

I TRAX INC
Form 10-K/A
April 29, 2008

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K/A

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2007
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 Number: 001-31584

I-TRAX, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

23-3057155
(I.R.S. Employer
Identification Number)

4 Hillman Drive, Suite 130, Chadds Ford,
Pennsylvania
(Address of principal executive offices)

19317
(Zip Code)

(610) 459-2405
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange
Act: None

Securities registered under Section 12(g) of the Exchange
Act: Common Stock, \$.001 par value

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities
Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Securities Exchange Act. ☐ Yes ☒ No

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

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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

Large accelerated filer []	Accelerated filer [X]
Non-Accelerated filer []	Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of Securities Exchange Act). [] Yes [X] No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price of the registrant as of June 30, 2007, the last business day of the registrant's most recently completed second fiscal quarter, was \$164,098,567. The number of outstanding shares of the registrant's common stock as of April 24, 2008, was 42,137,068. Documents Incorporated by Reference: None.

PART III

EXPLANATORY NOTE

I-trax, Inc. (“I-trax” or the “Company”) hereby amends its Annual Report on Form 10-K for the fiscal year ended December 31, 2007, originally filed with the Securities and Exchange Commission (the “SEC”) on March 17, 2008, to include the information required to be disclosed by Part III of Form 10-K. The Company previously indicated that such information would be provided in its proxy statement; however, as announced on March 17, 2008, I-trax entered into an Agreement and Plan of Merger, dated as of March 14, 2008, to merge with a subsidiary of Walgreen Co. If the acquisition is consummated, I-trax does not anticipate holding an annual meeting of its stockholders in 2008.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers of the Registrant

The following includes information about the executive officers and members of the Board of Directors (the “Board”) of the Company. The Board consists of nine directors, each of whom serves for a term of one year and until his or her successor is elected and qualified. The number of shares of common stock owned by each director, and by all directors and executive officers as a group, is included under Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.” I trax’s executive officers and their ages as of April 24, 2008 are as follows:

Name	Age	Position
Haywood D. Cochrane, Jr.	59	Vice-Chairman and Director
Raymond J. Fabius, M.D.	54	President, Chief Medical Officer and Director
Philip D. Green	57	Director
Gail F. Lieberman	64	Director
Frank A. Martin	57	Chairman and Director
Gerald D. Mintz	55	Director
David Nash, M.D.	52	Director
Jack A. Smith	72	Director
R. Dixon Thayer	56	Chief Executive Officer and Director
Peter Hotz	47	Executive Vice President and Chief Operating Officer
Bradley S. Wear	50	Senior Vice President and Chief Financial Officer
Yuri Rozenfeld	39	Senior Vice President, General Counsel and Secretary

Haywood D. Cochrane, Jr., has been a director and Vice Chairman of I–trax since March 2004. Mr. Cochrane joined I–trax as a director and Vice Chairman when I–trax acquired Meridian Occupational Healthcare Associates, Inc., which did business as CHD Meridian Healthcare, on March 19, 2004. Mr. Cochrane was the Chief Executive Officer and a director of CHD Meridian Healthcare from February 1997 until it was acquired by I–trax. From June 1989 until joining CHD Meridian Healthcare, Mr. Cochrane served in various executive capacities at Laboratory Corporation of America, National Health Laboratories, Inc. and Allied Clinical Laboratories, Inc.

Raymond J. Fabius, M.D., C.P.E., FACPE has been a director since May 2006 and the President and Chief Medical Officer of I-trax since May 2005. Previously, Dr. Fabius served as global medical leader at General Electric Co., where he oversaw an ambulatory network of over 200 on-site clinics in 29 countries and Puerto Rico. From 2000 to 2002, Dr. Fabius served as senior medical director for Aetna e.Health Activities, providing clinical leadership for Aetna's website, IntelliHealth, and the company's data warehouse subsidiary, US Quality Algorithms. Prior to 2000, Dr. Fabius served Aetna US Healthcare as corporate medical director for national accounts and corporate medical director for utilization management, disease management, and quality improvement.

