

BIOCLINICA INC

FORM 10-Q (Quarterly Report)

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Sector	Services
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**United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2010

or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File No. 001-11182

BIOCLINICA, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

11-2872047

(I.R.S. Employer Identification No.)

826 Newtown-Yardley Road, Newtown, Pennsylvania 18940-1721

(Address of Principal Executive Offices) (Zip Code)

(267) 757-3000

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes:

No:

Indicate by check mark if the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes:

No:

* The registrant has not yet been phased into the interactive data requirement.

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes:

No:

State the number of shares outstanding of each of the registrant's classes of common stock, as of April 30, 2010:

Class

Number of Shares

Common Stock, \$0.00025 par value

15,149,187

BIOCLINICA, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION .

Item 1. Financial Statements.

References in this Quarterly Report on Form 10-Q to “BioClinica,” “we,” “us,” or “our” refer to BioClinica, Inc., a Delaware corporation, and its subsidiaries, doing business as BioClinica.

Certain information and footnote disclosures required under generally accepted accounting principles (GAAP) in the United States of America have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission, although we believe that such financial disclosures are adequate so that the information presented is not misleading in any material respect. The following consolidated financial statements should be read in conjunction with the year-end consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

The results of operations for the interim periods presented in this Quarterly Report on Form 10-Q are not necessarily indicative of the results to be expected for the entire fiscal year.

BIOCLINICA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

(in thousands)	March 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$13,469	\$ 14,570
Accounts receivable, net	10,107	10,966
Prepaid expenses and other current assets	1,963	1,869
Deferred income taxes	2,970	3,370
Total current assets	28,509	30,775
Property and equipment, net	11,118	9,040
Intangibles, net	2,928	1,969
Goodwill	34,327	32,933
Deferred income tax	35	—
Other assets	622	620
Total assets	<u>\$77,539</u>	<u>\$ 75,337</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,229	\$ 3,899
Accrued expenses and other current liabilities	3,787	4,134
Deferred revenue	13,031	14,256
Current liability for acquisition earn-out	1,220	1,184
Total current liabilities	22,267	23,473
Long-term liability for acquisition earn-out	1,715	1,657
Deferred income tax	1,034	1,167
Other liabilities	586	505
Total liabilities	<u>\$25,602</u>	<u>\$ 26,802</u>
Stockholders' equity:		
Preferred stock — \$0.00025 par value; authorized 3,000,000 shares, 0 issued and outstanding at March 31, 2010 and at December 31, 2009	—	—
Common stock — \$0.00025 par value; authorized 36,000,000 shares, issued and outstanding 15,149,187 shares at March 31, 2010 and 14,394,374 shares at December 31, 2009	4	4
Common stock consideration for earn-out	1,309	1,309
Additional paid-in capital	45,872	43,104
Retained earnings	4,750	4,039
Accumulated other comprehensive income	2	79
Total stockholders' equity	<u>\$51,937</u>	<u>\$ 48,535</u>
Total liabilities and stockholders' equity	<u>\$77,539</u>	<u>\$ 75,337</u>

See Notes to Consolidated Financial Statements

BIOCLINICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(in thousands, except per share data)	For the Three Months ended March 31,	
	2010	2009
Service revenues	\$ 14,746	\$ 14,475
Reimbursement revenues	3,358	2,595
Total revenues	18,104	17,070
Cost and expenses:		
Cost of service revenues	8,951	9,061
Cost of reimbursement revenues	3,358	2,595
Sales and marketing expenses	2,210	2,156
General and administrative expenses	2,072	1,917
Amortization of intangible assets related to acquisitions	141	119
Mergers and acquisitions related costs	205	—
Total cost and expenses	16,937	15,848
Income from operations	1,167	1,222
Interest income	6	22
Interest expense	(3)	(2)
Income before income tax	1,170	1,242
Income tax provision	(459)	(456)
Net income	\$ 711	\$ 786
Basic income per common share	\$ 0.05	\$ 0.05
Weighted average number of common shares	14,545	14,341
Diluted income per common share	\$ 0.05	\$ 0.05
Weighted average number of diluted shares	15,382	15,085

See Notes to Consolidated Financial Statements

BIOCLINICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)	For the Three Months ended March 31,	
	2010	2009
<i>Cash flows from operating activities:</i>		
Net income	\$ 711	\$ 786
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisition:		
Depreciation and amortization	728	486
Provision for deferred income taxes	163	854
Bad debt recovery	(9)	(11)
Stock based compensation expense	235	204
Accretion of acquisition earn-out	94	—
Changes in operating assets and liabilities, net of acquisitions:		
Decrease in accounts receivable	1,246	2,268
(Increase) decrease in prepaid expenses and other current assets	(168)	268
Decrease in other assets	11	90
Decrease in accounts payable	(153)	(365)
Decrease in accrued expenses and other current liabilities	(624)	(2,287)
Decrease in deferred revenue	(1,218)	(1,723)
Increase (decrease) in other liabilities	122	(1)
Net cash provided by operating activities	\$ 1,138	\$ 569
<i>Cash flows from investing activities:</i>		
Purchases of property and equipment	\$ (2,255)	\$ (397)
Net cash received for sale of assets of discontinued operations	—	500
Net cash (used in) provided by investing activities	\$ (2,255)	\$ 103
<i>Cash flows from financing activities:</i>		
Payments under equipment lease obligations	\$ —	\$ (19)
Excess tax benefit related to stock options	27	—
Proceeds from exercise of stock options	38	—
Net cash provided by (used in) financing activities	\$ 65	\$ (19)
Effect of exchange rate changes on cash	(49)	(35)
Net (decrease) increase in cash and cash equivalents	(1,101)	618
Cash and cash equivalents at beginning of period	14,570	14,265
Cash and cash equivalents at end of period	\$ 13,469	\$ 14,883
<i>Supplemental disclosure of cash flow information:</i>		
Cash paid during the period for interest	\$ 3	\$ 2
Cash paid during the period for income taxes	\$ 171	\$ 158

See Notes to Consolidated Financial Statements

BIOCLINICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months Ended March 31,	
	2010	2009
Supplemental cash flow disclosure (in thousands)		
Schedule of non cash investing and financing activities:		
Increase in property, plant and equipment acquisitions in accounts payable	\$587	\$127
	For the Three Months Ended March 31,	
	2010	2009
Acquired business (in thousands)		
Accounts receivable	\$ 309	\$ —
Property and equipment	91	—
Other assets	33	—
Customer relationships	100	—
Technology	1,000	—
Goodwill, including workforce	1,394	—
Current liabilities assumed	(459)	—
Common stock issued	(2,468)	—
Cash paid for acquired business, net of cash acquired for the three months ended March 31, 2010 of \$0	\$ —	\$ —

See Notes to Consolidated Financial Statements

BIOCLINICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	For the Three Months Ended	
	March 31,	
	2010	2009
Statement of comprehensive income (in thousands)		
Net income	\$711	\$ 786
Equity adjustment from foreign currency translation	(77)	(170)
Total comprehensive income	\$634	\$ 616

See Notes to Consolidated Financial Statements

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — Interim Financial Statements

Basis of Presentation.

The financial statements included in this Quarterly Report on Form 10-Q have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP in the United States of America have been condensed or omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2009.

In the opinion of management, the accompanying consolidated financial statements contain all adjustments, consisting solely of those which are of a normal recurring nature, necessary for a fair statement of the results for the interim periods.

Interim results are not necessarily indicative of results for the full fiscal year.

Acquisitions.

On March 25, 2010, the Company acquired substantially all of the assets of privately held TranSenda International, LLC (“TranSenda”) for total consideration of \$2,468,000. The opening balance sheet of TranSenda has been recorded on a preliminary basis as of March 31, 2010. The Consolidated Statement of Income for the three months ended March 31, 2010 excludes the financial results of TranSenda from the acquisition date of March 25, 2010 through March 31, 2010 due to immateriality of TranSenda’s results of operations for that period.

Functional Currency.

The functional currency for our French and Netherlands operations is the Euro based on our initial and periodic evaluations of economic factors as set forth in FASB ASC 830 Foreign Currency Matters

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 2 — Stockholders' Equity Rollforward

The following summarizes the activity of the Stockholders' equity accounts for the period from December 31, 2009 through March 31, 2010:

(in thousands)	Common Stock		Additional	Common	Accumu-	Other	Stock-
	Shares	Amount	Paid-in	Stock	lated	Compre-	holders'
			Capital	Consid-	(Deficit)	hensive	Equity
				eration	Retained	Gain	
				for	Earnings	(Loss)	
				Earn-out			
Balance at December 31, 2009	14,394	\$ 4	\$ 43,104	\$ 1,309	\$ 4,039	\$ 79	\$ 48,535
Stock options exercised	177	—	38	—	—	—	38
Stock consideration for acquisitions	578	—	2,468	—	—	—	2,468
Stock based compensation	—	—	235	—	—	—	235
Tax benefit on exercise of stock options	—	—	27	—	—	—	27
Equity adjustment from foreign currency translation	—	—	—	—	—	(77)	(77)
Net income	—	—	—	—	711	—	711
Balance at March 31, 2010	<u>15,149</u>	<u>\$ 4</u>	<u>\$ 45,872</u>	<u>\$ 1,309</u>	<u>\$ 4,750</u>	<u>\$ 2</u>	<u>\$ 51,937</u>

Note 3 — Earnings Per Share

Basic income per common share for the three months ended March 31, 2010 and 2009 was calculated based upon net income divided by the weighted average number of shares of our common stock outstanding during the period. Diluted income per share for the three months ended March 31, 2010 and 2009 was calculated based upon net income divided by the weighted average number of shares of our common stock outstanding during the period, adjusted for dilutive securities using the treasury method.

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The computation of basic income per common share and diluted income per common share was as follows:

(in thousands except share data)	Three Months Ended March 31,	
	2010	2009
Net income — basic and diluted	\$ 711	\$ 786
Denominator — basic:		
Weighted average number of common shares	14,545	14,341
Basic income per common share	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Denominator — diluted:		
Weighted average number of common shares	14,545	14,341
Common share equivalents of outstanding stock options	467	434
Common share equivalents of unrecognized compensation expense	370	310
Weighted average number of dilutive common equivalent shares	<u>15,382</u>	<u>15,085</u>
Diluted income per common share	<u>\$ 0.05</u>	<u>\$ 0.05</u>

Options to purchase 492,000 and 630,000 shares of our common stock respectively, had been excluded from the calculation of diluted earnings per common share for the three months ended March 31, 2010 and March 31, 2009, respectively, as they were all antidilutive.

Note 4 — Commitments and Contingencies

On March 4, 2009, the Company entered into an employment agreement with its President and Chief Executive Officer effective March 1, 2009 and expires on February 28, 2012. In addition, the Company has employment agreements with both its Chief Financial Officer and the President of eClinical division. The Chief Financial Officer's agreement expires February 5, 2011 and is renewable on an annual basis. The President of eClinical division's agreement expires September 30, 2010 and is renewable on an annual basis. The aggregate amount due from January 1, 2010 through the expiration under these agreements was \$1.3 million.

Note 5 — Accounts Receivable and Allowance for Doubtful Accounts

BIOCLINICA, INC. AND SUBSIDIARIES
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(unaudited)

We maintain allowances for doubtful accounts on a specific identification method for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of our customers' ability to make payments, additional allowances may be required. We do not have any off-balance-sheet credit exposure related to our customers, and the trade accounts receivable do not bear interest.

(in thousands)	March 31, 2010	December 31, 2009
Billed trade accounts receivable	\$ 9,305	\$ 10,164
Unbilled trade accounts receivable	784	747
Other	18	55
Total Receivables	\$ 10,107	\$ 10,966
Allowance Rollforward (in thousands):		
Balance at January 1, 2010	\$ 9	
Additions	0	
Write offs (Recoveries)	9	
Balance at March 31, 2010	\$ 0	

Note 6 — Income Taxes

The Company records a valuation allowance to reduce its deferred tax assets to an amount that is more likely than not to be realized. In assessing the need for the valuation allowance, the Company considers future taxable income and on-going prudent and feasible tax planning strategies. In the event that the Company was to determine that, in the future, they would be able to realize the deferred tax assets in excess of its net recorded amount, an adjustment to the deferred tax asset would be made, thereby increasing net income in the period such determination was made. Likewise, should the Company determine that it is more likely than not that it will be unable to realize all or part of the net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged, thereby decreasing net income in the period such determination was made.

