

OPTION CARE INC/DE
Form DEF 14A
April 11, 2006
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

OPTION CARE, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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 - (4) Proposed maximum aggregate value of transaction:
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- o Fee paid previously with preliminary materials.
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

**485 HALF DAY ROAD
SUITE 300
BUFFALO GROVE, ILLINOIS 60089**

Dear Stockholder:

You are cordially invited to the Annual Meeting of Stockholders (the Meeting) of Option Care, Inc. (Option Care or the Company). The Meeting will be held at the Company's Corporate Offices at 485 Half Day Road, Suite 300, Buffalo Grove, Illinois, on Tuesday, May 16, 2006, at 10:00 a.m., local time.

At the Meeting, you will be asked (a) to elect three directors to hold office for a three-year term; (b) to approve a proposal to amend the Option Care, Inc. 2001 Employee Stock Purchase Plan (i) to increase the number of shares of the Company's common stock available for issuance under the plan from 1,000,000 to 2,000,000 and (ii) to increase the number of unissued shares that may be issued per year under the plan from 100,000 to 200,000; (c) to ratify the appointment of Ernst & Young LLP to act as independent registered public accounting firm of the Company for the fiscal year 2006; and (d) to transact any other business as may properly come before the Meeting and any adjournments or postponements of the Meeting.

Option Care's Board of Directors (the Board) unanimously recommends that you vote FOR the nominees for election as directors, FOR the amendment to the Option Care, Inc. 2001 Employee Stock Purchase Plan and FOR appointment of Ernst & Young LLP to act as independent registered public accounting firm of the Company for the fiscal year 2006.

In the materials accompanying this letter, you will find a Notice of the Meeting, a Proxy Statement relating to the proposals you will be asked to consider and vote upon at the Meeting, and a Proxy Card. The Proxy Statement includes general information regarding Option Care as well as additional information relating to the specific proposals you will be asked to consider and vote upon at the Meeting. Also enclosed with the proxy materials is Option Care's Annual Report to Stockholders for the year ended December 31, 2005.

All stockholders are invited to attend the Meeting in person. However, whether or not you plan to attend the Meeting, please complete, sign and date the Proxy Card enclosed herewith and promptly return it to Option Care in the enclosed envelope we have provided for that purpose or follow the Internet or telephone voting instructions on the Proxy Card. If you attend the Meeting, you may vote in person if you wish, even though you have previously returned your proxy. It is important that your shares be represented and voted at the Meeting.

Sincerely,
/s/ RAJAT RAI
Rajat Rai
Chief Executive Officer

April 18, 2006

**485 HALF DAY ROAD
SUITE 300
BUFFALO GROVE, ILLINOIS 60089**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 16, 2006**

To the Holders of the Common Stock of
Option Care, Inc.

The Annual Meeting of Stockholders (the Meeting) of Option Care, Inc., a Delaware corporation (the Company), will be held at the Company's Corporate Offices at 485 Half Day Road, Suite 300, Buffalo Grove, Illinois 60089 on May 16, 2006 beginning at 10:00 a.m., local time. The Company's Board of Directors has fixed the close of business on April 6, 2006 as the Record Date for the determination of stockholders entitled to receive notice of and to vote at the Meeting and any adjournments or postponements of the Meeting. At the Meeting, you will be asked to consider and vote upon the following:

1. To elect three (3) directors to hold office for a term of three years or until their successors shall have been duly elected and qualified;
2. To approve a proposal to amend the Option Care, Inc. 2001 Employee Stock Purchase Plan (i) to increase the number of shares of the Company's common stock available for issuance under the plan from 1,000,000 to 2,000,000 and (ii) to increase the number of unissued shares that may be issued per year under the plan from 100,000 to 200,000;
3. To ratify the appointment of Ernst & Young LLP to act as independent registered public accounting firm of the Company for fiscal year 2006; and
4. To consider and act upon such other business as may properly come before the Meeting or any adjournments or postponements of the Meeting.

Each of the matters identified above are discussed in detail in the Proxy Statement attached to this Notice. We encourage you to read the Proxy Statement carefully.

