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 <CONTACT-PHONE-NUMBER> 215-557-1870
 <SROS> NONE
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 <NOTIFY-INTERNET> edgar.bop@bowne.com
 <NOTIFY-INTERNET> suebele@rpsweb.com

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

Mark One

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

For The Quarterly Period Ended September 30, 2008

OR

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

Commission file number: 000-52981

RESEARCH PHARMACEUTICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

20-4322769
(IRS Employer Identification Number)

520 Virginia Drive
Fort Washington, PA
(Address of principal executive offices)

19034
(Zip code)

(215) 540-0700
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

The number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date,

Class	Outstanding at November 11, 2008
Common Stock, par value \$0.0001 per share	32,547,406

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Part I. Financial Information

Item 1. Financial Statements

ReSearch Pharmaceutical Services, Inc. and Subsidiaries
 Condensed Consolidated Balance Sheets

	September 30, 2008 (unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,318,017	\$11,060,255
Restricted cash	1,014,722	1,321,877
Accounts receivable, less allowance for doubtful accounts of \$594,000 at September 30, 2008 and \$547,000 at December 31, 2007	34,015,109	32,117,662
Prepaid expenses and other current assets	2,070,540	1,671,674
Total current assets	\$46,418,388	\$46,171,468
Intangible assets, net	275,536	275,536
Property and equipment, net	4,247,570	3,343,371
Other assets	231,546	253,471
Deferred tax asset	375,173	375,173
Total assets	\$51,548,213	\$50,419,019
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,460,854	\$ 1,442,881
Accrued expenses	5,359,178	6,489,902
Customer deposits	1,014,722	1,321,877
Deferred revenue	3,385,591	5,026,042
Current portion of capital lease obligations	579,636	536,106
Total current liabilities	\$11,799,981	\$14,816,808
Customer deposits	4,500,000	4,500,000
Other liabilities	284,001	258,860
Capital lease obligations, less current portion	883,538	414,002
Total liabilities	\$17,467,520	\$19,989,670
Stockholders' equity:		
Common stock, \$.0001 par value:		
Authorized shares – 150,000,000 at September 30, 2008 and December 31, 2007, issued and outstanding shares – 32,547,406 and 32,199,223 at September 30, 2008 and December 31, 2007, respectively	3,255	3,220
Additional paid-in capital	36,478,621	36,078,600
Accumulated other comprehensive income	77,220	50,305
Accumulated deficit	(2,478,403)	(5,702,776)
Total stockholders' equity	\$34,080,693	\$30,429,349
Total liabilities and stockholders' equity	\$51,548,213	\$50,419,019

Please see accompanying notes.

ReSearch Pharmaceutical Services, Inc. and Subsidiaries
 Condensed Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(unaudited)		(unaudited)	
Service revenue	\$39,113,267	\$30,931,219	\$117,447,462	\$85,784,651
Reimbursement revenue	4,900,378	3,306,979	13,249,875	10,244,852
Total revenue	44,013,645	34,238,198	130,697,337	96,029,503
Direct costs	29,555,433	22,634,128	87,948,270	62,291,458
Reimbursable out-of-pocket costs	4,900,378	3,306,979	13,249,875	10,244,852
Selling, general, and administrative expenses	7,845,537	6,668,230	22,725,789	18,319,060
Depreciation and amortization	449,187	309,778	1,233,451	717,454
Income from operations	1,263,110	1,319,083	5,539,952	4,456,679
Interest expense	91,089	1,409,370	231,020	5,979,208
Interest income	94,189	107,699	256,190	107,699
Net income (loss) before provision for income taxes	1,266,210	17,412	5,565,122	(1,414,830)
Provision (benefit) for income taxes	517,971	39,874	2,340,750	(3,239,961)
Net income (loss)	\$ 748,239	\$ (22,462)	\$ 3,224,372	\$ 1,825,131
Accretion of preferred stock	—	(78,419)	—	(320,819)
Net income (loss) applicable to common shares	\$ 748,239	\$ (100,881)	\$ 3,224,372	\$ 1,504,312
Net income (loss) per common share:				
Basic	\$ 0.02	\$ (0.01)	\$ 0.10	\$ 0.17
Diluted	\$ 0.02	\$ (0.01)	\$ 0.09	\$ 0.09
Weighted average number of common shares outstanding:				
Basic	32,547,406	8,621,880	32,507,708	8,621,880
Diluted	34,049,551	8,621,880	34,069,060	19,316,161

Please see accompanying notes.

