ION LLC
Form 424B3
June 12, 2006
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**Filed Pursuant to Rule 424(B)(3)**

**File Number 333-132017**

**PROSPECTUS**

# AMERISOURCEBERGEN CORPORATION

## OFFER TO EXCHANGE

**$400,000,000 5 5/8% Senior Notes due 2012 and related Guarantees for all outstanding 5 5/8% Senior Notes due 2012**

**and**

**$500,000,000 5 7/8% Senior Notes due 2015 and related Guarantees for all outstanding 5 7/8% Senior Notes due 2015**

The exchange offer expires at 5:00 p.m., New York City time, on July 13, 2006, unless extended.

Terms of the exchange offer:

We will exchange all old notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.

We believe that the exchange of old notes will not be a taxable event for U.S. federal income tax purposes, but you should see Certain United States Federal Income Tax Considerations on page 82 for more information.

We will not receive any proceeds from the exchange offer.

The terms of the new notes are substantially identical to the old notes, except that the new notes are registered under the Securities Act of 1933 and the transfer restrictions and registration rights applicable to the old notes do not apply to the new notes.

**See Risk Factors beginning on page 12 for a discussion of risks that should be considered by holders prior to tendering their old notes.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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**The date of this prospectus is June 12, 2006**

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**This prospectus incorporates important business and financial information that is not included in or delivered with this document. This information is available without charge upon written or oral request. To obtain this information in a timely fashion, you must request such information no later than five business days before July 13, 2006, which is the date on which the exchange offer expires (unless we extend the exchange offer as described herein). See Incorporation of Documents by Reference.**

**You should rely only on the information contained in this prospectus and any supplement, including the periodic reports and other information we file with the Securities and Exchange Commission, or SEC, or to which we have referred you. See Where You Can Find More Information. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus.**

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended, which we refer to as the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where the old notes were acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the expiration date of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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## INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used throughout this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data. Similarly, we believe our internal research is reliable but it has not been verified by any independent sources.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering document may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. These statements are based on management s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from the expectations contained in the forward-looking statements. The forward-looking statements herein include statements addressing management s views with respect to future financial and operating results and the benefits, efficiencies and savings to be derived from our integration plans to consolidate our distribution network.

The following factors, among others, could cause actual results to differ materially from those described in any forward-looking statements: competitive pressures; the loss of one or more key customer or supplier relationships; customer defaults or insolvencies; changes in customer mix; supplier defaults or insolvencies; changes in pharmaceutical manufacturers pricing and distribution policies or practices; adverse resolution of any contract or other disputes with customers (including departments and agencies of the U.S. Government) or suppliers; regulatory changes; changes in U.S. government policies (including reimbursement changes arising from the Medicare Prescription Drug Improvement and Modernization Act of 2003); declines in the amounts of market share rebates offered by pharmaceutical manufacturers to the PharMerica long-term care business, declines in the amounts of rebates that the PharMerica long-term care business can retain, and/or the inability of the business to offset the rebate reductions that have already occurred or any rebate reductions that may occur in the future; market interest rates; operational or control issues arising from our outsourcing of information technology activities; the Pharmaceutical Distribution segment s ability to continue to successfully transition its business model to fee-for-service; success of integration, restructuring or systems initiatives; fluctuations in the U.S. dollar Canadian dollar exchange rate and other foreign exchange rates; economic, business, competitive and/or regulatory developments in Canada, the United Kingdom and elsewhere outside of the United States; acquisition of businesses that do not perform as we expect or that are difficult for us to integrate or control; and other economic, business, competitive, legal, regulatory and/or operational factors affecting our business generally.

More detailed information about these and other risk factors is set forth in the section entitled Risk Factors and elsewhere in this prospectus.

We are under no obligation to (and expressly disclaim any such obligation to) update or alter any forward-looking statements whether as a result of new information, future events or otherwise.

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## SUMMARY

*This summary highlights certain information contained elsewhere in this prospectus. We urge you to read this entire prospectus carefully, including the financial data and related notes, to obtain a more complete understanding of the exchange offer before making an investment decision. Unless the context otherwise requires:*

we, us or our refers to AmerisourceBergen Corporation and its subsidiaries;

fiscal year refers to the twelve-month period ending on September 30 of the applicable year;

AmeriSource refers to the former AmeriSource Health Corporation and its subsidiaries;

Bergen refers to the former Bergen Brunswig Corporation and its subsidiaries;

2012 notes refers to the $400 million aggregate principal amount of 5 7/8% senior notes due 2012 issued on September 14, 2005;

2015 notes refers to the $500 million aggregate principal amount of 5 7/8% senior notes due 2015 issued on September 14, 2005;

old notes refers collectively to the 2012 notes and the 2015 notes;

new notes refers collectively to the $400 million aggregate principal amount of 5 7/8% senior notes due 2012 and the $500 million aggregate principal amount of 5 7/8% senior notes due 2015 offered in exchange for the old notes pursuant to this prospectus; and

notes refers collectively to the old notes and the new notes.

### Our Company

We are one of the largest pharmaceutical services companies in the United States, with operating revenue and net income of approximately $50.0 billion and $264.6 million, respectively, for the fiscal year ended September 30, 2005 and operating revenue and net income of approximately $27.6 billion and $226.3 million, respectively, for the six months ended March 31, 2006.

Serving both pharmaceutical manufacturers and healthcare providers in the pharmaceutical supply channel, we provide drug distribution and related services designed to reduce costs and improve patient outcomes. More specifically, we distribute a comprehensive offering of brand name and generic pharmaceuticals, over-the-counter healthcare products, and home healthcare supplies and equipment to a wide variety of healthcare providers primarily located throughout the United States, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order facilities, physicians, clinics and other alternate site facilities, and skilled nursing and assisted living centers. We also provide pharmaceuticals and pharmacy services to long-term care, workers compensation and specialty drug patients. Additionally, we furnish healthcare providers and pharmaceutical manufacturers with an assortment of related services, including pharmacy automation, supply management software, pharmaceutical packaging, inventory management, reimbursement and pharmaceutical consulting services, logistics services, and physician education, all of which are designed to reduce costs and improve patient outcomes.

We are organized based upon the products and services we provide to our customers, and substantially all of our operations are located in the United States. Our operations are comprised of two reportable segments: Pharmaceutical Distribution and PharMerica.