It is extremely important that your shares are voted at the Meeting. To ensure that your shares are voted at the Meeting please complete, sign and date the enclosed proxy card and return it as promptly as possible in the enclosed return envelope we have provided for that purpose or by following the Internet or telephone voting instructions on the proxy card. No postage is required to return the proxy card in the enclosed envelope if mailed in the United States. You may revoke a previously given proxy in the event you change your mind after you return the proxy card to the Company. The delivery of a later dated proxy card to the Company will revoke any previously given proxy. In addition, you may revoke a previously given proxy by attending the Meeting and voting your shares in person.

By Order of the Board of Directors.
/s/ JOSEPH P. BONACCORSI
Senior Vice President, General Counsel and Secretary

April 18, 2006
Buffalo Grove, Illinois

**485 HALF DAY ROAD
SUITE 300
BUFFALO GROVE, ILLINOIS 60089**

PROXY STATEMENT

ANNUAL STOCKHOLDERS MEETING

TO BE HELD MAY 16, 2006

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Option Care, Inc., a Delaware corporation (the Company), for use at the Annual Meeting of Stockholders (the Meeting) to be held on Tuesday, May 16, 2006, at 10:00 a.m., local time, at the Company's Corporate Offices at 485 Half Day Road, Suite 300, Buffalo Grove, Illinois, 60089 and any adjournments or postponements thereof.

The Notice of Annual Meeting to which this Proxy Statement is attached lists the matters which the Company intends to propose for consideration at the Meeting and these matters are discussed in detail later in this Proxy Statement. Other than the matters listed in the Notice of Annual Meeting and discussed herein, the Board does not currently intend, nor does it know of anyone else who intends, to present any other matter for consideration at the Meeting.

All proxies evidenced by a properly completed and returned Proxy Card will be voted in accordance with the instructions set forth in the Proxy Card. If no choice is specified, proxies will be voted FOR the election of the nominees for director proposed by the Board of Directors as set forth in Proposal 1, FOR the amendment to the Company's 2001 Employee Stock Purchase Plan as set forth in Proposal 2 and FOR ratification of the appointment of Ernst & Young LLP to act as independent registered public accounting firm of the Company for fiscal year 2006 as set forth in Proposal 3. If any other matters properly come before the Meeting, the persons named as proxies in the Proxy Card will be authorized to vote or otherwise act on these matters using their judgment and discretion; provided, however, that proxies directing a vote against a proposal may not be voted for a proposal to adjourn the Meeting to permit further solicitation in favor of the original proposal. A stockholder who executes a proxy may revoke it at any time before it is voted by delivering to the Company another proxy bearing a later date, by submitting written notice of such revocation to the Secretary of the Company, or by personally appearing at the Meeting and casting a contrary vote. Even if you plan to attend the meeting in person, please execute, date and return the enclosed proxy promptly. Should you attend the meeting, you may revoke the proxy by voting in person. A postage-paid, return-addressed envelope is enclosed for your convenience. Your cooperation in giving this your prompt attention will be appreciated.

The representation in person or by proxy of at least a majority of the shares entitled to vote at the Meeting is necessary to constitute a quorum. Assuming the requisite numbers of shares are represented at the Meeting, each proposal will be voted on separately and the vote required to approve each proposal is described below. A plurality of the votes cast is required for the election of directors, which means that the three nominees with the highest vote totals will be elected as directors. As a result, abstentions and broker non-votes do not have an effect on the results of the vote for the election of directors. The affirmative vote of a majority of the shares represented at the Meeting in person or by proxy is required to approve all

other matters to be voted on. Abstentions are treated as votes against these matters. Broker non-votes will have no effect on the result of the vote for these matters.

Each share of Common Stock is entitled to one vote for each of the proposals identified in this Proxy Statement. The close of business on April 6, 2006 has been fixed as the Record Date for the determination of the holders of our Common Stock entitled to notice of and to vote at the Annual Meeting. On April 6, 2006, there were 33,084,013 shares of Common Stock outstanding and entitled to vote. This Proxy Statement, together with the enclosed Notice of Meeting and Proxy Card, were mailed beginning on or about April 18, 2006 to all record owners of the Company's Common Stock as of the Record Date.

