Plaintiff, __________, (“Plaintiff”), alleges the following based upon the investigation of Plaintiff’s counsel, which included, among other things, a review of the defendants’ public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding SeraCare Life Sciences, Inc. (“SeraCare” or the “Company”) securities analysts’ reports and advisories about the Company, and information readily obtainable on the Internet.

NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of purchasers of the publicly traded securities of SeraCare between February 9, 2005 and December 19, 2005 (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. SeraCare develops, manufactures, and sells a broad range of biological based materials and services essential for the manufacture of diagnostic tests, commercial bioproduction
of therapeutic drugs, and additional research applications in the biotechnology, pharmaceutical, and diagnostic industries.

3. The complaint alleges that defendants’ Class Period representations regarding SeraCare’s financial statements, business, and prospects were materially false and misleading when made. Specifically, the defendants failed to disclose: (1) that the Company, in violation of its own revenue recognition accounting policies and practices, improperly recognized revenue which served to materially inflate the Company’s financial results; (2) that the accounting for and valuation of the Company’s inventory was faulty; (3) that the defendants failed to prevent certain board members from exerting undue influence on the Company’s financial reporting process and on the audit process; (4) that throughout the Class Period, the timeliness, quality and completeness of the Company’s implementation and testing of its internal controls over financial reporting was lacking, such that the Company lacked adequate internal control; and (5) that the Company’s financial statements were presented in violation of Generally Accepted Accounting Principles (“GAAP”).

4. On December 14, 2005, SeraCare filed a current report on Form 8-K wherein it stated that the Company was unable, without unreasonable effort and expense, to file its annual report on Form 10-K for its fiscal year ended September 30, 2005.

5. Then, on December 20, 2005, before the market opened, SeraCare shocked the market when it announced an internal review by its Audit Committee. More specifically, the Company stated:

SeraCare Life Sciences, Inc. (Nasdaq: SRLS), today announced that the chairman of the Company’s audit committee has received a letter from Mayer Hoffman McCann P.C. (MHM), the Company’s independent auditors, in which MHM raised concerns with respect to the Company’s financial statements, accounting documentation and the ability of MHM to rely on representations of the Company’s
management. Specifically, the letter sets forth concerns by MHM with respect to:
* certain of the Company’s revenue recognition accounting policies and practices,

* the accounting for and valuation of the Company’s inventory,

* MHM’s perception that certain board members were exerting undue influence on the Company’s financial reporting process and on the audit process, and

* the timeliness, quality and completeness of the Company’s implementation and testing of its internal control over financial reporting.

The audit committee has reviewed this letter and has determined to conduct an internal review of the concerns raised by MHM in the letter. The audit committee has retained independent legal counsel and accountants to assist it in this review. As the review is in its preliminary stages, the Company is unable at this point to estimate when the audit of its financial statements for fiscal 2005 will be completed or when the corresponding Form 10-K will be filed. The Company expects to release its earnings for its fiscal fourth quarter and year ended September 30, 2005 after the audit committee completes its internal review and the Company’s auditors complete their audit of the Company’s financial statements.

In contemplation of the delay in filing its Form 10-K, the Company:

* has initiated discussions with the lenders under its Credit Facility to obtain a waiver of the requirement that it provide the lenders with audited financial statements within 90 days after the completion of its fiscal year,

* has sent a notice to its transfer agent and the persons listed as selling security holders under its Registration Statement on Form S-3, alerting such persons that the Company will not be able to timely file its Form 10-K and that accordingly, sales may not be made under the Form S-3 until the Form 10-K has been filed, and

* expects to postpone its annual shareholders meeting, previously scheduled for February 9, 2006.
In addition, the Company understands that because the Company no longer expects to file its Form 10-K by December 29, 2005, Nasdaq may, in accordance with its rules, initiate delisting proceedings. In such event, an “E” will be appended to the Company’s trading symbol during the pendency of delisting proceedings. The Company intends to work with Nasdaq to seek to maintain its status as a Nasdaq National Market company.

6. In reaction to this announcement, the price of SeraCare stock fell dramatically, from $19.30 per share on December 19, 2005 to $10.04 per share on December 20, 2005, a one-day drop of 47.98 percent on unusually heavy trading volume.

JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.


10. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.
PARTIES

11. Plaintiff, _________________, as set forth in the accompanying certification, incorporated by reference herein, purchased SeraCare securities at artificially inflated prices during the Class Period and has been damaged thereby.

12. Defendant SeraCare is a California corporation with its principal place of business located at 1935 Avenida del Oro, Suite F, Oceanside, California.

