

InfuSystem Holdings, Inc
Form DEFA14A
February 13, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

InfuSystem Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

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(3) Filing Party:

(4) Date Filed:

NYSE Amex: INFU
InfuSystem Holdings, Inc.

Safe Harbor Statement

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that are not historical facts. Such forward-looking statements, based upon the current beliefs and expectations of InfuSystem's management, are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: dependence on our Medicare Supplier Number;

changes
in
third
party
reimbursement
rates;
availability
of
chemotherapy
drugs
in
our
infusion
pump
systems; physicians

use of infusion pump therapy over oral medications; our growth strategy, including entry into new fields of infusion-based therapy and potential acquisitions and strategic alliances; the current global financial crisis; industry competition; dependence upon our suppliers; and general economic conditions, as well as other relevant risks detailed in InfuSystem's filings with the SEC. The information set forth herein should be read in light of such risks. InfuSystem does not assume any obligation to update information contained in this presentation.

Definitive Proxy Statement

In connection with the solicitation of agent designation revocations, InfuSystem Holdings, Inc. has filed a definitive proxy statement with the Securities

and
Exchange
Commission
(the
SEC).

STOCKHOLDERS
ARE

URGED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER RELEVANT MATERIALS WHEN THEY BECOME
AVAILABLE
BECAUSE
THEY
CONTAIN
IMPORTANT
INFORMATION.

InfuSystem

and
its
directors
and
executive
officers

may
be
deemed
to
be
participants
in
the
solicitation
of
agent
designation
revocations.

Stockholders

may obtain additional information regarding such participants and their interests from the definitive proxy
statement

and
from
InfuSystem's
periodic
reports
filed
with
the
SEC.

The
periodic
reports
and

definitive

proxy

statement are available, and other relevant documents will be available, at no charge at the web site of the SEC. at

www.sec.gov.

Investment Highlights

Leading provider of infusion pumps and related services

Listed on NYSE Amex

Large, growing and highly fragmented market

Multiple growth opportunities

Meaningful
cross-selling
opportunity

from
large
volume
pump
and
biomedical
repair
divisions
Strategic acquisitions of complementary infusion products and services
Favorable reimbursement position
~200 million lives covered
>200 managed care contracts
Targeting overall growth of 15% to 20% (organic w/acquisitions)
17 consecutive quarters of year-over-year revenue growth
Increased
revenues
by
54%
from
the
12
months
ended
Dec.
31,
2008
to
the
12
months
ended
Dec.
31,
2011
EBITDA margin of approximately 25%+ for the trailing twelve quarters
Strong operating cash flow

Key Investment Considerations
Leading Market Position
Comprehensive Service and Product Offering
Compelling Value Proposition
Diversified Base of Customers and Payors
Proven Acquisition Track Record
Attractive Industry Dynamics
Sustainable Cash Flow Generation

Conservative Capital Structure
Multiple Growth Opportunities
Strong and Experienced Senior Management Team

InfuSystem Overview
Infusion Pump Provider
Ambulatory pumps
Large volume pumps
Biomedical repair
Business model
Third party reimbursement
Direct sales

Target markets
Alternate site centers
Small hospitals
Patients
Oncology clinics
Home care / Home infusion
Skilled nursing facilities
Pain centers

Integrated Approach to Infusion

The combined businesses provide a full-service infusion solution

Third party reimbursement and direct sales

Ambulatory and non-ambulatory pumps

Repair and service

Same point of sale within the oncology office

Core ambulatory pump business continues to see

compelling growth opportunities

Large volume pump division provides significant growth opportunities in our existing and new markets

InfuSystem is a full-service infusion provider

Favorable Industry Dynamics
Increasing Outsourcing
of Non-Core Activities
Growing Demand for
Infusion Therapy
Strong Growth in Home
Health Spending
Increasing Demand for

Health Care Services

\$1,378
\$4,638
\$0
\$500
\$1,000
\$1,500
\$2,000
\$2,500

\$3,000
\$3,500
\$4,000
\$4,500
\$5,000
2000
2005
2010
2015
2020

Increasing Demand for Health Care Services

National Health Expenditures

In 2009, the U.S. spent \$2.5 trillion on healthcare, or 18% of total GDP

Growth in U.S. national health expenditures has significantly outpaced the overall economy