The Pharmaceutical Distribution segment includes the operations of AmerisourceBergen Drug Corporation ( ABDC ), the AmerisourceBergen Specialty Group ( ABSG ) and the AmerisourceBergen Packaging Group. The Pharmaceutical Distribution segment s operations provide drug distribution and related services throughout the United States, Puerto Rico and Canada. ABDC distributes a comprehensive offering of brand name and

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generic pharmaceuticals, over-the-counter healthcare products, and home healthcare supplies and equipment to a wide variety of healthcare providers, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order facilities, physicians, clinics and other alternate site facilities. ABDC also provides scalable automated pharmacy dispensing equipment, medication and supply dispensing cabinets and supply management software to a variety of retail and institutional healthcare providers. ABSG, through a number of individual operating businesses, provides distribution and other services, including group purchasing services, to physicians and alternate care providers who specialize in a variety of disease states, including oncology, nephrology and rheumatology. ABSG also distributes vaccines, other injectables, plasma and other blood products. In addition, through its manufacturer services and physician and patient services businesses, ABSG provides a number of commercialization, third party logistics and other services for biotech and other pharmaceutical manufacturers, reimbursement consulting, practice management, and physician education. The AmerisourceBergen Packaging Group consists of American Health Packaging, Anderson Packaging ( Anderson ) and the recently acquired Brecon Pharmaceuticals Limited ( Brecon ). American Health Packaging delivers unit dose, punch card, unit-of-use and other packaging solutions to institutional and retail healthcare providers. Anderson is a leading provider of contracted packaging services for pharmaceutical manufacturers. Brecon is a United Kingdom-based provider of contract packaging and clinical trial materials services for pharmaceutical manufacturers. The drug distribution operations of ABDC and ABSG comprised over 90% of the segment s operating revenue and over 80% of the segment s operating income during the fiscal year ended September 30, 2005.

The PharMerica segment includes the operations of the PharMerica long-term care business ( Long-Term Care ) and a workers compensation-related business ( Workers Compensation ). Long-Term Care is a leading national provider of pharmacy products and services to patients in long-term care and alternate site settings, including skilled nursing facilities, assisted living facilities and residential living communities. Long-Term Care s institutional pharmacy business involves the purchase of bulk quantities of prescription and nonprescription pharmaceuticals, principally from our Pharmaceutical Distribution segment, and the distribution of those products to residents in long-term care and alternate site facilities. Unlike hospitals, most long-term and alternate care facilities do not have onsite pharmacies to dispense prescription drugs, but depend instead on institutional pharmacies, such as Long-Term Care, to provide the necessary pharmacy products and services and to play an integral role in monitoring patient medication. Long-Term Care pharmacies dispense pharmaceuticals in patient-specific packaging in accordance with physician orders. In addition, Long-Term Care provides infusion therapy services, as well as formulary management and other pharmacy consulting services. Workers Compensation provides mail order and on-line pharmacy services to chronically and catastrophically ill patients under workers compensation programs, and provides pharmaceutical claims administration services for payors. Workers Compensation services include home delivery of prescription drugs, medical supplies and equipment, and an array of computer software solutions to reduce the payors administrative costs.

***Strategy***

Our business strategy is focused solely on the pharmaceutical supply channel where we provide value-added distribution and service solutions to healthcare providers and pharmaceutical manufacturers that increase channel efficiencies and improve patient outcomes. Implementing this disciplined, focused strategy has allowed us to significantly expand our business, and we believe we are well-positioned to continue to grow revenue and increase operating income through the execution of the following key elements of our business strategy:

*Optimize and Grow Our Distribution Business*. We believe we are well-positioned in size and market breadth to continue to grow our distribution business as we invest to improve our operating and capital efficiencies. Distribution anchors our growth and position in the pharmaceutical supply channel as we provide superior distribution services and deliver value-added solutions that improve the efficiency and competitiveness of both healthcare providers and pharmaceutical manufacturers, thus allowing the pharmaceutical supply channel to better deliver healthcare to patients.

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In an effort to supplement our organic growth, we continue to utilize a disciplined approach to seek acquisitions that will assist us with our overall strategic growth plans. In October 2005, we acquired Trent Drugs (Wholesale) Ltd. ( Trent ), a Canadian wholesaler of pharmaceutical products. In January 2006, we changed Trent s name to AmerisourceBergen Canada Corporation ( AmerisourceBergen Canada ). AmerisourceBergen Canada provides us with a solid foundation to expand our pharmaceutical distribution capability into the Canadian marketplace. In March 2006, AmerisourceBergen Canada acquired substantially all of the assets of Asenda Pharmaceutical Supplies Ltd. ( Asenda ), a Canadian pharmaceutical distributor that operated primarily in British Columbia and Alberta. The Asenda acquisition strengthens our position in Western Canada.

In March 2006, we acquired Brecon Pharmaceuticals Limited ( Brecon ), a United Kingdom-based provider of contract packaging and clinical trial materials ( CTM ) services for pharmaceutical manufacturers. The acquisition of Brecon enhances our packaging business and provides the added capability to offer pharmaceutical manufacturers contract packaging and CTM services in new geographical regions.

We believe we have one of the lowest cost operating structures among our major national competitors, and to further improve our position we launched our Optimiz® program in fiscal 2001 for ABDC. As revised, the Optimiz® program consists of reducing the distribution facility network from 51 facilities in 2001 to a distribution facility network numbering in the mid-20 s within the next two years. The plan includes building six new facilities (five of which are currently operational), closing facilities (26 of which have been closed through March 31, 2006) and implementing a new warehouse operating system. The sixth new facility is scheduled to open during fiscal 2006. We closed six facilities in fiscal 2005 and anticipate closing six additional facilities during fiscal 2006, thereby reducing the total number of distribution facilities to 28 by the end of fiscal 2006. These measures have been designed to reduce operating costs, to provide greater access to financing sources and to reduce our cost of capital. In addition, we believe we will continue to achieve productivity and operating income gains as we invest in and continue to implement warehouse automation technology, adopt best practices in warehousing activities, and increase operating leverage by increasing volume per full-service distribution facility.