As of December 31, 2008, the Company had \$1.3 million in accumulated tax losses in the United States, which included allowable deductions related to exercised employee stock options, generating federal and state net operating loss (NOL) credit carryforwards. Under limitations imposed by Internal Revenue Code Section 382, certain potential changes in ownership of the Company, which may be outside the Company's knowledge or control, may restrict future utilization of these carryforwards. Due to such ownership changes that have occurred in prior years, the Company estimated that \$1.1 million of the federal net operating loss would likely expire unused, in the years 2010 through 2022, due to Internal Revenue Code Section 382 limitations. The Company has foreign NOL carryforwards from its French subsidiary of \$364,000 as of March 31, 2010 and \$575,000 as of December 31, 2009. GAAP requires that the Company establish a valuation allowance for any portion of its deferred tax assets for which management believes that it is more likely than not the Company will be unable to utilize the asset to offset future taxes. The Company will continue to evaluate the potential use of its deferred tax assets and

BIOCLINICA, INC. AND SUBSIDIARIES
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the need for a valuation allowance by considering future taxable income and on-going prudent and feasible tax planning strategies. Subsequent revisions to the estimated realizable value of the deferred tax assets could cause the provision for income taxes to vary significantly from period to period, although the cash tax payments would remain unaffected until the NOL credit carryforward is fully utilized or has expired. Our deferred tax assets are primarily comprised of the temporary book to tax differences related to deferred revenue.

The tax benefit of the stock option deductions have been recorded to additional paid-in capital in the amount of \$27,000 and \$0 for the three months ended March 31, 2010 and 2009, respectively.

The Company recognizes contingent liabilities for any tax related exposures when those exposures are more likely than not to occur.

The Company has not provided for U.S. federal income and foreign withholding taxes on approximately \$1.9 million of undistributed earnings from its non-U.S. operations as of March 31, 2010 because such earnings are intended to be reinvested indefinitely outside of the United States.

There were no material unrecognized tax benefits as of March 31, 2010 and December 31, 2009. We do not expect the unrecognized tax benefit to materially change during the next 12 months. Any interest and penalties incurred on settlements of outstanding tax positions would be recorded as a component of tax expense. We file our tax returns as prescribed by the tax laws of the jurisdictions in which we operate. Our federal tax return for the 2009 year is subject to examination. Our state taxes for years 2000 through 2008 are subject to examination. Our foreign taxes for years 2002 through 2008 are subject to examination by the respective authorities.

Note 7 — Acquisitions

2010 Acquisition

On March 25, 2010, the Company acquired substantially all of the assets of privately held TranSenda International, LLC (“TranSenda”). Headquartered in Bellevue, WA, TranSenda is a provider of clinical trial management software (CTMS) solutions. TranSenda’s suite of web-based, Office-Smart CTMS solutions create efficiencies for trial operations through interoperability with Microsoft Office tools. With this acquisition, BioClinica enhanced its ability to serve customers throughout the clinical research process with technologies that include improved efficiencies by reducing study durations and costs through integrated operational management. The acquisition was made pursuant to an Asset Purchase Agreement, dated March 25, 2010, by and between the Company and TranSenda (the “Purchase Agreement”). Pursuant to the terms of the Purchase Agreement, the Company purchased and acquired from TranSenda all right, title and interest of TranSenda in and to the Purchased Assets (as defined in the Purchase Agreement) and assumed the Assumed Liabilities (as defined in the Purchase Agreement) of TranSenda.

As consideration for the Purchased Assets and Assumed Liabilities, the Company paid 577,960 shares of common stock, par value \$0.00025 per share, of the Company, valued at a volume weighted average price per share equal to \$4.325560, and subject to a post-closing adjustment based on the Final Closing Net Working Capital (as defined in the Purchase Agreement). Pursuant to the terms of the

BIOCLINICA, INC. AND SUBSIDIARIES
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(unaudited)

Purchase Agreement, 15% of the aggregate consideration is to be held in escrow to cover any potential indemnification claims under the Purchase Agreement for a period of 12 months following the Closing Date (as defined in the Purchase Agreement). As part of the Purchase Agreement, TranSenda agreed not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of the Company’s common stock received pursuant to the Purchase Agreement for a period beginning on the date the Purchase Agreement was executed and continuing to and including the date 12 months after such date. The Company recorded the fair value of the acquisition of \$2,468,000 based on the Company’s market value of \$4.27 for the stock consideration on March 25, 2010, the date of acquisition.

Pro Forma Results. The following schedule includes consolidated statements of income data for the unaudited pro forma results for the three months ended March 31, 2010 and 2009 as if the TranSenda acquisition had occurred as of the beginning of the periods presented after giving effect to certain adjustments. The unaudited pro forma information is provided for illustrative purposes only and is not indicative of the results of operations or financial condition that would have been achieved if the TranSenda acquisition would have taken place at the beginning of the periods presented and should not be taken as indicative of our future consolidated results of operations or financial condition. Pro forma adjustments are tax-effected at our effective tax rate.

(in thousands except per share data)	Three Months Ended March 31,	
	2010	2009
Total revenue	\$18,335	\$17,278
Income from operations	549	525
Net Income	334	349
Basic earnings per share	\$ 0.02	\$ 0.02
Diluted earnings per share	\$ 0.02	\$ 0.02

In connection with the acquisition of TranSenda, the Company performed an evaluation of the guidance included in FASB ASC 280, *Segment Reporting* (“FASB ASC 280”) and FASB ASC 350, *Intangibles — Goodwill and Other* (“FASB ASC 350”). Based on that evaluation, the Company included TranSenda as part of its clinical trials services reportable segment.

In accordance with FASB ASC 805, the Company expensed all costs related to the acquisitions. The total costs incurred to date related to the acquisition were \$111,000 and included in mergers and acquisition related costs on the consolidated statement of income for the three months ended March 31, 2010.

The following table summarizes the preliminary amounts of identified assets acquired and liabilities assumed from TranSenda at the acquisition date fair value:

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	TranSenda
Accounts Receivable	\$ 309
Property and Equipment	91
Other Assets	33
Other Liabilities	(459)
Customer Relationships	100
Technology	1,000
Goodwill, including Workforce	1,394
Total Fair Value of Purchase Price	<u>\$ 2,468</u>

Accounts receivable, other assets and other liabilities were stated at their historical carrying values, which approximate fair value given the short-term nature of these assets and liabilities.

In accordance with FASB ASC 820, *Fair Value Measurements* (“FASB ASC 820”) the Company determined that the preliminary non-financial assets and liabilities summarized above are derived from significant unobservable inputs (“Level 3 inputs”) determined by management based on various market and income analyses and recent asset appraisals. The purchase price allocation will remain preliminary until the Company completes its review of third-party valuations and determines the fair market values of assets acquired and liabilities assumed and could differ significantly from preliminary recorded amounts. The goodwill recorded in connection with these acquisitions will be deductible for tax purposes over 15 years.

The Consolidated Statement of Income for the three months ended March 31, 2010 excludes the financial results of TranSenda from the acquisition date of March 25, 2010 through March 31, 2010 due to immateriality of TranSenda’s results of operations for that period.

2009 Acquisitions

On August 27, 2009, BioClinica acquired the CardioNow unit of Agfa Healthcare (“CardioNow”). CardioNow has developed a web-based system for the secure transmission of medical cardiac images. The software was specifically developed for and marketed to the invasive cardiology departments of hospitals within the United States. BioClinica will integrate and enhance the current CardioNow software and service to offer our clients a streamlined electronic transport solution to facilitate the blinding, sharing, tracking and archiving of medical images for multi-center clinical trials as part of our suite of imaging services. The purchase price for CardioNow consisted of cash consideration paid to Agfa Healthcare of \$1 million. The Company paid the purchase price for CardioNow with cash from operations. The pro forma impact of the CardioNow acquisition on 2009 results was immaterial.

On September 15, 2009, BioClinica acquired substantially all of the assets of Tourtellotte Solutions, Inc. (“Tourtellotte”). Tourtellotte provided software applications and consulting services which support clinical trials in the pharmaceutical industry. The purchase price for Tourtellotte was \$2.1 million in cash. Pursuant to the acquisition agreement, the Company agreed to pay up to an additional \$3.2 million in cash and 350,000 shares of our common stock based upon achieving certain milestones, which include certain product development and revenue targets (the “earn-out”). The fair value of the cash earn-out of \$2.8 million has been recorded as a liability and the fair value of the 350,000 shares of \$1.3 million has been classified separately within stockholders’ equity as contingent consideration for a total purchase price of \$6.2 million as of March 31, 2010. The Company used cash from operations to

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

fund the cash purchase price for Tourtellotte.

Pro Forma Results. The following schedule includes consolidated statements of income data for the unaudited pro forma results for the three months ended March 31, 2009 as if the Tourtellotte acquisition had occurred as of the beginning of the period presented after giving effect to certain adjustments. The unaudited pro forma information is provided for illustrative purposes only and is not indicative of the results of operations or financial condition that would have been achieved if the Tourtellotte acquisition would have taken place at the beginning of the period presented and should not be taken as indicative of our future consolidated results of operations or financial condition. Pro forma adjustments are tax-effected at our effective tax rate.

(in thousands except per share data)	<u>Three Months Ended March 31, 2009</u>
Total revenue	\$18,095
Income from operations	1,301
Net income	835
Basic earnings per share	\$ 0.06
Diluted earnings per share:	\$ 0.06

In connection with the acquisitions of CardioNow and Tourtellotte, the Company performed an evaluation of the guidance included in FASB ASC 280, *Segment Reporting* (“FASB ASC 280”) and FASB ASC 350, *Intangibles — Goodwill and Other* (“FASB ASC 350”). Based on that evaluation, the Company included CardioNow and Tourtellotte as part of its clinical trials services reportable segment.

In accordance with FASB ASC 805, the Company expensed all costs related to the acquisitions. The total costs related to the acquisitions were \$560,000 and included in mergers and acquisition related costs on the consolidated statement of income in fiscal 2009.

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The following table summarizes the consideration transferred to acquire CardioNow and Tourtelotte at the respective acquisition dates:

	CardioNow	Tourtelotte
Cash	\$ 1,000	\$ 2,144
Estimated earnout payments:	—	
Contingent consideration to be settled in cash	—	2,656
Contingent consideration to be settled in stock	—	1,300
Working capital adjustment	—	94
Total purchase price	<u>\$ 1,000</u>	<u>\$ 6,194</u>

The following table summarizes the amounts of identified assets acquired and liabilities assumed from CardioNow and Tourtelotte at the respective acquisition date fair value:

	CardioNow	Tourtelotte
Accounts Receivable	—	\$ 934
Other Assets	—	55
Other Liabilities	—	(93)
Customer Relationships	—	393
Goodwill, including Workforce	<u>\$ 1,000</u>	<u>4,905</u>
Total Fair Value of Purchase Price	<u>\$ 1,000</u>	<u>\$ 6,194</u>

Accounts receivable, other assets and other liabilities were stated at their historical carrying values, which approximate fair value given the short-term nature of these assets and liabilities.

The cash contingent consideration expected to be paid within one year from March 31, 2010 of \$1,220,000 was classified as a short-term liability and the remaining cash contingent consideration of \$1,714,000 was classified as a long-term liability on the financial statements. The contingent consideration expected to be paid in stock of \$1,309,000 is recorded in the equity section of the financial statements. The difference between the fair value of the cash contingent consideration at the date of acquisition and the expected payment will be recorded as an expense in the financial statements at the end of each reporting period. For the three months ended March 31, 2010, the Company recorded \$94,000 of accretion expense in mergers and acquisition related costs on the income statement for this difference.

In accordance with FASB ASC 820, *Fair Value Measurements* (“FASB ASC 820”), the Company determined that the non-financial assets and liabilities summarized above are derived from significant unobservable inputs (“Level 3 inputs”) determined by management based on various market and income analyses and recent asset appraisals. The goodwill recorded in connection with these acquisitions will be deductible for tax purposes over 15 years.

The results of operations of CardioNow and Tourtelotte are included in our financial statements from the respective acquisition dates.

BIOCLINICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 8 — Intangible Assets

At March 31, 2010 the composition of intangible assets were as follows:

(in thousands)	March 31, 2010	Estimated Useful Life
Amortized intangible assets:		
Technology	\$ 1,843	5 years
Trademarks	48	5 years
Customer backlog	2,113	3 to 7 years
Non-competition agreement	349	2 to 3 years
	<u>4,353</u>	
Accumulated amortization	<u>(1,425)</u>	
	<u>\$ 2,928</u>	
Unamortized intangible assets:		
Goodwill	<u>\$34,327</u>	

Estimated future amortization of the intangible assets is as follows:

(in thousands)	Year Ending December 31,
2010	\$ 590
2011	746
2012	660
2013	432
2014	399
2015	101
	<u>\$ 2,928</u>

The following table details the changes in the carrying amount of goodwill:

(in thousands)	
Balance at December 31, 2009	\$ 32,933
Acquisition of business	1,394
Balance at March 31, 2010	<u>\$ 34,327</u>

Note 9 — Subsequent Events

On May 5, 2010, we entered into an unsecured, committed line of credit with PNC Bank, expiring May 5, 2012. Under the credit agreement, we have the ability to borrow up to \$7.5 million at interest rates equal to LIBOR plus 1.75%. In addition we pay a fee of 0.25% per annum on the unused line of credit. The credit agreement requires our compliance with certain covenants, including maintaining a minimum stockholders' equity of \$35 million.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Overview

BioClinica, provides integrated clinical research services including imaging core lab and eClinical technologies and services to pharmaceutical, biotechnology, medical device companies and other organizations such as contract research organizations (CROs), engaged in global clinical studies. Our products and services include: medical image management, electronic image transport and archive solutions, electronic data capture, clinical data management, interactive voice and web response, clinical trial supply forecasting tools, and clinical trial management software solutions. By supplying enterprise-class software and hosted solutions accompanied by expert services to fully utilize these tools, we believe that our offerings provide our clients, large and small, improved speed and efficiency in the execution of clinical studies, with reduced clinical and business risk.

