electronic confirmation) or telexed, or if mailed, two days after the date of mailing, as follows:

If to the Stockholders' Representative, to:

Kohlberg Investors V, L.P.
c/o Kohlberg & Company
111 Radio Circle
Mount Kisco, New York 10549
Attention: Gordon Woodward
Facsimile: (914) 241-1143

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Angelo Bonvino, Esq.
Facsimile: (212) 757-3990

If to the Parent, to:

BioScrip, Inc.
100 Clearbrook Road
Elmsford, New York 10523
Attention: Executive Vice President, Secretary and General Counsel
Facsimile: (914) 460-1670

With a copy to:

King & Spalding LLP
1185 Avenue of the Americas
New York, NY 10036
Attention: E. William Bates, II, Esq.
Facsimile: (212) 556-2222

If to the Escrow Agent, to:

U.S. Bank National Association
Goodwin Square
225 Asylum Street
Hartford, Connecticut 06103-0177
Attn: Susan Merker
Facsimile: (860) 241-6897
Telephone: (860) 241-6815

12. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

13. This Agreement and any claim or controversy hereunder (whether in contract or tort) shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

14. Any legal action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby may only be instituted in any state or federal court in the New York, New York (the "Chosen Court"), and each party waives any objection which such party may now or hereafter have to the laying of the venue of any such action, suit or proceeding, and irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding.

15. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

16. Whenever any payment under this Agreement shall be due on a day other than a Business Day, that payment shall be made on the next succeeding Business Day.

17. This Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors and assigns. This Agreement is not intended to confer any benefit on any person other than the parties hereto and, accordingly, shall not create any third party beneficiaries hereto.

18. Except as otherwise provided herein, no assignment of any rights or delegation of any obligations provided for herein may be made by any party hereto without the express written consent of all other parties hereto.

19. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

20. Each of the parties acknowledge receipt of the notice set forth on Schedule 4 attached hereto and made part hereof and that information may be requested to verify their identities.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Susan C. Merker
Name Susan C. Merker
Title Vice President

**KOHLBERG INVESTORS V, L.P., in its capacity as
the Stockholders' Representative**

By: Kohlberg Management V, L.L.C., its general partner

By: /s/ Gordon H. Woodward
Name Gordon H. Woodward
Title Authorized Representative

BIOSCRIP, INC.

By: /s/ Barry A. Posner
Name Barry A. Posner
Title Secretary and General Counsel

Signature Page to Escrow Agreement

SCHEDULE 1

U.S. BANK NATIONAL ASSOCIATION
MONEY MARKET ACCOUNT
DESCRIPTION AND TERMS

The U.S. Bank Money Market account is a U.S. Bank National Association (“U.S. Bank”) interest-bearing money market deposit account designed to meet the needs of U.S. Bank’s Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank’s discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as Agent for its trust customers. U.S. Bank’s trust department performs all account deposits and withdrawals. Deposit accounts are FDIC Insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

SCHEDULE 2

ESCROW ALLOCATION PERCENTAGE OF STOCKHOLDERS

Stockholder	Escrow Allocation Percentage
Kohlberg Investors V, L.P.	50.92%
Kohlberg Partners V, L.P.	2.87%
Kohlberg Offshore Investors V, L.P.	3.41%
Kohlberg TE Investors V, L.P.	37.03%
KOCO Investors V, L.P.	2.25%
Blackstone Mezzanine Partners II, L.P.	2.32%
Blackstone Mezzanine Holdings II, L.P.	0.10%
S.A.C. Domestic Capital Funding, Ltd.	0.60%
Robert Cucuel	0.26%
Mary Jane Graves	0.15%
Nitin Patel	0.06%
Joey Ryan	0.04%
Total	100.00%

SCHEDULE 3

The fee of the Escrow Agent for its services under this Agreement shall be as follows:

Annual Administration Fee	\$3,500 one time fee
Counsel Fees	Billed as incurred (estimated to be \$1,500)
Out of Pocket Expenses	At cost
Activity Fee	\$25 per trade
Wire Fee	\$25 per wire transfer

SCHEDULE 4

CUSTOMER IDENTIFICATION PROGRAM NOTICE

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions (which includes the Escrow Agent) to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. Such documentation may include, but is not limited to, Certificates of Good Standing from the appropriate Secretary of State, certified copies of Partnership Agreements, Trust Agreements or other formation agreements or documents. For companies whose equity securities are publicly traded, these requirements can be met with evidence of regulatory filings with the Securities and Exchange Commission as found on their EDGAR database. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

In addition, for non-individual entities, the Escrow Agent must be informed if any contractual party is now acting, or has acted in the past 12 months, under a different name, or has changed its name in the last 12 months.

For individuals, a copy of a government-issued identification, such as a driver's license or passport, is required to establish identity for the primary party responsible for the account, such as the Shareholder Representative, as a signing party to the governing documents. Additionally, any individual involved in the transaction will be required to provide a certified Tax Identification Number on IRS Form W-9, or Form W-8 for non-US Persons.

Any capitalized term used without definition in this Schedule 4 is used with the meaning assigned to such term in the Escrow Agreement of which this Schedule 4 is a part.