Major drivers behind this increase include:

introduction of medical technology, an aging population, and change in lifestyle

U.S. national health expenditures are expected to increase to \$4.6 trillion by 2020, a 6.3%

CAGR since 2000

(\$ in billions)

Source: Centers for Medicare & Medicaid Services

Strong Growth in Home Health Spending

The Home Health sector represented an estimated \$68.3 billion of revenue in 2009
Home Health is the lowest-cost clinical setting for patients, especially those with a chronic illness or following an inpatient stay
Favorable industry drivers such as an aging population, cost effectiveness and patient

preference for home care will continue to drive
the industry's growth

U.S. Home Health spending is expected to
increase to \$136 billion by 2020, a 7.4% CAGR
since 2000

\$32
\$136
\$0
\$20
\$40
\$60
\$80
\$100
\$120
\$140
\$160
2000
2005
2010
2015
2020

Home Health Expenditures

(\$ in billions)

Source: Centers for Medicare & Medicaid Services

Growing Demand for Infusion Therapy

Colorectal cancer (CRC) is one of the most prevalent forms of cancer in the United States

The standard of care for the treatment of CRC relies upon continuous chemotherapy infusions delivered via electronic ambulatory infusion pumps

Clinical evidence demonstrates superior outcomes of continuous chemotherapy infusions

Payors recognize the positive outcomes and it is reflected in favorable

reimbursement for clinical services related to the delivery of this care
Since 2000, the approval of a number of chemotherapy protocols tied to infusion
have resulted in significantly improved overall survival rates for CRC patients
Source: Centers for Disease Control and Prevention

Increasing Outsourcing of Non-Core Activities

Hospitals are increasingly outsourcing non-core activities to reduce costs, improve inefficiencies and focus on core high value acute care competencies

Renting of medical equipment provides healthcare providers with greater financial and operating flexibility

Reduces capital expenditures in difficult economic environments

Increases
equipment
utilization
rates
by
allowing
for
short
term
equipment
investments

Limits equipment obsolescence risk

Helps to manage physician preferences

Eliminates maintenance staffing requirements

Ambulatory Oncology Infusion Overview

Leading provider of **ambulatory infusion pumps** for oncologists and their patients with significant market share

Pumps are primarily used for the continuous infusion of chemotherapy drugs to treat colorectal cancer

Provide a complete solution to doctors & patients

Pumps and related disposable supplies

Billing and collections directly from payors

Maintains, cleans & services equipment

Operates 24/7 oncology certified nurse-staffed patient support hotline

Strong, leverageable relationships with 1,400+ oncology clinics

Ambulatory Oncology Infusion Service Model

New Patient prescribed

CI pump by physician

Step 1

CI pump programmed,
drug loaded and therapy
initiated in physician's office

Step 2

Patient wears pump for
infusion regimen
(22-46 hours/treatment)

Step 3

Documentation collected
from physician's office and
claims submitted to payors
by InfuSystem

Step 4*

Pump returned to
InfuSystem for cleaning
and maintenance

Step 5

* Steps 1-4 are repeated for a given patient over their 4-6 month treatment cycle

Ambulatory Pump Financial Profile

Average cost: ~\$1,600 per pump

Average monthly revenue: ~\$300/pump

Pump useful life: 7-10 years

Depreciated over 5 years

Payback: <6 months

Lifetime revenue per pump: \$20,000+

Ambulatory fleet: ~23,000 pumps

Significant return on investment

Ambulatory Payor and Customer Mix

Customers Include

Leading Cancer Institutions:

Total number of customers: 1,400+

Payor Mix

2010

Strong presence with largest payors and cancer treatment centers

CMS: Centers for Medicare and Medicaid Services

Commercial

36%

CMS

37%

BCBS

22%

Patient

5%

Consignment Service Line

Target Market Penetration

InfuSystem measures its market share not in terms of the number of practices, but in the pool of addressable patients

The Company estimates the number of patients with a particular diagnosis code in its 'book of business' to the total number of patients diagnosed with those

cancer types each year

The Company estimates how the other sectors divides what's left based on its own intimate knowledge of the market

The breakdown of the Company's current market share shows that despite being the predominant national player in continuous infusion, there is ample room for organic growth