13. Defendant Michael F. Crowley, Jr. (“Crowley”) was, at all relevant times, the Company’s Chief Executive Officer.

14. Defendant Jerry L. Burdick (“Burdick”) was, the Company’s acting Chief Financial Officer until late May 2005.

15. Defendant Craig A. Hooson (“Hooson”) was, Chief Financial Officer of SeraCare since late May 2005.

16. Defendant Barry D. Plost (“Plost”) is the Company’s Chairman of the Board of Directors. Defendant Plost signed, or authorized the signing of the Company’s Registration Statement pursuant to the Secondary Offering which contained the Company’s false and misleading financial statements.

17. Defendant Robert J. Cresci (“Cresci”) is a director of the Company. Defendant Cresci signed, or authorized the signing of the Company’s Registration Statement pursuant to the Secondary Offering which contained the Company’s false and misleading financial statements.

18. Defendants Crowley, Burdick, Hooson, Plost, and Cresci are referred to hereinafter as the “Individual Defendants.” The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of SeraCare’s quarterly reports,
press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each “group-published” information, the result of the collective actions of the Individual Defendants.

**SUBSTANTIVE ALLEGATIONS**

**Background**

19. SeraCare develops, manufactures, and sells a broad range of biological based materials and services essential for the manufacture of diagnostic tests, commercial bioproduction of therapeutic drugs, and additional research applications in the biotechnology, pharmaceutical, and diagnostic industries.

**Materially False And Misleading Statements Issued During The Class Period**

20. The Class Period commences February 9, 2005. At that time, SeraCare reported financial results for the fiscal 2005 first quarter ended December 31, 2004. More specifically, the Company stated:

   Sales for the fiscal 2005 first quarter increased 161% to $13.0 million compared with $5.0 million in the year-ago period. The increase in sales was principally due to contributions from acquisitions completed in fiscal 2004, as well as from organic growth. SeraCare’s
continued focus on higher margin products increased gross profit to $5.9 million (45%) from $1.9 million (38%) in the year-ago period. Selling, general and administrative expenses increased by $1.2 million, but declined as a percentage of sales to 20% from 26% in the year ago period, underscoring efficiencies being created though the integration of the company’s expanded operations. Income from operations rose over five-fold to $3.3 million in the first quarter of fiscal 2005 from $0.6 million in the year-ago period.

Reflecting acquisition-related borrowings, interest expense rose to $0.6 million in the FY 2005 first quarter, compared to $0.02 million a year-ago. Commencing with the FY 2005 first quarter SeraCare’s operating results are now taxed at 38%. Accordingly, its FY 2005 first quarter included income tax expense of $1.0 million, versus an income tax benefit of $0.2 million in the year-ago period.

Despite higher interest expense and income tax provisions, net income for the first quarter of fiscal 2005 more than doubled to $1,680,000, or $0.15 per diluted share, as compared with net income of $767,000, or $0.09 per diluted share, in the first quarter of fiscal 2004. The Company’s weighted average diluted share count increased approximately 24% to 11.0 million in the first quarter of fiscal 2005, compared to 8.9 million in the first quarter of fiscal 2004.

Michael F. Crowley, Jr., President and CEO of SeraCare Life Sciences, said, “In the first full quarter following our acquisition of the BBI Diagnostics and BBI Biotech Research Laboratories assets, SeraCare reaped the benefits of our business model and acquisition strategy by achieving record sales, operating income and net income. Our near term focus remains on integrating our new operations, products, facilities and customer relationships. Through this process, which is proceeding on plan, we aim to extract the greatest possible service and product benefits for our customers, while also driving sales, marketing and cost synergies throughout the organization. We continue to seek acquisitions that will be accretive to earnings and fall within our core competencies.”

SeraCare Reiterates Fiscal 2005 Guidance:

Mr. Crowley added, “SeraCare continues to expect sales of approximately $55-60 million, and diluted earnings per share of $0.65 to $0.70 for the full fiscal 2005 year.”
21. Also on February 9, 2005, SeraCare filed its quarterly report with the SEC on Form 10-Q. The Company’s Form 10-Q was signed and certified by defendants Crowley and Burdick.