Market for our Services

Our vision is to build critical mass in the complementary disciplines of clinical research related to data collection and processing — especially those which can benefit from our information technology products and support services — and to integrate them in ways that yield efficiency and value for our clients. Our goal is to provide demonstrable benefits to sponsor clients through this strategy, that is, faster and less expensive drug development. We believe that the outsourcing of these services should continue to increase in the future because of increased pressure on clients, including factors such as: the need to more tightly manage costs, capacity limitations, reductions in marketing exclusivity periods, the desire to reduce development time, increased globalization of clinical trials, productivity challenges, imminent patent expirations and more stringent regulation. We believe these trends will continue to create opportunities for companies like BioClinica that are focused on improving the efficiency of drug and medical device development.

Sales and Backlog

Our sales cycle, referring to the period from the presentation by us to a potential client to the engagement of us by such client, has historically ranged from three to 12 months. In addition, the contracts under which we perform services typically cover a period of three to 60 months and the volume and type of services performed by us generally vary during the course of a project. We cannot assure you that our project revenues will be at levels sufficient to maintain profitability.

Our contracted/committed backlog, referred to as backlog, is the expected service revenue that remains to be earned and recognized on both signed and verbally agreed to contracts. Our backlog as of March 31, 2010, which includes our medical image management and eClinical services, was \$99.7 million compared to \$93.3 million at March 31, 2009. Changes in backlog for the period reflect the net effect of new contract signings, addendums, cancellations, expansions and reductions in scope of existing projects, all of which impacted our backlog at March 31, 2010.

Contracts included in backlog are subject to termination by our clients at any time. In the event that a contract is cancelled by the client, we would be entitled to receive payment for all services performed up to the cancellation date. The duration of the projects included in our backlog range from less than three months to seven years. We do not believe that backlog is a reliable predictor of future results because service revenues may be incurred in a given period on contracts that were not included in the previous reporting period’s backlog and/or contract cancellations or project delays may occur in a given period on contracts that were included in the previous reporting period’s backlog.

Acquisitions

On March 25, 2010, the Company acquired substantially all of the assets of privately held TranSenda International, LLC (“TranSenda”). Headquartered in Bellevue, WA, TranSenda is a provider of clinical trial management software (CTMS) solutions. TranSenda’s suite of web-based, Office-Smart CTMS solutions create efficiencies for trial operations through interoperability with Microsoft Office tools. With this acquisition, BioClinica enhances its ability to serve customers throughout the clinical research process with technologies that include improved efficiencies by reducing study durations and costs through integrated operational management. The acquisition was made pursuant to an Asset Purchase Agreement, dated March 25, 2010, by and between the Company and TranSenda (the “Purchase Agreement”). Pursuant to the terms of the Purchase Agreement, the Company purchased and acquired from TranSenda all right, title and interest of TranSenda in and to the Purchased Assets (as defined in the Purchase Agreement) and assumed the Assumed Liabilities (as defined in the Purchase Agreement) of TranSenda.

As consideration for the Purchased Assets and Assumed Liabilities, the Company paid 577,960 shares of common stock, par value \$0.00025 per share, of the Company, valued at a volume weighted average price per share equal to \$4.325560, and subject to a post-closing adjustment based on the Final Closing Net Working Capital (as defined in the Purchase Agreement). Pursuant to the terms of the Purchase Agreement, 15% of the aggregate consideration is to be held in escrow to cover any potential indemnification claims under the Purchase Agreement for a period of 12 months following the Closing Date (as defined in the Purchase Agreement). As part of the Purchase Agreement, TranSenda agreed not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of the Company’s common stock received pursuant to the Purchase Agreement for a period beginning on the date the Purchase Agreement was executed and continuing to and including the date 12 months after such date. The Company recorded the fair value of the acquisition of \$2,468,000 based on the Company’s market value of \$4.27 on March 25, 2010, the date of acquisition.

Forward Looking Statements

Certain matters discussed in this Form 10-Q are “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as “believes”, “expects”, “may”, “should” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In particular, our statements regarding: our projected financial results; the demand for our services and technologies; growing recognition for the use of independent centralized core laboratories; trends toward the outsourcing of imaging services in clinical trials; realized return from our marketing efforts; increased use of digital medical images in clinical trials; integration of our acquired companies and businesses; expansion into new business segments; the success of any potential acquisitions and the integration of current acquisitions; and the level of our backlog are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, the timing of revenues due to the variability in size, scope and duration of projects, estimates made by management with respect to our critical accounting policies, regulatory delays, clinical study results which lead to reductions or cancellations of projects and other factors, including general economic conditions and regulatory developments, not within our control. The factors discussed in this Form 10-Q and expressed from time to time in our filings with the SEC could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking

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statements are made only as of the date of this filing, and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Recent Accounting Pronouncements

In October 2009, the FASB issued guidance on revenue recognition that will become effective for us beginning January 1, 2011, with earlier adoption permitted. Under the new guidance on arrangements that include software elements, tangible products that have software components that are essential to the functionality of the tangible product will no longer be within the scope of the software revenue recognition guidance, and software-enabled products will now be subject to other relevant revenue recognition guidance. Additionally, the FASB issued guidance on revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance. Under the new guidance, when vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price method. The new guidance includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition. Management believes the adoption of this new guidance will not have a material impact on our financial statements.

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Results of Operations

Three Months Ended March 31, 2010 and 2009

(in thousands)	Three Months ended March 31, 2010	% of Total Revenue	Three Months ended March 31, 2009	% of Total Revenue	\$ Change	% Change
Service revenues	\$14,746	81.5%	\$14,475	84.8%	\$ 271	1.9%
Reimbursement revenues	3,358	18.5%	2,595	15.2%	763	29.4%
Total revenues	18,104	100.0%	17,070	100.0%	1,034	6.1%
Cost and expenses:						
Cost of service revenues	8,951	49.4%	9,061	53.1%	(110)	-1.2%
Cost of reimbursement revenues	3,358	18.5%	2,595	15.2%	763	29.4%
Sales and marketing expenses	2,210	12.2%	2,156	12.6%	54	2.5%
General and administrative expenses	2,072	11.4%	1,917	11.2%	155	8.1%
Amortization of intangible assets related to acquisitions	141	0.8%	119	0.7%	22	18.5%
Mergers and acquisitions related costs	205	1.1%	—	0.0%	205	—
Total cost and expenses	16,937	93.6%	15,848	92.8%	1,089	6.9%
Income from operations	1,167	6.4%	1,222	7.2%	(55)	-4.5%
Interest income	6	0.0%	22	0.1%	(16)	-72.7%
Interest expense	(3)	0.0%	(2)	0.0%	(1)	50.0%
Income before income tax	1,170	6.5%	1,242	7.3%	(72)	-5.8%
Income tax provision	(459)	-2.5%	(456)	-2.7%	(3)	0.7%
Net income	\$ 711	3.9%	\$ 786	4.6%	\$ (75)	-9.5%

The Consolidated Statement of Income for the three months ended March 31, 2010 excludes the financial results of TranSenda from the acquisition date of March 25, 2010 through March 31, 2010 due to immateriality of TranSenda's results of operations for that period.

Service revenues for the three months ended March 31, 2010 and 2009 were \$14.7 million and \$14.5 million, respectively, an increase of \$271,000, or 1.9%. The increase in service revenues was due to an increase in work performed on the increased backlog from the prior year. One client, Pfizer Inc.

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encompassing 15 projects represented 18.3% of our service revenue for the three months ended March 31, 2010. One client, Centocor Ortho Biotech, Inc., encompassing 23 projects represented 12.0% of our service revenue for the three months ended March 31, 2009.

Reimbursement revenues and cost of reimbursement revenues for the three months ended March 31, 2010 and 2009 were \$3.4 million and \$2.6 million, respectively, an increase of \$763,000, or 29.4%. Reimbursement revenues and cost of reimbursement revenues consist of payments received from the customer for reimbursable costs. Reimbursement revenues and cost of reimbursement revenues fluctuate significantly over the course of any given project, and quarter to quarter variations are a reflection of this project timing. Therefore, our management believes that reimbursement revenues and cost of reimbursement revenues are not a significant indicator of our overall performance trends. At the request of our clients, we may directly pay the independent radiologists who review our client's imaging data. In such cases, per contractual arrangement, these costs are billed to our clients and are included in reimbursement revenues and cost of reimbursement revenues.

Cost of service revenues for the three months ended March 31, 2010 and 2009 were \$9.0 million and \$9.1 million, respectively, a decrease of \$110,000, or 1.2%. Cost of service revenues for the three months ended March 31, 2010 and 2009 were comprised of professional salaries and benefits and allocated overhead. The cost of service revenue remained relatively flat due to the increase in personnel from the Tourtellotte acquisition offset by the savings resulting from the reduction in force implemented in the second quarter of 2009. The cost of revenues as a percentage of total revenues also fluctuates due to work-flow variations in the utilization of staff and the mix of services provided by us in any given period. We expect that our cost of service revenues will increase in fiscal 2010 due to the personnel costs from the acquisition of TranSenda.

Sales and marketing expenses remained flat at \$2.2M for the three months ended March 31, 2010 and 2009. Sales and marketing expenses for the three months ended March 31, 2010 and 2009 were comprised of direct sales and marketing costs, salaries and benefits and allocated overhead. We expect that sales and marketing expenses will increase in fiscal 2010 due to increased marketing for our product launches and as we continue to expand our market presence in the United States and Europe.

General and administrative expenses for the three months ended March 31, 2010 and 2009 were \$2.1 million and \$1.9 million, respectively, an increase of \$155,000, or 8.1%. General and administrative expenses for the three months ended March 31, 2010 and three months ended March 31, 2009 consisted primarily of salaries and benefits, allocated overhead, professional and consulting services and corporate insurance. The increase is primarily due to an increase in professional fees. We expect that our general and administrative expenses will remain relatively flat for the remainder of 2010.

Amortization of intangible assets related to acquisitions for the three months ended March 31, 2010 and 2009 were \$141,000 and \$119,000, respectively, an increase of \$22,000, or 18.5%. Amortization of intangible assets related to acquisitions consisted primarily of amortization of customer backlog, customer relationships, software and non-compete intangibles acquired from the acquisitions of PDS, Tourtellotte and Theralys. The increase is primarily due to the acquisition of Tourtellotte. We expect that the amortization of intangible assets related to acquisitions will increase with the acquisition of TranSenda and as we look to continue to expand our pharmaceutical contract services through potential acquisitions.

Merger and acquisition related costs of \$205,000 for the three months ended March 31, 2010 include expenses of \$111,000 consisting of costs resulting directly from merger and acquisition activities for the TranSenda acquisition such as legal, accounting and other due diligence and integration costs.

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Also included in this cost is \$94,000 of earn-out accretion for the three months ended March 31, 2010 from the Tourtellotte acquisition due to the difference in the fair value from the purchase price recorded at the date of acquisition to March 31, 2010.

Net interest income was \$3,000 for the three months ended March 31, 2010 and \$20,000 for the three months ended March 31, 2009, a decrease of \$17,000, or 85%. Net interest income and expense for the three months ended March 31, 2009 is comprised of interest income earned on our cash balance and interest expense incurred on equipment lease obligations. Net interest income for the three months ended March 31, 2010 is comprised of interest income earned on our cash and has decreased due to lower average daily cash balances.

Our income tax provision for the three months ended March 31, 2010 and 2009 was \$459,000 and \$456,000, respectively. Our effective tax rate is approximately 39.2% for fiscal 2010. Our effective tax rate was approximately 36.7% for fiscal 2009. The higher effective tax rate in fiscal 2010 was due to a larger mix of pre-tax income in the U.S. than in the Netherlands, which has a lower corporate income tax rate than the U.S., and the changes affecting state tax rates.

Business Segments and Geographic Information

We view our operations and manage our business as one operating segment, clinical trials services.

Our corporate headquarters and operational facilities are in Pennsylvania, in the United States. We also have a European facility in Leiden, the Netherlands. We manage our services for European-based clinical trials from the Leiden facility. Our European facility has similar processing and analysis capabilities as our United States headquarters. We also have a facility in Lyon, France that provides product development and research activities. In January 2010, we incorporated BioClinica Private Limited in Bhubaneshwar, India to provide information technology support services.