**PROPOSAL 1. ELECTION OF DIRECTORS
(Proposal 1 on the Proxy Card)**

In accordance with the Company's By-laws, the size of the Board of Directors has been fixed at seven members. The Board of Directors is divided into three classes, with two classes having two seats each and one class having three seats. Every year one class is elected to a three-year term. The class currently up for election contains three directors. One of the classes not currently up for election has a vacancy. Despite this vacancy, you may not vote for a greater number of persons than the number of nominees on the enclosed card.

The Nominating and Corporate Governance Committee recommended to the Board of Directors, and the Board of Directors approved, Kenneth S. Abramowitz, John N. Kapoor, Ph.D. and Rajat Rai as the Company's nominees for election to a three-year term as directors of the Company. Mr. Abramowitz has served as a director of the Company since 2002. Dr. Kapoor has served as Chairman of the Board of Directors since 1990. Mr. Rai has served as a director and Chief Executive Officer of the Company since 2001. Because each of the nominees currently serves as a director of the Company, the Board of Directors is fully aware of the ways in which these nominees' experience and expertise compliment the Company's needs. The nominees' existing relationship with the Company also provides the Board of Directors with actual knowledge of the nominees' commitment of time and attention to the Company and allowed this assessment to include consideration of the actual level of the nominees' past participation in Board functions.

Messrs. Abramowitz and Rai and Dr. Kapoor have advised the Board of Directors that they are willing to serve if elected as directors of the Company. However, if prior to the Meeting, the Board of Directors makes a good faith determination that any of the nominees is unable or unwilling to serve as a director, any proxy marked FOR this proposal will include a vote for a substitute nominee selected by the Board of Directors.

Recommendation of the Board of Directors

The Board of Directors recommends that stockholders vote FOR the Company's nominees for election as directors of the Company.

INFORMATION CONCERNING OFFICERS AND DIRECTORS**Officers and Directors**

The following table identifies the nominees for election as directors of the Company, each continuing director and each executive officer of the Company. The information in this table is as of April 6, 2006.

Name	Age	Positions or Offices with the Company	Has Served Continuously Since
Nominees with Terms Ending in 2009			
Kenneth S. Abramowitz	55	Director	2002
John N. Kapoor, Ph.D	62	Chairman of the Board of Directors	1990
Rajat Rai	39	Director and Chief Executive Officer	2001
Directors with Terms Ending in 2008			
Edward A. Blechschmidt	53	Director	2005
Leo Henikoff, M.D.	66	Director	2001
Directors with Terms Ending in 2007			
Jerome F. Sheldon	70	Director	1991
Executive Officers			
Joseph P. Bonaccorsi	41	Senior Vice President, Secretary and General Counsel	2002
Paul Mastrapa	41	Senior Vice President and Chief Financial Officer	2002
Richard M. Smith	46	President and Chief Operating Officer	2003

Nominees

Kenneth S. Abramowitz has served as a director since September 2002. Mr. Abramowitz is a Managing General Partner and co-founder of New Global Network (NGN) Capital, a \$250 million worldwide healthcare venture capital fund. Mr. Abramowitz served at The Carlyle Group from 2001 to 2003 as a Managing Director for the Healthcare Team, focused on U.S. buyout opportunities in the healthcare industry. Prior to that, Mr. Abramowitz worked as an Analyst at Sanford C. Bernstein & Company where he covered the medical supply, hospital management and Health Maintenance Organization (HMO) industries for 23 years. Mr. Abramowitz currently sits on the Board of Directors of EKOS Corporation, OptiScan Biomedical Corporation, Power Medical Interventions, Inc., Sightline Technologies Ltd., and Small Bone Innovations, LLC.

John N. Kapoor, Ph.D., is the Chairman of the Company's Board of Directors, a position he has held since October 1990. Dr. Kapoor served as the Company's Chief Executive Officer from August 1993 to April 1996 and from June 2000 to March 2001. Dr. Kapoor also served as the Company's President from August 1993 through October 1993 and from January 1995 through February 1996 and as Chief Executive Officer and President from March 1991 to May 1991. Since 1990, Dr. Kapoor has served as President of EJ Financial Enterprises, Inc., a provider of funds and strategic advice and consulting services to health care companies that are in the early stages of their lifecycle and display high growth potential. Dr. Kapoor is a director of First Horizon Pharmaceutical Corporation, and is Chairman of the Board of Directors of each of Introgen Therapeutics Inc., Akorn, Inc. and NeoPharm, Inc.

