

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **February 15, 2013**



Cross Country Healthcare, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-33169
(Commission
File Number)

13-4066229
(I.R.S. Employer
Identification No.)

6551 Park of Commerce Blvd., N.W., Boca Raton, FL 33487
(Address of Principal Executive Office) (Zip Code)

(561) 998-2232
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01 Completion of Acquisition or Disposition of Assets.

On February 15, 2013, Cross Country Healthcare, Inc. (the “Company”) together with two of its indirect wholly-owned subsidiaries, Local Staff, LLC and Cross Country Healthcare UK HoldCo Ltd. consummated the sale of the issued and outstanding membership interests of ClinForce, LLC and the issued and outstanding shares of capital stock of Akos Limited, which represent the Company’s clinical trial services business, pursuant to the terms of the Stock Purchase Agreement (the “Purchase Agreement”) to ICON Clinical Research Inc. and ICON Clinical Research UK Limited (collectively, “Buyer”) for an aggregate of \$52,000,000 in cash, subject to certain adjustments, plus an earn-out of up to \$3,750,000 related to certain performance-based milestones.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full terms and provisions of the Purchase Agreement that was previously filed as an exhibit to the Company’s Current Report on Form 8-K dated February 5, 2013.

For reporting purposes, the results of operations of the Company’s clinical trial services business segment will be included as discontinued operations in the Company’s fourth quarter 2012 reporting.

Pro forma financial information with respect to the sale is provided in item 9.01 of the Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

Incorporated by reference is a press release issued by the Company on February 19, 2013, which is attached hereto as Exhibit 99.1. This information is being furnished under Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section.

Item 9.01 Financial Statements and Exhibits.**(b) Pro Forma Financial Information**

The Unaudited Pro Forma Consolidated Financial Information of Cross Country Healthcare, Inc. for the nine month periods ended September 30, 2012 and 2011, the fiscal years ended December 31, 2011, 2010, and 2009, and as of September 30, 2012, are filed as Exhibit 99 to this Current Report on 8K.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
10.1	Stock Purchase Agreement dated as of February 2, 2013, by and among Cross Country Healthcare, Inc. , Local Staff, LLC, Cross Country Healthcare UK HoldCo Ltd., ICON Clinical Research Inc. and ICON Clinical Research UK Limited.*
99.1	Press Release issued by the Company on February 19, 2013.
99.2	The Unaudited Pro Forma Consolidated Financial Information of Cross Country Healthcare, Inc. for the nine month periods ended September 30, 2012 and 2011, the fiscal years ended December 31, 2011, 2010, and 2009, and as of September 30, 2012.

* Previously filed as an exhibit to the Company’s Form 8-K dated February 5, 2013, and incorporated by reference herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CROSS COUNTRY HEALTHCARE, INC.

Date: February 21, 2013

By: /s/ Emil Hensel

Name: Emil Hensel

Title: Chief Financial Officer



CROSS COUNTRY HEALTHCARE COMPLETES SALE OF ITS CLINICAL TRIAL SERVICES BUSINESS

BOCA RATON, Fla. – February 19, 2013 – Cross Country Healthcare, Inc. (Nasdaq: CCRN) announced today it has completed the previously announced sale of its clinical trial services business to ICON plc (NASDAQ: ICLR) for \$52 million, plus an earn-out of up to \$3.75 million related to certain performance-based milestones. Cross Country Healthcare used a portion of the net proceeds from this transaction to repay all \$29.3 million of its outstanding bank debt.

As a result of this sale, Cross Country Healthcare's clinical trial services business segment will become discontinued operations and will be reported as such on its financial statements for all applicable periods presented in the Company's upcoming financial reporting for the fourth quarter and year ended December 31, 2012.