INFU

20%

Other

DME

10%

Own/

Rent

20%

Home

Infusion

Provider

40%

Other

10%

0%

20%

40%

60%

80%

100%

Market Share

Strengthens relationship with patient
Extensive managed care contracts
Professional service fee
Less capital intensive
Billing provided
Value to Patients
Continuity of care
Reduced side effects

Comfort and convenience

Value to Payors

Lower cost

State of the art patient care

Improved patient outcomes

Compelling Ambulatory Value Proposition

Win-win-win proposition: patients, payors and providers all benefit

Value to Physicians

Large Volume Pump Division

Sells, rents, services and repairs new and pre-owned infusion pumps and other medical equipment

Convenience and flexibility of rentals & leases that don't require capital outlays but eliminate hassle of maintenance/service

Leading provider to alternate site healthcare facilities and hospitals in the United States and Canada

Minimal reimbursement revenue; transacts directly with

healthcare providers

Sells a variety of primary and secondary tubing, cassettes, catheters and other disposable items that are utilized with infusion pumps

World class biomedical repair for pumps, defibrillators, SCD's and most other general medical equipment

Biomedical Repair

In-house pump repair services

Large volume pumps require scheduled maintenance and calibration

Helps strengthen relationship with customers

Provides InfuSystem an opportunity to establish a business relationship with customers that acquired pumps through other

sources

Utilized to maintain and service InfuSystem s
ambulatory pump fleet

Provides one-stop shopping for pumps

Market Opportunity
Source: Company estimates
Ambulatory Oncology
Infusion
Ambulatory infusion
oncology
Significant market share
Competition: home infusion

providers, physician owned
pumps, and independent
providers

Market Opportunity
Ambulatory infusion
oncology
Significant market share
Competition: home infusion
providers, physician owned
pumps, and independent
providers

Source: Company estimates

Oncology Infusion

Large volume pump

division broadens

market to overall

Oncology infusion

Pump sales and rentals

Portfolio of over 70

different pumps

Consumables

Same point of sale within

Oncology clinic

Ambulatory Oncology

Infusion

Market Opportunity
Ambulatory infusion
oncology
Significant market share
Competition: home infusion
providers, physician owned
pumps, and independent
providers

Source: Company estimates

Ambulatory Oncology

Infusion

Oncology Infusion

Large volume pump

division broadens

market to overall

Oncology infusion

Pump sales and rentals

Portfolio of over 70

different pumps

Consumables

Same point of sale within

Oncology clinic

Non-oncology applications

Pain, Nutrition, Hydration

Non-oncology locations

Hospitals

Alternate site facilities

Long-term care

Research facilities

Biomedical repair & service

Routine maintenance

Service repair

Needed in all infusion settings

Potential

3

party

reimbursement model

Infusion

rd

Growth Opportunity: Organic

New Clinic Opportunity

Convert clinics to InfuSystem

~5,000 new clinic opportunities

Cross-selling

Offer biomedical repair & service nationwide to current InfuSystem customers

Rent/sell a portfolio of pumps

Large volume pump division offers over 70

different models of infusion pumps to our clients

Expand large volume pump offering nationwide

Build relationships with First Biomedical Inc. oncology clinics that were not InfuSystem customers

Explore 3

party billing opportunities outside of oncology

Targeting 5% to 8% organic revenue growth

rd

Growth Opportunity: Acquisitions

Acquisition criteria

Leverage current distribution channel

Introduce new products

Expand InfuSystem footprint

InfuSystem has a leverageable nationwide presence

Highly fragmented market

Most competitors are not pure-play CI pump providers

Offer interesting complementary businesses

Targeting

incremental

10%

to

15%

revenue

growth

from

acquisitions

InfuSystem Has the Right Plan in Place to Deliver
Long-Term Value
Company's core vision is to become a significant leader in the
infusion and pre-owned medical equipment markets
Large, growing and highly fragmented market
Multiple growth opportunities to increase revenues
Meaningful
cross-selling

opportunity
from
large
volume
pump
and
biomedical

repair
divisions

Strategic acquisitions of complementary infusion products and services

Targeting overall growth of 15% to 20% (organic w/acquisitions)

while maintaining attractive EBITDA margins

17 consecutive quarters of year-over-year revenue growth

Increased

revenues

by

54%

from

the

12

months

ended

Dec.