*Grow Our Specialty Pharmaceutical Business.* Representing more than $8.5 billion in annual operating revenue, ABSG, our specialty pharmaceuticals business, has a significant presence in this rapidly growing part of the pharmaceutical supply channel. With distribution and value-added services to physicians who specialize in a variety of disease states and a broad array of commercialization services for manufacturers, our specialty pharmaceuticals business is a well-developed platform for growth. We are the leader in distribution and physician services to community oncologists and have leading positions in nephrology and rheumatology. We also distribute vaccines, other injectables, plasma and other blood products and are well-positioned to service and support many of the new biotech therapies which will be coming to market in the near future.

We expect to continue to expand our manufacturer services, which help pharmaceutical manufacturers, especially in the biotechnology sector, commercialize their products in the channel. We believe we are the largest provider of reimbursement services that assist pharmaceutical companies launch drugs with targeted populations and support the products in the channel. We provide physician education services, third party logistics and specialty pharmacy services to help speed products to market. We expect to seek opportunities to enhance and expand the specialty pharmaceutical business. In February 2006, we acquired Network for Medical Communication & Research, LLC ( NMCR ), a privately held provider of physician accredited continuing medical education ( CME ) and analytical research for the oncology market. The acquisition of NMCR will expand ABSG s presence in its market-leading oncology distribution and services businesses and complement ABSG s Imedex accredited CME business.

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*Expand Services in the Pharmaceutical Supply Channel*. We offer value-added services and solutions to assist manufacturers and healthcare providers to improve their efficiency and their patient outcomes. Programs for manufacturers such as assistance with rapid new product launches, promotional and marketing services to accelerate product sales, custom packaging, product data reporting, logistical support, and workers compensation are all examples of value-added solutions we currently offer. We are continually seeking to expand our offerings.

Our provider solutions include: our Good Neighbor Pharmacy® program, which enables independent community pharmacies and small chain drugstores to compete more effectively through pharmaceutical benefit and merchandising programs; best-priced generic product purchasing services; hospital pharmacy consulting designed to improve operational efficiencies; scalable automated pharmacy dispensing equipment; and packaging services that deliver unit dose, punch card and other compliance packaging for institutional and retail pharmacy customers. We also continue to pursue enhancements to our services and programs.

***Industry Overview***

We have benefited from the significant growth of the pharmaceutical industry in the United States. According to IMS Healthcare, Inc., an independent third party provider of information to the pharmaceutical and healthcare industry, industry sales in the United States are expected to grow between 6% and 7% in 2006 and annually between 5% and 8% over the next five years.

The factors contributing to the growth of the pharmaceutical industry in the United States, and other industry trends, include:

*Aging Population*. The number of individuals over age 55 in the United States grew from approximately 52 million in 1990 to approximately 59 million in 2000 and is projected to increase to more than 75 million by the year 2010. This age group suffers from chronic illnesses and disabilities more than the rest of the population and is estimated to account for approximately two-thirds of total healthcare expenditures in the United States.

*Introduction of New Pharmaceuticals*. Traditional research and development, as well as the advent of new research, production and delivery methods, such as biotechnology and gene research and therapy, continue to generate new compounds and delivery methods that are more effective in treating diseases. These compounds have been responsible for significant increases in pharmaceutical sales. We believe ongoing research and development expenditures by the leading pharmaceutical manufacturers will contribute to continued growth of the industry.

*Increased Use of Drug Therapies*. In response to rising healthcare costs, governmental and private payors have adopted cost containment measures that encourage the use of efficient drug therapies to prevent or treat diseases. While national attention has been focused on the overall increase in aggregate healthcare costs, we believe drug therapy has had a beneficial impact on overall healthcare costs by reducing expensive surgeries and prolonged hospital stays. Pharmaceuticals currently account for approximately 10% of overall healthcare costs. Pharmaceutical manufacturers continued emphasis on research and development is expected to result in the continuing introduction of cost-effective drug therapies.

*Pharmaceutical Supply Channel Changes*. Historically, we and our major pharmaceutical distribution competitors derived a significant portion of our pharmaceutical distribution gross margin from manufacturer price increases, which have historically equaled or exceeded the overall Consumer Price Index. We believe these increases were due in large part to the relatively inelastic demand for brand name drugs notwithstanding higher prices charged for patented drugs as pharmaceutical manufacturers attempted to recoup costs associated with the development, clinical testing and regulatory approval of new products. Recently, pharmaceutical manufacturers have been under significant pressure to reduce the rate of pharmaceutical price increases. While we expect such

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price increases to occur in the future, we cannot predict the rate at which such prices will increase or the frequency of increases.

We have been continuing our efforts to shift our pharmaceutical distribution business to a fee-for-service model where we are compensated for the services we provide manufacturers versus one that is dependent upon manufacturer price increases. The fee-for-service model is intended to improve the efficiency of the supply channel and may establish a more predictable earnings pattern for ABDC, while expanding our service relationship with pharmaceutical manufacturers. As of March 31, 2006, ABDC has signed fee-for-service agreements with a substantial majority of the large branded pharmaceutical manufacturers. There can be no assurance that the fee-for-service transition will be successful or that our profitability will not be significantly reduced by the transition.

*Medicare and Medicaid Legislative Developments*. Medicare reimbursement rates for certain pharmaceuticals were impacted by implementation of the Medicare Prescription Drug Improvement and Modernization Act of 2003 ( MMA ) by the U.S. Department of Health and Human Services ( HHS ), and further Medicare reimbursement reductions and policy changes are scheduled to be implemented in the future. In addition, the U.S. Congress is considering reductions in Medicaid reimbursement for certain prescription drugs. These policies may adversely affect our specialty distribution and our long-term care institutional pharmacy businesses directly and our wholesale drug distribution and specialty distribution businesses indirectly.

