UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): July 26, 2010

Addus HomeCare Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-34504	20-5340172
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

2401 South Plum Grove Road, Palatine, Illinois	60067
(Address of principal executive offices)	(Zip Code)

(847) 303-5300
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

This amendment is being filed to amend and supplement Item 9.01 of the Current Report on Form 8-K of Addus HomeCare Corporation (the "Company") filed with the Securities and Exchange Commission on July 27, 2010 to include the historical financial statements of Advantage Health Systems, Inc. ("Advantage"), the business acquired, and the unaudited pro forma financial information required pursuant to Article 11 of Regulation S-X. Except for the filing of the financial statements required by Item 9.01 hereof, this Current Report on Form 8-K is not being amended or updated in any other manner.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The interim condensed consolidated financial statements of Advantage as of June 30, 2010 and for the six-month periods ended June 30, 2010 and 2009, and the audited consolidated financial statements of Advantage as of December 31, 2009 and for the year ended December 31, 2009 are filed as Exhibit 99.1 and are incorporated herein in their entirety by reference.

(b) Pro forma Financial Information

The required pro forma financial information as of June 30, 2010 and for the six months ended June 30, 2010 and for the year ended December 31, 2009 with respect to the acquisition of Advantage is filed as Exhibit 99.2 and is incorporated herein in its entirety by reference.

(d) Exhibits.

The following exhibits are filed with this Report:

Exhibit 23.1	Consent of Elliott Davis LLC
Exhibit 99.1	Advantage's unaudited consolidated financial statements as of June 30, 2010 and for the six months ended June 30, 2010 and 2009 and audited consolidated financial statements as of December 31, 2009 and for the year ended December 31, 2009.
Exhibit 99.2	Unaudited pro forma condensed combined financial statements as of June 30, 2010 and for the six-months ended June 30, 2010 and for the year ended December 31, 2009.

* All schedules and exhibits to this Exhibit have been omitted in accordance with 17 CFR §229.601(b)(2). The registrant agrees to furnish a supplemental copy of all omitted schedules and exhibits to the Securities and Exchange Commission upon its request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ADDUS HOMECARE CORPORATION

Date: October 6, 2010

By: /S/ FRANCIS J. LEONARD

Francis J. Leonard
Chief Financial Officer

Exhibit List

Exhibit 23.1	Consent of Elliott Davis LLC
Exhibit 99.1	Advantage's unaudited consolidated financial statements as of June 30, 2010 and for the six months ended June 30, 2010 and 2009 and audited consolidated financial statements as of December 31, 2009 and for the year ended December 31, 2009.
Exhibit 99.2	Unaudited pro forma condensed combined financial statements as of June 30, 2010 and for the six months ended June 30, 2010 and for the year ended December 31, 2009.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the inclusion of our report dated May 20, 2010 relating to the financial statements at and for the year ended December 31, 2009 of Advantage Health Systems, Inc., in the Current Report on Form 8-K/A of Addus HomeCare Corporation ("Addus") dated October 6, 2010 and to the incorporation by reference of such report into the Registration Statement on Form S-8 filed with the Securities and Exchange Commission by Addus on January 20, 2010.

/s/ Elliott Davis LLC

Columbia, South Carolina

October 6, 2010

EXHIBIT 99.1

ADVANTAGE HEALTH SYSTEMS, INC.

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

ADVANTAGE HEALTH SYSTEMS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Advantage Health Systems, Inc.
Columbia, South Carolina

We have audited the accompanying balance sheet of Advantage Health Systems, Inc. (the Company) as of December 31, 2009, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advantage Health Systems, Inc. as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Elliott Davis, LLC

Columbia, South Carolina
May 20, 2010

ADVANTAGE HEALTH SYSTEMS, INC.
BALANCE SHEET
DECEMBER 31, 2009

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 478,209
Accounts receivable, net of allowance for doubtful accounts	1,341,797
Prepaid insurance	177,884
Total current assets	1,997,890
PROPERTY AND EQUIPMENT, net	195,972
LICENSES, net of accumulated amortization of $129,417	146,860
NOTE RECEIVABLE	76,846
Total assets	$2,417,568

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Line of credit	$ 838,460
Premium finance note payable	5,014
Accounts payable	195,099
Accrued payroll and related liabilities	116,467
Deferred revenue	134,089
Other accrued expenses	2,733
Total current liabilities	1,291,862
STOCKHOLDERS' EQUITY	
Common stock, no stated value, 1,000 shares authorized and issued	1,141,000
Retained earnings	393,869
	1,534,869
Advances due from stockholders	(409,163)
Total stockholders' equity	1,125,706
Total liabilities and stockholders' equity	$2,417,568

The accompanying notes are an integral part of these financial statements.

ADVANTAGE HEALTH SYSTEMS, INC.
STATEMENTS OF INCOME
For the year ended December 31, 2009

REVENUES	
Net patient service revenue	**$ 13,189,021**
DIRECT OPERATING EXPENSES	
Salaries and wages	**7,339,657**
Benefits:	
Payroll taxes	**648,198**
Insurance	**474,095**
Other	**94,755**
	8,556,705
GROSS PROFIT	**4,632,316**
OPERATING EXPENSES	
Salaries and wages	**1,498,658**
Benefits	**115,928**
Rent	**205,483**
Communications	**127,603**
Insurance	**213,214**
Depreciation	**33,284**
Other	**1,086,133**
	3,280,303
INCOME BEFORE OTHER EXPENSES	**1,352,013**
OTHER EXPENSE	
Interest	**39,442**
NET INCOME	**$ 1,312,571**

The accompanying notes are an integral part of these financial statements.