Liquidity and Capital Resources

Our principal liquidity requirements have been, and we expect will be, for working capital and general corporate purposes, including capital expenditures.

Statement of Cash Flow for the three months ended March 31, 2010 compared to March 31, 2009

(in thousands)	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Net cash provided by operating activities	\$ 1,138	\$569
Net cash (used in) provided by investing activities	\$(2,255)	\$103
Net cash provided by (used in) financing activities	\$ 65	\$(19)

At March 31, 2010, we had cash and cash equivalents of \$13.5 million. Working capital, defined as current assets minus current liabilities, at March 31, 2010 was \$6.2 million.

Net cash provided by operating activities for the three months ended March 31, 2010 was \$1,138,000 as compared to \$569,000 for the three months ended March 31, 2009. This increase from the prior year is primarily due to the lesser change in accrued expenses in 2010.

Net cash used in investing activities for the three months ended March 31, 2010 was \$(2,255,000) as compared to net cash provided by investing activities of \$103,000 for the three months ended March 31, 2009. We currently anticipate that capital expenditures for the remainder of the fiscal year ending December 31, 2010 will be approximately \$3 million. These expenditures primarily represent capitalization of software costs.

Net cash provided by financing activities from continuing operations for the three months ended March 31, 2010 was \$65,000 as compared to net cash used in financing activities of \$19,000 for the three months ended March 31, 2009. Net cash provided by financing activities represents cash proceeds from exercise of stock options for the three months ended March 31, 2010.

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The following table lists our cash contractual obligations as of March 31, 2010:

(in thousands) Contractual obligations	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Facility rent operating leases	\$18,987,000	\$1,624,000	\$3,884,000	\$4,594,000	\$8,885,000
Employment agreements	1,064,000	725,000	339,000	—	—
Earn-outs for Tourtellotte acquisition	3,258,000	1,258,000	2,000,000	—	—
Total contractual cash obligations	\$23,309,000	\$3,607,000	\$6,223,000	\$4,594,000	\$8,885,000

On May 5, 2010, we entered into an unsecured, committed line of credit with PNC Bank, expiring May 5, 2012. Under the credit agreement, we have the ability to borrow up to \$7.5 million at interest rates equal to LIBOR plus 1.75%. In addition we pay a fee of 0.25% per annum on the unused line of credit. The credit agreement requires our compliance with certain covenants, including maintaining a minimum stockholders' equity of \$35 million.

We have neither paid nor declared dividends on our common stock since our inception and do not plan to pay dividends on our common stock in the foreseeable future.

We have not entered into any off-balance sheet transactions, arrangements or other relationships with unconsolidated entities or other persons that are likely to affect liquidity or the availability of or requirements for capital resources.

We anticipate that our existing capital resources together with cash flow from operations will be sufficient to meet our cash needs for the next 12 months. However, we cannot assure you that our operating results will maintain profitability on an annual basis in the future. The inherent operational risks associated with the following factors may have a material adverse affect on our future liquidity:

- our ability to gain new client contracts;
- project cancellations;
- the variability of the timing of payments on existing client contracts; and
- other changes in our operating assets and liabilities.

We may seek to raise additional capital from equity or debt sources in order to take advantage of unanticipated opportunities, such as more rapid expansion, acquisitions of complementary businesses or the development of new services. We cannot assure you that additional financing will be available, if at all, on terms acceptable to us.

Our fiscal year 2010 operating plan contains assumptions regarding revenue and expenses. The achievement of our operating plan depends heavily on the timing of work performed by us on existing projects and our ability to gain and perform work on new projects. Project cancellations, delays in the timing of work performed by us on existing projects or our inability to gain and perform work on new projects could have an adverse impact on our ability to execute our operating plan and maintain adequate

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cash flow. In the event actual results do not meet the operating plan, our management believes it could execute contingency plans to mitigate these effects. Our plans include additional financing, to the extent available. Considering the cash on hand and based on the achievement of the operating plan and management's actions taken to date, management believes it has the ability to continue to generate sufficient cash to satisfy our operating requirements in the normal course of business for at least the next 12 months and the foreseeable future.

Changes to Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009. As of March 31, 2010, there have been no changes to such critical accounting policies and estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We invest in high-quality financial instruments, comprised of savings accounts, certificate of deposits and money market funds. Due to the short-term nature of our investments, we do not believe that we have any material exposure to interest rate risk arising from our investments.

Foreign Currency Risk

Our financial statements are denominated in U.S. dollars. Fluctuations in foreign currency exchange rates could materially increase the operating costs of our facilities in the Netherlands and France, which are Euro denominated. A ten percent increase or decrease in the Euro to U.S. dollar spot exchange rate would result in a change of \$211,000 and \$215,000 to our net asset position, at March 31, 2010 and March 31, 2009, respectively. In addition, certain of our contracts are denominated in foreign currency. We believe that any adverse fluctuation in the foreign currency markets relating to these costs will not result in any material adverse effect on our financial condition or results of operations. In the event we derive a greater portion of our service revenues from international operations, factors associated with international operations, including changes in foreign currency exchange rates, could affect our results of operations and financial condition.

Our foreign currency financial assets and liabilities primarily consist of cash, trade receivables, prepaid expenses, fixed assets, trade payables and accrued expenses. We were in a net asset position at March 31, 2010 and March 31, 2009. An increase in the exchange rate would result in less net assets when converted to U.S. dollars. Conversely, if we were in a net liability position, a decrease in the exchange rate would result in more net liabilities when converted to U.S. dollars.

We hedge our foreign currency exposure when and as appropriate to mitigate the adverse impact of fluctuating exchange rates. As of March 31, 2010, there are no outstanding derivative positions.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. We evaluated, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 (“Exchange Act”), as amended) as of March 31, 2010, the end of the period covered by this report on Form 10-Q. Based on this evaluation, our President and Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal accounting and financial officer) have concluded that our disclosure controls and procedures were effective at March 31, 2010. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and were operating in an effective manner for the period covered by this report, and (ii) is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in internal control over financial reporting . There was no change in our internal controls over financial reporting that occurred during the quarter ended March 31, 2010 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION .

Item 1. Legal Proceedings.

In the normal course of business, we may be a party to legal proceedings. We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors.

The more prominent risks and uncertainties inherent in our business are described below. However, additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations may suffer. Investing in our common stock involves a high degree of risk. Any of the following factors could harm our business and future results of operations, and you could lose all or part of your investment.

Risks Related to Our Company and Business

We may incur financial losses because contracts may be delayed or terminated or reduced in scope for reasons beyond our control.

Our clients may terminate or delay their contracts for a variety of reasons, including, but not limited to:

- unexpected or undesired clinical results;
- the client's decision to terminate the development of a particular product or to end a particular study;
- insufficient patient enrollment in a study;
- insufficient investigator recruitment;
- failure to perform our obligations under the contract; or
- the failure of products to satisfy safety requirements.

In addition, we believe that FDA-regulated companies may proceed with fewer clinical trials or conduct them without assistance of contract service organizations if they are trying to reduce costs as a result of cost containment pressures associated with healthcare reform, budgetary limits or changing priorities. These factors may cause such companies to cancel contracts with contract service organizations.

We cannot assure you that our clients will continue to use our services or that we will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenues. Further, we cannot assure you that our clients will continue to generate consistent amounts of revenues over time.

The loss, reduction in scope or delay of a large contract or the loss or delay of multiple contracts could materially adversely affect our business, although our contracts entitle us to receive all fees earned up to the time of termination.

The recent economic downturn may adversely impact our ability to raise capital.

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The recent economic downturn and adverse conditions in the national and global markets may negatively affect our operations in the future. The fallen equity markets and adverse credit markets may make it difficult for us to raise capital or procure credit in the future to fund the growth of our business, which could have a negative impact on our business and results of operations and limit our ability to pursue acquisitions.

We depend on a small number of industries and clients for all of our business, and the loss of one such significant client could cause revenues to drop quickly and unexpectedly.

We depend on research and development expenditures by pharmaceutical, biotechnology and medical device companies to sustain our business. Our operations could be materially and adversely affected if:

- our clients' businesses experience financial problems or are affected by a general economic downturn;
- consolidation in the pharmaceutical, biotechnology or medical device industries leads to a smaller client base for us; or
- clients reduce their research and development expenditures.

One client, Pfizer Inc. encompassing 15 projects represented 18.3% of our service revenue for the three months ended March 31, 2010. One client, Centocor Ortho Biotech, Inc., encompassing 23 projects represented 12.0% of our service revenue for the three months ended March 31, 2009. The loss of business from a significant client or our failure to continue to obtain new business to replace completed or canceled projects would have a material adverse effect on our business and revenues.

Our contracted/committed backlog may not be indicative of future results.

Our reported contracted/committed backlog of \$99.7 at March 31, 2010 is based on anticipated service revenue from uncompleted projects with clients. Backlog is the expected service revenue that remains to be earned and recognized on signed and verbally agreed to contracts. Contracts included in backlog are subject to termination by our clients at any time. In the event that a client cancels a contract, we would be entitled to receive payment for all services performed up to the cancellation date and subsequent client authorized services related to the cancellation of the project. The duration of the projects included in our backlog range from less than three months to seven years. We cannot assure you that this backlog will be indicative of future results. A number of factors may affect backlog, including:

- the variable size and duration of the projects (some are performed over several years);
- the loss or delay of projects;
- the change in the scope of work during the course of a project; and
- the cancellation of such contracts by our clients.

Also, if clients delay projects, the projects will remain in backlog, but will not generate revenue at the rate originally expected. Accordingly, the historical relationship of backlog to revenues may not be indicative of future results.

We made one acquisition in the first quarter 2010, two acquisitions in the third quarter of 2009, and may engage in future acquisitions, which may be expensive and time consuming, and from which we may not realize anticipated benefits.

On March 25, 2010, the Company acquired substantially all of the assets of privately held

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TranSenda International, LLC (“TranSenda”), headquartered in Bellevue, WA. We acquired the CardioNow unit from AGFA Healthcare and substantially all of the assets of Tourtellotte Solutions, Inc. in the third quarter of 2009 and may acquire additional businesses, technologies and products if we determine that these additional businesses, technologies and products complement our existing business, or otherwise serve our strategic goals. Either as a result of the recent acquisitions or future acquisitions undertaken, the process of integrating the acquired business, technology or product may result in operating difficulties and expenditures, and may absorb significant management attention that would otherwise be available for ongoing development of our business. Moreover, we may never realize the anticipated benefits of any such acquisition. Such acquisitions could result in potentially dilutive issuances of our securities, the incurrence of debt and contingent liabilities and amortization expenses related to intangible assets, all of which could adversely affect our results of operations and financial condition.

Loss of key personnel, or failure to attract and retain additional personnel, may cause the success and growth of our business to suffer.

Future success depends on the personal efforts and abilities of the principal members of our senior management to provide strategic direction, develop business, manage operations and maintain a cohesive and stable environment. Specifically, we are dependent upon Mark L. Weinstein, President and Chief Executive Officer, Ted I. Kaminer, Executive Vice President of Finance and Administration and Chief Financial Officer, David A. Pitler, Executive Vice President, President BioImaging Services, and Peter Benton, Executive Vice President, President eClinical. Although we have employment agreements with Mr. Weinstein, Mr. Kaminer and Mr. Benton, this does not necessarily mean that they will remain with us. Although we have executive retention agreements with our officers, we do not have employment agreements with any other key personnel. Furthermore, our performance also depends on our ability to attract and retain management and qualified professional and technical operating staff. Competition for these skilled personnel is intense. The loss of services of any key executive, or inability to continue to attract and retain qualified staff, could have a material adverse effect on our business, results of operations and financial condition. We do not maintain any key employee insurance on any of our executives.

Our revenues, earnings and operating costs are exposed to exchange rate fluctuations.

During the first quarter of 2010, a portion of our service revenues were denominated in foreign currency. Our financial statements are denominated in United States dollars. In the event a greater portion of our service revenues are denominated in a foreign currency, changes in foreign currency exchange rates could affect our results of operations and financial condition. Fluctuations in foreign currency exchange rates could materially impact the operating costs of our European facilities in Leiden, the Netherlands and Lyon, France, which are primarily Euro denominated. We hedge our foreign currency exposure when and as appropriate to mitigate the adverse impact of fluctuating exchange rates.

We may be required to record additional significant charges to earnings if our goodwill becomes impaired.

Under accounting principles generally accepted in the United States, we review our goodwill for impairment each year as of December 31 and when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of our goodwill may not be recoverable due to factors such as a decline in stock price and market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. Estimates of future cash flows are based on an updated long- term financial outlook of our operations. However, actual performance in the near-term or long-term could be

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materially different from these forecasts, which could impact future estimates. For example, a significant decline in our stock price and/or market capitalization may result in impairment of our goodwill valuation. We may be required to record a charge to earnings in our financial statements during a period in which an impairment of our goodwill is determined to exist, which may negatively impact our results of operations.