31,

2008

to

the

12

months

ended

Dec.

31, 2011

Strong operating cash flow

26

InfuSystem is well positioned for growth through multiple strategic
and organic opportunities

New Leadership Team is Successfully
Executing on the Strategic Plan
The Company's key executives have
only been in their positions for short
periods of time
Sean McDevitt has been Chief
Executive Officer since September
2009

James Froisland has been Chief
Financial Officer since only December
2010

David Haar has been Head of Sales
since only November 2010

There is a clear action plan in place to
continue to capitalize on significant
growth opportunities available

27

Growth YOY

10%

21%

2009

2010

2011

\$54.6

16%

Revenue

\$39.0

\$47.2

Financial Highlights

Financial Snapshot: Annual

Adjusted EBITDA *

AEBITDA Margin

34%

33%

* See our periodic earnings releases, on our website, or the Annex for reconciliation

\$12.1

\$12.9

2008

2009

2010

\$14.0

30%

Growth YOY

10%

21%

2009

2010

2011

\$54.6

16%

Revenue

\$39.0

\$47.2

Financial Snapshot: Quarterly

Revenue

Adjusted EBITDA *

Growth YOY

25%

7%

AEBITDA Margin

28%

27%
25%
19%
29%
4Q11
1Q11
\$3.3
\$3.8
\$4.0
2Q11
3Q11
4Q10
1Q11
\$14.0
\$3.7
2Q11
\$13.0
14%
3Q11
\$14.5

See
our
periodic
earnings
releases,
on
our
website,
or
the
Annex
for
reconciliation

4Q 2011 results are preliminary, unaudited
\$13.1

Balance Sheet Highlights

31

(in thousands)

12/31/2010

9/30/2011

ASSETS

Cash and Cash Equivalents

5,014

433

Total Current Assets

15,289

12,556

Total Assets

130,364

79,492

LIABILITIES

Total Current Liabilities (excl. derivative liabilities)

12,198

10,471

Long-term Debt (incl. current portion)

32,197

30,248

Total Liabilities

45,221

38,771

TOTAL STOCKHOLDERS' EQUITY

85,143

40,721

CAPITAL STRUCTURE

9/30/2011

Common Shares Outstanding (as of Nov. 8, 2011)

21.2 million

Term Debt (both long and short term)

\$25.1 million

Revolver

\$5.0 million (unused balance of \$4.9 million)

Kleinheinz Dissident Group Solicitation

A Special Meeting is Unnecessary & Costly

The Board does not believe that a special meeting serves the interests of InfuSystem stockholders

The Board values input from stockholders and is always open to stockholder input regarding the composition of the Board

The entire Board will be up for election at the 2012 annual meeting of stockholders to be held in the spring

The special meeting has been demanded by a group of dissident

stockholders who have not articulated any plans for InfuSystem
The Kleinheinz Dissident Group has chosen to engage in a disruptive proxy
contest that will inflict significant costs on stockholders

Six of seven Board members are independent

David Dreyer

Timothy Kopra

Pat LaVecchia

Vice Chairman

Jean-Pierre Millon

John Voris

Wayne Yetter

InfuSystem's Board is comprised of seasoned executives,
all of whom are actively engaged in creating value for all stockholders

InfuSystem has a Highly-Qualified and
Independent Board

Sean McDevitt *Chief Executive Officer and Chairman*

All directors have a deep understanding of InfuSystem's business,
significant healthcare industry knowledge and experience as public
company directors

Strong Corporate Governance Profile

Strong, experienced, independent Board

Board is elected annually

Wholly independent Audit, Compensation and Governance &
Nominating committees

Board members own approximately 17.3% of the Company's
outstanding shares, aligning their interests with those of
stockholders

InfuSystem's Board is committed to ensuring that InfuSystem has the right plan and governance structure in place to deliver the most value to stockholders

The Board Values the Input of Our Stockholders

While the Board believes that the Company has the correct strategic plan and leadership in place, it remains open to all ideas designed to enhance stockholder value

The Board and management team, with the assistance of independent financial advisors, regularly undertake a thorough review of strategic alternatives

The Board remains open to all ideas designed to enhance

stockholder value, but the Kleinheinz Dissident Group has refused to share with the Company any ideas for enhancing stockholder value despite several requests