Rajat Rai has served as a director since May 2001 and as the Company's Chief Executive Officer since April 2001. Mr. Rai served as President of the Company from June 2000 through May 2003. Prior to that, Mr. Rai held various positions with the Company since August 1992, including Chief Operating Officer from August 1999 to April 2001.

Continuing Directors

Edward A. Blechschmidt was appointed to the Board of Directors in November 2005. Mr. Blechschmidt was Chairman, Chief Executive Officer and President of Gentiva Health Services, Inc. from March 2000 until June 2000, and continued to serve as a director for such company until May 2005. Mr. Blechschmidt served as Chief Executive Officer and President of Olsten Corporation from October 1998 to March 2000, at which time Gentiva Health Services, Inc. was spun off from Olsten Corporation. Mr. Blechschmidt is currently a member of the Board of Directors of Healthsouth Corporation, Columbia Laboratories, Inc., and Lionbridge Technologies, Inc.

Leo Henikoff, M.D., has served as a director since November 2001. Dr. Henikoff has served as a Professor of Internal Medicine and Pediatrics at Rush-Medical College since July 1984 and President Emeritus of Rush University in Chicago, Illinois since February 2002. From July 1984 to February 2002, Dr. Henikoff served as President and Chief Executive Officer of Rush-Presbyterian-St. Luke's Medical Center in Chicago, Illinois; President and Chairman of the Rush System of Health, a six-hospital system in the Chicago area; and President of Rush University. Dr. Henikoff is also currently a director of Harris Financial Corporation, Sentry Insurance and the Geisinger Health System.

Jerome F. Sheldon has served as a director since November 1991. Mr. Sheldon was founder, Chairman and Chief Executive Officer of Lamar Snowboards, a manufacturer and distributor of snowboard products, from August 1991 until his retirement in July 1998. Mr. Sheldon was President and Chief Executive Officer of Medicine Shoppe International, Inc., a franchisor of retail pharmacies, from March 1980 to June 1990, and was a director of this company from March 1980 to February 1991. Mr. Sheldon has served as Chairman of the Board of First Dental Health since 1998.

Information Concerning the Board of Directors

During the year ended December 31, 2005, the Company's Board of Directors met five times, including four regularly scheduled meetings and one special meeting. During 2005, each director attended at least 75% of the aggregate of all meetings of the Board of Directors and all meetings of committees of which he was a member. The Company does not have a formal policy with respect to director attendance at annual meetings. All continuing directors and nominees for director attended the Company's 2005 Annual Meeting of Stockholders on May 9, 2005, with the exception of Mr. Blechschmidt, who was appointed to Board of Directors in November 2005.

At the recommendation of the Company's Chief Executive Officer, Mr. Rai, the Nominating and Corporate Governance Committee recommended, and the Board of Directors approved, the appointment of Edward A. Blechshmidt to fill an empty seat on the Company's Board of Directors effective November 2005. Mr. Blechschmidt will serve in the director class with term expiring in 2008.

The Company is actively seeking a qualified candidate to fill one remaining vacancy on the Board in the class with term expiring in 2007. At this time, the Nominating and Corporate Governance Committee has not identified a suitable candidate.

Independent Directors

The Board of Directors has determined that each of our continuing directors and nominees other than Dr. Kapoor and Mr. Rai qualify as independent in accordance with the listing standards of The Nasdaq Stock Market. Dr. Kapoor is not considered independent because of the Company's relationship with EJ Financial Enterprises, Inc., of which Dr. Kapoor is the sole owner, and Mr. Rai is not considered independent because he is an officer of the Company. The Nasdaq independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. In addition, as further required by the Nasdaq

rules, the Board has made the subjective determination as to each independent director that no relationships exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management.