We may be unable to adequately protect, and we may incur significant costs in defending, our intellectual property and other proprietary rights.

Our success depends on our ability to protect our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent and unfair competition laws, as well as license agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, non-competition and assignment of inventions agreements. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties might gain access to our proprietary information, develop and market products or services similar to ours or use trademarks similar to ours, each of which could materially harm our business. Existing U.S. federal and state intellectual property laws offer only limited protection. Moreover, the laws of other countries in which we market our software products, services and hosted solutions may afford little or no effective protection of our intellectual property. If we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. The failure to adequately protect our intellectual property and other proprietary rights may have a material adverse effect on our business, results of operations or financial condition.

Risks Related to Our Industry

Our failure to compete effectively in our industry could cause our revenues to decline.

Significant factors in determining whether we will be able to compete successfully include:

- consultative and clinical trials design capabilities;
- reputation for on-time quality performance;
- expertise and experience in specific therapeutic areas;
- the scope of service offerings;
- strength in various geographic markets;
- the price of services;
- ability to acquire, process, analyze and report data in a time-saving and accurate manner;
- ability to manage large-scale clinical trials both domestically and internationally;
- our size; and
- the service and product offerings of our competitors.

If our services are not competitive based on these or other factors, our business, financial condition and results of operations could be materially harmed.

The biopharmaceutical services industry is highly competitive, and we face numerous competitors in our business, including hundreds of CROs. If we fail to compete effectively, we will lose clients, which would cause our business to suffer. We primarily compete against in-house departments of

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pharmaceutical companies, full service CROs, small specialty CROs, and to a lesser extent, universities and teaching hospitals. Some of these competitors have substantially greater capital, technical and other resources than we do. In addition, certain of our competitors that are smaller specialized companies may compete effectively against us because of their concentrated size and focus.

Changes in outsourcing trends in the pharmaceutical and biotechnology industries could adversely affect our operating results and growth rate.

Service revenues depend greatly on the expenditures made by the pharmaceutical and biotechnology industries in research and development. Accordingly, economic factors and industry trends that affect our clients in these industries also affect our business. For example, the practice of many companies in these industries has been to hire outside organizations like us to conduct clinical research projects. This practice has grown significantly in the last decade, and we have benefited from this trend. However, if this trend were to change and companies in these industries were to reduce the number of research and development projects they outsource, our business could be materially adversely affected.

Additionally, numerous governments have undertaken efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with medical care providers and pharmaceutical companies. If future regulatory cost containment efforts limit the profits that can be derived from new drug sales, our clients might reduce their research and development spending, which could reduce our business.

Consolidation among our customers could cause us to lose customers, decrease the market for our products and result in a reduction of our revenues.

Our customer base could decline because of industry consolidation, and we may not be able to expand sales of our products and services to new customers. Consolidation in the pharmaceutical, biotechnology and medical device industries has accelerated in recent years, and we expect this trend to continue. As these industries consolidate, competition to provide products and services to industry participants will become more intense and the importance of establishing relationships with large industry participants will become greater. These industry participants may try to use their market power to negotiate price reductions for our products and services. Also, if consolidation of larger current customers occurs, the combined organization may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on the combined organization's revenues to continue to achieve growth.

The recent economic downturn coupled with the current regulatory environment could have a negative impact on the pharmaceutical, biotechnology and medical device industries.

The recent economic downturn and adverse conditions in the national and global markets may negatively affect our operations in the future. Our revenues are contingent upon the research and development expenditures by pharmaceutical, biotechnology and medical device companies. Some companies in these industries have found it difficult to raise capital in the equity and debt markets or through traditional credit markets to fund research and development. In addition, increased regulatory scrutiny from the FDA may have increased the costs of research and development for these companies. These companies have responded to the recent economic downturn and regulatory environment, by postponing, attenuating or cancelling clinical trials projects, or portions thereof, which may reduce the need for our services. As a result, our revenues may be similarly decreased. Furthermore, while our revenues may decrease, our costs may remain relatively fixed, resulting in decreased earnings.

Failure to comply with existing regulations could result in increased costs to complete clinical trials.

Our business is subject to numerous governmental regulations, primarily relating to pharmaceutical product development and the conduct of clinical trials. In particular, we are subject to 21 CFR Part 11 of the Code of Federal Regulations that provides the criteria for acceptance by the FDA of electronic records. If we fail to comply with these governmental regulations, it could result in the termination of ongoing clinical research or the disqualification of data for submission to regulatory authorities. We also could be barred from providing clinical trial services in the future or be subjected to fines. Any of these consequences would harm our reputation, our prospects for future work and our operating results.

We may be affected by health care reform.

In March 2010, the United States Congress enacted health care reform legislation intended over time to expand health insurance coverage and impose health industry cost containment measures. This legislation may significantly impact the pharmaceutical and biotechnology industries. In addition, the U.S. Congress, various state legislatures and European and Asian governments may consider various types of health care reform in order to control growing health care costs. We are presently uncertain as to the effects of the recently enacted legislation on our business and are unable to predict what legislative proposals will be adopted in the future, if any.

Implementation of health care reform legislation may have certain benefits but also may contain costs that could limit the profits that can be made from the development of new drugs. This could adversely affect research and development expenditures by pharmaceutical and biotechnology companies, which could in turn decrease the business opportunities available to us both in the United States and abroad. In addition, new laws or regulations may create a risk of liability, increase our costs or limit our service offerings.

In addition to healthcare reform legislation, the expansion of managed care organizations in the healthcare market may result in reduced spending on research and development. Managed care organizations' efforts to cut costs by limiting expenditures on pharmaceuticals and medical devices could result in pharmaceutical, biotechnology and medical device companies spending less on research and development. If this were to occur, we would have fewer business opportunities and our revenues could decrease, possibly materially.

Changes in governmental regulation could decrease the need for the services we provide, which would negatively affect our future business opportunities.

Governmental agencies throughout the world, but particularly in the United States, strictly regulate the drug development/approval process. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as relaxation in regulatory requirements or the introduction of simplified drug approval procedures or an increase in regulatory requirements that we may have difficulty satisfying could eliminate or substantially reduce the need for our services. If these changes in regulations were to occur, our business, results of operations and financial condition could be materially adversely affected. These and other changes in regulation could have a material adverse impact on our available business opportunities.

If governmental agencies do not accept the data and analyses generated by our services, the need for our services would be eliminated or substantially reduced.

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The success of our business is dependent upon continued acceptance by the FDA and other regulatory authorities of the data and analyses generated by our services in connection with the evaluation of the safety and efficacy of new drugs and devices. The FDA has formal guidelines that encourage the use of “surrogate measures” through submission of digital image data, for evaluation of drugs to treat life-threatening or debilitating conditions. We cannot assure you that the FDA or other regulatory authorities will accept the data or analyses generated by us in the future and, even assuming acceptance, the FDA or other regulatory authorities may not require the application of imaging techniques to the number of patients and over time periods substantially similar to those required of traditional safety and efficacy techniques. If the governmental agencies do not accept data and analyses generated by our services in connection with the evaluation of new drugs and devices, the need for our services would be eliminated or substantially reduced, and, as a result, our business, results of operations and financial condition could be materially adversely affected.

Our software products and hosted solutions are at varying stages of market acceptance and the failure of any of our products to achieve or maintain wide acceptance would harm our operating results.

We began offering our electronic data capture software solution for clinical trials in March 2008. Continued use of our current electronic data capture software products, and broad and timely acceptance of newly-introduced electronic data capture software products, as well as integrated solutions combining one or more of our software products, is critical to our future success and is subject to a number of significant risks, some of which are outside our control. These risks include:

- our customers’ and prospective customers’ desire for and acceptance of our electronic data capture, clinical data management, drug safety and interactive response technology solutions;
- our ability to meet product development and release schedules;
- our software products and hosted solutions’ ability to support large numbers of users and manage vast amounts of data;
- our ability to significantly expand our internal resources and increase our capital and operating expenses to support the anticipated growth and continued integration of our software products, services and hosted solutions; and
- our customers’ ability to use our software products and hosted solutions, train their employees and successfully deploy our technology in their clinical trial and safety evaluation and monitoring activities.

Our failure to address, mitigate or manage these risks would seriously harm our business, particularly if the failure of any or all of our software products or hosted solutions to achieve market acceptance negatively affects our sales of our other products and services.

We may be exposed to liability claims as a result of our involvement in clinical trials.

We may be exposed to liability claims as a result of our involvement in clinical trials. We cannot assure you that liability claims will not be asserted against us as a result of work performed for our clients. We maintain liability insurance coverage in amounts that we believe are sufficient for the pharmaceutical services industry. Furthermore, we cannot assure you that our clients will agree to indemnify us, or that we will have sufficient insurance to satisfy any such liability claims. If a claim is brought against us and the outcome is unfavorable to us, such outcome could have a material adverse impact on us.

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Risks Related to Our Common Stock

Your percentage ownership and voting power and the price of our common stock may decrease as a result of events that increase the number of our outstanding shares.

As of March 31, 2010, we had the following capital structure (in thousands):

Common stock outstanding	15,149
Common stock issuable upon:	
Exercise of options which are outstanding	1,803
Exercise of options which have not been granted	432
Restricted stock units outstanding	332
Total common stock outstanding assuming exercise or conversion of all of the above	17,716

As of March 31, 2010, we had outstanding options to purchase 1.8 million shares of common stock at exercise prices ranging from \$0.72 to \$8.06 per share (exercisable at a weighted average of \$4.65 per share), of which 1.1 million options were then exercisable. Exercise of our outstanding options into shares of our common stock may significantly and negatively affect the market price for our common stock as well as decrease your percentage ownership and voting power. In addition, we may conduct future offerings of our common stock or other securities with rights to convert the securities into shares of our common stock. As a result of these and other events, such as future acquisitions, that increase the number of our outstanding shares, your percentage ownership and voting power and the price of our common stock may decrease.

Shares of our common stock eligible for public sale may have a negative impact on its market price.

Future sales of shares of our common stock by existing holders of our common stock or by holders of outstanding options, upon the exercise thereof, could have a negative impact on the market price of our common stock. As of March 31, 2010, we had 15.1 million shares of our common stock issued and outstanding, substantially all of which are currently freely tradable. As additional shares of common stock become available for resale in the public market pursuant to registration statements and releases of lock-up agreements, the market supply of shares of common stock will increase, which could also decrease its market price.

We are unable to estimate the number of shares that may be sold because this will depend on the market price for our common stock, the personal circumstances of the sellers and other factors. Any sale of substantial amounts of our common stock or other securities in the open market may adversely affect the market price of our securities and may adversely affect our ability to obtain future financing in the capital markets as well as create a potential market overhang.

There are a limited number of stockholders who have significant control over our common stock, allowing them to have significant influence over the outcome of all matters submitted to our stockholders for approval, which may conflict with our interests and the interests of our other stockholders.

Our directors, officers and principal stockholders (stockholders owning 10% or more of our

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common stock), including Covance Inc., beneficially owned 24% of the outstanding shares of common stock and stock options that could have been converted to common stock at March 31, 2010, and such stockholders will have significant influence over the outcome of all matters submitted to our stockholders for approval, including the election of our directors and other corporate actions. In addition, such influence by these affiliates could have the effect of discouraging others from attempting to take us over, thereby increasing the likelihood that the market price of the common stock will not reflect a premium for control.

Because we do not intend to pay dividends, stockholders will benefit from an investment in our common stock only if it appreciates in value.

We have never declared or paid any cash dividends on our common stock. We currently intend to retain our future earnings, if any, to finance further research and development and do not expect to pay any cash dividends in the foreseeable future. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Trading in our common stock may be volatile, which may result in substantial declines in its market price.

The market price of our common stock has experienced historical volatility and might continue to experience volatility in the future in response to quarter-to-quarter variations in:

- operating results;
- analysts' reports;
- market conditions in the industry;
- changes in governmental regulations; and
- changes in general conditions in the economy or the financial markets.

The overall market (including the market for our common stock) has also experienced significant decreases in value in the past. This volatility and potential market decline could affect the market prices of securities issued by many companies, often for reasons unrelated to their operating performance, and may adversely affect the price of our common stock. Between January 1, 2010 and March 31, 2010, our common stock has traded at a low of \$4.08 per share and a high of \$5.93 per share.

Our common stock began trading on the NASDAQ Global Market, formerly called the NASDAQ National Market, on December 18, 2003 and has a limited trading market. We cannot assure that an active trading market will develop or, if developed, will be maintained. As a result, our stockholders may find it difficult to dispose of shares of our common stock and, as a result, may suffer a loss of all or a substantial portion of their investment.

Certain provisions of our charter and Delaware law could make a takeover difficult and may prevent or frustrate attempts by our stockholders to replace or remove our management team.