In addition to repeating and reaffirming the same, or substantially similar, positive statements regarding the Company’s financial performance, SeraCare stated:

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting only of normal and recurring accruals) necessary to present fairly the financial position of SeraCare Life Sciences, Inc. (the “Company” or “we”) as of December 31, 2004 and the results of its operations and cash flows for the three months ended December 31, 2004 and 2003. These results have been determined on the basis of accounting principles generally accepted in the United States of America and applied consistently with those used in the preparation of the audited financial statements for the fiscal year ended September 30, 2004 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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CRITICAL ACCOUNTING POLICIES

To prepare the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, we provide for estimates regarding revenue recognition, returns, the collectibility of accounts receivable, the net realizable value of our inventory, the recoverability of long-lived assets, as well as our deferred tax asset valuation allowance. On an ongoing basis, we evaluate our estimates based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Future financial results could differ materially from current financial results based on management’s current estimates.
Revenue Recognition. We recognize revenue in accordance with SEC Staff Accounting Bulletin No. 104 “Revenue Recognition, Corrected Copy,” (SAB 104). SAB 104 requires that four basic criteria be met before revenue can be recognized: (1) pervasive evidence that an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. We record any material up-front payments as deferred revenue in accrued expenses on the balance sheet and recognize revenue upon shipment of the product to the customer and when the four criteria noted above are met.

Returns. We will accept return of goods, if prior to returning goods, the purchaser contacts us and requests a Return Authorization Number, clearly stating the reason for the return. Request for replacements or credit must be received within 10 days after shipment. We are not liable for products that become unusable due to improper storage, improper treatment, or expiration. Certain returns are subject to a 15% handling and restocking charge. Biopharmaceutical products will only be accepted with a Return Authorization Number and a letter stating adherence to Prescription Drug Marketing Act Storage Compliance. Items that are nonreturnable include frozen items, custom orders, products that have been altered in any manner from their original state or not in their original containers, and biopharmaceutical items for use by diagnostic customers. Returns are estimated and accrued at the time information is available.

Accounts receivable. We perform ongoing credit evaluations of our customers and adjust credit limits based on payment history and the customers’ current buying habits. We monitor collections and payments from our customers and maintain a provision for estimated credit losses based on historical experience and any specific customer collection issues that have been identified.

Inventory. Inventory is carried at the lower of cost or market. We review inventory for estimated obsolescence or unmarketable inventory and provide an amount to reduce inventory to its net realizable value based on the assumptions about future demand and market conditions. At the point of the loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. If actual market conditions are less favorable than those conditions assumed by management, additional inventory provisions may be required.
22. The Company’s February 9, 2005 Form 10-Q also attested to the sufficiency of the Company’s controls and procedures, as follows:

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the fiscal quarter ended December 31, 2004, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended. Based on that evaluation, our Chief Executive Officer and Acting Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2004 to ensure that information required to be disclosed by us in reports that we file or submit under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in our internal controls over financial reporting during our quarter ended December 31, 2004 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

23. Lastly, the Company’s February 9, 2005 Form 10-Q also contained the certifications by defendants Crowley and Burdick that attested to the accuracy and completeness of the Company’s financial reports, as follows:

1. I have reviewed this quarterly report on Form 10-Q of SeraCare Life Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C SECTION 1350

-11-
The undersigned, Michael F. Crowley, Jr., the Chief Executive Officer and Jerry L. Burdick, Acting Chief Financial Officer of SeraCare Life Sciences, Inc. (the “Company”), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Quarterly Report on Form 10-Q for the period ended December 31, 2004 of the Company (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

24. On May 3, 2005, SeraCare announced revenue and earnings for the fiscal 2005 second quarter ended March 31, 2005. More specifically, the Company stated:

Sales for the second quarter of 2005 were $14.8 million. This is an increase of 129% compared with $6.5 million in the year-ago period, and an increase of 14% compared with $13.0 million in the first quarter of 2005. This increase is the result of the acquisitions completed in 2004 and organic growth.

Gross profit for the second quarter of 2005 increased 207% to $6.7 million, or 46% of sales, from $2.2 million, or 34% of sales, in the year-ago period, and 14% from $5.9 million, or 45% of sales, in the first quarter of 2005. Gross profit increased in the current quarter both as a result of the increase in revenues and the improvement in gross margins resulting from changes in product mix.

Operating income for the second quarter of 2005 increased 236% to $3.8 million from $1.1 million in the year-ago period, and from $3.3 million in the first quarter of 2005. The increase in operating income is the result of the increase in revenues as well as the increase in gross profit percentage over the prior year period. Those increases were partially offset by an increase in selling, general and administrative expenses, reflecting an expansion of sales and marketing activities resulting from the 2004 acquisitions as well as increased auditing, legal and other professional fees associated with public company reporting and related requirements.

Net income for the second quarter of 2005 increased 126% to $2.0 million from $0.9 million in the year ago period, and 18% from $1.7
million in the first quarter of 2005, despite an increase in interest expense resulting from borrowings to fund the 2004 acquisitions and a tax rate of 38% in the second quarter of 2005 as compared to a 19% tax rate in the year-ago period, and a 38% tax rate in the first quarter of 2005.

Diluted earnings per share for the second quarter of 2005 was $0.18 as compared to $0.10, in the year-ago period and $0.15 in the first quarter of 2005, based on fully-diluted shares of 11.0 million, 9.1 million and 11.0 million, respectively.