"Our divestiture of this business was based on an extensive review of our operations and the changing landscape in the pharmaceutical R&D outsourcing industry. Having successfully completed this transaction, we will narrow our focus and concentrate our resources on our core nurse and allied staffing and our physician staffing businesses, which pro forma would represent about 90% of our consolidated revenue," said Joseph A. Boshart, President and Chief Executive Officer of Cross Country Healthcare, Inc. "I also want to wish our outstanding clinical trial service team much success in the future," added Mr. Boshart.

About Cross Country Healthcare

Cross Country Healthcare, Inc. is a leader in healthcare staffing with a primary focus on providing nurse and allied and physician (locum tenens) staffing services and workforce solutions to the healthcare market. The Company believes it is one of the top two providers of nurse and allied staffing services, one of the top four providers of temporary physician staffing services, and one of the top five providers of retained physician and healthcare executive search services. The Company also is a leading provider of education and training programs specifically for the healthcare marketplace. On a company-wide basis, Cross Country Healthcare has approximately 4,000 contracts with hospitals and healthcare facilities, and other healthcare organizations to provide our staffing services and workforce solutions. Copies of this and other news releases as well as additional information about Cross Country Healthcare can be obtained online at www.crosscountryhealthcare.com. Shareholders and prospective investors can also register to automatically receive the Company's press releases, SEC filings and other notices by e-mail.

About ICON plc

ICON plc is a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries. The company specializes in the strategic development, management and analysis of programs that support clinical development - from compound selection to Phase I-IV clinical studies. With headquarters in Dublin, Ireland, ICON currently operates from 82 locations in 40 countries and has approximately 9,500 employees. Further information is available at www.iconplc.com.

In addition to historical information, this press release contains statements relating to our future results (including certain projections and business trends) that are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and are subject to the “safe harbor” created by those sections. Forward-looking statements consist of statements that are predictive in nature, depend upon or refer to future events. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “suggests”, “appears”, “seeks”, “will” and variations of such words and similar expressions intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, without limitation, the following: our ability to attract and retain qualified nurses, physicians and other healthcare personnel, costs and availability of short-term housing for our travel nurses and physicians, demand for the healthcare services we provide, both nationally and in the regions in which we operate, the functioning of our information systems, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, our clients’ ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, our ability to successfully defend the Company, its subsidiaries, and its officers and directors on the merits of any lawsuit or determine its potential liability, if any, and other factors set forth in Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011, and our other Securities and Exchange Commission filings made during 2012.

Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results and readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date of this press release. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors’ likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. The Company undertakes no obligation to update or revise forward-looking statements. All references to “we,” “us,” “our,” or “Cross Country” in this press release mean Cross Country Healthcare, Inc., its subsidiaries and affiliates.

For further information, please contact:

Cross Country Healthcare, Inc.
Howard A. Goldman
Director/Investor & Corporate Relations
Phone: 877-686-9779 | Email: hgoldman@crosscountry.com

ICON plc
Sam Farthing
VP Investor Relations
Phone: +353-1-291-2000 | Email: sam.farthing@iconplc.com

Cross Country Healthcare, Inc.
Unaudited Pro Forma Condensed Consolidated Financial Information

The following unaudited pro forma condensed consolidated financial information is based upon the historical financial statements of Cross Country Healthcare, Inc. and its consolidated subsidiaries (“the Company”), adjusted to reflect the disposition of its clinical trial services staffing business segment as described in Item 2.01.

The following unaudited pro forma condensed consolidated information of the Company should be read in conjunction with the accompanying notes and with the historical consolidated financial statements of the Company and the related notes thereto included in previous filings with the Securities and Exchange Commission. The unaudited pro forma condensed consolidated statements of operations give effect to the disposition by removing the results from the clinical trial services business as if the disposition had occurred as of January 1, 2009 and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated balance sheet reflects the disposition of the clinical trial services segment as if it occurred on September 30, 2012. The pro forma adjustments are based on the best information available and assumptions that management believes are factually supportable.