ReSearch Pharmaceutical Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows

	Nine Months Ending September 30,	
	2008	2007
	(unaudited)	
Net income	\$ 3,224,372	\$ 1,825,131
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,233,451	465,328
Amortization of intangible assets	—	252,126
Amortization of debt discount	—	334,603
Interest charge related to put warrant liability	—	4,723,451
Stock-based compensation	413,771	53,091
Deferred tax benefit	—	(156,979)
Changes in operating assets and liabilities:		
Accounts receivable	(1,897,447)	(2,214,528)
Income taxes payable/recoverable	(591,439)	(3,936,120)
Prepaid expenses and other current assets	(398,866)	(726,019)
Other assets	21,926	44,103
Accounts payable	17,973	(995,835)
Accrued expenses	(544,071)	1,613,254
Customer deposits	(307,155)	4,452,895
Deferred revenue	(1,640,451)	1,328,440
Other liabilities	25,141	266,474
Net cash (used in) provided by operating activities	(442,795)	7,329,415
Investing activities		
Change in restricted cash	307,155	47,105
Purchase of property and equipment	(1,128,412)	(1,337,390)
Net cash used in investing activities	(821,257)	(1,290,285)
Financing activities		
Net repayments on lines of credit	—	(8,991,544)
Principal payments on capital lease obligations	(496,172)	(82,552)
Purchase of treasury shares	—	(172,909)
Merger consideration, net of fees paid	(17,880)	51,363,299
Distribution to stockholders	—	(20,000,000)
Payment of preferred stock dividends	—	(2,627,334)
Proceeds from the exercise of stock options	8,951	6,748
Payment of note payable	—	(4,500,000)
Net cash (used in) provided by financing activities	(505,101)	14,995,708
Effect of exchange rates on cash and cash equivalents	26,915	36,460
Net change in cash and cash equivalents	(1,742,238)	21,071,298
Cash and cash equivalents, beginning of period	11,060,255	197,024
Cash and cash equivalents, end of period	\$ 9,318,017	\$ 21,268,322
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	\$ 231,020	\$ 921,154
Income taxes	\$ 2,924,777	\$ 853,000
Supplemental disclosures of noncash financing activities		
Accretion of preferred stock dividends	\$ —	\$ 320,819
Acquisition of fixed assets under capital leases	\$ 1,211,158	\$ 1,002,624

Please see accompanying notes.

ReSearch Pharmaceutical Services, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
September, 30 2008 (unaudited)

1. Business

ReSearch Pharmaceutical Services, Inc. and Subsidiaries (the “Company” or “RPS”) is a next generation CRO (clinical research organization) serving biotechnology and pharmaceutical companies, which the Company refers to collectively as the bio-pharmaceutical industry. The RPS business model combines the expertise of a traditional CRO with the ability to provide flexible outsourcing solutions that are fully integrated within the Company’s clients’ clinical infrastructure. The Company is able to leverage its high degree of clinical expertise, industry knowledge and specialization to reduce the expense and time frame of clinical development that meets the varied needs of small, medium and large bio-pharmaceutical companies. The Company’s revenues are generated principally from customers located in the United States.

The Company has wholly owned subsidiaries in the United States, Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru and Uruguay.

2. Significant Accounting Policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The condensed consolidated balance sheet as of September 30, 2008, the condensed consolidated statements of operations for the three and nine months ended September 30, 2008 and 2007 and the condensed consolidated statement of cash flows for the nine months ended September 30, 2008 and 2007 are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The condensed consolidated balance sheet at December 31, 2007 has been derived from audited financial statements.

Although the Company believes that the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission.

Results for any interim period are not necessarily indicative of results for any future interim period or for the entire year. The accompanying financial statements should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2007.

Merger and Accounting Treatment

Cross Shore Acquisition Corporation (“Cross Shore”) was incorporated in Delaware on January 30, 2006 as a blank check company, the objective of which was to acquire one or more operating companies engaged in the delivery of business services to companies and consumers in the United States. On April 28, 2006, Cross Shore completed an initial public offering (the “Offering”) on the Alternative Investment Market (“AIM”) of the London Stock Exchange and raised proceeds of \$112 million before offering expenses. Of the net proceeds from the Offering, \$102.7 million was placed in trust to be held until the earlier of (i) consummation of Cross Shore’s first business combination or (ii) liquidation of Cross Shore.

On August 30, 2007, RPS merged with and into a wholly-owned subsidiary of Cross Shore. As a result of the merger, RPS became a limited liability company organized under the laws of Delaware under the name ReSearch Pharmaceutical Services, LLC, and Cross Shore changed its name to RPS. RPS is now a holding

company for, and conducts substantially all of its operations through its wholly-owned subsidiary, ReSearch Pharmaceutical Services, LLC. "Former RPS" represents the operating company prior to the August 30, 2007 merger with Cross Shore.