ADVANTAGE HEALTH SYSTEMS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the year ended December 31, 2009

	Common Stock		Retained earnings (accumulated deficit)	Advances due from stockholders	Total
	Shares	Amount			
Balances at December 31, 2008	**1,000**	**$1,141,000**	**$ (318,702)**	**$(254,363)**	**$ 567,935**
Advances, net of repayments	**—**	**—**	**—**	**(154,800)**	**(154,800)**
Distributions	**—**	**—**	**(600,000)**	**—**	**(600,000)**
Net income	**—**	**—**	**1,312,571**	**—**	**1,312,571**
Balances at December 31, 2009	**1,000**	**$1,141,000**	**$ 393,869**	**$(409,163)**	**$1,125,706**

The accompanying notes are an integral part of these financial statements.

ADVANTAGE HEALTH SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2009

CASH FLOWS FROM OPERATIONS	
Net income	**$1,312,571**
Adjustments to reconcile net income to net cash provided by operations	
Depreciation	**33,284**
Increase (decrease) in allowance for doubtful accounts	
Loss on disposal of property and equipment	**40,456**
Changes in deferred and accrued amounts	**2,404**
Accounts receivable	**(255,202)**
Prepaid insurance	**(48,139)**
Accounts payable	**105,199**
Accrued payroll and related liabilities	**(50,203)**
Other accrued expenses	**(648)**
Deferred revenue	**134,089**
Related party payables	**(23,348)**
Net cash provided by operating activities	**1,250,463**
INVESTING ACTIVITIES	
Proceeds from sale of property and equipment	**4,732**
Purchases of property and equipment	**(106,576)**
Net cash used in investing activities	**(101,844)**
FINANCING ACTIVITIES	
Borrowings/(payments) on premium finance note payable, net	**5,014**
Advances/(repayments) from stockholders, net	**(154,800)**
Distributions to stockholders	**(600,000)**
Net cash used for financing activities	**(749,786)**
Net increase in cash	**398,833**
CASH, BEGINNING OF YEAR	**79,376**
CASH, END OF YEAR	**$ 478,209**
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid during the year for interest	**$ 36,709**

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advantage Health Systems, Inc. (the Company) was incorporated in South Carolina on January 23, 1998. The Company operates as CarePro Medical One, CarePro Health Services and CarePro Home Health. CarePro Medical One has offices in Columbia, Florence, Rock Hill, Greenville, and Charleston, South Carolina and CarePro Health Services has an office in Augusta, Georgia. CarePro Home Health operates in Richland County and Sumter County, South Carolina.

Basis of presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Revenues

Patient service revenue is recognized, net of estimated contractual adjustments related to third-party payors, when services are rendered. Medicare and Medicaid services rendered to program beneficiaries are recognized based on estimated allowable reimbursement rates. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revenues for the year ended December 31, 2009 are derived approximately 72% from home care services, 11% from staffing services and 17% from home health services. Patient service revenues have been reduced by contractual adjustments of $293,675 for the year ended December 31, 2009.

Accounts receivable

Accounts receivable are recorded based on the original invoice amount, net of estimated contractual adjustments related to third-party payors. Credit extended to patients is unsecured, and the Company does not maintain credit insurance on its patients' accounts. The Company records a provision for doubtful accounts for the portion of recognized revenue which it estimates may not be ultimately collected. The provision and related allowance are adjusted periodically, based upon the Company's evaluation of historical collection experience with specific payors for particular services, anticipated reimbursement levels with specific payors for new services for which the Company may not have significant historical experience, industry reimbursement trends and other relevant factors. Accounts receivable have been reduced by an allowance for doubtful accounts in the amount of $315,984 for the year ended December 31, 2009.

Cash and cash equivalents

All highly liquid investments with an original maturity of three months or less are considered to be cash or cash equivalents.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the useful lives of the assets (three to seven years for furniture, fixtures, equipment, and leasehold improvements). Additions and improvements are capitalized and repairs and maintenance costs are charged to expense as incurred.

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Intangible assets

The assets of Aiken-Mitchell were acquired in 1998, including a license to operate a home health agency. The license allows the Company to provide home health services in Richland County. In the year 2001, the Company was awarded a license to operate a home health agency in Sumter County, South Carolina. In 2004, the Sumter license was fully acquired from the S.C. Department of Health and Environmental Control. Costs incurred in defense of the award, have been capitalized as relating to that license. Both the license value and the costs incurred in defense of the award are evaluated for impairment on an annual basis.

Deferred revenues

Under the prospective payment system of Medicare, payments are received in advance of the final billing for services to be rendered. Services under this system are performed in 60-day episodes upon the approval of Medicare. Medicare advances the Company between 50% and 60% of the anticipated episode billing, which the Company recognizes as a liability until these services are rendered. Revenue is recognized as the services are rendered.

Advertising and recruiting costs

Costs incurred for producing and communicating advertising and recruiting are expensed when incurred, which generally is when the advertising and recruiting first takes place. Total advertising and recruiting costs were $56,049 for the year ended December 31, 2009.

Income taxes

The Company, with the consent of its stockholders, has elected to be taxed under Subchapter S of the Internal Revenue Code which provides that, in lieu of corporate income taxes, the stockholders separately account for their prorata shares of the Company's distributive items of income, deductions, losses and credits. The state of South Carolina provides for similar tax treatment, but the Company pays the ratable tax on behalf of the stockholders in Georgia.