The unaudited pro forma condensed consolidated information is presented for illustrative and informational purposes only and does not purport to represent the Company’s consolidated results of operations or financial position that actually would have taken place if the transaction had occurred on such dates. In addition, future results may vary significantly from the results reflected in such statements. For example, this financial information does not reflect any potential earnings or other impacts from the use of the proceeds from the disposition or cost reductions of previously allocated corporate costs and potential subsequent restructuring charges.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Condensed Consolidated Balance Sheet as of
September 30, 2012
(Unaudited, in thousands)

	Historical as Reported (a)	Pro Forma Adjustments		Pro Forma Totals
		Clinical Trial Services Business Disposition (b)	Sale-Related Pro Forma Adjustments (c)	
Assets				
Current assets:				
Cash and cash equivalents	\$ 4,832	\$ (1,037)	\$ 13,174	\$ 16,969
Short-term cash investments	2,693	-	-	2,693
Accounts receivable, less allowance for doubtful accounts	76,186	(12,141)	-	64,045
Deferred tax assets	11,952	7,218(f)	935(e)	20,105
Income taxes receivable	1,841	1	-	1,842
Prepaid expenses	6,876	(570)	-	6,306
Debt issuance costs, net of accumulated amortization	1,604	-	(332)	1,272
Other current assets	731	(6)	-	725
Total current assets	106,715	(6,535)	13,777	113,957
Property and equipment, net of accumulated depreciation and amortization	9,399	(453)	-	8,946
Trademarks, net	50,680	(1,979)	-	48,701
Goodwill, net	102,788	(40,076)	-	62,712
Other identifiable intangible assets, net	18,792	(3,734)	-	15,058
Non-current deferred tax assets	12,500	87(f)	-	12,587
Other long-term assets	464	(42)	-	422
Total assets	\$ 301,338	\$ (52,732)	\$ 13,777	\$ 262,383
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable and accrued expenses	\$ 10,381	\$ (888)	\$ 757	\$ 10,250
Accrued compensation and benefits	17,839	(1,664)	-	16,175
Current portion of long-term debt	34,275	-	(34,063)	212
Other current liabilities	5,864	(1,171)	-	4,693
Total current liabilities	68,359	(3,723)	(33,306)	31,330
Long-term debt	231	-	-	231
Other long-term liabilities	14,560	(16)	-	14,544
Total liabilities	83,150	(3,739)	(33,306)	46,105
Commitments and contingencies				
Stockholders' equity:				
Common stock	3	-	-	3
Additional paid-in-capital	244,277	-	-	244,277
Accumulated other comprehensive loss	(2,904)	2,298(e)	-	(606)
(Accumulated deficit) Retained earnings	(23,188)	(51,291)(e)	47,083	(27,396)
Total stockholders' equity	218,188	(48,993)	47,083	216,278
Total liabilities and stockholders' equity	\$ 301,338	\$ (52,732)	\$ 13,777	\$ 262,383

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated balance sheet.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Condensed Consolidated Statement of Operations For The Nine Months Ended
September 30, 2012
(Unaudited, in thousands except per share data)

	<u>Historical as Reported (a)</u>	<u>Clinical Trial Services Business Disposition (d)</u>	<u>Pro Forma Totals</u>
Revenue from services	\$ 382,067	\$ (51,163)	\$ 330,904
Operating expenses:			
Direct operating expenses	284,825	(37,562)	247,263
Selling, general and administrative expenses	91,448	(9,087)	82,361
Bad debt expense	648	(56)	592
Depreciation	4,372	(574)	3,798
Amortization	2,440	(742)	1,698
Impairment charges	42,232	(23,500)	18,732
Total operating expenses	<u>425,965</u>	<u>(71,521)</u>	<u>354,444</u>
(Loss) income from operations	(43,898)	20,358	(23,540)
Other (income) expenses:			
Foreign exchange loss (gain)	32	(29)	3
Interest expense	1,634	-	1,634
Debt financing costs	273	-	273
Loss on modification of debt	82	-	82
Other (income) expense, net	79	(40)	39
(Loss) income from continuing operations before income taxes	(45,998)	20,427	(25,571)
Income tax (benefit) expense	(13,310)	5,245	(8,065)
Net (loss) income from continuing operations	<u>\$ (32,688)</u>	<u>\$ 15,182</u>	<u>\$ (17,506)</u>
Net (loss) income from continuing operations per common share - basic	<u>\$ (1.06)</u>		<u>\$ (0.57)</u>
Net (loss) income from continuing operations per common share - diluted	<u>\$ (1.06)</u>		<u>\$ (0.57)</u>
Weighted average shares outstanding - basic	30,823		30,823
Weighted average shares outstanding - diluted	30,823		30,823