We have an authorized class of 3,000,000 shares of undesignated preferred stock, of which 1,250,000 shares were previously issued and converted to common stock. The remaining 1,750,000 shares may be issued by our board of directors, on such terms and with such rights, preferences and designation as the board of directors may determine. Issuance of such preferred stock, depending upon the rights, preferences and designations thereof, may have the effect of delaying, deterring or preventing a change in control of our company. In addition, we are subject to provisions of Delaware corporate law

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which, subject to certain exceptions, will prohibit us from engaging in any “business combination” with a person who, together with affiliates and associates, owns 15% or more of our common stock for a period of three years following the date that the person came to own 15% or more of our common stock, unless the business combination is approved in a prescribed manner. In July 2009, our board of directors also adopted a stockholder rights plan, similar to plans adopted by many other publicly traded companies. The stockholder rights plan is intended to protect stockholders against unsolicited attempts to acquire control of us that do not offer a fair price to our stockholders as determined by our board of directors.

These provisions of our certificate of incorporation, stockholders rights plan and of Delaware law, may have the effect of delaying, deterring or preventing a change in control of our company, may discourage bids for our common stock at a premium over market price and may adversely affect the market price, and the voting and other rights of the holders, of our common stock. In addition, these provisions make it more difficult to replace or remove our current management team in the event our stockholders believe this would be in the best interest of our company and our stockholders.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed and Reserved)

Item 5. Other Information.

On May 5, 2010, we entered into an unsecured, committed line of credit with PNC Bank, expiring May 5, 2012. Under the credit agreement, we have the ability to borrow up to \$7.5 million at interest rates equal to LIBOR plus 1.75%. In addition we pay a fee of 0.25% per annum on the unused line of credit. The credit agreement requires our compliance with certain covenants, including maintaining a minimum stockholders’ equity of \$35 million.

Item 6. Exhibits.

- 4.1 Committed Line of Credit Note dated May 5, 2010, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association.
- 10.1 Loan Agreement dated May 5, 2010, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association.
- 31.1 Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
- 31.2 Certification of principal financial and accounting officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

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- 32.1 Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350 (furnished herewith).
- 32.2 Certification of principal financial and accounting officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350 (furnished herewith).

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, thereunto duly authorized.

BIOCLINICA, INC.

DATE: May 6, 2010

By: /s/ Mark L. Weinstein
Mark L. Weinstein, President and Chief Executive
Officer (Principal Executive Officer)

DATE: May 6, 2010

By: /s/ Ted I. Kaminer
Ted I. Kaminer, Executive Vice President of
Finance and Administration and Chief Financial
Officer (Principal Financial and Accounting
Officer)

Committed Line Of Credit Note



\$7,500,000.00

May 5, 2010

FOR VALUE RECEIVED , BIOCLINICA, INC. and OXFORD BIO-IMAGING RESEARCH, INC. (jointly and severally, individually and collectively, the “**Borrower**”), with an address at 826 Newtown-Yardley Road, Newtown, Pennsylvania 18940, promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), in lawful money of the United States of America in immediately available funds at its offices located at 1600 Market Street, Philadelphia, Pennsylvania 19103, or at such other location as the Bank may designate from time to time, the principal sum of **SEVEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$7,500,000.00)** (the “**Facility**”) or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. Advances. The Borrower may request advances, repay and request additional advances hereunder and request the issuance of letters of credit for the account of the Borrower (the “**Letters of Credit**”) until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as hereinafter defined); provided, however, that the total amount of outstanding Letters of Credit issued hereunder (in the Bank’s sole discretion and subject to documentation reasonably satisfactory to the Bank) shall not exceed \$2,000,000.00. Each payment by the Bank under a Letter of Credit shall in the Bank’s discretion constitute an advance of principal hereunder and shall be evidenced by this Note. (This is not a pre-advice for the issuance of a letter of credit and is not irrevocable.) Unless approved by the Bank, no Letter of Credit shall have an expiry date beyond eighteen (18) months after the Expiration Date. The “**Expiration Date**” shall mean May 4, 2012, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. The Borrower may request advances hereunder upon giving oral or written notice to the Bank by 11:00 a.m. (Pittsburgh, Pennsylvania time) (a) on the day of the proposed advance, in the case of advances to bear interest based upon the Base Rate or under the Daily LIBOR Option (as hereinafter defined) and (b) three (3) Business Days prior to the proposed advance, in the case of advances to bear interest under the LIBOR Option (as hereinafter defined), followed promptly thereafter by the Borrower’s written confirmation to the Bank of any oral notice. The aggregate unpaid principal amount of advances under this Note shall not exceed the face amount of this Note.

2. Rate of Interest. Each advance outstanding under this Note will bear interest at a rate or rates per annum as may be selected by the Borrower from the interest rate options set forth below (each, an “**Option** ”):

(i) **LIBOR Option.** A rate per annum equal to (A) LIBOR plus (B)) the LIBOR Rate Margin set forth on Annex A attached hereto, for the applicable LIBOR Interest Period.

(ii) **Daily LIBOR Option.** A rate per annum equal to (A) the Daily LIBOR Rate plus (B) the LIBOR Rate Margin set forth on Annex A attached hereto. There are no required minimum interest periods for advances bearing interest under the Daily Libor Option.

For purposes hereof, the following terms shall have the following meanings:

“**Base Rate** ” shall mean the highest of (A) the Prime Rate, and (B) the sum of the Federal Funds Open Rate plus fifty (50) basis points (0.50%).

“**Business Day** ” shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Philadelphia, Pennsylvania.

“ **Daily LIBOR Rate** ” shall mean, for any day, the rate per annum determined by the Bank by dividing (x) the Published Rate by (y) a number equal to 1.00 minus the LIBOR Reserve Percentage.

“**Federal Funds Open Rate**” shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bank (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Borrower.

“ **LIBOR** ” shall mean, with respect to any advance to which the LIBOR Option applies for the applicable LIBOR Interest Period, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank’s discretion, to the nearest 1/100th of 1%) (i) the rate of interest determined by the Bank in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the eurodollar rate two (2) Business Days prior to the first day of such LIBOR Interest Period for an amount comparable to such advance and having a borrowing date and a maturity comparable to such LIBOR Interest Period by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage.

“ **LIBOR Interest Period** ” shall mean, as to any advance to which the LIBOR Option applies, the period of one (1), two (2), three (3) or six (6) months as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, commencing on the date of disbursement of an advance (or the date of conversion of an advance to the LIBOR Option, as the case may be) and each successive period selected by the Borrower thereafter; provided that, (i) if a LIBOR Interest Period would end on a day which is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the LIBOR Interest Period shall end on the next preceding Business Day, (ii) the Borrower may not select a LIBOR Interest Period that would end on a day after the Expiration Date, and (iii) any LIBOR Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such LIBOR Interest Period) shall end on the last Business Day of the last calendar month of such LIBOR Interest Period.

“ **LIBOR Reserve Percentage** ” shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities”).

“**Prime Rate**” shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“ **Published Rate** ” shall mean the rate of interest published each Business Day in the Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if

no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication selected by the Bank).

LIBOR and the Daily LIBOR Rate shall be adjusted with respect to any advance on and as of the effective date of any change in the LIBOR Reserve Percentage. The Bank shall give prompt notice to the Borrower of LIBOR or the Daily LIBOR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining the Daily LIBOR Rate or LIBOR, then the Bank shall give notice thereof to the Borrower. Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (a) the availability of the Daily LIBOR Option and the LIBOR Option shall be suspended, (b) the interest rate for all advances then bearing interest under the Daily LIBOR Option shall be converted on the next Business Day to a rate of interest per annum which is at all times equal to the Applicable Base Rate; and (c) the interest rate for all advances bearing interest under the LIBOR Option shall be converted at the expiration of the then current LIBOR Interest Period(s) to the Applicable Base Rate. As used herein, the term “**Applicable Base Rate**” shall mean the Base Rate plus the Base Rate Margin set forth on Annex A attached hereto. If and when the Base Rate (or any component thereof) changes, the Applicable Base Rate will change automatically without notice to the Borrower, effective on the date of any such change. There are no required minimum interest periods for advances bearing interest under the Applicable Base Rate.

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on the Daily LIBOR Rate or LIBOR, the Bank shall notify the Borrower. Upon receipt of such notice, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer apply, (a) the availability of the Daily LIBOR Option and the LIBOR Option shall be suspended, (b) the interest rate on all advances then bearing interest under the Daily LIBOR Option shall be converted on the next Business Day to the Applicable Base Rate, and (c) the interest rate on all advances bearing interest under the LIBOR Option shall be converted to the Applicable Base Rate either (i) on the last day of the then current LIBOR Interest Period(s) if the Bank may lawfully continue to maintain advances based on LIBOR to such day, or (ii) immediately if the Bank may not lawfully continue to maintain advances based on LIBOR.

The foregoing notwithstanding, it is understood that the Borrower may select different Options to apply simultaneously to different portions of the advances and may select up to three (3) different interest periods to apply simultaneously to different portions of the advances bearing interest under the LIBOR Option. Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

3. Interest Rate Election . Subject to the terms and conditions of this Note, at the end of each interest period applicable to any advance, the Borrower may renew the Option applicable to such advance or convert such advance to a different Option; provided that, during any period in which any Event of Default (as hereinafter defined) has occurred and is continuing, (i) any advances bearing interest under the Daily LIBOR Option shall, at the Bank’s sole discretion, be converted on the next Business Day to the Applicable Base Rate, (ii) any advances bearing interest under the LIBOR Option shall, at the Bank’s sole discretion, be converted at the end of the applicable LIBOR Interest Period to the Applicable Base Rate, and (iii) the Daily LIBOR Option and the LIBOR Option will not be available to Borrower with respect to any new advances (or with respect to the conversion or renewal of any existing advances) until such Event of Default has been cured by the Borrower or waived by the Bank. The Borrower shall notify the Bank of each election of an Option, each conversion from one Option to

another, the amount of the advances then outstanding to be allocated to each Option and where relevant the interest periods therefor. In the case of converting to the LIBOR Option, such notice shall be given at least three (3) Business Days prior to the commencement of any LIBOR Interest Period. If no interest period is specified in any such notice for which the resulting advance is to bear interest under the LIBOR Option, the Borrower shall be deemed to have selected a LIBOR Interest Period of one month's duration. If no notice of election, conversion or renewal is timely received by the Bank with respect to any advance, the Borrower shall be deemed to have elected the Daily LIBOR Option. Any such election shall be promptly confirmed in writing by such method as the Bank may require.

4. Advance Procedures. A request for advance made by telephone must be promptly confirmed in writing by such method as the Bank may require. The Borrower authorizes the Bank to accept telephonic requests for advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions who the Bank reasonably believes is so authorized. Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephone requests or making such advances. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, the interest rate and interest period applicable thereto, as well as the date and amount of each payment.

5. Payment Terms. The Borrower shall pay accrued interest on the unpaid principal balance of this Note in arrears: (a) for the portion of advances bearing interest at the Base Rate or under the Daily LIBOR Option, on the first day of each month during the term hereof, (b) for the portion of advances bearing interest under the LIBOR Option, on the last day of the respective LIBOR Interest Period for such advance, (c) if any LIBOR Interest Period is longer than three (3) months, then also on the three (3) month anniversary of such interest period and every three (3) months thereafter, and (d) for all advances, at maturity, whether by acceleration of this Note or otherwise, and after maturity, on demand until paid in full. All outstanding principal and accrued interest hereunder shall be due and payable in full on the Expiration Date.

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State where the Bank's office indicated above is located, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment when due hereunder. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal [in any order the Bank may choose, in its sole discretion].

6. Late Payments; Default Rate. If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the "**Late Charge**"). Such fifteen (15) day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, each advance outstanding under this Note shall bear interest at a rate per annum (based on the actual number of days that principal is outstanding over a year of 360 days) which shall be three percentage points (3%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "**Default Rate**"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

7. Prepayment. The Borrower shall have the right to prepay any advance hereunder at any time and from time to time, in whole or in part; subject, however, to payment of any break funding indemnification amounts owing pursuant to paragraph 8 below.

8. Yield Protection; Break Funding Indemnification. The Borrower shall pay to the Bank on written demand therefor, together with the written evidence of the justification therefor, all direct costs incurred, losses suffered or payments made by Bank by reason of any change in law or regulation or its interpretation imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets. In addition, the Borrower agrees to indemnify the Bank against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part thereof) bearing interest under the LIBOR Option) which the Bank sustains or incurs as a consequence of either (i) the Borrower's failure to make a payment on the due date thereof, (ii) the Borrower's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Bank to request, convert, renew or prepay any advance bearing interest under the LIBOR Option, or (iii) the Borrower's payment or prepayment (whether voluntary, after acceleration of the maturity of this Note or otherwise) or conversion of any advance bearing interest under the LIBOR Option on a day other than the last day of the applicable LIBOR Interest Period. A notice as to any amounts payable pursuant to this paragraph given to the Borrower by the Bank shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Borrower's indemnification obligations hereunder shall survive the payment in full of the advances and all other amounts payable hereunder.