Philip D. Green has been a director of I-trax since February 2001. Mr. Green is the President, Strategic Business Initiatives, at the University of Pittsburgh Medical Center. From June 2004 to June 30, 2006, Mr. Green served as a partner in the Health Practice at Gardner Carton & Douglas LLP, a leading health law practice firm. Mr. Green was the founding principal of the Washington, D.C. law firm of Green, Stewart, Farber & Anderson, P.C., founded in 1989, until it merged with Akin, Gump, Strauss, Hauer & Feld, LLP in July 2000. While in private practice, Mr. Green represented major teaching hospitals, integrated healthcare delivery systems and a number of public and private for-profit healthcare companies in the areas of healthcare law and corporate planning and transactions. Mr. Green is a director of Allscripts Healthcare Solutions, Inc.

Gail F. Lieberman has been a director of I-trax since August 2004. Ms. Lieberman is managing partner of Rudder Capital LLC, a mergers and acquisitions advisory and consulting firm serving middle market companies in the services sector. She oversees buy-side, sell-side, consulting and recruiting assignments for business information and services, financial, media and consumer companies. From 1996 to 1999, Ms. Lieberman served as chief financial officer of the Financial and Professional Publishing Group, a division of The Thomson Corporation, a public information services company. From 1994 to 1996, Ms. Lieberman was vice president, managing director and chief financial officer of Moody Investor's Services, Inc. In addition, Ms. Lieberman spent 11 years with Scali, McCabe, Sloves, Inc., a global advertising agency, serving as executive vice president and chief financial officer. Ms. Lieberman was a director of Breeze-Eastern Corp. (f/k/a Transtechnology, Inc.) until September 2007 where she continues to advise the Board.

Frank A. Martin has been a director and Chairman of I-trax since September 2000. Mr. Martin also served as the Chief Executive Officer of I-trax from September 2000 until February 2005. In addition to serving as I-trax's Chairman, Mr. Martin is actively engaged in I-trax's strategic business development, stockholder relations and key client relationships. Mr. Martin founded, and has been a managing director of, The Nantucket Group, LLC, a healthcare venture capital firm specializing in investing in early stage healthcare service and technology companies since December 1998. Mr. Martin served as the Chief Executive Officer and director of EduNeering, Inc., an electronic knowledge management company, from April 1999 to April 2000. In November 1992, Mr. Martin founded Physician Dispensing Systems, Inc., or PDS, a healthcare information technology company that developed pharmaceutical software for physicians' offices. Mr. Martin sold PDS to Allscripts Healthcare Solutions, Inc. in December 1996 and then joined its board of directors on which he served until 1998.

Gerald D. Mintz has been a director of I-trax since May 2005. Mr. Mintz is the Chief Executive Officer of PerTrac Financial Solutions, LLC (formerly known as Strategic Financial Solutions, LLC), providing software and information solutions for investment professionals in the asset management industry. Prior to joining PerTrac in September 2005, Mr. Mintz served as President, Executive Programs, for Gartner, Inc., a global leader in IT research and advisory services. From 2002 to 2004, Mr. Mintz served as Executive Vice President and Global Head of Enterprise Solutions for Reuters, a global provider of news and information for the financial services sector. From 1999 to 2002, Mr. Mintz was Chairman and Chief Executive Officer of FAME Information Services, a software and information solutions provider to the financial and energy markets and, prior to that, Mr. Mintz managed several businesses within Thomson Financial, a division of the Thomson Corporation.

David B. Nash, M.D., M.B.A., FACP, has been a director of I-trax since February 2003. He is The Dr. Raymond C. and Doris N. Grandon Professor and Chairman of the Department of Health Policy at Jefferson Medical College of Thomas Jefferson University in Philadelphia. Jefferson is one of a handful of medical schools in the nation with an endowed professorship in health policy. From 1996 to 2003, Dr. Nash served as the first Associate Dean for Health Policy at Jefferson Medical College. Repeatedly named by Modern Healthcare to the top 100 most powerful persons in healthcare list, his national activities include appointment to the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) Advisory Committee on Performance Measurement, the CIGNA Physician Advisory Committee, membership on the Board of Directors of the Disease Management Association of America (DMAA), and Chair of an NQF Technical Advisory Panel — four key national groups focusing on quality measurement and improvement. Dr. Nash is a director of InforMedix, Inc.