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated statement of operations.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Condensed Consolidated Statement of Operations For The Nine Months Ended
September 30, 2011
(Unaudited, in thousands except per share data)

	Historical as Reported (a)	Clinical Trial Services Business Disposition (d)	Pro Forma Totals
Revenue from services	\$ 379,257	\$ (48,870)	\$ 330,387
Operating expenses:			
Direct operating expenses	275,929	(34,780)	241,149
Selling, general and administrative expenses	87,407	(9,018)	78,389
Bad debt expense	235	10	245
Depreciation	5,193	(623)	4,570
Amortization	2,675	(847)	1,828
Impairment charges	-	-	-
Total operating expenses	<u>371,439</u>	<u>(45,258)</u>	<u>326,181</u>
Income (loss) from operations	7,818	(3,612)	4,206
Other (income) expenses:			
Foreign exchange (gain) loss	(125)	(15)	(140)
Interest expense	2,180	-	2,180
Debt financing costs	-	-	-
Loss on modification of debt	-	-	-
Other (income) expense, net	(228)	-	(228)
Income (loss) from continuing operations before income taxes	<u>5,991</u>	<u>(3,597)</u>	<u>2,394</u>
Income tax expense (benefit)	2,425	(1,833)	592
Net income (loss) from continuing operations	<u>\$ 3,566</u>	<u>\$ (1,764)</u>	<u>\$ 1,802</u>
Net income (loss) from continuing operations per common share - basic	<u>\$ 0.11</u>		<u>\$ 0.06</u>
Net income (loss) from continuing operations per common share - diluted	<u>\$ 0.11</u>		<u>\$ 0.06</u>
Weighted average shares outstanding - basic	31,159		31,159
Incremental common stock for stock-based compensation	58		58
Weighted average shares outstanding - diluted	<u>31,217</u>		<u>31,217</u>

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated statement of operations.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Consolidated Statement of Operations For The Year Ended
December 31, 2011
(Unaudited)

	<u>Historical as Reported (a)</u>	<u>Clinical Trial Services Business Disposition (d)</u>	<u>Pro Forma Totals</u>
Revenue from services	\$ 503,986,224	\$ (64,608,764)	\$ 439,377,460
Operating expenses:			
Direct operating expenses	366,044,323	(46,055,594)	319,988,729
Selling, general and administrative expenses	116,538,077	(11,993,961)	104,544,116
Bad debt expense	578,805	(4,348)	574,457
Depreciation	6,790,677	(825,675)	5,965,002
Amortization	3,493,408	(1,099,686)	2,393,722
Total operating expenses	493,445,290	(59,979,264)	433,466,026
Income (loss) from operations	10,540,934	(4,629,500)	5,911,434
Other (income) expenses:			
Foreign exchange (gain) loss	(247,155)	(16,812)	(263,967)
Interest expense	2,856,109	(66)	2,856,043
Other (income) expense, net	(298,366)	638	(297,728)
Income (loss) from continuing operations before income taxes	8,230,346	(4,613,260)	3,617,086
Income tax expense (benefit)	4,132,497	(2,100,879)	2,031,618
Net income (loss) from continuing operations	<u>\$ 4,097,849</u>	<u>\$ (2,512,381)</u>	<u>\$ 1,585,468</u>
Net income (loss) from continuing operations per common share - basic	<u>\$ 0.13</u>		<u>\$ 0.05</u>
Net income (loss) from continuing operations per common share - diluted	<u>\$ 0.13</u>		<u>\$ 0.05</u>
Weighted average shares outstanding - basic	31,146,165		31,146,165
Incremental common stock for stock-based compensation	45,851		45,851
Weighted average shares outstanding - diluted	<u>31,192,016</u>		<u>31,192,016</u>