New accounting pronouncements

Beginning in 2009, the Company adopted an accounting pronouncement in conformity with accounting principles generally accepted in the United States of America which clarifies the accounting for uncertainty in income taxes recognized in the financial statements. This standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on de-recognition of tax benefits, classification on the balance sheet, interest penalties, accounting in interim periods, disclosure and transition. The adoption of this accounting standard had no impact on the Company's financial statements.

Estimates

The Company's financial statements include estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Subsequent events

The financial statements have not been updated for subsequent events occurring after May 20, 2010 which is the date these financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash deposits and accounts receivable. The Company maintains its cash-in-bank deposit accounts, which at times may exceed federally insured limits, with high quality financial institutions. The Company has not experienced losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable are primarily from third-party payors including government payers such as Medicare and Medicaid (South Carolina Department of Health and Human Services). The Company's accounts receivable are unsecured, and the Company does not retain credit insurance on its customer accounts. As of December 31, 2009, South Carolina Department of Health and Human Services (SCDHHS) balances comprised approximately 20% of gross accounts receivable. During the year ended December 31, 2009, approximately 64% of the Company's revenue was derived from a contract with SCDHHS. The original contract's term was July 1,1999 through June 30, 2001. It has been extended through June 2010. Management anticipates that it will be renewed at its expiration. At December 31, 2009, $339,054 is included in accounts receivable related to this contract.

During 2009, approximately 1% of the Company's revenue was obtained from C. M. Tucker Mental Hospital. At December 31, 2009, $86,282 due from the facility is included in accounts receivable.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2009
Furniture, fixtures and equipment	$ 382,248
Leasehold improvements	48,852
	431,100
Less accumulated depreciation	(235,128)
	$ 195,972

Depreciation expense for the year ended December 31, 2009 totaled $33,284.

NOTE 4 - LINE OF CREDIT

On July 11, 2008, the Company entered into an $840,000 line of credit with a regional financial institution that bears a fixed interest rate of 6.95%. The line of credit is collateralized by the Company's accounts receivable and a personal guarantee by the Company's majority stockholder. At December 31, 2009, $838,460 was outstanding under this line of credit. The line of credit matures on November 30, 2010.

NOTE 5 - OPERATING LEASES

The Company leases some of its office space from Advantage Investments LLC, a company owned by one of the Company's stockholders. These leases were executed in 2003 and renew annually for 12-month terms. Total rent paid to the related company during the year ended December 31, 2009 was $39,600.

The Company leases additional office space and office equipment from third parties. Substantially all of these leases are personally guaranteed by the majority stockholder. Some of the leases are on a month to month basis, and some have renewal options and expire at various dates through 2013. Management anticipates that leases for office space will be renewed with similar terms as they expire.

Total lease expense incurred in connection with operating leases in 2009, was $205,483. Future minimum lease commitments under all noncancelable operating leases at December 31, 2009, are as follows:

2010	$135,393
2011	138,055
2012	134,022
2013	63,428

NOTE 6 - RELATED PARTY TRANSACTIONS

In addition to the leases disclosed in Note 6, the Company made advances to certain Company stockholders. The balances due from the stockholders at December 31, 2009, totaled $409,163. The Company paid the following amounts to related parties for the year ended December 31:

	2009
Repairs and maintenance	$10,200
Management services	91,667
Office supplies	34,122

NOTE 7 - COMMITMENTS

In June 2005 the Company guaranteed the line of credit of South Coast Products, LLC, a Company owned by one of the Company's stockholders. At December 31, 2009, the line of credit balance guaranteed by the Company was $1,500,000.

The Company guaranteed the note payable of Advantage Investments, a Company owned by one of the Company's stockholders. At December 31, 2009, the note payable balance guaranteed by the Company was $66,000.

ADVANTAGE HEALTH SYSTEMS, INC.
REPORT ON FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2010 AND 2009

ADVANTAGE HEALTH SYSTEMS, INC.

CONTENTS

ADVANTAGE HEALTH SYSTEMS, INC.

BALANCE SHEET

	June 30, 2010 (Unaudited)
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 324,673
Accounts receivable, net of allowance for doubtful accounts	1,632,561
Prepaid insurance and other current assets	168,322
Total current assets	2,125,556
PROPERTY AND EQUIPMENT, net	203,475
LICENSES, net of accumulated amortization of $129,417	147,010
NOTE RECEIVABLE	76,846
Total assets	**$2,552,887**
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Line of credit	$ 838,460
Accounts payable	44,734
Accrued payroll and related liabilities	332,279
Deferred revenue	139,388
Total current liabilities	1,354,861
STOCKHOLDERS' EQUITY	
Common stock, no stated value, 1,000 shares authorized and issued	1,141,000
Retained earnings	825,156
	1,966,156
Advances due from stockholders	(768,130)
Total stockholders' equity	1,198,026
Total liabilities and stockholders' equity	**$2,552,887**

See the accompanying notes which are an integral part of these financial statements.

ADVANTAGE HEALTH SYSTEMS, INC.

STATEMENTS OF INCOME

	For the six months ended June 30, 2010 (Unaudited)	For the six months ended June 30, 2009 (Unaudited)
REVENUES		
Net patient service revenue	$ 6,528,192	$ 6,517,227
DIRECT OPERATING EXPENSES		
Salaries and wages	3,644,733	3,731,500
Benefits:		
Payroll taxes	347,058	357,471
Insurance	255,873	252,844
Other	57,942	39,664
	4,305,606	4,381,479
GROSS PROFIT	2,222,586	2,135,748
OPERATING EXPENSES		
Salaries and wages	747,442	696,607
Benefits	62,907	59,183
Rent	114,910	123,195
Communications	58,055	65,249
Insurance	105,383	101,063
Depreciation	26,974	17,832
Other	503,045	447,641
	1,618,716	1,510,770
INCOME BEFORE OTHER EXPENSES	603,870	624,978
OTHER EXPENSES		
Interest	31,583	11,935
NET INCOME	**$ 572,287**	**$ 613,043**

See the accompanying notes which are an integral part of these financial statements.