Jack A. Smith has been a director since January 2006. Mr. Smith is President of SMAT, Incorporated, a consulting company specializing in consumer services. He has broad experience as an owner and senior executive in the retail industry. Mr. Smith founded The Sports Authority, Inc., a national sporting goods chain, in 1987 where he served as Chief Executive Officer until September 1998 and as Chairman until April 1999. From 1982 until 1987, Mr. Smith served as Chief Operating Officer of Herman's Sporting Goods. Prior to Herman's, Mr. Smith served in executive management positions with other major retailers including Sears & Roebuck, Montgomery Ward, Jefferson Stores, and Diana Shops. Mr. Smith is a director of Darden Restaurants, Inc. and Carrols Restaurant Group, Inc.

R. Dixon Thayer has been a director of I-trax since April 2003 and Chief Executive Officer since February 2005. Mr. Thayer is the founder of ab3 Resources, Inc., a strategic consulting and business development company. Prior to joining I-trax as Chief Executive Officer, Mr. Thayer served as President, Chief Executive Officer and director of GreenLeaf Auto Recyclers, LLC, a company ab3 Resources, Inc. acquired from Ford Motor Company with Cardinal Investment Partners. From 1999 to 2002, Mr. Thayer served as Executive Director and CEO of Global New Business Operations for Ford Motor Company. In this capacity, Mr. Thayer led corporate initiatives to develop, acquire and grow "next generation" aftermarket service businesses to help transform Ford into a global relationship-based consumer products company. From 1998 to 1999, Mr. Thayer served as President of Provant Consulting Companies, where he helped lead the merger and integration of several independent consultancies and training companies into one of the largest publicly traded companies of its type. From 1996 to 1998, Mr. Thayer served as President of Sunbeam's International Division and was an original member of the turnaround team that restructured the company. From 1995 to 1996, Mr. Thayer was a Senior Vice President of AFH Research, Development, Engineering & Global Growth for Kimberly Clark Corporation and was a key architect of the merger and integration of Scott Paper and Kimberly Clark. From 1992 to 1995, Mr. Thayer was Vice President and CEO AFH Europe at Scott Paper Company where he also served as Chief Operating Officer of the European division.

Peter M. Hotz has been the Executive Vice President and Chief Operating Officer since March 3, 2008. From July 2006 until March 2008, Mr. Hotz has served as Senior Vice President — Marketing & Account Development for I-trax. From June 1997 to July 2006, Mr. Hotz served as the President and Chief Executive Officer of Continuum Health Management Solutions, a provider of employee health management services.

Bradley S. Wear has been the Senior Vice President and Chief Financial Officer since September 2007. From 2003 until April 2007, Mr. Wear served as the Chief Financial Officer of Qualifacts Systems, Inc., a provider of software solutions for the behavioral health and human services market. From 1996 until 2003, Mr. Wear served as the Chief Financial Officer of digiChart, Inc., a medical records technology company.

Yuri Rozenfeld has been the General Counsel of I-trax since July 2000, Secretary of I-trax since March 2002 and Senior Vice President since May 2006. From April 1997 to July 2000, Mr. Rozenfeld was an associate in the Business and Finance Group at Ballard Spahr Andrews & Ingersoll, LLP, where he represented small- and mid-cap public companies and venture capital funds in a broad range of corporate matters, including stock and asset acquisitions, mergers, venture capital investments, venture fund formations, partnership and limited liability company matters and securities law matters. From 1995 to April 1997, Mr. Rozenfeld was an associate specializing in product liability litigation with Riker, Danzig, Scherer, Hyland & Perretti LLP.

There are no family relationships among directors and executive officers.

Section 16(a) Beneficial Ownership Reporting Compliance

I trax's board members, executive officers and persons who hold more than 10% of I trax's outstanding common stock are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act, which require them to file reports with respect to their common stock ownership and their transactions in common stock. Based upon the copies of Section 16(a) reports that I trax received from such persons for their 2007 fiscal year transactions in I-trax common stock and their common stock holdings and the written representations received from one or more of these persons that no annual Form 5 reports were required to be filed by them for the 2007 fiscal year, I-trax believes that all reporting requirements under Section 16(a) for such fiscal year were met in a timely manner by I trax's executive officers, board members and greater than 10% stockholders.

Code of Conduct

I-trax has a Code of Conduct that is applicable to all employees of I-trax, including I-trax's principal executive officer, the principal financial officer and the principal accounting officer. The Code of Conduct is designed to deter wrongdoing and promote ethical conduct, full and accurate reporting in I-trax's SEC filings, compliance with applicable law, as well as other matters. A copy of the Code of Conduct is available on I-trax's website at www.i-trax.com.