SeraCare Updates Fiscal 2005 Guidance:

Michael F. Crowley, Jr., President and Chief Executive Officer of SeraCare Life Sciences, Inc., said, “SeraCare had previously reported its expectation of sales of approximately $55-60 million, and diluted earnings per share of $0.65 to $0.70 for the full fiscal 2005 year. Reflecting SeraCare’s performance over the first two quarters of fiscal 2005, SeraCare now expects that its sales and diluted earnings per share will be at the upper end of that range.”

25. On May 5, 2005, SeraCare filed its quarterly report with the SEC on Form 10-Q. The Company’s Form 10-Q was signed and certified by defendants Crowley and Burdick. In addition to repeating and reaffirming the same, or substantially similar, positive statements regarding the Company’s financial performance, SeraCare stated:

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting only of normal and recurring accruals) necessary to present fairly the financial position of SeraCare Life Sciences, Inc. (the “Company” or “we”) as of March 31, 2005, the results of its operations for the three and six months ended March 31, 2005 and 2004, and cash flows for the six months ended March 31, 2005 and 2004. These results have been determined on the basis of accounting principles generally accepted in the United States of America and applied consistently with those used in the preparation of the audited financial statements for the fiscal year ended September 30, 2004 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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CRITICAL ACCOUNTING POLICIES

To prepare the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, we provide for estimates regarding revenue recognition, returns, the collectibility of accounts receivable, the net realizable value of our inventory, the recoverability of long-lived assets, as well as our deferred tax asset valuation allowance. On an ongoing basis, we evaluate our estimates based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Future financial results could differ materially from current financial results based on management’s current estimates.

Revenue Recognition. We recognize revenue in accordance with SEC Staff Accounting Bulletin No. 104 “Revenue Recognition, Corrected Copy,” (SAB 104). SAB 104 requires that four basic criteria be met before revenue can be recognized: (1) pervasive evidence that an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. We record any material up-front payments as deferred revenue in accrued expenses on the balance sheet and recognize revenue upon shipment of the product to the customer and when the four criteria noted above are met.

Returns. We will accept return of goods, if prior to returning goods, the purchaser contacts us and requests a Return Authorization Number, clearly stating the reason for the return. Request for replacements or credit must be received within 10 days after shipment. We are not liable for products that become unusable due to improper storage, improper treatment, or expiration. Certain returns are subject to a 15% handling and restocking charge. Biopharmaceutical products will only be accepted with a Return Authorization Number and a letter stating adherence to Prescription Drug Marketing Act Storage Compliance. Items that are nonreturnable include frozen items, custom orders, products that have been altered in any manner from their original state or not in their original containers, and biopharmaceutical items for use by
diagnostic customers. Returns are estimated and accrued at the time information is available.

Accounts receivable. We perform ongoing credit evaluations of our customers and adjust credit limits based on payment history and the customers’ current buying habits. We monitor collections and payments from our customers and maintain a provision for estimated credit losses based on historical experience and any specific customer collection issues that have been identified.

Inventory. Inventory is carried at the lower of cost or market. We review inventory for estimated obsolescence or unmarketable inventory and provide an amount to reduce inventory to its net realizable value based on the assumptions about future demand and market conditions. At the point of the loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. If actual market conditions are less favorable than those conditions assumed by management, additional inventory provisions may be required.

26. The Company’s May 5, 2005 Form 10-Q also attested to the sufficiency of the Company’s controls and procedures, as follows:

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the fiscal quarter ended December 31, 2004, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended. Based on that evaluation, our Chief Executive Officer and Acting Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2004 to ensure that information required to be disclosed by us in reports that we file or submit under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in our internal controls over financial reporting during our quarter ended December 31, 2004 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.
Lastly, the Company’s May 5, 2005 Form 10-Q also contained the certifications by defendants Crowley and Burdick that attested to the accuracy and completeness of the Company’s financial reports, as follows:

1. I have reviewed this quarterly report on Form 10-Q of SeraCare Life Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C SECTION 1350

The undersigned, Michael F. Crowley, Jr., the Chief Executive Officer and Jerry L. Burdick, Acting Chief Financial Officer of SeraCare Life Sciences, Inc. (the “Company”), pursuant to 18 U.S.C. §1350, hereby certifies that:

   (i) the Quarterly Report on Form 10-Q for the period ended March 31, 2005 of the Company (the “Report”) fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and