ADVANTAGE HEALTH SYSTEMS, INC.

STATEMENTS OF CASH FLOWS

	For the six months ended June 30, 2010 (Unaudited)	For the six months ended June 30, 2009 (Unaudited)
CASH FLOWS FROM OPERATIONS		
Net income	$ 572,287	$ 613,043
Adjustments to reconcile net income to net cash provided by operations		
Depreciation	26,974	17,832
Increase (decrease) in allowance for doubtful accounts	13,042	86,778
Changes in deferred and accrued amounts		
Accounts receivable	(303,806)	(29,451)
Prepaid insurance	9,562	(54,779)
Accounts payable	(150,365)	(5,225)
Accrued payroll and related liabilities	(116,467)	(166,670)
Other accrued expenses	329,396	413,312
Deferred revenue	5,299	112,569
Related party payables	—	(23,348)
Net cash provided by operating activities	385,922	964,061
INVESTING ACTIVITIES		
Purchases of property and equipment	(34,477)	(82,307)
Net cash used in investing activities	(34,477)	(82,307)
FINANCING ACTIVITIES		
Payments on premium finance note payable	(5,014)	—
Advances (repayments) from stockholders, net	(358,967)	(606,800)
Distributions to stockholders	(141,000)	(87,000)
Net cash used for financing activities	(504,981)	(693,800)
Net increase (decrease) in cash	(153,536)	187,954
CASH, BEGINNING OF YEAR	478,209	79,376
CASH, END OF YEAR	**$ 324,673**	**$ 267,330**
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest	**$ 34,316**	**$ 11,935**

See the accompanying notes which are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advantage Health Systems, Inc. (the Company) was incorporated in South Carolina on January 23, 1998. The Company operates as CarePro Medical One, CarePro Health Services and CarePro Home Health. CarePro Medical One has offices in Columbia, Florence, Rock Hill, Greenville, and Charleston, South Carolina and CarePro Health Services has an office in Augusta, Georgia. CarePro Home Health operates in Richland County and Sumter County, South Carolina.

Basis of presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Revenues

Patient service revenue is recognized, net of estimated contractual adjustments related to third-party payors, when services are rendered. Medicare and Medicaid services rendered to program beneficiaries are recognized based on estimated allowable reimbursement rates. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revenues for the six months ended June 30, 2010 and 2009 are derived approximately 73% and 72% from home care services, 9% and 12% from staffing services and 18% and 16% from home health services. Patient service revenues have been reduced by contractual adjustments of $489,052 and $179,939 for the years ended June 30, 2010 and 2009, respectively.

Accounts receivable

Accounts receivable are recorded based on the original invoice amount, net of estimated contractual adjustments related to third-party payors. Credit extended to patients is unsecured, and the Company does not maintain credit insurance on its patients' accounts. The Company records a provision for doubtful accounts for the portion of recognized revenue which it estimates may not be ultimately collected. The provision and related allowance are adjusted periodically, based upon the Company's evaluation of historical collection experience with specific payors for particular services, anticipated reimbursement levels with specific payors for new services for which the Company may not have significant historical experience, industry reimbursement trends and other relevant factors. Accounts receivable have been reduced by an allowance for doubtful accounts in the amount of $329,026 for the six months ended June 30, 2010.

Cash and cash equivalents

All highly liquid investments with an original maturity of three months or less are considered to be cash or cash equivalents.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the useful lives of the assets (three to seven years for furniture, fixtures, equipment, and leasehold improvements). Additions and improvements are capitalized and repairs and maintenance costs are charged to expense as incurred.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Intangible assets

The assets of Aiken-Mitchell were acquired in 1998, including a license to operate a home health agency. The license allows the Company to provide home health services in Richland County. In the year 2001, the Company was awarded a license to operate a home health agency in Sumter County, South Carolina. In 2004, the Sumter license was fully acquired from the S.C. Department of Health and Environmental Control. Costs incurred in defense of the award, have been capitalized as relating to that license. Both the license value and the costs incurred in defense of the award are evaluated for impairment on an annual basis.

Deferred revenues

Under the prospective payment system of Medicare, payments are received in advance of the final billing for services to be rendered. Services under this system are performed in 60-day episodes upon the approval of Medicare. Medicare advances the Company between 50% and 60% of the anticipated episode billing, which the Company recognizes as a liability until these services are rendered. Revenue is recognized as the services are rendered.

Advertising and recruiting costs

Costs incurred for producing and communicating advertising and recruiting are expensed when incurred, which generally is when the advertising and recruiting first takes place. Total advertising and recruiting costs were $26,102 and $27,235 for the six months ended June 30, 2010 and 2009, respectively.

Income taxes

The Company, with the consent of its stockholders, has elected to be taxed under Subchapter S of the Internal Revenue Code which provides that, in lieu of corporate income taxes, the stockholders separately account for their prorata shares of the Company's distributive items of income, deductions, losses and credits. The state of South Carolina provides for similar tax treatment, but the Company pays the ratable tax on behalf of the stockholders in Georgia.