We continue to evaluate the effect that the MMA will have on Long-Term Care s business. This evaluation includes assessing the total compensation we receive for servicing patients covered by Medicare Part D under the MMA, effective January 1, 2006. Prior to January 1, 2006, the Long-Term Care business was compensated for servicing approximately 55% of these patients based on reimbursement rates previously established by Medicaid. During the quarter ended March 31, 2006, our total compensation, including supplier rebates, for servicing such patients under coverage provided by Medicare Part D was less than the total compensation, including supplier rebates, we received in the prior-year quarter based on Medicaid reimbursement rates then in place. In addition, the Centers for Medicare & Medicaid Services ( CMS ) of HHS continues to question whether long-term care pharmacies should be permitted to receive access/performance rebates from pharmaceutical manufacturers with respect to prescriptions covered under the Medicare Part D benefit, but has not prohibited the receipt of such rebates. In recent guidance issued to Medicare Part D Prescription Drug Plan Sponsors, CMS instructs Plan Sponsors to obtain full disclosure from long-term care pharmacies of all discounts, rebates or other remuneration that such pharmacies receive from manufacturers and CMS indicates its will provide further guidelines in this subject area. The elimination or reduction of manufacturing rebates, if not offset by other reimbursement, could have a further adverse affect on the Long-Term Care business.

*Expiration of Patents for Brand Name Pharmaceuticals*. A significant number of patents for widely-used brand name pharmaceutical products will expire during the next several years. These products are expected to be marketed by generic pharmaceutical manufacturers and distributed by distributors like us. We consider this a favorable trend because generic products have historically provided a greater gross profit margin opportunity than brand name products.

**Investment Grade Rating**

On November 10, 2005, Standard & Poor s Ratings Services ( S&P ) announced that it raised our corporate credit and senior unsecured debt ratings to BBB- from BB+ . S&P s upgrade constitutes an investment grade rating under the indenture governing the notes. As a result of the investment grade rating and the fact that no event of default existed on November 10, 2005, certain restrictive covenants are no longer applicable to the notes and will continue to be no longer applicable to the notes regardless of any changes in the ratings of the notes. The restrictive covenants that no longer apply to the notes relate to the requirement to repurchase the notes upon a change of control; asset sales (other than a sale of all or substantially all of our assets); restricted payments;

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incurrence of indebtedness and issuance of preferred stock; dividend and other payment restrictions affecting subsidiaries; designation of restricted and unrestricted subsidiaries; transactions with affiliates; and the net worth or fixed charge coverage ratio limitation with respect to a merger, consolidation or sale of all or substantially all assets. On June 1, 2006, Moody s Investors Service raised our corporate credit and senior unsecured debt ratings to Ba1 from Ba2 . See Description of the Notes Certain Covenants Changes in Covenants when Notes Rated Investment Grade. As a result of the investment grade rating, we are also entitled to substantially relaxed covenants under our Senior Revolving Credit Facility, but to a lesser extent.

**Risk Factors**

You should consider carefully all the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under Risk Factors for risks involved with the exchange of the old notes.

**Our Corporate Information**

We are a Delaware corporation. Our principal executive offices are located at 1300 Morris Drive, Chesterbrook, Pennsylvania 19087-5594 and our phone number is (610) 727-7000.

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**The Exchange Offer**

On September 14, 2005, we issued and sold $400 million aggregate principal amount of 5 5/8% Senior Notes due 2012 and $500 million aggregate principal amount of 5 7/8% Senior Notes due 2015. In connection with these sales, we entered into a registration rights agreement with the initial purchasers of the old notes in which we agreed to deliver this prospectus to you and to complete an exchange offer for the old notes.

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| Notes Offered | Up to $400 million aggregate principal amount of 5 5/8% Senior Notes due 2012 and up to $500 million aggregate principal amount of 5 7/8% Senior Notes due 2015, both of which have been registered under the Securities Act.<br><br>The terms of the new notes and old notes are identical in all material respects, except that<br><br>• the new notes have been registered under the federal securities laws and will not bear any legend restricting their transfer;<br><br>• certain registration rights applicable to the old notes do not apply to the new notes; and<br><br>• the new notes bear a different CUSIP number than the old notes.<br><br>You are urged to read the discussions under the heading The New Notes in this Summary for further information regarding the new notes. |
| The Exchange Offer | We are offering to exchange $1,000 principal amount of each of our 5 5/8% Senior Notes due 2012 and our 5 7/8% Senior Notes due 2015, for each $1,000 principal amount of our outstanding 5 5/8% Senior Notes due 2012 and our outstanding 5 7/8% Senior Notes due 2015, respectively.<br><br>In this prospectus, the term exchange offer means the offer to exchange new notes for old notes in accordance with the terms set forth in this prospectus and the accompanying letter of transmittal. You are entitled to exchange your old notes for new notes. |
| Expiration Date; Withdrawal of Tender | The exchange offer will expire at 5:00 p.m., New York City time, on July 13, 2006, or such later date and time to which it may be extended by us. The tender of old notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date of the exchange offer. Any old notes not accepted for exchange for any reason will be returned without expense to the tendering holder thereof promptly after the expiration or termination of the exchange offer. |

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| Conditions to the Exchange Offer | Our obligation to accept for exchange, or to issue new notes in exchange for, any old notes is subject to customary conditions relating to compliance with any applicable law or any applicable interpretation by the staff of the SEC, the receipt of any applicable governmental approvals and the absence of any actions or |

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| | proceedings of any governmental agency or court which could materially impair our ability to consummate the exchange offer. See The Exchange Offer Conditions to the Exchange Offer. |
| Procedures for Tendering Old Notes | If you wish to accept the exchange offer and tender your old notes, you must either:<br><br>complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, in accordance with its instructions and the instructions in this prospectus, and mail or otherwise deliver such letter of transmittal, or the facsimile, together with the old notes and any other required documentation, to the exchange agent at the address set forth herein; or<br><br>if old notes are tendered pursuant to book-entry procedures, the tendering holder must deliver a completed and duly executed letter of transmittal or arrange with the Depository Trust Company, or DTC, to cause an agent s message to be transmitted through DTC s Automated Tender Offer Program System with the required information (including a book-entry confirmation) to the exchange agent.<br><br>See The Exchange Offer Procedures for Tendering Old Notes. |
| Broker-Dealers | Each broker-dealer that receives new notes for its own account in exchange for old notes, where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See Plan of Distribution. |
| Use of Proceeds | We will not receive any proceeds from the exchange offer. See Use of Proceeds. |
| Exchange Agent | J.P. Morgan Trust Company, National Association ( J.P. Morgan Trust Company ) is serving as the exchange agent in connection with the exchange offer. |
| Federal Income Tax Considerations | The exchange of old notes for new notes pursuant to the exchange offer should not be a taxable event for federal income tax purposes. See Certain United States Federal Income Tax |

Considerations.