   (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

28. On May 24, 2005, the Company filed its Prospectus/Registration Statement pursuant to its offering of 3.5 million shares of its stock. This included 3,024 million shares sold by the Company, 200,000 shares by defendant Plost and 276,000 shares by defendant Cresci. The Company, Plost and Cresci also offered an additional 525,000 shares as part of an over-allotment,
which were also sold. Thus, SeraCare sold 3,477,600 shares for gross proceeds of $42.6 million and defendant Plost sold 230,000 shares for gross proceeds of $2.81 million. Defendant Cresci sold at least 276,000 shares for gross proceeds of $3.38 million. The Prospectus included the Company’s fiscal 2004 financial statements and also included the Company’s second quarter fiscal 2005 financial results, for which the Prospectus stated:

Net sales totaled $11.4 million and $27.8 million for the six months ended March 31, 2004 and 2005, respectively. Net income for the six months ended March 31, 2004 totaled $1.6 million versus net income of $3.7 million for the six months ended March 31, 2005. Net sales totaled $23.2 million and $28.4 million for the years ended September 30, 2003 and 2004, respectively. Net income for the year ended September 30, 2003 totaled $2.6 million versus net income of $4.2 million for the year ended September 30, 2004. The increase in net sales for the six months ended March 31, 2005 was principally due to contributions from acquisitions completed in the second half of 2004, as well as from internal growth.

29. On August 10, 2005, SeraCare reported financial results for the fiscal 2005 third quarter ended June 30, 2005. More specifically, the Company stated:

Sales for the fiscal 2005 third quarter increased 123% to $14.2 million compared with $6.4 million in the year-ago period. This $7.8 million increase in sales for the three months ended June 30, 2005 is primarily the result of acquisitions completed in 2004, as well as organic growth.

The company’s gross profit for its fiscal 2005 third quarter increased to $6.7 million, or 47% of sales from $2.4 million, or 38% of sales in the year-ago period. The increase in gross profit is a result of improved margins generated by a shift in product mix in both the biopharmaceutical and diagnostic segments, primarily as a result of the acquisitions completed in 2004.

Net income for the third quarter of fiscal 2005 increased 114% to $1.9 million, or $0.16 per diluted share, as compared to net income of $0.9 million, or $0.10 per diluted share, in the third quarter of fiscal 2004, despite an increase in interest expense resulting from borrowings to fund the 2004 acquisitions and a tax rate of 38% in the
third quarter as compared to a 22.9% tax rate in the year ago period. The Company’s weighted average diluted share count increased approximately 30% to 12.2 million in the third quarter of fiscal 2005, compared to 9.4 million in the third quarter of fiscal 2004.

Michael F. Crowley, Jr., President and Chief Executive Officer of SeraCare Life Sciences, said, “The third quarter was an important quarter for the Company. We showed significant improvement in operating results reflecting the progress made in the integration of the acquisitions completed in 2004. Also, during our third quarter, we completed a public offering of our common stock, raising gross proceeds of $42.6 million, which allowed us to pay-down our revolving credit line by $9.6 million and has provided a cash resource for our pursuit of acquisition opportunities.”

30. Also on August 10, 2005, SeraCare filed its quarterly report with the SEC on Form 10-Q. The Company’s Form 10-Q was signed and certified by defendants Crowley and Hooson.

In addition to repeating and reaffirming the same, or substantially similar, positive statements regarding the Company’s financial performance, SeraCare stated:

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting only of normal and recurring accruals) necessary to present fairly the financial position of SeraCare Life Sciences, Inc. (the “Company” or “we”) as of June 30, 2005, the results of its operations for the three and nine month periods ended June 30, 2005 and 2004, and cash flows for the nine month periods ended June 30, 2005 and 2004. These results have been determined on the basis of accounting principles generally accepted in the United States of America and applied consistently with those used in the preparation of the audited financial statements for the fiscal year ended September 30, 2004 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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CRITICAL ACCOUNTING POLICIES

To prepare the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make significant estimates and assumptions that affect the
reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, we provide for estimates regarding revenue recognition, returns, the collectibility of accounts receivable, the net realizable value of our inventory, the recoverability of long-lived assets, as well as our deferred tax asset valuation allowance. On an ongoing basis, we evaluate our estimates based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Future financial results could differ materially from current financial results based on management’s current estimates.

Revenue Recognition. We recognize revenue in accordance with SEC Staff Accounting Bulletin No. 104 “Revenue Recognition, Corrected Copy,” (SAB 104). SAB 104 requires that four basic criteria be met before revenue can be recognized: (1) pervasive evidence that an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. We record any material up-front payments as deferred revenue in accrued expenses on the balance sheet and recognize revenue upon shipment of the product to the customer and when the four criteria noted above are met.