New accounting pronouncements

Beginning in 2009, the Company adopted an accounting pronouncement in conformity with accounting principles generally accepted in the United States of America which clarifies the accounting for uncertainty in income taxes recognized in the financial statements. This standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on de-recognition of tax benefits, classification on the balance sheet, interest penalties, accounting in interim periods, disclosure and transition. The adoption of this accounting standard had no impact on the Company's financial statements.

Estimates

The Company's financial statements include estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 6, 2010, the date the financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash deposits and accounts receivable. The Company maintains its cash-in-bank deposit accounts, which at times may exceed federally insured limits, with high quality financial institutions. The Company has not experienced losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable are primarily from third-party payors including government payers such as Medicare and Medicaid (South Carolina Department of Health and Human Services). The Company's accounts receivable are unsecured, and the Company does not retain credit insurance on its customer accounts. As of June 30, 2010, South Carolina Department of Health and Human Services (SCDHHS) balances comprised approximately 17% of gross accounts receivable. For the six months ended June 30, 2010 and 2009, approximately 39% and 41%, respectively, of the Company's revenue was derived from a contract with SCDHHS. The original contract's term was July 1, 1999 through June 30, 2001. It has been extended through June 2010. Management anticipates that it will be renewed at its expiration. At June 30, 2010, $338,405 is included in accounts receivable related to this contract.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2010:

	2010
Furniture, fixtures and equipment	$ 405,814
Leasehold improvements	58,114
	463,928
Less accumulated depreciation	(260,453)
	$ 203,475

Depreciation expense for the six months ended June 30, 2010 and 2009 totaled $26,974 and $17,832, respectively.

NOTE 4 - LINE OF CREDIT

On July 11, 2008, the Company entered into an $840,000 line of credit with a regional financial institution that bears a fixed interest rate of 6.95%. The line of credit is collateralized by the Company's accounts receivable and a personal guarantee by the Company's majority stockholder. At June 30, 2010, $838,460 was outstanding under this line of credit. The line of credit matures on November 30, 2010.

NOTE 5 - OPERATING LEASES

The Company leases some of its office space from Advantage Investments LLC, a company owned by one of the Company's stockholders. These leases were executed in 2003 and renew annually for 12-month terms. Total rent paid to the related company during the six months ended June 30, 2010 and 2009, was $19,800.

NOTE 5 - OPERATING LEASES, Continued

The Company leases additional office space and office equipment from third parties. Substantially all of these leases are personally guaranteed by the majority stockholder. Some of the leases are on a month to month basis, and some have renewal options and expire at various dates through 2013. Management anticipates that leases for office space will be renewed with similar terms as they expire.

Total lease expense incurred in connection with operating leases during the six months ended June 30, 2010 and 2009, was $93,699 and $87,714, respectively. Future minimum lease commitments under all noncancelable operating leases at June 30, 2010, are as follows:

2010 (July 1, 2010 to December 31, 2010)	$ 66,504
2011	138,055
2012	134,022
2013	63,428

NOTE 6 - RELATED PARTY TRANSACTIONS

In addition to the leases disclosed in Note 5, the Company made advances to certain Company stockholders. The balances due from the stockholders at June 30, 2010 totaled $768,130. The Company had amounts payable to Advantage Investments, LLC of $23,348 at June 30, 2009, which was paid during 2009. The Company paid the following amounts to related parties for the six months ended June 30:

	2010	2009
Repairs and maintenance	$ 1,598	$ 1,000
Management services	55,000	36,667
Office supplies	18,144	11,924

NOTE 7 - COMMITMENTS

In June 2005 the Company guaranteed the line of credit of South Coast Products, LLC, a Company owned by one of the Company's stockholders. At June 30, 2010, the line of credit balance guaranteed by the Company was approximately $1,500,000.

The Company guaranteed the note payable of Advantage Investments, a Company owned by one of the Company's stockholders. At June 30, 2010, the note payable balance guaranteed by the Company were approximately $61,000.

NOTE 8 - SUBSEQUENT EVENTS

On July 26, 2010, the Company entered into an Asset Purchase Agreement with Addus HealthCare, Inc., a wholly-owned subsidiary of Addus HomeCare Corporation, pursuant to which Addus HealthCare, Inc. acquired certain assets used in the operation of the Company. The total consideration payable, pursuant to the Purchase Agreement, was $8,340,000 comprised of $5,100,000 in cash, common stock consideration with a deemed value provided by Addus HealthCare, Inc. of $1,240,000 resulting in the issuance of 248,000 common shares of Addus HomeCare Corporation, and $2,000,000 in contingent future cash consideration subject to the achievement of certain performance targets set forth in an Earn-Out Agreement and the assumption of certain specified liabilities.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements for the year ended December 31, 2009 are based on the audited financial statements of Addus HomeCare Corporation (the "Company") included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and the audited financial statements of Advantage Health Systems, Inc., a South Carolina corporation ("Advantage"), filed as Exhibit 99.1 to this report. The unaudited pro forma condensed combined financial statements as of and for the six months ended June 30, 2010 are based on the unaudited financial statements of the Company included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 and the unaudited financial statements of Advantage filed as Exhibit 99.1 to this report. The unaudited pro forma condensed combined financial statements give effect to the following two transactions:

(1) On July 26, 2010, Addus HealthCare, Inc. ("Addus HealthCare"), a wholly owned subsidiary of the Company, and certain subsidiaries of Addus HealthCare (together with Addus HealthCare, the "Borrowers"), entered into a joinder, consent and amendment (the "Second Amendment") to the Loan and Security Agreement, dated as of November 2, 2009 (as amended, the "Credit Agreement"), among the Borrowers, Fifth Third Bank, as agent, the financial institutions from time to time parties thereto ("Lenders"), and the Company, as guarantor. Pursuant to the Second Amendment, (i) a new term loan was added to the Credit Agreement in the aggregate principal amount of $5.0 million with a maturity date of January 5, 2013, (ii) the requisite Lenders consented to the acquisition of certain assets of Advantage by Addus HealthCare (South Carolina), Inc. ("Addus South Carolina"), a wholly-owned subsidiary of Addus HealthCare, pursuant to an Asset Purchase Agreement (the "Purchase Agreement"), dated as of July 26, 2010, by and among Addus South Carolina, Advantage, Paul Mitchell, as the Seller Representative (the "Seller Representative") and Paul Mitchell, Valerie Aiken, Charles Aiken, Kimberly Aiken Cockerham and Henry Motes (collectively, the "Sellers") and (iii) Addus South Carolina was added as a new borrower under the Credit Agreement. Interest on the term loan under the Credit Agreement is payable either at a floating rate equal to the 30-day LIBOR, plus an applicable margin of 460 basis points or the LIBOR rate for term periods of one, two, three or six months plus a margin of 460 basis points. Interest will be paid monthly or at the end of the relevant interest period, as determined in accordance with the Credit Agreement. The new term loan will be repaid in 24 equal monthly installments commencing February 2011.

(2) On July 26, 2010, Addus South Carolina entered into the Purchase Agreement, pursuant to which Addus South Carolina acquired certain of Advantage's assets used in the operation of its home health agency business, including but not limited to certain contracts, leases, regulatory permits and licenses, records and files. The total consideration payable pursuant to the Purchase Agreement is $8.38 million, comprised of $5.14 million in cash, 248,000 shares of common stock, par value $0.001, of the Company (the "Common Stock"), having an aggregate value of $1.24 million (valued at a price per share equal to the average closing price of the Company's stock on The Nasdaq Global Market for the three most recent trading days preceding the closing, subject to a floor of $5.00 per share,), up to $2.0 million in future cash consideration subject to the achievement of certain EBITDA targets set forth in an Earn-Out Agreement by and among Addus South Carolina, the Company, as guarantor, Advantage, the Seller Representative and the Sellers, dated as of July 26, 2010 (the "Earn-Out Agreement"), and the assumption of certain specified liabilities, including all liabilities and obligations of Advantage with respect to the acquired assets and acquired contracts first arising after the date on which the transactions contemplated by the Purchase Agreement were consummated (the "Transaction"). The closing of the Transaction occurred on July 26, 2010 but was effective as of July 25, 2010.

The unaudited pro forma condensed combined balance sheet as of June 30, 2010 gives effect to this acquisition of Advantage as if it occurred on June 30, 2010 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2009 and for the six months ended June 30, 2010 is presented as if the transaction had been consummated on January 1, 2009. The pro forma adjustments are based upon available information, preliminary estimates and certain assumptions that the Company believes are reasonable and are described in the accompanying notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements do not take into account (i) any synergies or cost savings that may or are expected to occur as a result of the Advantage acquisition or (ii) any cash or non-cash charges that the Company may incur in connection with the Advantage acquisition, the level and timing of which cannot yet be determined. The unaudited pro forma condensed combined financial statements have been prepared in accordance with applicable rules and regulations promulgated by the Securities and Exchange Commission.

The unaudited pro forma condensed combined financial statements assume that the Advantage acquisition would be accounted for using the purchase method of accounting in accordance with ASC 805, *"Business Combinations"* and the resultant goodwill and other intangible assets will be accounted for under ASC 350 *"Goodwill and Other Intangible Assets*". The total purchase price has been preliminarily allocated based on information available to the Company as of the date of this report, to the tangible and intangible assets acquired and liabilities assumed based on management's preliminary estimates of their current fair values. These estimates and assumptions of fair values of assets acquired and liabilities assumed and related operating results are subject to change that could result in material differences between the actual amounts and those reported in the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements are provided for informational purposes only and are subject to a number of uncertainties and assumptions and do not purport to represent what the combined companies' actual performance or financial position would have been had the transactions occurred on the dates indicated and do not purport to indicate financial position or results of operations as of any future date or for any future period. You should read the following information in conjunction with the Company's and Advantage's historical financial statements and the accompanying notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" from the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2009 and from the Company's Quarterly Report on Form 10-Q as of and for the three and six months ended June 30, 2010.

As used herein, (i) the terms "we," "our," "us," "Addus", and "the Company" refer to Addus HomeCare Corporation and its consolidated subsidiaries, and (ii) the term "Advantage" refers to Advantage Health Systems, Inc.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of June 30, 2010
(in thousands, except per share data)