The Kleinheinz Dissident Group owns only 11.4% of the Company, yet is asking for full control of the company without paying a customary control premium

To
date,
the
Kleinheinz
Dissident

Group

has

failed

to

articulate

any

plan

or

proposal to create enhanced value for InfuSystem stockholders

The Kleinheinz Dissident Group's Solicitation Statement also provides no

information as to what actions the group might undertake to improve

stockholder value if it were to gain control of the Board

Rather than engage with the Company constructively, the Kleinheinz

Dissident Group has made baseless allegations that the Board is actively

impeding improvements

without offering any examples of such behavior

The Kleinheinz Dissident Group has Not

Articulated a New Strategy for the Company

If the Kleinheinz Dissident Group were to take control of the Board, there would be several immediate adverse consequences to InfuSystem:

An event of default would occur under the Company's Credit Agreement and would give lenders the right to declare the outstanding principal and accrued interest (\$25.1 as of September 30, 2011) due and payable

The Kleinheinz Dissident Group has categorically stated it believes the lenders would be unlikely to exercise this right, but admits that this assertion is not informed by any discussions with the Company's lenders

InfuSystem's business depends upon its management's deep knowledge of the industry, relationships with third-party payors and the relationships between its sales forces and its customers, and the Board believes InfuSystem may have difficulty retaining key employees

The Kleinheinz Dissident Group has not disclosed any plans for addressing these adverse consequences

The Kleinheinz Dissident Group has Not Addressed Adverse Consequences of Replacing Entire Board

The Kleinheinz Dissident Group Nominees

Not Right for InfuSystem

The Company believes that the Kleinheinz Dissident Group's nominees would fail to enhance the composition of the Board

Five of the seven nominees have no meaningful experience in the healthcare industry

In our view, electing the Kleinheinz Dissident Group nominees could:

Interrupt the ongoing implementation of InfuSystem's

strategic plan;

Disrupt the ongoing strategic alternatives review process;

Reduce the level of relevant experience on the Board; and

Negatively impact stockholder value

Electing the dissident's nominees could interrupt the ongoing implementation of the strategic plan and may negatively impact stockholder value

Do not designate the Kleinheinz Dissident Group as an agent for your shares

do not sign their white agent designation card

The Kleinheinz Dissident Group's nominees have neither the qualifications nor the experience to assist the Board in creating stockholder value

InfuSystem's Board and management have:

Taken extensive measures to position InfuSystem for continued success as

well as to enhance stockholder value

Developed a strategic plan that puts InfuSystem on a trajectory of significant revenue growth in revenue which is already delivering results

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Support your Board's efforts to drive value for ALL stockholders

Sign the BLUE Revocation Card today

Protect Your Investment: Do Not Allow the Kleinheinz

Dissident Group to Take Control of the Board

Annex
InfuSystem Holdings, Inc.

GAAP Reconciliation -
Annual
(in millions)
2008
2009
2010
Net (loss) income
10.0

\$
0.8
\$
(1.9)
\$
Adjustments:
Interest expense
3.8
3.5
3.4
Income tax (benefit) expense
0.9
1.0
(1.4)
Depreciation
3.9
4.1
5.4
Amortization
1.8
1.8
2.2
EBITDA
20.4
\$
11.2
\$
7.7
\$
Adjustments:
Asset impairment charges
(Gain) loss on derivatives
(9.8)
0.1
(0.2)
Stock based compensation
1.5
0.7
5.9
Sales and other incentives
0.2
Acquisition related expenses
1.0
Severance
0.9
0.5
(Gain) on debt extinguishment
(1.1)
Adjusted EBITDA
12.1

\$
12.9
\$
14.0
\$
Adjusted EBITDA Margin
34%
33%
30%

GAAP Reconciliation -
Quarterly
(in millions)
4Q10
1Q11
2Q11
3Q11
Net (loss) income

(2.1)

\$

(0.2)

\$

(27.6)

\$

(16.6)

\$

Adjustments:

Interest expense

0.6

0.5

0.6

0.5

Income tax (benefit) expense

(1.3)

(0.1)

(15.8)

(6.5)

Depreciation

1.5

1.6

1.6

1.7

Amortization

0.6

0.6

0.7

0.7

EBITDA

(0.7)

\$

2.4

\$

(40.5)