9. Other Loan Documents. This Note is issued in connection with a letter agreement or loan agreement between the Borrower and the Bank, dated on or before the date hereof, and the other agreements and documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the "**Loan Documents**"), and is secured by the property (if any) described in the Loan Documents and by such other collateral as previously may have been or may in the future be granted to the Bank to secure this Note.

10. Events of Default. The occurrence of any of the following events will be deemed to be an "**Event of Default**" under this Note: (i) the nonpayment of any principal, interest or other indebtedness under this Note within five (5) days after the date due; (ii) the occurrence of any event of default or any default and the lapse of any notice or cure period, or any Obligor's failure to observe or perform any covenant or other agreement, under or contained in any Loan Document or any other document now or in the future evidencing or securing any debt, liability or obligation of any Obligor to the Bank and such failure continues for a period of fifteen (15) days; (iii) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within 60 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by any Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank; (v) a default with respect to any other indebtedness of any Obligor for borrowed money in an amount of at least \$500,000, if the effect of such default is to cause or permit the acceleration of such debt; (vi) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (vii) the entry of one or more final nonappealable judgments, with all remedies exhausted, against any Obligor in excess of \$100,000 individually or in the aggregate, and the failure of such Obligor to discharge the judgments within thirty (30) days of the entry thereof; (viii) any material adverse change in Borrower's business, assets, operations, financial condition or results of operations; (ix) Borrower ceases doing business as a going concern; (x) any representation or warranty made by any Obligor to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank is false, erroneous or misleading in any material respect; or (xi) the revocation or attempted revocation, in whole or in part, of any guarantee by any Obligor. As used herein, the term "**Obligor**" means any Borrower and any

guarantor of, or any pledgor, mortgagor or other person or entity providing collateral support for, the Borrower's obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

11. Power to Confess Judgment . The Borrower hereby empowers any attorney of any court of record, after the occurrence of any Event of Default hereunder, to appear for the Borrower and, with or without complaint filed, confess judgment, or a series of judgments, against the Borrower in favor of the Bank or any holder hereof for the entire principal balance of this Note, all accrued interest and all other amounts due hereunder, together with costs of suit and an attorney's commission of the greater of 10% of such principal and interest or \$1,000 added as a reasonable attorney's fee, and for doing so, this Note or a copy verified by affidavit shall be a sufficient warrant. The Borrower hereby forever waives and releases all errors in said proceedings and all rights of appeal and all relief from any and all appraisal, stay or exemption laws of any state now in force or hereafter enacted. Interest on any such judgment shall accrue at the Default Rate.

No single exercise of the foregoing power to confess judgment, or a series of judgments, shall be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable, or void, but the power shall continue undiminished and it may be exercised from time to time as often as the Bank shall elect until such time as the Bank shall have received payment in full of the debt, interest and costs. Notwithstanding the attorney's commission provided for in the preceding paragraph (which is included in the warrant for purposes of establishing a sum certain), the amount of attorneys' fees that the Bank may recover from the Borrower shall not exceed the actual attorneys' fees incurred by the Bank.

12. Right of Setoff . In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

13. Indemnity . The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all reasonable expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to

in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

14. Miscellaneous. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

15. WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Borrower acknowledges that it has read and understood all the provisions of this Note, including the confession of judgment and the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

WITNESS / ATTEST:

/s/ Stephanie F. Later
Print Name: Stephanie F. Later
Title: Executive Assistant

/s/ Ted I. Kaminer
Ted I. Kaminer, Vice President

BIOCLINICA, INC.

By: /s/ Mark L. Weinstein
Print Name: Mark L. Weinstein
Title: President & CEO

OXFORD BIO-IMAGING RESEARCH, INC.

By: /s/ Maria Kraus
Maria Kraus, Assistant Secretary

ANNEX 1
PRICING GRID

<u>Level</u>	<u>Ratio of Total Debt to EBITDA</u>	<u>LIBOR Rate Margin and Letter of Credit Fee</u>	<u>Base Rate Margin</u>	<u>Unused Fee on Line of Credit</u>
I	Less than or equal to 1.0 to 1	175 basis points (1.75%)	75 basis points (0.75%)	25 basis points
II	Greater than 1.0 to 1 but less than or equal to 2.0 to 1	200 basis points (2.0%)	100 basis points (1.0%)	35 basis points

Ratio of Total Debt to EBITDA shall be defined as set forth in the Letter Agreement dated the date of this Note between Bank and Borrower, as amended.

Adjustments, if any, to the interest rate resulting from a change in the Ratio of Total Debt to EBITDA shall be effective within five (5) Business Days after the Bank has received a compliance certificate (the "Compliance Certificate"). In the event that no Compliance Certificate has been delivered for a fiscal quarter prior to the last date on which it can be delivered without violation of Section A(1)(c) of Exhibit A to the Letter Agreement, the interest rate from such date until such Compliance Certificate is actually delivered shall be that applicable under Level II. In the event that the actual Ratio of Total Debt to EBITDA for any fiscal quarter is subsequently determined to be greater than or less than that set forth in the Compliance Certificate for such fiscal quarter, the interest rate shall be recalculated for the applicable period based upon such actual Ratio of Total Debt to EBITDA. Any additional interest on the advances under the Line of Credit resulting from the operation of the preceding sentence shall be payable by the Borrower to the Bank within five (5) business days after receipt of a written demand therefor from the Bank.

PNC Bank, National Association
1600 Market Street
Philadelphia, Pennsylvania 19103

May 5, 2010

BIOCLINICA, INC.
OXFORD BIO-IMAGING RESEARCH, INC.
826 Newtown-Yardley Road
Newtown, Pennsylvania 18940
Attn: Ms. Maria Kraus and Mr. Ted Kaminer

Re: \$7,500,000 Committed Line of Credit

Dear Ms. Kraus and Mr. Kaminer:

We are pleased to inform you that PNC Bank, National Association (the **"Bank"**), has approved your request for a committed line of credit to BIOCLINICA, INC. and OXFORD BIO-IMAGING RESEARCH, INC. (jointly and severally, individually and collectively, the **"Borrower"**). We look forward to this opportunity to help you meet the financing needs of your business. All the details regarding your line of credit are outlined in the following sections of this letter.

1. Facility and Use of Proceeds. This is a committed revolving line of credit under which the Borrower may request and the Bank, subject to the terms and conditions of this letter, will make advances to the Borrower from time to time until the Expiration Date, in an amount in the aggregate at any time outstanding not to exceed \$7,500,000.00 (the **"Line of Credit"** or the **"Loan"**). The **"Expiration Date"** means May 4, 2012, or such later date as may be designated by the Bank by written notice to the Borrower. Advances under the Line of Credit will be used for working capital or other general business purposes of the Borrower, and, subject to the provisions of this Letter Agreement, for letters of credit and for acquisitions. Voluntary reductions of the commitment under the Line of Credit by the Borrower must be in minimum amounts of \$500,000.00.

The Borrower may request that the Bank, in lieu of cash advances, issue standby letters of credit (individually, a **"Letter of Credit"** and collectively the **"Letters of Credit"**) under the Line of Credit having expiration dates not later than eighteen (18) months after the Expiration Date, in the face amount in the aggregate at any time outstanding not to exceed \$2,000,000.00; provided, however, that after giving effect to the face amount of such Letter of Credit, the sum of the aggregate outstanding advances under the Loan and the aggregate face amount of all Letters of Credit issued and outstanding shall not exceed the Loan. The availability of advances under the Line of Credit shall be reduced by the face amount of each Letter of Credit issued and outstanding (whether or not drawn). Each payment by the Bank under a Letter of Credit shall in the Bank's discretion constitute an advance of principal under the Line of Credit and shall be evidenced by the Note (as defined below). The Letters of Credit shall be governed by the terms of this letter and by one or more reimbursement agreements, in form and content satisfactory to the Bank, executed by the Borrower in favor of the Bank (collectively, the **"Reimbursement Agreement"**). Each request for the issuance of a Letter of Credit must be accompanied by the Borrower's execution of an application on the Bank's standard forms (each, an **"Application"**), together with all supporting documentation. Each Letter of Credit will be issued in the Bank's sole discretion and in a form reasonably acceptable to the Bank. Borrower shall pay: (i) a Letter of Credit Fee in the annual amount set forth on Annex 1 attached hereto, payable quarterly, in arrears, on the

daily average aggregate face amount of the Letters of Credit; and (ii) the Bank's other fees, commissions and expenses incurred in connection with the issuance and administration of each Letter of Credit as are customarily charged from time to time by the Bank. This letter is not a pre-advice for the issuance of a letter of credit and is not irrevocable.

2. Note. The obligation of the Borrower to repay advances under the Line of Credit shall be evidenced by a promissory note (the "Note") in form and content satisfactory to the Bank.

This letter (the "Letter Agreement"), the Note and the other agreements and documents executed and/or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, will constitute the "Loan Documents." Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Documents.

3. Interest Rate. Interest on the unpaid balance of the Line of Credit advances will be charged at the rates, and be payable on the dates and times, set forth in the Note.

4. Repayment. Subject to the terms and conditions of this Letter Agreement, the Borrower may borrow, repay and reborrow under the Line of Credit until the Expiration Date, on which date the outstanding principal balance and any accrued but unpaid interest shall be due and payable. Interest will be due and payable as set forth in the Note, and will be computed on the basis of a year of 360 days and paid on the actual number of days that principal is outstanding.

5. Security. The Borrower must cause or has previously caused the following to be executed and delivered to the Bank in form and content satisfactory to the Bank as security for the Loan:

(a) guaranty and suretyship agreements, under which RED OAK RESEARCH, INC. and BIOCLINICA ACQUISITION, INC. (individually or collectively, the "Guarantor") will unconditionally jointly and severally guarantee the due and punctual payment of all indebtedness owed to the Bank by the Borrower.

The Loan will be cross-defaulted with all other present and future Obligations (as defined in the Loan Documents) of the Borrower to the Bank.

6. Covenants. Unless compliance is waived in writing by the Bank, until payment in full of the Loan and termination of the commitment for the Line of Credit:

(a) The Borrower will promptly submit to the Bank such information as the Bank may reasonably request relating to the Borrower's affairs

(b) Neither the Borrower nor the Guarantor will make or permit: (i) any material change in its form of organization or the nature of its business as carried on as of the date of this Letter Agreement; or (ii) any change in stock ownership such that one person or entity, together with their affiliates, owns thirty percent (30%) or more of the equity interests in BioClinica, Inc.

(c) The Borrower will notify the Bank in writing of the occurrence of any Event of Default or an act or condition which, with the passage of time, the giving of notice or both might become an Event of Default.

(d) The Borrower will comply with the financial and other covenants included in Exhibit "A" hereto.

7. Representations and Warranties. To induce the Bank to extend the Loan and upon the making of each advance to the Borrower or issuing any Letter of Credit under the Line of Credit, the Borrower represents and warrants as follows:

(a) The Borrower's latest Financial Statements provided to the Bank are true, complete and accurate in all material respects and fairly present in all material respects the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise, and the results of the Borrower's operations for the period specified therein. The Borrower's Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied from period to period subject, in the case of interim statements, to normal year-end adjustments. Since the date of the latest Financial Statements provided to the Bank, the Borrower has not suffered any damage, destruction or loss which has materially adversely affected its business, assets, operations, financial condition or results of operations (“ **Material Adverse Change** ”).

(b) There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against the Borrower which could result in a Material Adverse Change, and there is no basis known to the Borrower or its officers or directors for any such action, suit, proceedings or investigation.

(c) The Borrower has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon the Borrower or its property, including unemployment, social security and similar taxes and all of such taxes that are due and payable have been either paid when due and payable or pursuant to validly filed extension, or adequate reserve or other provision has been made therefor.

(d) The Borrower is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing, except where failure to be so qualified could not reasonably be expected to have a material adverse effect on Borrower's business, assets, operations, financial condition or results of operations (“ **Material Adverse Effect** ”).

(e) The Borrower has full power and authority to enter into the transactions provided for in this Letter Agreement and has been duly authorized to do so by all necessary and appropriate action and when executed and delivered by the Borrower, this Letter Agreement and the other Loan Documents will constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

(f) There does not exist any default or violation by the Borrower of or under any of the material terms, conditions or obligations of: (i) its organizational documents; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound; or (iii) any law, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon the Borrower by any law or by any governmental authority, court or agency.

8. Fees. On the date of the Note, the Borrower shall pay to the Bank a fee of \$18,750.00. In addition, beginning on the first day of the quarter after the date of the Note and continuing on the first day of each quarter thereafter until the Expiration Date, the Borrower shall pay a Commitment/Unused Fee to the Bank

on, in arrears, at the rate per annum set forth on Annex 1 attached hereto on the average daily balance of the Line of Credit which is undisbursed and uncanceled during the preceding quarter. The commitment fee shall be computed on the basis of a year of 360 days and paid on the actual number of days elapsed.