The merger was accounted for under the purchase method of accounting as a reverse acquisition in accordance with U.S. generally accepted accounting principles for accounting and financial reporting purposes. Under this method of accounting, Cross Shore was treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the merger was treated as the equivalent of Former RPS issuing stock for the net assets of Cross Shore which amounted to \$50.2 million and consisted of cash and investments of \$51.3 million, other assets of \$0.3 million and \$1.4 million of accrued transaction fees. The preliminary purchase price (\$50.2 million) was allocated to the assets acquired and liabilities assumed based on their fair value at the date of the merger. Stockholders' equity has been retroactively adjusted for all periods prior to the merger to reflect the number of shares of common stock received by holders of common stock of Former RPS in connection with the merger based upon the exchange ratio of approximately 1.4 shares of Cross Shore common stock for each share of Former RPS common stock as per the merger agreement. Stockholders' equity has not been retroactively adjusted for periods prior to the merger for the 10,250,499 shares of Cross Shore issued to Former RPS holders of preferred stock and common stock warrants.

The shares of preferred stock, common stock, and common stock warrants held by RPS stockholders prior to the merger were converted into a total of 15,758,497 shares of Cross Shore common stock, or 47.34% of the subsequently outstanding common stock of the combined company. Upon consummation of the merger, \$49.9 million, net of \$1.4 million of accrued transaction fees, was released from trust and became available to the combined Company. Of this amount, existing holders of shares of preferred stock, common stock and common stock warrants of RPS received a total cash distribution of \$20 million as merger consideration pursuant to the terms of the merger agreement.

The remaining cash of \$29.9 million is available for use by the combined company to fund business operations. Total direct and incremental fees incurred by the Company in connection with the merger are reflected as a reduction of additional paid in capital. The senior management team of Former RPS prior to the merger continued as senior management of the combined company after the merger, and Former RPS controlled the majority of the Board of Directors of the combined entity.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to credit risk, consist principally of cash and accounts receivable. The Company performs periodic evaluations of the financial institutions in which its cash is invested. The majority of the Company's revenues and accounts receivable are derived from pharmaceutical companies located in the United States. The Company's three largest customers accounted for approximately 20%, 12% and 12% of service revenues during the nine months ended September 30, 2008 and approximately 24%, 8% and 6% of service revenues during the nine months ended September 30, 2007. The Company's three largest customers accounted for approximately 20%, 12% and 12% of service revenues during the three months ended September 30, 2008 and approximately 24%, 9% and 7% of service revenues during the three months ended September 30, 2007.

The three largest customers represented approximately 20%, 19% and 11% of the accounts receivable balance at September 30, 2008, and 27%, 19% and 10% of the accounts receivable balance at December 31, 2007. No other customers represented more than 10% of net service revenues or accounts receivable during those periods or at those times. The Company provides an allowance for doubtful accounts based on experience and specifically identified risks. Accounts receivable are carried at fair value and charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Company ceases collection efforts.

Revenue and Cost Recognition

The majority of the Company's service revenues are derived from fee-for-service contracts, some of which are fixed-price contracts. Revenues and the related costs of fee-for-service contracts are recognized in the period in which services are performed. Fixed-price contract revenue is recognized as services are performed, on a proportional performance basis, based on the ratio that costs incurred to date bear to estimated total costs at completion. Revenue related to contract modifications is recognized when realization is assured and the amounts are reasonably determinable. Adjustments to contract estimates are made in the periods in which the facts that require the revisions become known. When the revised estimate indicates a loss, such loss is provided for in the financial statements during that period. No such losses were recognized in the nine months ended September 30, 2008 or 2007. Deferred revenue represents amounts billed to customers in excess of revenue recognized. Accounts receivable from customers, which represent deposits to be applied to customer invoices in future years or returned to the customer upon expiration of the contract are recorded in long term customer deposits. The Company also provides permanent placement services to its customers, representing less than 1% of total revenues for the nine months ended September 30, 2008 and 2007. Revenues are recorded at the time a candidate begins work with his or her new employer. Provisions for sales allowances, based on historical experience, are recorded at the time the related revenue is recognized.

The Company accounts for expense reimbursements in accordance with Emerging Issues Task Force (EITF) Issue No. 01-14 (EITF 01-14), *Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred*. EITF 01-14 requires reimbursable out-of-pocket expenses to be characterized as revenue in the statements of operations. Reimbursements for out-of-pocket expenses included in total revenue in the Company's consolidated statements of operations were \$4,900,378 and \$3,306,979 for the three months ended September 30, 2008 and 2007 respectively, and \$13,249,875 and \$10,244,852 for the nine months ended September 30, 2008 and 2007 respectively.