Compensation of Directors

Directors receive \$7,500 in compensation for attendance at each regular meeting of the Board of Directors. Directors are also reimbursed for out-of-pocket expenses incurred in connection with attendance at Board of Directors and committee meetings. Upon election or appointment to the Board of Directors, each non-employee director receives an option to purchase 45,000 shares of the Company's common stock (Common Stock) at an exercise price equal to the closing market price on the date of grant. These options are generally exercisable immediately upon issuance. After the director's first year of service to the Board, at the beginning of each additional year of service, each non-employee director is granted an option to purchase 15,000 shares of Common Stock at an exercise price equal to the market price on the date of grant. Each such annual grant generally becomes vested in full on the one-year anniversary of the grant date.

Standing Committees

To better and more efficiently discharge its fiduciary duties to stockholders, the Board has delegated special responsibility and authority with respect to various matters to committees, each of which should have a minimum of three members drawn from the full Board of Directors. The standing committees of the Board include the Audit Committee, the Compensation Committee, the Corporate Compliance Committee and the Nominating and Corporate Governance Committee. The Board has adopted a charter for each committee. These charters are available at the Company's website, www.optioncare.com.

Audit Committee. The Audit Committee has complete authority over the selection, direction and compensation of the Company's independent registered public accounting firm. This authority extends to establishing the scope of the audit, determining compensation, approving all non-audit services and monitoring auditor independence. The Audit Committee has assumed formal responsibility for final approval of the Company's critical accounting policies and for monitoring the continued propriety of the methods employed by the Company in connection with significant estimates and accruals. The Audit Committee also participates in, oversees and has other involvement with numerous processes designed to enhance the quality of the Company's financial information, including the Company's internal controls. The Audit Committee reviews all financial disclosure documents and discusses these documents with both management and the Company's independent registered public accounting firm prior to public release. Finally, the Audit Committee monitors the Company's adherence to the Company's corporate compliance program and general corporate policies. Throughout 2005, the members of the Audit Committee were Messrs. Abramowitz and Sheldon and Dr. Henikoff. In February 2006, Mr. Blechschmidt was appointed to also serve on the Audit Committee. Each member of the Audit Committee is independent as that term is defined by the listing standards of The Nasdaq Stock Market. The Board has determined that each of Messrs. Abramowitz and Blechschmidt satisfies the requirements for an audit committee financial expert under the current rules of the Securities and Exchange Commission. The Audit Committee met five times during 2005.

Compensation Committee. Although primary authority to establish and review performance standards and set compensation levels below the senior office level has been delegated to the Company's Chief Executive Officer, his decisions remain subject to oversight and review by the Compensation Committee. The function of the Compensation Committee is to determine the annual salary, bonus and

other benefits of selected senior officers of the Company and establish and review, as appropriate, performance standards under compensation programs for senior officers. The Compensation Committee also serves as administrator for the Company's Amended and Restated Stock Incentive Plan (1997). Throughout 2005, the members of the Compensation Committee were Dr. Henikoff and Mr. Sheldon. In February 2006, Mr. Blechschmidt was appointed to also serve on the Compensation Committee. Each member of the Compensation Committee is an independent director as defined in the listing standards of The Nasdaq Stock Market. The Compensation Committee met a total of four times during 2005.

Nominating and Corporate Governance Committee. The members of the Nominating and Corporate Governance Committee are Messrs. Abramowitz and Sheldon and Dr. Henikoff. The purpose of the committee is to assist the Board of Directors in identifying qualified individuals to become board members, nominating directors to serve on and to chair the Board committees, periodically reviewing director compensation and benefits, and improving the Company's corporate governance guidelines. Each member of the Nominating and Corporate Governance Committee is an independent director as defined by the listing standards of The Nasdaq Stock Market. The Nominating and Corporate Governance Committee met two times during 2005.

Director Nominee Criteria and Process

The Board of Directors is responsible for approving candidates for Board membership. The Board has delegated the screening and recruitment process to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee believes that the criteria for director nominees should ensure effective corporate governance, support the Company's strategies and businesses, account for individual director attributes and the effect of the overall mix of those attributes on the Board's effectiveness, and support the successful recruitment of qualified candidates to the Board.