\$

(20.2)

\$

Adjustments:

Asset impairment charges

43.7

23.4

(Gain) loss on derivatives

(0.4)

(0.1)

Stock based compensation

4.1

0.3

0.2

0.4

Sales and other incentives
0.2
0.4
0.3
Acquisition related expenses
0.2
0.1
0.4
Severance
0.5
0.1
(Gain) on debt extinguishment
Adjusted EBITDA
3.7
\$
3.3
\$
3.8
\$
4.0
\$
Adjusted EBITDA Margin
28%
25%
29%
27%

InfuSystem Directors

Sean McDevitt (Chief Executive Officer and Chairman of the Board)

Sean McDevitt has served as the Company's Chief Executive Officer since September 2009 and Chairman of the Board of Directors since August 2005. Previously, Mr. McDevitt was a Managing Director of FTN Midwest Securities Corp. from September 2004 to January 2007. In 1999, Mr. McDevitt co-founded Alterity Partners, a boutique investment bank which provided capital markets and merger and acquisition advisory services to high growth companies. Alterity Partners was acquired by FTN Midwest Securities Corp. in September 2004. Mr. McDevitt was formerly a senior investment banker at Goldman Sachs & Company from 1995 through 1999

where

he

led

deal

teams

in

a

variety

of

technology

and

healthcare/biopharmaceutical

transactions,

including

mergers and acquisitions, divestitures and initial public offerings. Prior to Goldman Sachs & Company, Mr. McDevitt worked in sales and marketing at Pfizer Inc. from 1991 until 1994. He was a Captain in the U.S. Army Rangers and was decorated for combat in the Panama invasion. He is a member of the Council on Foreign Relations. Mr. McDevitt received his B.S. in Computer Science and Electrical Engineering from the U.S. Military Academy at West Point and an M.B.A. from Harvard Business School. Mr. McDevitt brings to the Company and the Board of Directors extensive experience as an investment banker, especially dealing with mergers, acquisitions and other transactions in the healthcare industry.

InfuSystem Directors

David Dreyer

David Dreyer has been a member of the Company's Board of Directors since April 2008. Mr. Dreyer has served as Chief Financial Officer and Secretary of Patient Safety Technologies (OTCBB: PSTX), since October 2010.

Previously Mr. Dreyer was Chief Financial Officer of Alphastaff Group, Inc., a human resource outsourcing company,

from

August

2009

to

September

2010.

Mr.

Dreyer

served

as

Chief

Financial

Officer

and

Chief

Accounting Officer of AMN Healthcare Services, Inc. (NYSE: AHS) from September 2004 to August 2009, and

Treasurer from 2006 to August 2009. During Mr. Dreyer's tenure, AMN grew to become the leader in

healthcare staffing for physicians, travel nurses, and allied travel, doubling its revenue to \$1.2 billion in 4 years.

From 1997 through 2004, Mr. Dreyer served as Chief Financial Officer and Chief Accounting Officer of Sicor,

Inc., a manufacturer of complex pharmaceuticals with operations in the United States, Italy, Mexico, Lithuania,

China

and

Switzerland,

which

was

acquired

by

Teva

Pharmaceutical

Limited.

Prior

to

joining

Sicor,

Mr.

Dreyer

served in related senior financial management positions within the pharmaceutical industry, working for Elan

Corporation plc, Athena Neurosciences and Syntex. Mr. Dreyer is a Certified Public Accountant in California.

Mr. Dreyer brings to the Company and the Board of Directors financial expertise from his experience serving as

a Chief Financial Officer of Sicor, Inc., AMN Healthcare Services, Inc. and Alphastaff Group, Inc.

InfuSystem Directors

Timothy Kopra

Timothy Kopra has been a member of the Company's Board of Directors since April 8, 2010. Mr. Kopra began his military service in 1985 and has held a variety of leadership and technical positions as a U.S. Army officer and aviator. After assignments within the U.S. and Germany and deployment to Operations Desert Shield and Desert Storm, Mr. Kopra completed the U.S. Navy Test Pilot School and was designated as an experimental test pilot in 1996. He then served as the developmental test director for the Comanche helicopter program. In July 2000, Mr. Kopra was selected as an astronaut and completed two years of Space Shuttle, Space Station, and T-

38 flight training. Mr. Kopra then served in the Astronaut Office, where his primary focus involved testing crew interfaces

for
International
Space
Station
(ISS)
unpressurized
modules
as
well
as
the
implementation
of
support
computers
and
operational
Local
Area
Network
on
ISS.

