

## **Counsel for Former Matria Healthcare Chairman and CEO Parker H. Petit Deny SEC Claims**

ATLANTA, January 11, 2012 – Attorneys for business executive and philanthropist Parker H. “Pete” Petit are calling on the Securities and Exchange Commission (SEC) to dismiss a civil complaint the Commission brought against Mr. Petit.

The SEC has alleged that Mr. Petit provided information to a friend who made two purchases of Matria Healthcare stock in 2007. The purchases occurred prior to the sale of Matria in 2008 to Inverness Medical Innovations, Inc. (now known as Alere, Inc.) Mr. Petit was the Chairman and CEO of Matria. Mr. Petit is not alleged to have received any money stemming from the friend’s purchase.

Mr. Petit’s legal counsel said that the Commission’s case is without merit, and that Mr. Petit passed a polygraph test proving he did not provide inside information. The polygraph was administered by a polygraph expert who is the FBI’s former chief polygraph examiner and was previously used by the SEC itself.

“We gave the SEC the results of the expert’s polygraph test as specific evidence that Mr. Petit was truthful in stating he did not provide inside information, and that the SEC’s claims are groundless,” said Aaron Danzig, of the law firm Arnall Golden Gregory. Mr. Danzig, a former federal prosecutor, said that the Commission responded to Mr. Petit’s polygraph results by requesting that Mr. Petit submit to a second polygraph conducted by the SEC. Mr. Petit agreed, on the condition that the Commission declines any enforcement action when Mr. Petit passes the second test. Rather than follow through on its request, the SEC instead chose to sue Mr. Petit.

The SEC’s investigation was born out of a friendship between Earl Arrowood, a retired Delta Air Lines pilot, and Mr. Petit, who is also an experienced pilot, as both men fly together occasionally. The facts do not support the SEC’s allegations that Mr. Petit passed inside information to Mr. Arrowood in October and December 2007:

- The complaint suggests that Mr. Petit passed inside information to Mr. Arrowood just prior to Mr. Arrowood’s October 25, 2007 purchase of Matria stock. In fact, they had not spoken for two weeks nor flown together for almost three weeks prior to that date.
- In December 2007, Mr. Arrowood was assisting Mr. Petit in purchasing a newer airplane. As a result, Mr. Petit and Mr. Arrowood had numerous telephone calls during December and January about aircrafts. Unbeknownst to Mr. Petit, Mr. Arrowood purchased Matria stock in December 2007.

- During that same period, Matria’s Board of Directors was exploring the possibilities of the sale of Matria. On January 28, 2008, the Company publicly announced it was being acquired.
- Mr. Arrowood’s profit from the sale of this stock six months after the announcement of the acquisition was \$9,900, not \$94,000 as alleged by the SEC.

“The SEC, in its zeal to prosecute a respected executive and philanthropist, has jumped to a false conclusion that Pete’s relationship with Mr. Arrowood led to improper trading by Mr. Arrowood on inside information. Nothing could be further from the truth,” Danzig said.

“My telephone conversations with Earl Arrowood in December of 2007 all related to the fact that he was assisting me in the sale of my aircraft and the purchase of another aircraft. I did not know that Earl had made the two purchases of Matria stock until after the fact,” said Mr. Petit.

“Because of my experience leading companies through many mergers and acquisitions, I have come to understand that market rumors and speculation can destroy a transaction. I never would have engaged in any communication, even the most casual, that could have jeopardized the acquisition of Matria Healthcare.”

Mr. Danzig is calling on the SEC to dismiss its claims against Mr. Petit. “We respect the SEC in its efforts to police the markets for insider trading, but in this case, the Commission has targeted an innocent business executive.”

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### **About Parker H. “Pete” Petit**

Parker H. “Pete” Petit received his bachelor’s degree in Mechanical Engineering and Master of Science degree in Engineering Mechanics from Georgia Tech, and his MBA degree in Finance from Georgia State University in 1973.

In 1970, Mr. Petit founded Healthdyne, an internationally based healthcare company that manufactured high technology healthcare devices, provided healthcare information systems and technology, and provided healthcare services and disease management. The Healthdyne related companies grew to annual revenues in excess of \$1 billion.

In 1996, Healthdyne Maternity Management was merged with Tokos Medical to form Matria Healthcare, and Mr. Petit resumed the duties of President and CEO of

Matria Healthcare in October of 2000. Inverness Medical Innovations acquired Matria Healthcare in May 2008. Mr. Petit now serves as Chairman and CEO of MiMedx Group (OTCBB: MDXG), an orthopedics implant company, and is the President of The Petit Group, an Investment Management Organization.

Mr. Petit has been a member of the Board of Directors of the Georgia Research Alliance, which is chartered by the state of Georgia to promote high technology and scientific development in the state, and he is a 1994 inductee into the Technology Hall of Fame of Georgia. He serves on the Board of Trustees of the National Health Museum.

Mr. Petit funded a professorial chair for “Engineering in Medicine” at Georgia Tech in 1986. In 1995, he endowed the Petit Institute for Bioengineering and Biosciences at Georgia Tech. In 2001, he helped fund the biotechnology building at Georgia Tech which has his name, and in 2004 the Science Center building at Georgia State University, which also has his name. In 2007, he was inducted into the Georgia State Business School Hall of Fame. In 2010, Mr. Petit donated \$1.5 million to Georgia State University’s Athletic Department in support of its new football team. In May, 2011, Mr. Petit funded the Parker H. Petit Director’s Chair in Bioengineering and Bioscience, Georgia Tech’s first endowed chair designated for a research institute. In October, 2011, Mr. Petit was inducted into the National Academy of Engineering.

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