Nomination Proceedings

I-trax has not implemented any changes in the procedures for stockholder nominations of directors. Such procedures were described in the Company's proxy statement issued in connection with its 2007 Annual Meeting of Stockholders.

Audit Committee

The audit committee is primarily responsible for appointing, overseeing the qualifications, performance and independence of, and pre-approving the services performed by I-trax's independent auditors as well as overseeing the integrity of I-trax's financial statements and reviewing and evaluating I-trax's accounting principles and reporting practices. The audit committee is also responsible for monitoring I-trax's system of internal accounting controls. The audit committee is governed by a charter, a copy of which is posted on I-trax's website at www.i-trax.com and is available in print to any stockholder on request.

The audit committee consists of three members — Ms. Lieberman, chairperson, and Messrs. Mintz and Smith. The board has determined that Ms. Lieberman and each of Messrs. Mintz and Smith are audit committee financial experts who meet the Securities and Exchange Commission's criteria for financial experts and each is financially sophisticated for the purposes of the AMEX listing standards. The board has also determined that each of Ms. Lieberman and Messrs. Mintz and Smith is independent, as defined in Section 121(A), as in effect on April 24, 2008, of AMEX listing standards and Rule 10A 3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Item 11.

Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Committee. I-trax's compensation committee consists of Philip D. Green and Gail F. Lieberman. The committee determines executive officers' salaries, bonuses and other compensation, and administers I-trax's 2000 Equity Compensation Plan and Amended and Restated 2001 Equity Compensation Plan.

Compensation Policy. The overall compensation program for the named executive officers has been designed and is administered to ensure that employee compensation promotes superior job performance and the achievement of business goals and objectives, while taking into consideration the competitiveness of executive pay to a comparable peer group.

The main policy objective of compensation for I-trax's executive officers is to increase stockholder value over the long term. The compensation committee believes that this can best be accomplished by an executive compensation program that incorporates three key elements:

- Base salaries sufficient to attract, retain and motivate key executives and provide competitive compensation opportunities.
- Annual bonus and incentive programs that provide opportunity for significant increases in compensation based on meeting or exceeding pre-determined performance targets.
- Substantial long-term compensation to reward increases in the stockholder value of I-trax.

In the judgment of the compensation committee, I-trax performed well in 2007, confirming that the compensation program is supporting I-trax's growth objectives.

Compensation Study. In July 2006, I-trax engaged Mercer Human Resource Consulting to evaluate the compensation practices of I-trax's peer group. The peer group consists of 14 companies in the healthcare services/facilities sector with one year revenue growth of ten percent or more. The results of the compensation study were presented to I-trax's board in August 2006. The results of the compensation study were referenced by the compensation committee in establishing 2007 and 2008 base salaries and target bonuses for 2006 and 2007.

Base Salary. Base salaries for 2007 were established for Frank A. Martin, Chairman, R. Dixon Thayer, Chief Executive Officer, David R. Bock, then Chief Financial Officer, and Yuri Rozenfeld, General Counsel, at approximately the midpoint of the peer group in the compensation study for their respective positions, adjusted based on internal equity considerations. The base salaries of Dr. Raymond J. Fabius, President, and Bradley S. Wear, who joined I-trax as Chief Financial Officer on September 1, 2007, were established under the terms of their respective employment agreements. In addition, in April 2007, I-trax adopted an Executive Paid-Time-Off Policy (the "Policy"). Under the Policy, the named executive officers agreed to convert their right to all accrued paid-time-off into

a one time permanent pay adjustment of fifty percent of the applicable named executive officer's accrued paid-time-off value. This resulted in further increases in base salaries of approximately \$11,000 to \$11,500 for Messrs. Thayer and Martin and Dr. Fabius, \$9,600 for Mr. Bock, and \$8,600 for Mr. Rozenfeld.

For 2008, the compensation committee determined the base salary for Messrs. Martin and Thayer and the base salary of other named executive officers was set based on the recommendations to the compensation committee by Messrs. Martin and Thayer. On average, 2008 base salaries increased by approximately three percent over 2007 levels.