The accompanying notes are an integral part of the unaudited pro forma consolidated statement of operations.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Consolidated Statement of Operations For The Year Ended December 31, 2010
(Unaudited)

	<u>Historical as Reported (a)</u>	<u>Clinical Trial Services Business Disposition (d)</u>	<u>Pro Forma Totals</u>
Revenue from services	\$ 468,561,524	\$ (61,957,285)	\$ 406,604,239
Operating expenses:			
Direct operating expenses	336,250,100	(43,916,591)	292,333,509
Selling, general and administrative expenses	108,983,689	(11,604,709)	97,378,980
Bad debt expense	293,795	(45,669)	248,126
Depreciation	8,043,548	(921,836)	7,121,712
Amortization	3,850,867	(1,283,063)	2,567,804
Impairment charges	10,764,000	-	10,764,000
Total operating expenses	<u>468,185,999</u>	<u>(57,771,868)</u>	<u>410,414,131</u>
Income (loss) from operations	375,525	(4,185,417)	(3,809,892)
Other (income) expenses:			
Foreign exchange loss (gain)	75,543	(7,680)	67,863
Interest expense	4,244,698	(774)	4,243,924
Other (income) expense, net	(173,116)	1,171	(171,945)
Loss from continuing operations before income taxes	<u>(3,771,600)</u>	<u>(4,178,134)</u>	<u>(7,949,734)</u>
Income tax (benefit)	(996,737)	(1,637,411)	(2,634,148)
Net loss from continuing operations	<u>\$ (2,774,863)</u>	<u>\$ (2,540,723)</u>	<u>\$ (5,315,586)</u>
Net loss from continuing operations per common share - basic	<u>\$ (0.09)</u>		<u>\$ (0.17)</u>
Net loss from continuing operations per common share - diluted	<u>\$ (0.09)</u>		<u>\$ (0.17)</u>
Weighted average shares outstanding - basic	31,060,426		31,060,426
Weighted average shares outstanding - diluted	31,060,426		31,060,426

The accompanying notes are an integral part of the unaudited pro forma consolidated statement of operations.

CROSS COUNTRY HEALTHCARE, INC.
Pro Forma Consolidated Statement of Operations For The Year Ended December 31, 2009
(Unaudited)

	Historical as Reported (a)	Clinical Trial Services Business Disposition (d)	Pro Forma Totals
Revenue from services	\$ 578,237,482	\$ (71,678,635)	\$ 506,558,847
Operating expenses:			
Direct operating expenses	424,983,996	(50,941,206)	374,042,790
Selling, general and administrative expenses	120,689,867	(13,815,399)	106,874,468
Bad debt expense	-	107,251	107,251
Depreciation	8,773,088	(1,059,865)	7,713,223
Amortization	4,017,968	(1,316,831)	2,701,137
Impairment charges	1,725,926	(1,725,926)	-
Legal settlement charge	345,000	-	345,000
Total operating expenses	<u>560,535,845</u>	<u>(68,751,976)</u>	<u>491,783,869</u>
Income (loss) from operations	17,701,637	(2,926,659)	14,774,978
Other (income) expenses:			
Foreign exchange loss (gain)	66,433	(5,481)	60,952
Interest expense	6,244,831	(2,337)	6,242,494
Other (income) expense, net	(264,311)	195,476	(68,835)
Income (loss) from continuing operations before income taxes	11,654,684	(3,114,317)	8,540,367
Income tax expense (benefit)	4,960,376	(1,279,360)	3,681,016
Net income (loss) from continuing operations	<u>\$ 6,694,308</u>	<u>\$ (1,834,957)</u>	<u>\$ 4,859,351</u>
Net income (loss) from continuing operations per common share - basic	<u>\$ 0.22</u>		<u>\$ 0.16</u>
Net income (loss) from continuing operations per common share - diluted	<u>\$ 0.22</u>		<u>\$ 0.16</u>
Weighted average shares outstanding - basic	30,824,660		30,824,660
Incremental common stock for stock-based compensation	174,786		174,786
Weighted average shares outstanding - diluted	30,999,446		30,999,446