The Company excludes investigator fees from its out-of-pocket expenses because these fees are funded from the customer's restricted cash and are recorded on a "pass-through basis" without risk or reward to the Company. Investigator fees paid on behalf of clients were approximately \$1,681,000 and \$98,000 for the three months ended September 30, 2008 and 2007 respectively, and approximately \$4,320,000 and \$6,596,000 for the nine months ended September 30, 2008 and 2007 respectively.

Income Taxes

The Company accounts for income taxes using an asset and liability approach which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts reportable for income tax purposes. On January 1, 2007 the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109* ("FIN 48"). FIN 48 creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before recognized in the financial statements.

Foreign Currency Translation

The financial statements of the Company's foreign subsidiaries have been translated into U.S. dollars in accordance with SFAS No. 52, *Foreign Currency Translation*. All balance sheet accounts have been translated using the exchange rates in effect at the balance sheet dates. Income statement amounts have been translated using average exchange rates in effect for the relevant periods. The gains and losses resulting from the changes in exchange rates during the year have been reported separately in other comprehensive income in the consolidated financial statements.

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123 (revised 2004), *Share-Based Payment* (SFAS No. 123(R)), which replaces SFAS No. 123 and supersedes Accounting Principles Board (APB) Opinion No. 25. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the first annual period after December 15, 2005. SFAS No. 123(R) requires that an entity measure the cost of equity-based service awards based on the grant-date fair value of the award and recognize the cost of such award over the period during which the employee is required to provide service in exchange for the award (vesting period).

The pro forma disclosures previously permitted under SFAS No. 123 are no longer an alternative to financial statement recognition. The Company adopted SFAS No. 123(R) on January 1, 2006 using the prospective transition method, which requires that all new stock-based awards granted subsequent to adoption be recognized in the financial statements at fair value.

The Company estimated the fair value of its common stock during 2006 and through August 30, 2007 utilizing retrospective, third party valuations performed by SMART Business Advisory and Consulting, LLC (“Smart”). The valuation methodologies utilized by Smart relied on the “income approach” and the “market approach” to estimate enterprise value. The income approach involves projecting future cash flows and discounting them to present value using a discount rate based on the risk adjusted weighted average cost of capital of comparable companies. The market approach involves analyzing the market price and other parameters of similar businesses as a determinant of the enterprise value of the subject business. Both the income approach and the market approach involve a significant level of judgment. The enterprise value was then allocated to the various securities that comprise the Company’s capital structure based on the relative rights, preferences and privileges of such securities. The estimated fair value of common stock ranged from \$4.10 to \$5.26 per share in 2007 prior to the merger with Cross Shore on August 30, 2007. Subsequent to the merger with Cross Shore, the Company utilizes the quoted stock price on the AIM as the determinant of fair value.

The per-share weighted average fair value of the options granted during the three months ended September 30, 2008 and 2007 were estimated at \$1.89 and \$1.42, respectively and the per share weighted average fair value of the options granted during the nine months ended September 30, 2008 and 2007 were estimated at \$1.98 and \$1.42, respectively using the Black-Scholes option-pricing model with the following weighted average assumptions which are based upon Company history or industry comparative information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected volatility	50%	55%	50%	55%
Risk-free interest rate	3.21%	5.19%	3.02%	5.19%
Expected life	6 years	6 years	6 years	6 years

Prior to August 30, 2007, the Company’s stock was not publicly traded, and the expected volatility was calculated for each date of grant based on an alternative method (defined as “calculated value”). Subsequent to August 30, 2007, the Company has and will continue to utilize the calculated value for expected volatility until a sufficient level of history is available as a publicly traded company on AIM. The Company identified similar public entities for which share price information is available and has considered the historical volatility of these entities’ share prices in determining its estimated expected volatility. The Company used the average volatility of these guideline companies over a six-year period, consistent with the expected term calculated pursuant to Staff Accounting Bulletin No. 107. Compensation

expense under SFAS No. 123(R) for the three months ended September 30, 2008 and 2007 related to share based service awards was \$146,518 and \$17,696, respectively, and for the nine months ended September 30, 2008 and 2007 related to share based service awards was \$413,771 and \$53,087, respectively, and is included in selling, general, and administrative expenses in the accompanying consolidated statements of operations. The Company recognizes the compensation expense of such share-based service awards on a straight-line basis. Total compensation cost of options granted but not yet vested as of September 30, 2008 was \$1.2 million net of estimated forfeitures, which is expected to be recognized over the weighted average period of 2.3 years.

