

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)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(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](http://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 Regeneron 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.