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**Consequences of Exchanging Old Notes Pursuant to the Exchange Offer**

Based on certain interpretive letters issued by the staff of the SEC to third parties in unrelated transactions, we are of the view that holders of old notes (other than any holder who is an affiliate of our company within the meaning of Rule 405 under the Securities Act) who exchange their old notes for new notes pursuant to the exchange offer generally may offer the new notes for resale, resell such new notes and otherwise transfer the new notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided:

- the new notes are acquired in the ordinary course of the holders business;
- the holders have no arrangement with any person to participate in a distribution of the new notes; and
- neither the holder nor any other person is engaging in or intends to engage in a distribution of the new notes.

Each broker-dealer that receives new notes for its own account in exchange for old notes must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. See Plan of Distribution. In addition, to comply with the securities laws of applicable jurisdictions, the new notes may not be offered or sold unless they have been registered or qualified for sale in the applicable jurisdiction or in compliance with an available exemption from registration or qualification. We have agreed, under the registration rights agreement and subject to limitations specified in the registration rights agreement, to register or qualify the new notes for offer or sale under the securities or blue sky laws of the applicable jurisdictions as any holder of the notes reasonably requests in writing. If a holder of old notes does not exchange the old notes for new notes according to the terms of the exchange offer, the old notes will continue to be subject to the restrictions on transfer contained in the legend printed on the old notes. In general, the old notes may not be offered or sold, unless registered under the Securities Act, except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Holders of old notes do not have any appraisal or dissenters rights under the Delaware General Corporation Law in connection with the exchange offer. See The Exchange Offer Resales of New Notes.

The old notes are currently eligible for trading in the Private Offerings, Resales and Trading through Automated Linkages (PORTAL) market. Following commencement of the exchange offer but prior to its completion, the old notes may continue to be traded in the PORTAL market. Following completion of the exchange offer, the new notes will not be eligible for PORTAL trading.

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**The New Notes**

The following is a brief summary of certain terms of the new notes. For a more complete description of the notes, see Description of the Notes.

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| Issuer | AmerisourceBergen Corporation. |
| Notes Offered | $400,000,000 aggregate principal amount of 5 5/8% Senior Notes due 2012. |
| | $500,000,000 aggregate principal amount of 5 7/8% Senior Notes due 2015. |
| Maturity Dates | The 2012 notes will mature on September 15, 2012. |
| | The 2015 notes will mature on September 15, 2015. |
| Interest | Interest on the 2012 notes will accrue at the rate of 5 5/8% per annum and interest on the 2015 notes will accrue at the rate of 5 7/8% per annum, in each case payable semi-annually in arrears on March 15 and September 15, commencing on March 15, 2006. |
| Interest Computation | Interest on the notes will be paid on the basis of a 360-day year comprised of twelve 30-day months. |
| Rankings | The notes and the subsidiary guarantees will rank: |
| | effectively junior to all of our and the guarantors current and future secured indebtedness; |
| | equally with any of our and the guarantors existing and future senior unsecured indebtedness; and |

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| | senior to any of our and the guarantors future subordinated indebtedness. |
| | Not all of the subsidiaries will guarantee the notes. As of March 31, 2006, the notes would have been effectively subordinated to $183.2 million of indebtedness and $116.0 million of other liabilities (including trade liabilities) of our non-guarantor subsidiaries. |
| Reopening of Debt Securities | The 2012 notes were initially offered in the principal amount of $400,000,000, and the 2015 notes were initially offered in the principal amount of $500,000,000. We may, without the consent of the holders, increase such principal amount of the notes in the future on the same terms and conditions and with the same CUSIP numbers as the old notes. |
| Optional Redemption | We may redeem some or all of each series of notes, in whole or in part, at a make whole redemption price, plus accrued and unpaid interest and liquidated damages, if any, to the date of redemption. In |

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addition, prior to September 15, 2008, we may redeem up to 35% of each series of notes with the proceeds of certain equity offerings at prices set forth in this prospectus, plus accrued and unpaid interest and liquidated damages, if any, to the date of redemption. See Description of the Notes Optional Redemption.

Subsidiary Guarantees

The notes will initially be jointly and severally guaranteed on an unsecured basis by certain of our existing and future domestic restricted subsidiaries that have outstanding, incur or guarantee other specified indebtedness. The guarantee of any subsidiary will be released when such subsidiary no longer has outstanding or guarantees any specified indebtedness.

Certain Covenants

The indenture governing the notes contains covenants that, among other things, limit the extent to which we and our restricted subsidiaries may:

- create liens; and
- sell all or substantially all of our assets or consolidate or merge with or into other companies.

These limitations are subject to a number of important qualifications and exceptions. In addition, the notes were assigned an investment grade rating (as defined in Description of the Notes ) on November 10, 2005. As a result of the investment grade rating and the fact that no event of default existed on November 10, 2005, certain restrictive covenants are no longer applicable to the notes and will continue to be no longer applicable to the notes regardless of any changes in the ratings of the notes. See Description of the Notes Certain Covenants Changes in Covenants when Notes Rated Investment Grade. Therefore, we and our restricted subsidiaries are no longer limited in our ability to:

- incur additional indebtedness;
- pay dividends or make other equity distributions;
- purchase or redeem capital stock;
- make investments;
- sell assets (other than a sale of all or substantially all of our assets); and

engage in transactions with affiliates.

In addition, we are no longer required to repurchase the notes upon a change of control.

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## RISK FACTORS

*You should carefully consider the risks described below, as well as other information contained in this prospectus, in deciding whether to participate in the exchange offer.*

**Risks Related to Our Business**

***Intense competition may erode our profit margins.***

The distribution of pharmaceuticals and related healthcare solutions is highly competitive. We compete with national wholesale distributors of pharmaceuticals such as Cardinal Health, Inc. and McKesson Corporation; regional and local distributors of pharmaceuticals; chain drugstores that warehouse their own pharmaceuticals; manufacturers who distribute their products directly to customers; specialty distributors; and other healthcare providers. The Long-Term Care and Workers Compensation businesses in which PharMerica operates also are highly competitive.

Competitive pressures have contributed to a decline in our gross profit margins on operating revenue from 5.42% in fiscal 2001 to 3.96% in fiscal 2005. This trend may continue and our business could be adversely affected as a result.