Segment Information

SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information regarding operating segments in annual financial statements and requires information of those segments to be presented in interim financial reports issued to stockholders. Operating segments are identified as components of an enterprise about which separate financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company views its operations and manages its business as one operating segment.

The Company's foreign operations accounted for approximately 5% of service revenues during the nine months ended September 30, 2008 and 2007, respectively. In addition, approximately 3% and 4% of the Company's consolidated assets were located in foreign locations at September 30, 2008 and at December 31, 2007, respectively.

Recent Accounting Pronouncement

The Company adopted FASB Statement No. 157, *Fair Value Measurements* ("SFAS No. 157") effective January 1, 2008. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability ("the exit price") in an orderly transaction between market participants at the measurement date. The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. In determining fair value, the Company primarily uses prices and other relevant information generated by market transactions involving identical or comparable assets ("market approach"). As of September 30, 2008, the fair value of the Company's financial assets are based on level one observable inputs. The Company has determined that its fair value measurements are in accordance with the requirements of SFAS No. 157; therefore, the implementation of SFAS No. 157 did not have any impact on our consolidated financial condition or results of operations.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*, which replaces SFAS No. 141, *Business Combinations*. SFAS No. 141(R) retains the fundamental requirements of SFAS No. 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS No. 141(R) defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date the acquirer achieves control. SFAS No. 141(R) is effective for the Company beginning January 1, 2009. The impact of the adoption of SFAS No. 141(R) will depend upon the nature and terms of business combinations, if any, that the Company consummates on or after January 1, 2009.

Net Income (Loss) Attributable to Common Shares

The Company computes net income (loss) per share in accordance with SFAS No. 128, *Earnings Per Share* (SFAS No. 128). Under SFAS No. 128, basic net income (loss) per share is computed by dividing net income (loss) applicable to common shares by the weighted average number of shares of common stock outstanding during the periods presented. Diluted net income (loss) per share is computed by dividing net income (loss) applicable to common shares by the weighted average number of shares of common stock outstanding during the periods plus the dilution that would occur upon the exercise or conversion of stock options or common stock warrants.

The following table is a reconciliation of the numerator and denominator of the computation of basic and diluted net income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Net income (loss) applicable to common shares	\$ 748,239	\$ (100,881)	\$ 3,224,372	\$ 1,504,312
Weighted average common shares outstanding — basic	32,547,406	8,621,880	32,507,708	8,621,880
Dilutive effect of stock options and warrants	1,502,145	—	1,561,352	2,814,377
Conversion of preferred stock to common stock	—	—	—	7,879,904
Weighted average common shares outstanding - diluted	34,049,551	8,621,880	34,069,060	19,316,161

Warrants outstanding totaling 1.4 million shares of the Company's common stock, along with options to purchase 962,447 shares of the Company's common stock were excluded from the computation of diluted weighted average shares outstanding for the three and nine months ended September 30, 2008 because their effect would have been anti-dilutive. Outstanding stock options and warrants could potentially dilute earnings per share in the future.

Comprehensive Income (Loss)

The Company's comprehensive income (loss) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Net income (loss) as reported	\$748,239	\$(22,462)	\$3,224,372	\$1,825,131
Other comprehensive income:				
Foreign currency translation adjustment	85,255	6,937	26,915	36,460
Comprehensive income (loss)	\$833,494	\$(15,525)	\$3,251,287	\$1,861,591

3. Property and Equipment

Property and equipment consist of the following:

	Useful life	September 30, 2008	December 31, 2007
Computers, software and other equipment	2 to 3 years	\$ 3,648,245	\$ 3,133,140
Automobiles	1 to 3 years	2,086,194	1,151,673
Furniture and fixtures	5 years	1,756,518	1,494,895
Leasehold improvements	7 years	349,655	—
		7,840,612	5,779,708
Less accumulated depreciation		(3,593,042)	(2,436,337)
		\$ 4,247,570	\$ 3,343,371

Automobiles, computers, software and other equipment include assets acquired under capital lease obligations.