Returns. We will accept return of goods, if prior to returning goods, the purchaser contacts us and requests a Return Authorization Number, clearly stating the reason for the return. Request for replacements or credit must be received within 10 days after shipment. We are not liable for products that become unusable due to improper storage, improper treatment, or expiration. Certain returns are subject to a 15% handling and restocking charge. Biopharmaceutical products will only be accepted with a Return Authorization Number and a letter stating adherence to Prescription Drug Marketing Act Storage Compliance. Items that are nonreturnable include frozen items, custom orders, products that have been altered in any manner from their original state or not in their original containers, and biopharmaceutical items for use by diagnostic customers. Returns are estimated and accrued at the time information is available.

Accounts receivable. We perform ongoing credit evaluations of our customers and adjust credit limits based on payment history and the
customers’ current buying habits. We monitor collections and payments from our customers and maintain a provision for estimated credit losses based on historical experience and any specific customer collection issues that have been identified.

Inventory. Inventory is carried at the lower of cost or market. We review inventory for estimated obsolescence or unmarketable inventory and provide an amount to reduce inventory to its net realizable value based on the assumptions about future demand and market conditions. At the point of the loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. If actual market conditions are less favorable than those conditions assumed by management, additional inventory provisions may be required.

31. The Company’s August 10, 2005 Form 10-Q also attested to the sufficiency of the Company’s controls and procedures, as follows:

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the fiscal quarter ended December 31, 2004, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended. Based on that evaluation, our Chief Executive Officer and Acting Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2004 to ensure that information required to be disclosed by us in reports that we file or submit under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in our internal controls over financial reporting during our quarter ended December 31, 2004 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.
32. Lastly, the Company’s August 10, 2005 Form 10-Q also contained the certifications by defendants Crowley and Hooson that attested to the accuracy and completeness of the Company’s financial reports, as follows:

1. I have reviewed this quarterly report on Form 10-Q of SeraCare Life Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

***

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C SECTION 1350

The undersigned, Michael F. Crowley, Jr., the Chief Executive Officer and Craig A. Hooson, Chief Financial Officer of SeraCare Life Sciences, Inc. (the “Company”), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Quarterly Report on Form 10-Q for the period ended June 30, 2005 of the Company (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended.

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

33. The statements contained in ¶¶ 20-32 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company, in violation of its own revenue recognition accounting policies and practices, improperly recognized revenue which served to materially inflate the Company’s financial results; (2) that the accounting
for and valuation of the Company’s inventory was faulty; (3) that the defendants failed to prevent certain board members from exerting undue influence on the Company’s financial reporting process and on the audit process; (4) that throughout the Class Period, the timeliness, quality and completeness of the Company’s implementation and testing of its internal controls; and (5) that the Company’s financial statements were presented in violation of GAAP.

The Truth Begins to Emerge


35. On October 5, 2005, SeraCare announced a substantial addition to its credit facility. More specifically, the defendants stated:

SeraCare Life Sciences, Inc. has entered into an amendment to its Revolving/Term Credit and Security Agreement with Brown Brothers Harriman & Co. and Union Bank of California, N.A.

The amendment allows for a substantial increase in the aggregate revolving loan commitment by $15,000,000 from $10,000,000 to $25,000,000. Additionally it adds a swing line facility in the amount of $2,000,000 and makes certain other modifications to the agreement.

Michael F. Crowley, Jr., President and CEO of SeraCare Life Sciences, said,

“We are pleased that our financial partners, Brown Brothers Harriman and Union Bank, have shown this commitment in SeraCare through an expansion of our credit agreement.”

Craig A. Hooson, SeraCare’s CFO added, “This gives us the financial flexibility to further our growth, organically and through acquisition, so that we can continue to implement our business plan in an opportunistic manner.”
36. The statement contained in ¶ 35 was materially false and misleading for the reasons stated in ¶ 33, supra.

37. On December 14, 2005, SeraCare filed a current report on Form 8-K wherein it stated that the Company was unable, without unreasonable effort and expense, to file its annual report on Form 10-K for its fiscal year ended September 30, 2005.

38. Then on December 20, 2005, before the market opened, SeraCare shocked the market when it announced an internal review by its Audit Committee. More specifically, the Company stated:

SeraCare Life Sciences, Inc. (Nasdaq: SRLS), today announced that the chairman of the Company’s audit committee has received a letter from Mayer Hoffman McCann P.C. (MHM), the Company’s independent auditors, in which MHM raised concerns with respect to the Company’s financial statements, accounting documentation and the ability of MHM to rely on representations of the Company’s management. Specifically, the letter sets forth concerns by MHM with respect to:

* certain of the Company’s revenue recognition accounting policies and practices,

* the accounting for and valuation of the Company’s inventory,

* MHM’s perception that certain board members were exerting undue influence on the Company’s financial reporting process and on the audit process, and

* the timeliness, quality and completeness of the Company’s implementation and testing of its internal control over financial reporting.