Mr.
Kopra
completed
his
first
space
flight
in

2009, logging two months in space and one spacewalk. Mr. Kopra continues to be an employee of the National Aeronautics and Space Administration (NASA). Mr. Kopra received a Bachelor of Science from the United States

Military
Academy
at
West
Point,
a
Master
of
Science
in
Aerospace
Engineering
from
the
Georgia
Institute

of
Technology,
and
a
Master
of
Strategic
Studies
from
the
U.S.
Army
War
College.

Mr.
Kopra
also
expects
to
receive a Masters of Business Administration from Columbia University and the London Business School in
December
2012.

Mr.
Kopra's
science
and
technology
experience
and
backgrounds
are
valuable
to
the
Company.

InfuSystem Directors

Pat LaVecchia (Vice Chairman of the Board)

Pat LaVecchia has been a member of the Company's Board of Directors since September 2005 and has served as Vice Chairman since September 2009. Mr. LaVecchia served as the Company's secretary from September 2005 to November 2007. Mr. LaVecchia has been a founding principal and Managing Partner of LaVecchia Capital LLC, a merchant banking and investment firm, since 2007 and has over 20 years of experience on Wall Street. Mr. LaVecchia has built and run several major Wall Street groups and has extensive expertise in capital markets, including initial public offerings, secondary offerings, raising capital for private companies and PIPEs as well as playing the leading role in numerous

mergers, acquisitions, private placements and high yield transactions. Prior to forming LaVecchia Capital, Mr. LaVecchia ran several groups at major Wall Street firms including: Managing Director and Head of the Private Equity Placement Group at Bear, Stearns & Company (1994 to 1997); Group Head of Global Private Corporate Equity Placements at Credit Suisse First Boston (1997 to 2000); Managing Director and Group Head of the Private Finance and Sponsors Group at Legg Mason Wood Walker, Inc (2001 to 2003); co-founder and Managing Partner of Viant Group (2003-2005) and Managing Director and Head of Capital Markets at FTN Midwest Securities Corp. (2005 to 2007). He was also at Hawk Holdings, a strategic venture capital firm from 2000 until 2001. Mr. LaVecchia received his B.A., magna cum laude (and was elected to Phi Beta

Kappa),
from
Clark
University
and

an
M.B.A.

from
The
Wharton
School
of
the

University of Pennsylvania with a major in Finance and a concentration in Strategic Planning. Mr. LaVecchia also currently serves

as
a
co-chairman
of
Premiere
Opportunities
Group,
Inc.

(PPBL,
OTC)
and

a
board
member
of
Next1

Interactive, Inc. (NXOI, OTC), both of which are development stage companies. Mr. LaVecchia also sits on several advisory boards and non-profit boards and is a member of the NYSE AMEX Listed Company Council. Mr. LaVecchia brings to the Company and the Board of Directors a strong background in capital markets from his experience in investment banking.

InfuSystem Directors

Jean-Pierre Millon

Jean-Pierre Millon has served as a member of the Company's Board of Directors since September 2005. Mr. Millon is a co-founder of BLS, LLC, a consulting and investing entity based in Indianapolis and established in 2002. Mr. Millon served as a consultant to AdvancePCS, successor entity to PCS Health Systems, from October 2000 to June 2002. Until September 2000, Mr. Millon was President and Chief Executive Officer of PCS Health Systems, one of the country's largest pharmacy benefit managers. Prior to joining PCS in 1995, Mr. Millon was an

executive
with
Eli
Lilly
and
Co.,
PCS
former
parent
company.

His
career
with
Lilly,
started
in
1976,
spanned

two decades and was highlighted by leadership positions in the United States, the Orient, Europe and the Caribbean Basin. Most recently, Mr. Millon served as President and General Manager of Lilly Japan, K.K. and Vice President of the Lilly pharmaceutical division in Kobe, Japan from 1992 until 1995. Mr. Millon was an advisory board member with Care Capital LLC, a healthcare venture fund from 2001 through 2003. Mr. Millon also serves on the Board of Directors of CVS/Caremark Corporation (NYSE: CVS), HSI, Inc. and Tummy Inc. Mr. Millon's experience serving on various boards of directors and as an officer of other companies in the healthcare industry is valuable to the Company.