4. Accrued Expenses

Accrued expenses consist of the following:

	September 30, 2008	December 31, 2007
Accrued compensation	\$2,525,776	\$1,744,809
Accrued professional fees	1,843,352	2,572,673
Volume rebate accrual	757,950	674,971
Accrued income taxes	—	591,439
Other	232,100	906,010
	<u>\$5,359,178</u>	<u>\$6,489,902</u>

5. Lines of Credit

In November 2006, the Company entered into a bank line of credit agreement (the "Agreement"), expiring October 31, 2009. This Agreement provides for \$15,000,000 of available borrowings, and is subject to certain borrowing base restrictions. Borrowings under the Agreement require interest at the bank's prime rate (5.00% at September 30, 2008). The Agreement is secured by all corporate assets and also contains financial and non-financial covenants including restrictions on the payment of dividends, restrictions on acquisitions and restrictions on the repurchase, redemption, or retirement of outstanding equity. At September 30, 2008, there were no outstanding borrowings under the Agreement.

6. Stockholders' equity

Prior to the Merger with Cross Shore

The Company was authorized to issue up to 25,301,475 shares of common stock with no par value. Of the shares authorized, 2,108,456 shares of common stock were reserved for issuance pursuant to the Company's 2002 Equity Incentive Plan.

The Company issued 393,579 warrants to certain investors in 2003 in connection with a bridge loan. Such warrants were exercisable at \$0.4695 per share at any time through 2013. In connection with the merger, such warrants were exchanged for a combination of cash and common stock of the combined entity.

Subsequent to the Merger with Cross Shore

Subsequent to the merger with Cross Shore on August 30, 2007, the Company is authorized to issue up to 1,000,000 shares of Preferred Stock and 150,000,000 shares of common stock, \$.0001 par value. Of the shares authorized, 6,792,271 shares of common stock have been reserved for issuance pursuant to the Company's equity incentive plans.

A total of 1,500,000 shares held by RPS stockholders prior to the merger were placed in escrow pursuant to the merger agreement with Cross Shore. 60% of the escrow shares (900,000 shares) were released on August 30, 2008 and the remainder will be released on August 30, 2009 assuming there are no claims made against the escrow fund.

The Company's stockholders are granted certain rights to register their shares under the securities laws of



the United States pursuant to two separate registration rights agreements. The Registration Rights Agreement (as defined below) pertains to those stockholders holding shares in RPS prior to the merger. The Investor Rights Agreement (as defined below) pertains to those stockholders acquiring shares and warrants in Cross Shore's initial public offering in April of 2006.

Under the Investor Rights Agreement dated April 24, 2006 (the "Investor Rights Agreement"), the Company agreed to use commercially reasonable efforts to file a registration statement under the Exchange Act within 120 days after the date of the merger, and to cause the registration statement to become effective within 90 days after it is filed. If these deadlines were not met, the Company agreed to issue additional shares to stockholders as liquidated damages in the amount of 1% of all or a portion of such holder's securities for up to four months each. The Company's registration statement on Form 10 under the Exchange Act was filed and became effective within the required time period pursuant to the provisions of the Investor Rights Agreement.

The Company is also required to file a shelf registration statement on Form S-3 within 90 days after becoming eligible to do so. In addition, the holders of the Company's stock and warrants are entitled to no more than three demand registrations (covering in each case a minimum of 15% of the shares then outstanding) and piggyback registration rights. If the Company files a shelf registration for resale of shares, demand and piggyback registration rights will be suspended except for underwritten offerings. Registration rights are generally available only for stock that is subject to restrictions on transfer under the U.S. securities laws.

Under the terms of the Registration Rights Agreement dated August 30, 2007 (the "Registration Rights Agreement"), the Company granted stockholders of RPS prior to the merger, the right to include shares and warrants on any registration statement filed by the Company pursuant to the Securities Act in connection with a public offering of stock, whether such offering is being made for the Company's own account or for the account of stockholders other than the existing stockholders. These registration rights are applicable to any registration of stock that is made pursuant to a demand from the existing stockholders pursuant to the Investor Rights Agreement. The number of shares and warrants that the existing stockholders may include in an underwritten public offering by exercising their registration rights under the Registration Rights Agreement is subject to reduction in the event the managing underwriters of such offering advise the Company that the number of shares, warrants, and other stock to be included in such offering exceeds the amount of stock that can be sold without adversely affecting the offering. The Registration Rights Agreement also provides the historic RPS stockholders similar shelf registration rights as those in the Investor Rights Agreement. If the Company fails to make filings under the Securities Act or the Exchange Act that are required to be made pursuant to our contractual arrangements with the existing stockholders, the Registration Rights Agreement entitles the holders of shares and warrants to receive liquidated damages in the form of additional shares in an amount per month equal to 1% of all or a portion of such holder's Registrable Securities for up to two months.