	As of June 30, 2010			
	Historical Addus	Historical Advantage	Pro forma adjustments (Note 2)	Pro forma combined
ASSETS				
Current assets:				
Cash	$ 935	$ 325	$ (465)(A)	$ 795
Accounts receivable, net	76,647	1,633	(1,633)(B)	76,647
Prepaid expenses and other assets	8,872	168	(168)(B)	8,872
Deferred tax assets	6,364	—	—	6,364
Income taxes receivable	48	—	—	48
Total current assets	92,866	2,126	(2,266)	92,726
Property and equipment, net	3,053	203	(45)(B)	3,211
Other assets:				
Goodwill	59,613	—	4,191(C)	63,804
Intangible assets, net	11,611	147	3,484(D)	15,242
Deferred tax assets	188	—	—	188
Other assets	667	77	(77)(B)	667
Total other assets	72,079	224	7,598	79,901
Total assets	$167,998	$ 2,553	$ 5,287	$175,838
LIABILITIES AND STOCKHOLDERS’ EQUITY				
Current liabilities:				
Accounts payable	$ 5,411	$ 46	$ (46)(B)	$ 5,411
Accrued expenses	26,913	332	168(E)	27,413
Current maturities of long-term debt	4,737	838	204(F)	5,779
Deferred revenue	2,410	139	(139)(B)	2,410
Total current liabilities	39,471	1,355	187	41,013
Non-current liabilities:				
Long-term debt, less current maturities	44,819	—	3,958(F)	48,777
Other long-term liabilities	—	—	1,100(E)	1,100
Total non-current liabilities	44,819	—	5,058	49,877
Stockholders’ equity	83,708	1,198	42(G)	84,948
Total liabilities and stockholders’ equity	$167,998	$ 2,553	$ 5,287	$175,838

Unaudited Pro Forma Condensed Combined Statement of Operations
Six months ended June 30, 2010
(in thousands, except per share data)

	For the six months ended June 30, 2010			
	Historical Addus	Historical Advantage	Pro forma adjustments (Note 2)	Pro forma combined
Net service revenues	$131,770	$ 6,528	$ —	$138,298
Cost of service revenues	93,214	4,305	—	97,519
Gross profit	38,556	2,223	—	40,779
General and administrative expenses	30,695	1,592	—	32,287
Depreciation and amortization	1,897	27	199(D)	2,123
Total operating expenses	32,592	1,619	199	34,410
Operating income	5,964	604	(199)	6,369
Interest expense, net	1,468	32	106(H)	1,606
Income before income taxes	4,496	572	(305)	4,763
Income tax expense	1,484	—	88(I)	1,572
Net income	$ 3,012	$ 572	$ (393)	$ 3,191
Net income per common share:				
Basic	$ 0.29			$ 0.30
Diluted	$ 0.29			$ 0.30
Weighted average number of common shares and potential common shares outstanding:				
Basic	10,500		248(G)	10,748
Diluted	10,500		248(G)	10,748

Unaudited Pro Forma Condensed Combined Statement of Operations
Year ended December 31, 2009
(in thousands, except per share data)

	For the year ended December 31, 2009			
	Historical Addus	Historical Advantage	Pro forma adjustments (Note 2)	Pro forma combined
Net service revenues	$259,305	$ 13,189	$ —	$272,494
Cost of service revenues	182,693	8,557	—	191,250
Gross profit	76,612	4,632	—	81,244
General and administrative expenses	59,924	3,247	—	63,171
Depreciation and amortization	4,913	33	494(D)	5,440
Total operating expenses	64,837	3,280	494	68,611
Operating income	11,775	1,352	(494)	12,633
Interest expense, net	6,773	39	302(H)	7,114
Income before income taxes	5,002	1,313	(796)	5,519
Income tax expense	1,400	—	145(I)	1,545
Net income	3,602	1,313	(941)	3,974
Less: Preferred stock dividends, undeclared subject to payment on conversion; declared and converted November 2009	(5,387)	—	—	(5,387)
Net loss attributable to common shareholders	$ (1,785)	$ 1,313	$ (941)	$ (1,413)
Net loss per common share:				
Basic	$ (0.66)			$ (0.48)
Diluted	$ (0.66)			$ (0.48)
Weighted average number of common shares and potential common shares outstanding:				
Basic	2,707		248(G)	2,955
Diluted	2,707		248(G)	2,955

Notes to Unaudited Condensed Combined Pro Forma Financial Statements
(in thousands, except per share data)

1. Advantage Acquisition

On July 26, 2010, the Company entered into the Purchase Agreement, pursuant to which the Company acquired certain assets of Advantage used in the operation of its home health agency business. The total consideration payable pursuant to the Purchase Agreement was $8,380, comprised of $5,140 in cash, common stock consideration with a deemed value of $1,240 resulting in the issuance of 248 common shares, and a maximum of $2,000 in future cash consideration subject to the achievement of certain performance targets set forth in an Earn-Out Agreement and the assumption of certain specified liabilities.

On July 26, 2010, the Company entered into the Second Amendment to its credit facility. The Second Amendment provides for a new term loan component of the credit facility in the aggregate principal amount of $5,000 with a maturity date of January 5, 2013. The requisite lenders also consented to the acquisition, effective July 25, 2010, of certain assets of Advantage, by the Company, pursuant to the Purchase Agreement. The new term loan will be repaid in 24 equal monthly installments commencing February 2011. Interest on the new term loan under the credit facility is payable either at a floating rate equal to the 30-day LIBOR, plus an applicable margin of 4.6% or the LIBOR rate for term periods of one, two, three or six months plus a margin of 4.6%. Interest will be paid monthly or at the end of the relevant interest period.

Our acquisition of Advantage has been accounted for in accordance with ASC 805, "*Business Combinations*" and the resultant goodwill and other intangible assets will be accounted for under ASC 350 "*Goodwill and Other Intangible Assets*". Assets acquired and liabilities assumed were recorded at their fair values as of June 30, 2010. The total preliminary purchase price is $7,980 and is comprised of:

	Total
Cash	$5,140
Issuance of 248 Addus shares at $5.00 per share (valued at a price per share equal to the average closing price of the Company's stock for the three most recent trading days preceding the closing, subject to a floor of $5.00 per share)	1,240
Contingent earn-out obligation (net of $92 discount)	1,600
Total preliminary purchase price	$7,980

The contingent earn-out obligation has been recorded at its fair value of $1,600, which is the present value of our obligation based on probability-weighted estimates of the achievement of certain performance targets, as defined.