InfuSystem Directors

John Voris

John Voris has been a member of the Company's Board of Directors since September 2005. Mr. Voris served as the Company's Chief Executive Officer from September 2005 until October 2007. From August 2004 to July 2005, Mr. Voris was Chairman of Epocrates, Inc., a software company providing clinical information to healthcare professionals at

the
point
of
care.
Mr.
Voris
retired
from
his
position
at
Epocrates
in
July
2005

and
did not accept another position until becoming the Company's Chief Executive Officer and a member of the
Board
of
Directors
in
September
2005.

He
was
President
and
Chief
Executive
Officer
of
Epocrates
from
June

2000 until July 2004. Prior to Epocrates, Mr. Voris was Executive Vice President of PCS Health Systems from 1995 until 2000. During his tenure at PCS Health Systems, PCS Health Systems was a subsidiary of Eli Lilly from 1994 until 1999 and then of Rite Aid Pharmacies from 1999 until 2000. While at PCS, Mr. Voris had responsibility for all call centers, mail order pharmacies, sales and marketing of PBM services, product development and industry relations. Prior to PCS, Mr. Voris was with Eli Lilly from 1973 until 1995. Mr. Voris was Executive Director of the Infectious Disease Business Unit from 1993 until 1995, where he was responsible for world wide sales and marketing of a large portfolio of existing and development-stage anti-infectives. From 1988 until 1992, Mr. Voris was based in London as Director of Marketing for Europe, Middle East and Africa, where he had responsibility for sales, marketing and

product
development
for
the
entire
portfolio
of

Lilly
pharmaceutical products. Prior to these positions, he held a variety of positions in sales, marketing, market
research
and
business
development.

Mr.
Voris
received
his
M.B.A.
and
B.S.
from
the
Kelley
School
of

Business,
Indiana University. Mr. Voris currently serves as Chairman of the Board of Directors of Regeneris Biomedical.
Mr. Voris
experience serving on various boards of directors and as an officer of other companies in the
healthcare industry is valuable to the Company.

InfuSystem Directors

Wayne Yetter

Wayne Yetter has served a member of the Company's Board of Directors since September 2005. He served as Chief Executive Officer of Verispan, LLC, a healthcare information company founded by Quintiles Transnational Corp. and McKesson Corp, from September 2005 to August 2008. From November 2004 through September 2005, Mr. Yetter served as President and Chief Executive Officer of Odyssey Pharmaceuticals, Inc. to assist Odyssey's parent, PLIVA d.d., implement its strategy to exit the proprietary pharmaceutical business. Mr. Yetter has built and led a variety of multi-million dollar businesses and pharmaceutical operations for some of the

largest companies in the world. After serving in Vietnam, Mr. Yetter began his career in the pharmaceuticals industry in 1970 as a sales representative for Pfizer. From Pfizer, he joined Merck & Co in 1977, where he led the Marketing Operations Group and then became President of the Asia Pacific region before starting the new company, Astra Merck, in 1991 as President and Chief Executive Officer. Under his leadership, Astra Merck's product, Prilosec, grew to be the #1 pharmaceutical product in the United States at the time. Mr. Yetter then joined Novartis Pharmaceuticals in 1997, where he was President and Chief Executive Officer of the United States pharmaceutical business. In 1999, he joined IMS and later led its spinout company, Synavant, where he was Chairman and Chief Executive Officer for three years before Synavant merged with Dendrite International in 2003. He also served as an advisor to Alterity Partners from 2003 until 2004. Mr. Yetter was formerly Chairman of the Board for Transkaryotic Therapies Inc., which was acquired by Shire Pharmaceuticals. Mr. Yetter currently serves on the Board of Directors of EpiCept Corporation (OTCOX: EPCT), Strategic Diagnostics Inc. (NASDAQ: SDIX) and is Chairman of the Board of NuPathe, Inc. (NASDAQ: PATH). Mr. Yetter's experience serving on various boards of directors and as an officer of other companies in the healthcare industry is valuable to the Company.

NYSE Amex: INFU
InfuSystem Holdings, Inc.