The audit committee has reviewed this letter and has determined to conduct an internal review of the concerns raised by MHM in the letter. The audit committee has retained independent legal counsel and accountants to assist it in this review. As the review is in its preliminary stages, the Company is unable at this point to estimate when the audit of its financial statements for fiscal 2005 will be completed or when the corresponding Form 10-K will be filed. The
Company expects to release its earnings for its fiscal fourth quarter and year ended September 30, 2005 after the audit committee completes its internal review and the Company’s auditors complete their audit of the Company’s financial statements.

In contemplation of the delay in filing its Form 10-K, the Company:

* has initiated discussions with the lenders under its Credit Facility to obtain a waiver of the requirement that it provide the lenders with audited financial statements within 90 days after the completion of its fiscal year,

* has sent a notice to its transfer agent and the persons listed as selling security holders under its Registration Statement on Form S-3, alerting such persons that the Company will not be able to timely file its Form 10-K and that accordingly, sales may not be made under the Form S-3 until the Form 10-K has been filed, and

* expects to postpone its annual shareholders meeting, previously scheduled for February 9, 2006.

In addition, the Company understands that because the Company no longer expects to file its Form 10-K by December 29, 2005, Nasdaq may, in accordance with its rules, initiate delisting proceedings. In such event, an “E” will be appended to the Company’s trading symbol during the pendency of delisting proceedings. The Company intends to work with Nasdaq to seek to maintain its status as a Nasdaq National Market company.

39. In reaction to this announcement, the price of SeraCare stock fell dramatically, from $19.30 per share on December 19, 2005 to $10.04 per share on December 20, 2005, a one-day drop of 47.98 percent on unusually heavy trading volume.

DEFENDANTS’ VIOLATION OF GAAP RULES IN ITS QUARTERLY AND ANNUAL REPORTS FILED WITH THE SEC

40. These financial statements and the statements about the Company’s financial results were false and misleading, as such financial information was not prepared in conformity with GAAP, nor was the financial information a fair presentation of the Company’s operations due to the
Company’s improper accounting for and disclosure about its revenues, in violation of GAAP and SEC rules.

41. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. §210.4-01(a) (1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. §210.10-01(a).

42. Given these accounting irregularities, the Company announced financial results that were in violation of GAAP and the following principles:

(a) The principle that “interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements” was violated (APB No. 28, ¶10);

(b) The principle that “financial reporting should provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit, and similar decisions” was violated (FASB Statement of Concepts No. 1, ¶34);

(c) The principle that “financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events, and circumstances that change resources and claims to those resources” was violated (FASB Statement of Concepts No. 1, ¶40);
(d) The principle that “financial reporting should provide information about an enterprise’s financial performance during a period” was violated (FASB Statement of Concepts No. 1, ¶42);

(e) The principle that “completeness, meaning that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions” was violated (FASB Statement of Concepts No. 2, ¶79);

(f) The principle that “financial reporting should be reliable in that it represents what it purports to represent” was violated (FASB Statement of Concepts No. 2, ¶¶58-59); and

(g) The principle that “conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered” was violated. (FASB Statement of Concepts No. 2, ¶95).

43. The adverse information concealed by defendants during the Class Period and detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17 C.F.R. 229.303).

PLAINTIFF’S CLASS ACTION ALLEGATIONS

44. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the securities of SeraCare between February 9, 2005 and December 19, 2005, inclusive (the “Class Period”) and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal repre-
sentatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

45. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, SeraCare’s securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by SeraCare or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

46. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants’ wrongful conduct in violation of federal law that is complained of herein.

47. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

48. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants’ acts as alleged herein;
(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of SeraCare; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

49. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

50. The market for SeraCare’s securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, SeraCare’s securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired SeraCare securities relying upon the integrity of the market price of SeraCare’s securities and market information relating to SeraCare, and have been damaged thereby.

51. During the Class Period, defendants materially misled the investing public, thereby inflating the price of SeraCare’s securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants’ statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that
they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

52. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about SeraCare’s business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of SeraCare and its business, prospects and operations, thus causing the Company’s securities to be overvalued and artificially inflated at all relevant times. Defendants’ materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company’s securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

53. Defendants’ wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

54. During the Class Period, Plaintiff and the Class purchased securities of SeraCare at artificially inflated prices and were damaged thereby. The price of SeraCare common stock declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors’ losses.

ADDITIONAL SCIENTER ALLEGATIONS
55. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding SeraCare, their control over, and/or receipt and/or modification of SeraCare’s allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning SeraCare, participated in the fraudulent scheme alleged herein.

56. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. The ongoing fraudulent scheme described in this complaint could not have been perpetrated over a substantial period of time, as has occurred, without the knowledge and complicity of the personnel at the highest level of the Company, including the Individual Defendants.

57. Moreover, defendants were able to complete a public offering of 4,025,000 shares of its common stock at a public offering price of $12.25 per share. 3,477,600 shares were sold by the company and 547,400 shares were sold by certain selling shareholders. Additionally, defendant Plost sold 230,000 shares of his SeraCare stock in the Secondary Offering for gross proceeds of $2.81 million. Defendant Cresci sold at least 276,000 shares of his SeraCare stock in the Secondary Offering for gross proceeds of $3.381 million.
Moreover, the Company was able to enter into a substantial addition to its credit facility during the Class Period.

In addition, defendant Crowley, with the Company’s stock trading at artificially inflated prices, disposed of 100,000 shares of stock, as described below:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE</th>
<th>SHARES/PRICE</th>
<th>GROSS PROCEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael F. Crowley, Jr.</td>
<td>09/15/2005</td>
<td>15,000 @ $17.588</td>
<td>$263,820.00</td>
</tr>
<tr>
<td></td>
<td>09/20/2005</td>
<td>15,000 @ $17.818</td>
<td>$267,270.00</td>
</tr>
<tr>
<td></td>
<td>09/27/2005</td>
<td>15,000 @ $17.450</td>
<td>$261,750.00</td>
</tr>
<tr>
<td></td>
<td>10/04/2005</td>
<td>15,000 @ $17.724</td>
<td>$265,860.00</td>
</tr>
<tr>
<td></td>
<td>10/11/2005</td>
<td>15,000 @ $17.747</td>
<td>$266,205.00</td>
</tr>
<tr>
<td></td>
<td>10/18/2005</td>
<td>15,000 @ $17.473</td>
<td>$262,095.00</td>
</tr>
<tr>
<td></td>
<td>10/25/2005</td>
<td>10,000 @ $18.724</td>
<td>$187,240.00</td>
</tr>
<tr>
<td><strong>Total Shares Sold:</strong></td>
<td></td>
<td><strong>100,000</strong></td>
<td><strong>$1,774,240.00</strong></td>
</tr>
</tbody>
</table>

Applicability Of Presumption Of Reliance: Fraud-On-The-Market Doctrine

At all relevant times, the market for SeraCare securities was an efficient market for the following reasons, among others:

(a) SeraCare stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, SeraCare filed periodic public reports with the SEC and the NASDAQ;

(c) SeraCare regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
(d) SeraCare was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

61. As a result of the foregoing, the market for SeraCare securities promptly digested current information regarding SeraCare from all publicly-available sources and reflected such information in SeraCare stock price. Under these circumstances, all purchasers of SeraCare securities during the Class Period suffered similar injury through their purchase of SeraCare securities at artificially inflated prices and a presumption of reliance applies.

**NO SAFE HARBOR**

62. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of SeraCare who knew that those statements were false when made.
63. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

64. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase SeraCare securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

65. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company’s securities in an effort to maintain artificially high market prices for SeraCare securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

66. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of SeraCare as specified herein.
67. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of SeraCare value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about SeraCare and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of SeraCare securities during the Class Period.

68. Each of the Individual Defendants’ primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company’s management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company’s internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company’s management team, internal reports and other data and information about the Company’s finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company’s dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.
69. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants’ material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing SeraCare’s operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants’ overstatements and misstatements of the Company’s business, operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

70. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of SeraCare securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of SeraCare’s publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trades, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired SeraCare securities during the Class Period at artificially high prices and were damaged thereby.

71. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other
members of the Class and the marketplace known the truth regarding the problems that SeraCare was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their SeraCare securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

72. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

73. As a direct and proximate result of defendants’ wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company’s securities during the Class Period.

SECOND CLAIM
Violation Of Section 20(a) Of
The Exchange Act Against the Individual Defendants

74. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

75. The Individual Defendants acted as controlling persons of SeraCare within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company’s operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had
unlimited access to copies of the Company’s reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

76. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

77. As set forth above, SeraCare and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants’ wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company’s securities during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff’s counsel as Lead Counsel;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants’ wrongdoing, in an amount to be proven at trial, including interest thereon;
(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: Respectfully submitted,

BRODSKY & SMITH, LLC

By: ____________________________

Evan J. Smith, Esquire
Two Bala Plaza, Suite 602
Bala Cynwyd, PA 19004
610-667-6200
610-667-9029 (fax)

**Attorneys for Plaintiff**