***Our operating revenue and profitability may suffer upon the loss of a significant customer.***

Our top ten customers represented approximately 31% of operating revenue for the fiscal year ended September 30, 2005. Our largest individual customer accounted for approximately 7.5% of our operating revenue for the fiscal year ended September 30, 2005. We also have contracts with group purchasing organizations ( GPOs ), each of which functions as a purchasing agent on behalf of its members, who are hospitals, pharmacies or other healthcare providers. Approximately 13% of our operating revenue for the fiscal year ended September 30, 2005 was derived from our three largest GPO relationships (Novation, LLC, United Drugs and Premier Purchasing Partners, L.P.). We may lose a significant customer or GPO relationship if any existing contract with such customer or GPO expires without being extended, renewed, renegotiated or replaced or is terminated by the customer or GPO prior to expiration, to the extent such early termination is permitted by the contract. A number of our contracts with significant customers or GPOs are typically subject to expiration each year and we may lose any of these customers or GPO relationships if we are unable to extend, renew, renegotiate or replace the contracts. The loss of any significant customer or GPO relationship could adversely affect future operating revenue and profitability. In December 2005, United Drugs terminated its GPO contract with ABDC. United Drugs is a GPO for independent retail pharmacies. Many of this group of independent pharmacies have been longstanding participants in one or more of our retail programs, including Good Neighbor Pharmacy®, Performance Plus Network® and Diabetes Shoppe®, and a number of them also have had separate contracts directly with us. Through May 31, 2006, ABDC has been able to retain over 70% of its original business with this group of independent retail pharmacies, although at somewhat lower margins on average than before the termination of the United Drugs GPO contract. Purchases by the members of United Drugs represented approximately 4% of our operating revenue for the fiscal year ended September 30, 2005.

Approximately 11% of PharMerica s operating revenue in the fiscal year ended September 30, 2005 was derived from Long-Term Care s contract with Beverly Enterprises, Inc. ( Beverly ). In March 2006, Beverly was acquired by an affiliate of Fillmore Capital Partners, LLC, a private equity firm. We believe that this change in ownership does not affect any of the terms or conditions of our existing contract with Beverly, which is subject to automatic renewal for an additional term of five years at the end of the current term on June 30, 2006. The existing contract includes an annual price adjustment provision that will continue in effect during the renewal term.

Beverly and certain affiliates of Beverly (the Beverly Entities ) have asserted that a substantial majority of their long-term care facilities will cease to be covered by the existing contract at the end of the current term. As a result, we filed a lawsuit in the Delaware Court of Chancery on June 7, 2006 on behalf of Long-Term Care against the Beverly Entities seeking a judgment declaring that the Beverly Entities and all of the long-term care facilities

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owned or operated by such entities are bound by the existing contract and seeking an order requiring the Beverly Entities to continue to abide by the terms and conditions of the existing contract. Although we intend to pursue our claims against the Beverly Entities vigorously, there can be no assurance that the lawsuit will be resolved in favor of Long-Term Care. A loss of all or a substantial portion of Long-Term Care s customer relationship with Beverly or a continuation of all or a substantial portion of this customer relationship on significantly less favorable terms would adversely affect PharMerica s operating revenue and results of operations.

***Our operating revenue and profitability may suffer upon the bankruptcy, insolvency or other credit failure of a significant customer.***

Most of our customers buy pharmaceuticals and other products and services from us on credit. Credit is made available to customers based on our assessment and analysis of creditworthiness. Although we often try to obtain a security interest in assets and other arrangements intended to protect our credit exposure, we generally are either subordinated to the position of the primary lenders to our customers or substantially unsecured. The bankruptcy, insolvency or other credit failure of any customer at a time when the customer has a substantial account payable balance due to us could have a material adverse affect on our results of operations. At September 30, 2005, the largest receivable balance due from a single customer represented approximately 13% of accounts receivable, net.

***Our results of operations may suffer upon the bankruptcy, insolvency or other credit failure of a significant supplier.***

Our relationships with pharmaceutical suppliers give rise to substantial amounts that are due to us from the suppliers, including amounts due to us for returned goods or defective goods and amounts due to us for services provided to the suppliers. The bankruptcy, insolvency or other credit failure of any supplier at a time when the supplier has a substantial account payable balance due to us could have a material adverse affect on our results of operations.

***Our Pharmaceutical Distribution segment is transitioning its business model.***

Our Pharmaceutical Distribution segment is transitioning its business model with respect to how it is compensated for services it provides to pharmaceutical manufacturers. Historically, supplier arrangements allowed us to generate gross profit in several ways, including cash discounts for prompt payments, inventory buying opportunities, rebates, inventory management and other agreements, vendor program arrangements, negotiated deals and other promotional opportunities. A significant portion of the gross margin for our pharmaceutical business had been derived from our ability to purchase merchandise inventories in advance of pharmaceutical price increases and then hold these inventories until pharmaceutical prices increase, thereby generating a larger gross margin upon sale of the inventories. Over the last two years, however, pharmaceutical manufacturers have been increasing their control over the pharmaceutical supply channel. As a result, we have been working with our pharmaceutical manufacturer partners to transition our pharmaceutical distribution business toward a fee-for-service model.

Under a fee-for-service model, we are compensated for the services we provide manufacturers versus one that is dependent upon manufacturer price increases. The fee-for-service model is intended to improve the efficiency of the supply channel and may establish a more predictable earnings pattern for ABDC, while expanding our service relationship with pharmaceutical manufacturers. As of March 31, 2006, ABDC had signed fee-for-service agreements with a substantial majority of large branded pharmaceutical manufacturers. During fiscal 2006, we expect that more than 75% of ABDC s brand name manufacturer gross margin will not be contingent on manufacturer price increases. There can be no assurance that this business model transition will be successful, that we will be adequately compensated for our services by such fees, or that our profitability will not be significantly reduced.

***The supply channel business model transition may reduce our profitability.***

The supply channel business model transition described above has the potential to affect the profitability of customer contracts that were developed under a business model that was predicated on price increases and high

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inventory levels. Many of our contracts with healthcare providers are multi-year contracts that cannot be terminated or amended in the event of such changes in our relationships with manufacturers. Accordingly, the advent of such changes may have the effect of reducing, or even eliminating, our profitability on such contracts through the end of the applicable contract periods.