9. Expenses. The Borrower will reimburse the Bank for the Bank's reasonable and documented out-of-pocket expenses incurred or to be incurred at any time in conducting UCC, title and other public record searches. The Borrower shall also reimburse the Bank for the Bank's reasonable and documented expenses (including the reasonable fees and expenses of the Bank's outside and in-house counsel) in documenting and closing this transaction, in connection with any amendments, modifications or renewals of the Loan, and in connection with the collection of all of the Borrower's Obligations to the Bank, including but not limited to enforcement actions relating to the Loan.

10. Depository. The Borrower will establish and maintain at the Bank the Borrower's primary depository accounts.

11. Conditions to the Loan. In connection with entering into the Loan, the Borrower shall provide the Bank with the following executed documents:

- (a) the Note;
- (b) the Reimbursement Agreements for each of BioClinica, Inc. and Oxford Bio-Imaging Research, Inc.;
- (c) the Guaranty and Suretyship Agreements for each of Red Oak Research, Inc. and BioClinica Acquisition, Inc.;
- (d) an opinion of counsel to the Borrower and the Guarantor addressing such matters relating to the Borrower and the Guarantor and this transaction as the Bank may reasonably request;
- (e) Insurance Certificates, indicating the Bank as Lender Loss Payee or Additional Insured, as applicable;
- (f) Good Standing Certificates for each of BioClinica, Inc., Oxford Bio-Imaging Research, Inc., Red Oak Research, Inc. and BioClinica Acquisition, Inc. (collectively, the "BioClinica Entities");
- (g) Resolutions for Extension of Credit from each BioClinica Entity;
- (h) A secretary's certificate for each BioClinica Entity certifying to the certificate of incorporation, bylaws, resolutions of such BioClinica Entity and providing an incumbency certificate; and
- (i) Proof of opening a disbursement account.

12. Conditions to Each Advance. The Bank's obligations to make any advance or to issue any Letter of Credit under the Line of Credit shall be subject to the following conditions precedent:

- (a) the Borrower shall provide the Bank with a request for such advance or an Application for such Letter of Credit, as applicable, in form and content satisfactory to the Bank;
 - (b) no Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof;
-

(c) no default with respect to any other indebtedness of the Borrower if the effect of such default is to cause or permit the acceleration of such debt;

(d) no Material Adverse Change shall have occurred; and

(e) neither Red Oak Research, Inc. nor BioClinica Acquisition, Inc. shall have ceased doing business as a going concern.

The Bank will not be obligated to make any advance or to issue any Letter of Credit under the Line of Credit if any Event of Default or event which with the passage of time, provision of notice or both would constitute an Event of Default shall have occurred and be continuing.

13. Miscellaneous. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party’s address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph.

This Letter Agreement is governed by the laws of the Commonwealth of Pennsylvania. No modification, amendment or waiver of any of the terms of this Letter Agreement, nor any consent to any departure by the Borrower therefrom, will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. This Letter Agreement and the other Loan Documents will constitute the entire agreement between the Bank and the Borrower concerning the Loan, and shall replace all prior understandings, statements, negotiations and written materials relating to the Loan.

The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and the Guarantor, as a result of this Letter Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of proceeds of the Loan.

THE BORROWER AND THE BANK IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING OUT OF THIS LETTER AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED IN ANY OF SUCH DOCUMENTS AND ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

This Letter Agreement (as the same may be amended from time to time) shall survive the closing and will serve as our loan agreement throughout the term of the Loan.

Thank you for giving PNC Bank this opportunity to work with your business. We look forward to other ways in which we may be of service to your business or to you personally.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: /s/ John Barth
John Barth, Vice President

ACCEPTANCE

With the intent to be legally bound hereby, the above terms and conditions are hereby agreed to and accepted as of this 5th day of May, 2010.

BORROWER:

BIOCLINICA, INC.

By: /s/ Mark L. Weinstein (SEAL)
Print Name: Mark L. Weinstein
Title: President and CEO

OXFORD BIO-IMAGING RESEARCH, INC.

By: /s/ Ted I. Kaminer (SEAL)
Ted I. Kaminer, Vice President

By: /s/ Maria Kraus
Maria Kraus, Assistant Secretary

GUARANTOR:

RED OAK RESEARCH, INC.

By: /s/ Ted I. Kaminer (SEAL)
Print Name: Ted I. Kaminer
Title: Treasurer

BIOCLINICA ACQUISITION, INC.

By: /s/ Ted I. Kaminer (SEAL)
Print Name: Ted I. Kaminer
Title: V.P. & Secretary

EXHIBIT A
TO LETTER AGREEMENT
BIOCLINICA, INC. and OXFORD BIO-IMAGING RESEARCH, INC.
DATED MAY 5, 2010

A. FINANCIAL REPORTING COVENANTS:

(1) The Borrower will deliver to the Bank:

(a) Borrower's Annual Report to Shareholders and Annual Report on Form 10-K within 120 days after the fiscal year end.

(b) Borrower's quarterly report on Form 10-Q for each of the first three (3) fiscal quarters of each fiscal year, within 45 days after the quarter end.

(c) With each delivery of Financial Statements, a certificate of the Borrower's Chief Executive Officer, President, or Chief Financial Officer as to the Borrower's compliance with the financial covenants set forth below, if any, for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take. This certificate shall set forth all detailed calculations necessary to demonstrate such compliance.

(2) The Borrower will deliver to the Bank, upon request, quarterly and annual budgets for Borrower's operations.

"Financial Statements" means the consolidated and consolidating balance sheet and statements of income and cash flows prepared in accordance with generally accepted accounting principles in effect from time to time (**"GAAP"**) applied on a consistent basis (subject in the case of interim statements to normal year-end adjustments).

B. FINANCIAL COVENANTS:

(1) The Borrower will maintain at all times a ratio of Total Debt (as of the end of the quarter) to EBITDA (measured for the trailing twelve (12) months as of the end of the quarter for the previous four (4) quarters) of less than or equal to 2.0 to 1, to be tested quarterly.

(2) The Borrower will maintain an Interest Coverage Ratio of greater than 4.0 to 1, to be tested quarterly.

(3) The Borrower will maintain at all times a minimum stockholders' equity of \$35,000,000.00, to be tested quarterly.

As used herein:

"EBITDA" means net income plus interest expense plus income tax expense plus depreciation plus amortization plus any non cash stock based compensation plus any non cash expenses relating to earnout liabilities less any non cash income related to earnout liabilities plus other non recurring non-cash losses or expenses included in consolidated net income less other nonrecurring non-cash gains or income included in consolidated net income plus any incurred one time costs associated with completed acquisitions not to exceed the greater amount of \$500,000 or 10% of the acquisition price.

“**Interest Coverage Ratio**” means EBITDA less capital expenditures in excess of \$3,000,000.00; divided by total interest expenses.

“**Total Debt**” is defined as the Borrower’s consolidated long and short term indebtedness for borrowed money, capital leases, letters of credit and guarantees.

All of the above financial covenants shall be computed and determined based upon the consolidated financial results of the Borrower and its subsidiaries, in accordance with GAAP applied on a consistent basis (subject to normal year-end adjustments).

C. NEGATIVE COVENANTS:

(1) The Borrower will not create, assume, incur or suffer to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property under conditional sales or other title retention agreements; provided, however, that the foregoing restrictions shall not prevent the Borrower from:

(a) incurring liens for taxes, assessments or governmental charges or levies which shall not at the time be due and payable or can thereafter be paid without penalty or are being contested in good faith by appropriate proceedings diligently conducted and with respect to which Borrower has created adequate reserves;

(b) making pledges or deposits to secure obligations under workers’ compensation laws or similar legislation;

(c) granting liens or security interests in favor of the Bank;

(d) incurring judgment liens arising solely as result of the existence of judgments that do not constitute Events of Default under the Note;

(e) incurring liens to secure the interests of lessors under operating leases or licensors under license agreements entered into in the ordinary course of business, in an aggregate amount outstanding not to exceed \$200,000 at any time (the restriction in this Section (C)(1)(e) shall not apply to real estate leases);

(f) suffering liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business;

(g) incurring liens in connection with any license of patents, trademarks, copyrights or other intellectual property rights in the ordinary course of business as conducted prior to the date of this Letter Agreement;

(h) suffering the rights of setoff or bankers’ liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business;

(i) suffering liens with respect to any real property, easements, rights of way and zoning restrictions that do not materially interfere with or impair the use or operation thereof;

(j) granting purchase money security interests in personal property of the Borrower existing or created when such property is acquired, leased or rented, provided that the principal amount of the indebtedness secured by each such security interest does not exceed the purchase price or lease or rental price of the related property, and provided the aggregate amount outstanding at any time does not exceed \$500,000; or

(k) incurring any other liens with the prior written consent of Bank.

(2) The Borrower will not create, incur, guarantee, endorse (except endorsements in the course of collection), assume or suffer to exist any indebtedness, except:

(a) indebtedness to the Bank;

(b) open account trade debt incurred in the ordinary course of business and not past due;

(c) any indebtedness associated with the permitted liens set forth in (1) above; or

(d) any other indebtedness incurred with the prior written consent of Bank.

(3) The Borrower will not liquidate, or dissolve, or merge or consolidate with any person, firm, corporation or other entity, or sell, lease, transfer or otherwise dispose of all or any substantial part of its property or assets, whether now owned or hereafter acquired.

(4) The Borrower will not make acquisitions of all or substantially all of the property or assets of any person, firm, corporation or other entity, unless, on a pro forma basis: (i) Borrower remains in compliance with all financial covenants contained in Section B of this Exhibit A; and (ii) the Borrower's ratio of Total Debt (as of the end of the quarter) to EBITDA (measured for the trailing twelve (12) months as of the end of the quarter for the previous four (4) quarters) is less than or equal to 1.5 to 1, including any debt utilized for the acquisition, and including any EBITDA of the target, either positive or negative; provided, however, if the EBITDA of the target is greater than \$1,000,000, then a Bank approved quality of earnings report will be required.

(5) The Borrower will not make or have outstanding any loans or advances to or otherwise extend credit to any person, firm, corporation or other entity, other than loans or advances between BioClinica, Inc., Oxford Bio-Imaging Research, Inc., Red Oak Research, Inc. and BioClinica Acquisition, Inc., except in the ordinary course of business, without Bank's prior written consent.

(6) The Borrower shall not grant a negative pledge in favor of any third party covering any assets of the Borrower.

ANNEX 1
PRICING GRID

Level	Ratio of Total Debt to EBITDA	LIBOR Rate Margin and Letter of Credit Fee	Base Rate Margin	Unused Fee on Line of Credit
I	Less than or equal to 1.0 to 1	175 basis points (1.75%)	75 basis points (0.75%)	25 basis points
II	Greater than 1.0 to 1 but less than or equal to 2.0 to 1	200 basis points (2.0%)	100 basis points (1.0%)	35 basis points

Adjustments, if any, to the interest rate resulting from a change in the Ratio of Total Debt to EBITDA shall be effective within five (5) Business Days after the Bank has received a compliance certificate (the "Compliance Certificate"). In the event that no Compliance Certificate has been delivered for a fiscal quarter prior to the last date on which it can be delivered without violation of Section A(1)(c) of Exhibit A to the Letter Agreement, the interest rate from such date until such Compliance Certificate is actually delivered shall be that applicable under Level II. In the event that the actual Ratio of Total Debt to EBITDA for any fiscal quarter is subsequently determined to be greater than or less than that set forth in the Compliance Certificate for such fiscal quarter, the interest rate shall be recalculated for the applicable period based upon such actual Ratio of Total Debt to EBITDA. Any additional interest on the advances under the Line of Credit resulting from the operation of the preceding sentence shall be payable by the Borrower to the Bank within five (5) business days after receipt of a written demand therefor from the Bank.

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark L. Weinstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BioClinica, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) 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
 - d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Dated: May 6, 2010

/s/ Mark L. Weinstein

Mark L. Weinstein
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ted I. Kaminer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BioClinica, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) 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
 - d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Dated: May 6, 2010

/s/Ted I. Kaminer

Ted I. Kaminer
Executive Vice President of Finance and
Administration and Chief Financial Officer (Principal
Financial and Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of BioClinica, Inc. (the "Company") for the quarter ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Mark L. Weinstein, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioClinica, Inc.

Dated: May 6, 2010

/s/ Mark L. Weinstein*
Mark L. Weinstein, President and Chief
Executive Officer
(Principal Executive Officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of BioClinica, Inc. (the "Company") for the quarter ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Ted I. Kaminer, Executive Vice President of Finance and Administration and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BioClinica, Inc.

Dated: May 6, 2010

/s/ Ted I. Kaminer*

Ted I. Kaminer, Executive Vice President of Finance
and Administration and Chief Financial Officer
(Principal Financial and Accounting Officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.