Qualified candidates for director are those who, in the judgment of the Nominating and Corporate Governance Committee, possess all of the personal attributes and a sufficient mix of experience as described below to assure effective service on the Board. Personal attributes of a Board candidate considered by the Nominating and Corporate Governance Committee include: leadership, personal ethics, independence, interpersonal skills and effectiveness. The experience of a Board candidate considered by the Nominating and Corporate Governance Committee include: financial acumen, general business experience, industry knowledge, diversity of view points, special business experience and expertise.

The Nominating and Corporate Governance Committee may receive recommendations for Board candidates from various sources, including recommendations from directors, executive officers and stockholders. A stockholder wishing to nominate a candidate for election to the Board at the annual meeting is required to give written notice to the Secretary of the Company of his or her intention to make a nomination. To be considered timely, such notice shall be delivered to or mailed to and received by the Secretary not less than 60 days and not more than 90 days before the first anniversary of the preceding year's annual meeting, provided, however, in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be delivered not earlier than the close of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. A stockholder's notice to the Secretary shall contain, for each person nominated for election or reelection as director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. Such information shall include, but not be limited to, the nominee's name, age and qualifications for serving as director, including relevant experience and education background, and the nominee's written consent to being named in the proxy statements as a nominee and to serving as a director if elected. In addition, the stockholder giving notice must provide his

or her name and address, and the name and address of such beneficial owner, if any, on whose behalf the proposal is made, as well as the number of shares of the Company's common stock that are owned beneficially and of record by such stockholder and such beneficial owner.

Stockholder Communications to Directors

Any stockholder interested in communicating with the Board of Directors as a group, or an individual member of the Board of Directors, may do so by writing c/o Joseph P. Bonaccorsi, Senior Vice President, Secretary and General Counsel, Option Care, Inc., 485 Half Day Road, Suite 300, Buffalo Grove, Illinois 60089. All communications to the Board of Directors or a specified individual director will be provided to the Board of Directors, or the specified individual director, at the next Board meeting following receipt of the communication. However, if the Secretary determines the nature of the communication requires the immediate attention of the Board of Directors or the specified individual director, the communication will be provided as soon as reasonably possible. Such correspondence will not be screened and will be forwarded in its entirety.

Executive Officers

Joseph P. Bonaccorsi joined Option Care in January 2002 as Senior Vice President, Secretary and General Counsel. Prior to joining Option Care, Mr. Bonaccorsi was a partner at the Chicago law firm of Sanchez & Daniels, where he practiced from 1993 to 2001.

Paul Mastrapa rejoined Option Care, Inc. as a Senior Vice President and Chief Financial Officer in February 2002. Previously, Mr. Mastrapa held key senior level positions responsible for the financial management, business development, and operations of several healthcare service companies. Mr. Mastrapa founded and served as Chief Executive Officer for AdvoLife, a venture capital-backed provider of private pay chronic care management services to seniors, leading the company to profitability. In 1991, Mr. Mastrapa joined Option Care, where he supported the IPO process, acquisitions, and financial management needs of the company during the early 1990's. He began his career at Ernst & Young LLP in Chicago.

Richard M Smith joined Option Care in May 2003 as President and Chief Operating Officer. From May 2002 to May 2003, Mr. Smith was President and Co-CEO of Healthtiger, a private data management firm specializing in healthcare. He served as President, CEO and CFO at ESP Employment Screening Partners from March 2000 to May 2002.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth information regarding the amount of Common Stock beneficially owned, as of April 6, 2006, by (i) each director of the Company, (ii) each nominee for election as a director of the Company, (iii) each named executive officer, (iv) all directors and executive officers of the Company as a group and (v) any person who is known by us to beneficially own 5% or more of our Common Stock.

Name and Address(1)	Number of Shares Beneficially Owned(2)	Percent of Outstanding Common Stock Beneficially Owned(3)
John N. Kapoor, Ph.D.(4)	7,569,051	21.8 %
Lord, Abbett & Co. LLC (5)	2,253,288	6.5 %
FMR Corporation(6)	2,000,000	5.8 %
Wellington Management Company, LLP (7)	1,973,037	5.7 %
Rajat Rai	1,037,791	3.0 %
Kenneth S. Abramowitz	90,563	*
Edward A. Blechschmidt		*
Joseph P. Bonaccorsi	99,114	*
Leo Henikoff, M.D.	103,126	*
Paul Mastrapa	225,000	*