Subsequent to the date of the merger with Cross Shore, the Company also has a total of 1,357,179 common stock warrants ("IPO Warrants") outstanding. Such IPO Warrants are immediately exercisable at any time through April 2010. All of the IPO Warrants are exercisable at \$5.00 per share. The IPO Warrants were issued to investors in connection with the initial public offering of Cross Shore in April 2006.

The IPO Warrants are redeemable at the Company's option at a price of \$.0001 per IPO Warrant only in the event that the last sale price of the Company's common stock is at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given and the weekly trading volume of the Company's common stock has been at least 550,000 shares for each of the two calendar weeks before the Company sends the notice of redemption.

In addition, a total of 186,667 options remain outstanding from the date of the Cross Shore initial public offering in April 2006. These options were issued to representatives of the underwriters of the Cross Shore initial public offering. The options entitle the holder to one share of common stock and two common stock warrants in exchange for an exercise price of \$6.60 per share. Should the options be exercised, the

warrants received will be fully vested with an exercise price of \$5.00 per share at any time through April 2010. Such warrants are subject to the same redemption provisions as the IPO Warrants discussed above.

7. Redeemable Convertible Preferred Stock

Subsequent to the Merger with Cross Shore

Subsequent to the merger with Cross Shore on August 30, 2007, all of the outstanding shares of Series A and Series B Preferred Stock were converted into shares of common stock of the combined entity. In addition, all accumulated dividends of the Series A and Series B Preferred Stock accrued through the date of the merger, totaling \$2.63 million, were paid to the holders of such preferred stock.

8. Stock Option Plan

In June 2002, the Company adopted the 2002 Equity Incentive Plan (the “2002 Plan”) which permits the granting of incentive stock options, nonqualified stock options and restricted stock. The Company has authorized the issuance of up to 2,108,456 shares of common stock to satisfy grants under the 2002 Plan. Stock options issued generally vest over a three-year period. The exercise period is determined by the Company’s Board of Directors, but may not exceed ten years from the date of grant. Each option entitles the holder to purchase one share of common stock at the indicated exercise price.

In connection with the merger with Cross Shore, the Company adopted the 2007 Equity Incentive Plan (the “2007 Incentive Plan”) on August 30, 2007. The 2007 Incentive Plan permits awards of options and restricted stock. At September 30, 2008, the total number of shares reserved under the 2007 Incentive Plan was 6,697,933 shares. On an annual basis, this amount shall be increased to an amount equal to 15% of the number of shares outstanding (calculated on a fully diluted basis). Stock options issued generally vest over a three year period. The exercise period is determined by the Board of Directors, but may not exceed 10 years from the date of grant.

The following table summarizes activity under the 2002 Plan and 2007 Incentive Plan:

	Options Available For Grant	Number of Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2007	3,979,607	2,729,965	\$1.94
Granted (unaudited)	(212,447)	212,447	\$3.89
Exercised (unaudited)	—	(11,639)	\$0.77
Forfeited/cancelled (unaudited)	14,637	(14,637)	\$1.06
Balance, September 30, 2008 (unaudited)	3,781,797	2,916,136	\$1.97

The weighted average grant date fair value of options granted was \$1.89 and \$1.98 during the three and nine months ended September 30, 2008 respectively.

At September 30, 2008, 351,553 options were exercisable at \$0.37 per share, 1,054,287 options were exercisable at \$0.83 per share, 10,940 options were exercisable at \$1.66 per share, and 250,000 options were exercisable at \$5.05 per share. The weighted average remaining contractual life of the outstanding options at September 30, 2008 was 7.1 years. The weighted average remaining contractual life of the fully vested options at September 30, 2008 was 6.6 years. The aggregate intrinsic value of options outstanding and fully vested at September 30, 2008 is \$3.5 million and \$2.9 million, respectively.

9. Commitments and Contingencies

The Company occupies its corporate headquarters and other offices and uses certain equipment under various operating leases. The Company's current lease for its corporate headquarters expires in June 2017. Rent expense under such arrangements was approximately \$477,500 and \$387,000 during the three months ended September 30, 2008 and 2007, respectively, and \$1,484,500 and \$1,138,000 for the nine months ended September 30, 2008 and 2007, respectively. The Company is the lessee of approximately \$2,100,000 of automobiles and equipment under capital leases expiring through 2011. The equipment is recorded at the present value of minimum lease payments and is amortized over its estimated useful life. Amortization of the assets under capital lease agreements of approximately \$172,000 and \$476,000 are included in depreciation expense for the three and nine months ended September 30, 2008, respectively, and \$64,000 was included in depreciation expense for both the three and nine months ended September 30, 2007.