Annual Bonus. Named executive officers and certain other key personnel of I-trax are eligible for bonuses after the end of each fiscal year. The compensation committee determines bonuses for Messrs. Martin and Thayer. Bonuses for these officers are linked to target earnings before interest, taxes, depreciation, and amortization, or EBITDA, and such executive's individual goals. Bonuses for other named executive officers, excluding Dr. Fabius, are recommended by Messrs. Martin and Thayer and are also linked to I-trax's EBITDA and such executive's individual goals.

Each of the named executive officers received a bonus for 2007 because I-trax achieved its target EBITDA and the applicable named executive officer achieved his goals. With the exception of the bonus awarded to Dr. Fabius, which was fixed, as set in Dr. Fabius's employment agreement, all bonuses were discretionary. Messrs. Thayer's, Wear's and Rozenfeld's bonuses equaled approximately 50, 40 and 30 percent of base salary received in 2007, respectively, with Mr. Wear's bonus prorated to his start date of September 1, 2007. Dr. Fabius's bonus was \$125,000 and Mr. Martin's bonus was \$108,175.

Stock Options. Under I-trax's equity compensation plans, stock options may be granted to I-trax's executive officers. Executives generally receive stock incentives through initial grants at the time of hire and periodic additional grants. The compensation committee determines the number of stock options to be granted based on an executive officer's job responsibilities and individual performance evaluation. This approach is designed to encourage the creation of long-term stockholder value, to align the interests of stockholders and management, and to maximize stockholder returns over the long term.

Each named executive officer was considered for a stock option grant in August 2007, but upon discussions with the compensation committee, Messrs. Martin, Thayer and Bock and Dr. Fabius volunteered to forgo the stock option grants to which they were entitled. Mr. Rozenfeld received a stock option grant equal to 30 percent of his base salary. Mr. Rozenfeld's stock option grant was established at the approximate midpoint of the compensation study. Mr. Wear received a stock option grant to acquire 125,000 shares of Common Shares under the terms of his employment agreement.

The board of directors selected August as an appropriate point in the annual compensation cycle to consider and act on stock option grants. The board felt that August allowed the company to tie the grants to mid-year assessments, which emphasizes that the awards are to motivate future performance rather than to reward past performance. The number of shares covered by the stock option grant for each named executive officer who did not volunteer to forego an option grant was determined with reference to the applicable officer's base salary.

Deductibility of Compensation. Under Internal Revenue Code Section 162(m), a company generally may not deduct compensation in excess of \$1,000,000 paid to the Chief Executive Officer and the other four most highly compensated officers. Certain "performance based compensation" is not included in compensation for purposes of the limit. The current structure of I-trax's executive compensation does not give rise to Section 162(m) concerns. The compensation committee will continue to assess the impact of Section 162(m) on its compensation practices.

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on its review and discussions with management, the committee recommended to the board of directors that the Compensation Discussion and Analysis be included herein. This report is provided by the following independent directors, who comprise the committee:

Members of the Compensation Committee:

Philip D. Green, Chairman

Gail F. Lieberman

Summary Compensation Table

The following table sets forth the compensation earned by the following individuals: any person serving as I-trax's Chief Executive Officer or Chief Financial Officer during 2007 and the three other most highly compensated executive officers of I-trax who were serving as such as of December 31, 2007.

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards \$(2)	All Other Compensation \$(3)	Total (\$)
R. Dixon Thayer	2007	\$ 363,022	\$ 181,511	—\$	225,077	\$ 5,260	\$ 774,870
Chief Executive Officer	2006	\$ 300,000	\$ 100,000	\$ 79,600	\$ 151,542	\$ 700	\$ 631,843
Frank A. Martin	2007	\$ 276,349	\$ 108,175	—\$	63,773	\$ 3,395	\$ 451,692
Chairman	2006	\$ 250,000	\$ 125,000	—\$	41,089	\$ 3,448	\$ 419,537
Raymond J. Fabius, M.D.	2007	\$ 348,249	\$ 125,000	—\$	187,784	\$ 5,537	\$ 666,570
President and Chief Medical Officer	2006	\$ 302,405	\$ 75,000	\$ 53,730	\$ 140,726	\$ 5,604	\$ 577,465
Yuri Rozenfeld	2007	\$ 206,418	\$ 61,925	—\$	46,732	\$ 4,641	\$ 319,716
Senior Vice President,	2006	\$ 195,000	\$ 58,500	—\$	45,395	\$ 3,140	