***Increasing governmental efforts to regulate the pharmaceutical supply channel may increase our costs and reduce our profitability.***

The healthcare industry is highly regulated at the federal and state level. Consequently, we are subject to the risk of changes in various federal and state laws, which include operating and security standards of the DEA, the FDA, various state boards of pharmacy and comparable agencies. In recent years, some states have passed or have proposed laws and regulations, including pedigree tracking requirements, that are intended to protect the integrity of the supply channel but that also may substantially increase the costs and burden of pharmaceutical distribution.

***Legal and regulatory changes affecting rates of reimbursement for pharmaceuticals and/or medical treatments or services may reduce our profitability.***

Both our own profit margins and the profit margins of our customers may be adversely affected by laws and regulations reducing reimbursement rates for pharmaceuticals and/or medical treatments or services or changing the methodology by which reimbursement levels are determined. Many of our contracts with healthcare providers are multi-year contracts from which we derive profit based upon reimbursement rates and methodology. Many of these contracts cannot be terminated or amended in the event of such legal and regulatory changes. Accordingly, such changes may have the effect of reducing, or even eliminating, our profitability on such contracts until the end of the applicable contract periods.

ABSG s business may be adversely impacted in the future by changes in the Medicare reimbursement rates for certain pharmaceuticals, including oncology drugs. The reimbursement changes that have been implemented by HHS pursuant to the MMA and that are scheduled to be implemented in the future may have the effect of reducing the amount of medications or the margins on medications purchased by physicians for administration in their offices and may force patients to other healthcare providers. Since ABSG provides a number of services to or through physicians, patient shifts from physicians to other healthcare providers may result in slower or reduced growth in revenues for ABSG. Although ABSG has contingency plans to enable it to retain and grow the business it conducts with and through physicians, there can be no assurance that it will retain or replace all of the revenue currently going through the physician channel or that such revenue will be as profitable.

The MMA also includes a major expansion of the Medicare prescription drug benefit under the new Medicare Part D. Beginning in 2006, Medicare beneficiaries became eligible to enroll in prescription drug plans that are offered by private entities and became eligible for varying levels of coverage for outpatient prescription drugs. Medicare beneficiaries who will have all or a substantial portion of their prescription drug costs covered by the new Medicare drug benefit include those nursing home residents served by the Long-Term Care business whose drug costs are currently covered by state Medicaid programs. In January 2005, the Centers for Medicare & Medicaid Services ( CMS ) of HHS published final rules for the new voluntary prescription drug benefit program. While these rules established a framework for the new benefit, further information and guidance continues to be provided by CMS. The rules permit long-term care pharmacies to provide covered Medicare Part D drugs to enrollees of the new Medicare Part D plans. Under the rules, long-term care pharmacies may participate on an in-network basis by contracting directly with a plan sponsor. At this time, we cannot determine the future impact of Medicare Part D on the Long-Term Care business, but the implementation of Medicare Part D could have an adverse effect on the Long-Term Care business.

Long-Term Care receives rebates from pharmaceutical manufacturers for undertaking certain activities that the manufacturers believe may increase the likelihood that their respective products will be dispensed. CMS continues to question whether long-term care pharmacies should be permitted to receive access/performance rebates from pharmaceutical manufacturers with respect to prescriptions covered under the Medicare Part D

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benefit but has not prohibited the receipt of such rebates. In recent guidance issued to Medicare Part D Prescription Drug Plan Sponsors, CMS instructs Plan Sponsors to obtain full disclosure from long-term care pharmacies of all discounts, rebates or other remuneration that such pharmacies receive from manufacturers and CMS indicates it will provide further guidelines in this subject area. CMS defines these as rebates that manufacturers provide to long-term pharmacies that are designed to prefer, protect or maintain that manufacturers product selection by the long-term care pharmacy or to increase the volume of the manufacturers products that are dispensed by the pharmacy under its formulary. The elimination or reduction of manufacturer rebates, if not offset by other reimbursement, could have a further adverse effect on the Long-Term Care business by increasing our costs of purchasing pharmaceutical products. Long-Term Care s business could be adversely affected if CMS should take any action that has the effect of eliminating or significantly reducing the rebates that Long-Term Care receives from manufacturers.

The Deficit Reduction Act of 2005 ( DRA ) will reduce net Medicare and Medicaid spending by approximately $11 billion over the next five years. DRA provisions could reduce payments to Long-Term Care customers. Among other things, the DRA will reduce certain bad debt payments to Medicare skilled nursing facilities and strengthen asset transfer restrictions for people seeking to qualify for Medicaid long-term care coverage. In addition, new rules that will go into effect on January 1, 2007 may decrease Medicaid pharmacy reimbursement for multiple-source drugs by changing the federal upper payment limit from 150 percent of the lowest published price for a drug (which is usually the wholesale acquisition cost) to 250 percent of the lowest average manufacturer price. There can be no assurance that the changes under the DRA will not have an adverse impact on our business.

The proposed federal budget seeks to reduce Medicare spending substantially over the next 5 years and also seeks to reduce Medicaid spending. At this time, we cannot determine the future impact of the proposed federal budget on us, but these proposals, if enacted, could have an adverse effect on our business.

***The changing United States healthcare environment may negatively impact our revenue and income.***

Our products and services are intended to function within the structure of the healthcare financing and reimbursement system currently existing in the United States. In recent years, the healthcare industry has undergone significant changes in an effort to reduce costs and government spending. These changes include an increased reliance on managed care; cuts in Medicare funding affecting our healthcare provider customer base; consolidation of competitors, suppliers and customers; and the development of large, sophisticated purchasing groups. We expect the healthcare industry to continue to change significantly in the future. Some of these potential changes, such as a reduction in governmental support of healthcare services or adverse changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits, may cause healthcare industry participants to reduce the amount of our products and services they purchase or the price they are willing to pay for our products and services. Changes in pharmaceutical manufacturers pricing or distribution policies could also significantly reduce our income.