Under business combination accounting, the total preliminary purchase price will be allocated to Advantage's net tangible and identifiable intangible assets based on their estimated fair values. Based upon our management's preliminary valuation, the total purchase price will be allocated as follows:

	Total
Goodwill	$4,191
Identifiable intangible assets	3,631
Property and equipment	158
Total preliminary purchase price allocation	$7,980

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets acquired. Goodwill amounts are not amortized, but rather are tested for impairment at least annually. In the event that we determine that the value of goodwill has become impaired, we will incur an impairment charge for the amount during the fiscal quarter in which such determination is made.

Identifiable intangible assets acquired consist of trade names and trademarks, certificates of need and state licenses, customer relationships, and non-compete agreements. The preliminary estimated fair value of identifiable intangible assets was determined by our management.

(in thousands, except per share data)

2. Pro Forma Adjustments

The following pro forma adjustments are included in the unaudited pro forma condensed combined balance sheet as of June 30, 2010:

(A) Cash:

	Total
Cash	
To record the elimination of Advantage's cash due to the Company not purchasing working capital accounts	$(325)
To record cash paid by the Company in connection with the purchase price of Advantage	(140)
Total adjustments to cash	$(465)

(B) To record the elimination of Advantage's net assets that were not purchased by the Company:

	Total
Accounts receivable, net	$(1,633)
Prepaid expenses and other assets	$ (168)
Property and equipment, net	$ (45)
Other assets	$ (77)
Accounts payable	$ (46)
Deferred revenue	$ (139)

(C) To record the preliminary fair value of goodwill:

	Advantage's Historical amount, net	Preliminary fair value	Increase
Goodwill	$ —	$ 4,191	$4,191

Notes to Unaudited Condensed Combined Pro Forma Financial Statements
(in thousands, except per share data)

(D) To record the difference between the preliminary fair value and the historical amount of intangible assets:

(in thousands)	Advantage's Historical amount, net	Preliminary fair value	Increase	Annual amortization*	Six months amortization*	Estimated useful life
Trade names and trademarks	$ —	$ 222	$ 222	$ 44	$ 22	5 years
Certificates of need and state licenses	147	790	643	—	—	Indefinite
Customer relationships	—	2,440	2,440	390	147	10 years
Non-compete agreements	—	179	179	60	30	3 years
Total identifiable intangible assets	$ 147	$ 3,631	$3,484	$ 494	$ 199	
Advantage's historical amortization				—	—	
Net increase in amortization				$ 494	$ 199	

* Pro forma amortization expense is calculated herein using the straight-line method with the exception of customer relationships which is calculated on an accelerated basis. However, upon completion of our valuation process, we may conclude that intangible assets should be amortized using an accelerated method.

(E) Accrued expenses and other long-term liabilities:

	Total
Accrued expenses:	
To record the elimination of Advantage's accrued expenses due to the Company not purchasing working capital accounts	$ (332)
To record short-term portion of the $1,600 contingent earn-out obligation	500
Total adjustments to accrued expenses	$ 168

	Total
Other long-term liabilities:	
To record long-term portion of the $1,600 contingent earn-out obligation	$1,100
Total adjustments to other long-term liabilities	$1,100

(F) Debt:

Long-term debt:

	Total
New term loan (On July 26, 2010, the Company entered into the Second Amendment)	$ 5,000
Less: current maturities	(1,042)
Total adjustments to long-term debt	$ 3,958

Current maturities of long-term debt:

	Total
New term loan, current maturities	$1,042
To record the elimination of Advantage's line of credit due to the Company not assuming the obligation in the purchase price	(838)
Total adjustments to current maturities of long-term debt	$ 204

Notes to Unaudited Condensed Combined Pro Forma Financial Statements
(in thousands, except per share data)

(G) To record the following adjustments to stockholders' equity:

	Total
Issuance of 248 Addus shares at $5.00 per share (valued at a price per share equal to the average closing price of the Company's stock for the three most recent trading days preceding the closing, subject to a floor of $5.00 per share)	$ 1,240
To record the elimination of Advantage's stockholders' equity as of June 30, 2010	(1,198)
Total adjustments to stockholders' equity	$ 42

(H) To record interest expense related to the Company's the Second Amendment to its new credit facility. Interest on the new term loan under the credit facility is payable either at a floating rate equal to the 30-day LIBOR, plus an applicable margin of 4.6% or the LIBOR rate for term periods of one, two, three or six months plus a margin of 4.6%. The effective interest rate for the year ended December 31, 2009 and for the six months ended June 30, 2010 was approximately 5.0%. The interest expense for the year ended December 31, 2009 and for the six months ended June 30, 2010 was $247 and $90, respectively. The fair market value of the Company's earn-out obligation totaling $1,600 is net of an unamortized discount of $92 that will be amortized over an estimated period of 20 months. Total discount amortization for the year ended December 31, 2009 and for the six months ended June 30, 2010 was $55 and $28, respectively. The pro forma adjustments to interest expense is comprised of:

	For the Six Months Ended June 30, 2010	For the Year Ended December 31, 2009
Interest on new term loan	$ 90	$ 247
Amortization of debt issuance costs	20	39
Amortization of discount on the Company's earn-out obligation	28	55
Elimination of Advantage's historical interest expense	(32)	(39)
	$ 106	$ 302

(I) To record income tax provision on Advantage's historical income before taxes and on all pro forma adjustments at the Company's effective tax rate of 28% and 33% for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.