The accompanying notes are an integral part of the unaudited pro forma consolidated statement of operations.

Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of September 30, 2012, Unaudited Pro Forma Condensed Consolidated Statements of Operations for the Nine Months Ended September 30, 2012 and 2011, and Unaudited Pro Forma Consolidated Statements of Operations for the Years Ended December 31, 2011, 2010 and 2009

- (a) Represents the unaudited historical financial information as reported in the Company's Quarterly Report on Form 10-Q for the nine months ended September 30, 2012 and historical consolidated financial information which was derived from the Company's Annual Report on Form 10-K for the year ended December 31, 2011.
- (b) Represents material adjustments to reflect the sale of the clinical trial services business completed subsequent to September 30, 2012, represented in the balance sheet as of September 30, 2012, as if the transaction had occurred as of September 30, 2012.
- (c) The sale price of the clinical trial services business was an aggregate of \$52,000,000 in cash, subject to certain adjustments for which a \$3,750,000 indemnification escrow has been established from the cash proceeds, plus an earn-out of up to \$3,750,000 related to certain performance-based milestones. Represents net up-front proceeds from the sale of the clinical trial services business, less estimated cost to sell as well as the debt repayment including debt issuance cost write-off as required under the then-existing credit agreement, are as follows.

Up-front proceeds	\$ 52,000,000
Less indemnification escrow	(3,750,000)
Less adjustment to net working capital	(387,757)
Less completion bonuses paid	(626,085)
	<u>\$ 47,236,158</u>
Less debt payoff	(34,062,500)
Net up-front proceeds	<u>\$ 13,173,658</u>

- (d) Represents material adjustments to remove the historical operations of the clinical trial services business represented in the statements of operations for the nine months ended September 30, 2012 and 2011 and for the years ended December 31, 2011, 2010 and 2009, as applicable, as if the transaction had occurred as of January 1, 2009.
- (e) The pro forma loss on the sale of the clinical trial services business as of September 30, 2012 was calculated as follows:

Net proceeds	\$ 47,236,158
Less accrued estimated cost to sell	(756,592)
Less net book value including cumulative translation loss	(48,992,407)
Pretax Loss on sale	<u>\$ (2,512,841)</u>
Tax benefit on loss	935,746
Loss on sale	<u>\$ (1,577,096)</u>

This loss does not include any potential impairment that may arise as a result of our annual impairment testing as of December 31, 2012. The actual gain (loss) will be determined as of the closing date, February 15, 2013, and could be materially different from this hypothetical loss.

(f) We calculated the pro forma effective tax rate by excluding the clinical trial services business' activity from the historical tax provision calculations. The tax rate used for the clinical trial services business disposition adjustment was the difference between the pro forma calculated rate and the historical rate. Overhead charges originally allocated to discontinued operations were reallocated to continuing operations. The applicable effective federal, state and international tax rates were then applied to the resulting income (loss) from continuing operations to determine the tax on continuing operations. The tax rate applied to the hypothetical loss on the sale represents the statutory rate applied to the gain or loss at the selling entity level. The effective tax rates for the clinical trial services business were as follows:

Year ended December 31, 2009	41.08%
Year ended December 31, 2010	39.19%
Nine months ended September 30, 2011	50.97%
Year ended December 31, 2011	45.54%
Nine months ended September 30, 2012	25.68%