***If we fail to comply with laws and regulations in respect of healthcare fraud, we could suffer penalties or be required to make significant changes to our operations.***

We are subject to extensive and frequently changing federal and state laws and regulations relating to healthcare fraud. The federal government continues to strengthen its position and scrutiny over practices involving healthcare fraud affecting the Medicare, Medicaid and other government healthcare programs. Our relationships with pharmaceutical manufacturers and healthcare providers subject our business to laws and regulations on fraud and abuse which, among other things, (i) prohibit persons from soliciting, offering, receiving or paying any remuneration in order to induce the referral of a patient for treatment or for inducing the ordering or purchasing of items or services that are in any way paid for by Medicare, Medicaid or other government-sponsored healthcare programs and (ii) impose a number of restrictions upon referring physicians and providers of designated health services under Medicare and Medicaid programs. Legislative provisions relating to healthcare fraud and abuse give federal enforcement personnel substantially increased funding, powers and remedies to pursue suspected fraud and abuse. While we believe that we are in substantial compliance with all

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applicable laws, many of the regulations applicable to us, including those relating to marketing incentives offered by pharmaceutical suppliers, are vague or indefinite and have not been interpreted by the courts. They may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require us to make changes in our operations. If we fail to comply with applicable laws and regulations, we could suffer civil and criminal penalties, including the loss of licenses or our ability to participate in Medicare, Medicaid and other federal and state healthcare programs.

***We may not realize all of the anticipated benefits of our integration plan to consolidate our distribution network and eliminate duplicative administrative functions.***

We are proceeding with an integration plan to consolidate our ABDC distribution facilities from 51 to a distribution facility network numbering in the mid-20 s within the next two years; implement new warehouse information technology systems and eliminate duplicative administrative functions. The program is designed to focus capacity on growing markets, significantly increase warehouse efficiencies and streamline our transportation activities. The plan includes building six new facilities (five of which are operational), closing facilities (26 of which have been closed as of March 31, 2006) and implementing a new warehouse operating system. The sixth new facility is scheduled to open during fiscal 2006. We closed a total of six facilities during fiscal 2005 and we expect to close an additional six facilities during fiscal 2006, thereby reducing the total number of distribution facilities to 28 by the end of fiscal 2006. We believe our enhanced distribution network will result in the lowest costs in pharmaceutical distribution and the highest accuracy and speed of customer order fulfillment. We may not realize all of the anticipated benefits of enhancing our distribution network if we experience delays in building the new facilities or closing existing facilities; we incur significant cost overruns associated with the program; or the new warehouse information technology systems do not function as planned.

Effective July 1, 2005, we outsourced a significant portion of our information technology activities to IBM Global Services ( IBM ) as part of the integration plan. We seek to complete the outsourcing plan by the end of fiscal 2006. There can be no assurance that our business operations will not be affected adversely by the outsourcing of such activities or that IBM will perform satisfactorily.

***Our operating results and/or financial condition may be adversely affected if we undertake acquisitions of businesses that do not perform as we expect or that are difficult for us to integrate.***

We expect to continue to implement our growth strategy, in part, by acquiring companies. At any particular time, we may be in various stages of assessment, discussion and negotiation with regard to one or more potential acquisitions, not all of which will be consummated. We make public disclosure of pending and completed acquisitions when appropriate and required by applicable securities laws and regulations.

Acquisitions involve numerous risks and uncertainties. If we complete one or more acquisitions, our results of operations and financial condition may be adversely affected by a number of factors, including: the failure of the acquired businesses to achieve the results we have projected in either the near or long term; the assumption of unknown liabilities; the difficulties of imposing adequate financial and operating controls on the acquired companies and their management and the potential liabilities that might arise pending the imposition of adequate controls; the difficulties in the integration of the operations, technologies, services and products of the acquired companies; and the failure to achieve the strategic objectives of these acquisitions.

***Our operating results and our financial condition may be adversely affected by foreign operations.***

We recently acquired two pharmaceutical distributors based in Canada and a provider of contract packaging and clinical trial materials services based in the United Kingdom, and expect to consider additional foreign acquisitions in the future. Our existing foreign operations and any operations we may acquire in the future carry risks in addition to the risks of acquisition, as described above. At any particular time, foreign operations may encounter risks and uncertainties regarding the governmental, political, economic, business and competitive environment within the countries in which those operations are based. Additionally, foreign operations expose us to foreign currency fluctuations that could impact our results of operations and financial condition based on the movements of the applicable foreign currency exchange rates in relation to the U.S. Dollar.

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***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results, our management may not be able to provide its report on the effectiveness of our internal controls over financial reporting in our Annual Report on Form 10-K for the fiscal year ending September 30, 2006 as required pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and our independent registered public accounting firm may not be able to provide an unqualified attestation, or any attestation, on management s assessment of the operating effectiveness of our internal controls over financial reporting.***

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management will be required to deliver a report in our Annual Report on Form 10-K for the fiscal year ending September 30, 2006, similar to the one delivered in connection with our Annual Report on Form 10-K for the fiscal year ended September 30, 2005, that assesses the effectiveness of our internal control over financial reporting. We also will be required to deliver an attestation report, similar to the one delivered in connection with our Annual Report on Form 10-K for the fiscal year ended September 30, 2005, of our independent registered public accounting firm on our management s assessment of, and operating effectiveness of, internal controls. We have undertaken substantial effort to assess, enhance and document our internal control systems, financial processes and information systems and expect to continue to do so during fiscal 2006 in preparation for the required annual evaluation process. Significant use of resources, both internal and external, will be required to make the requisite evaluation of the annual effectiveness of our internal controls. While we believe we have adequate internal controls and will meet our obligations, there can be no assurance that we will be able to complete the work necessary for our management to issue our report in a timely manner or that management or our independent registered public accounting firm will conclude that our internal controls are effective.

***Risks generally associated with our sophisticated information systems may adversely affect our operating results.***

We rely on sophisticated information systems in our business to obtain, rapidly process, analyze, and manage data to facilitate the purchase and distribution of thousands of inventory items from numerous distribution centers; to receive, process, and ship orders on a timely basis; to manage the accurate billing and collections for thousands of customers; and to process payments to suppliers. Our business and results of operations may be adversely affected if these systems are interrupted or damaged by unforeseen events or if they fail for any extended period of time, including due to the actions of third parties. A third party service provider is responsible for managing a significant portion of our information systems. Our business and results of operations may be adversely affected if the third party service provider does no