Future minimum lease payments subsequent to September 30, 2008 under capital and non-cancelable operating leases are as follows

	Capital Leases	Operating Leases
2008	\$ 229,051	\$ 420,283
2009	720,386	1,584,489
2010	570,946	1,463,186
2011	102,733	1,429,932
2012	—	1,451,961
Thereafter	—	5,830,887
Total minimum lease payments	\$1,623,116	\$12,180,738
Less amount representing interest	(159,942)	
Present value of net minimum lease payments	<u>\$1,463,174</u>	

The Company is involved in various claims incidental to the conduct of its business. Management does not believe that any such claims to which the Company is a party, both individually and in the aggregate, will have a material adverse effect on the Company's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

RPS is a next generation CRO serving the bio-pharmaceutical industry. Our innovative business model combines the expertise of a traditional CRO with the ability to provide flexible outsourcing solutions that are fully integrated within our clients' clinical drug development infrastructure. This approach was designed to meet the varied needs of small, medium and large bio-pharmaceutical companies.

We focus our solutions on our clients' Phase II through Phase IV clinical development programs (which encompass late-stage, pre-launch and post-approval human trials on new drug compounds). Unlike a traditional CRO, which solely targets the outsourced portion of this market, we integrate our clinical trial professionals into various levels of our clients' operations, allowing us to target both the outsourced and in-house components of our clients' Phase II through Phase IV expenditures.

Over the last six years, we have invested in building an infrastructure to support the expected demand for our services. While our revenues increased during this period, at times, the investment in infrastructure outpaced the increase in revenues and this investment, along with other factors, resulted in only marginal net income or operating losses from 2002 through 2005. Additionally, in late 2005 we began our investment in global expansion with the opening of offices across Latin America.

Towards the end of 2005, and continuing into 2006, we experienced a significant shift in the demand for our integrated outsourcing solutions. Accordingly, operating results for 2006, 2007, and the first nine months of 2008 have shown increases in revenues and certain other performance metrics.

We view our operations, manage our business, and report our financial information as one operating segment, as that term is defined under generally accepted accounting principles. As such, we report our financial information, including revenues, net income or loss, and total assets, as it pertains to our entire business of providing clinical development services to our bio-pharmaceutical industry clients including clinical trial project management, site management and study monitoring, patient enrollment, data collection and management, statistical analysis and report writing, quality assurance, and regulatory and medical affairs services.

Critical Accounting Policies

RPS' consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which require management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates. The following discussion highlights what the Company believes to be the critical accounting policies and judgments made in the preparation of these consolidated financial statements.

- Revenue and Cost Recognition

The majority of the Company's service revenues are derived from fee-for-service contracts, some of which are fixed price contracts. Revenues and the related costs of fee-for-service contracts are recognized in the period in which services are performed. Fixed price contract revenue is recognized as services are performed, on a proportional performance basis, based on the ratio that costs incurred to date bear to estimated total costs at completion. Revenue related to contract modifications is recognized when realization is assured and the amounts are reasonably determinable. Adjustments to contract estimates are made in the periods in which the facts that require the revisions become known. When the revised estimate indicates a loss, such loss is provided for in the financial statements during that period. Deferred revenue represents amounts billed to customers in excess of revenues recognized.

The Company accounts for expense reimbursement in accordance with Emerging Issues Task Force (EITF) Issue No. 01-14 ("EITF 01-14"), *Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred*. EITF 01-14 requires reimbursable out-of-pocket expenses to be characterized as revenue in the statements of operations.

The Company excludes investigator fees from its out-of-pocket expenses because these fees are funded from the customer's restricted cash and are recorded on a "pass-through basis" without risk or reward to the Company.

- Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*, ("SFAS No. 109") which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. SFAS No. 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or the entire deferred tax asset will not be realized. The Company evaluates if its deferred tax assets are realizable on an ongoing basis by assessing the valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization is the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets.



Effective January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109* (“FIN 48”). This authoritative interpretation clarified and standardized the manner by which companies are required to account for uncertain income tax positions. Under the guidance of FIN 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of the accrual for which an exposure exists is measured as the largest amount of benefit determined on a cumulative probability basis that the Company believes is more likely than not to be realized upon ultimate settlement of the position.

The Company’s annual provision for income taxes and the determination of the resulting deferred tax assets and liabilities involve a significant amount of management judgment. Management’s judgments, assumptions and estimates relative to the current provision for income tax take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. The Company operates within federal, state and international taxing jurisdictions and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve.

- Stock Based Compensation

Prior to 2006, the Company accounted for its stock-based compensation plans in accordance with Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (“APB 25”) and the related interpretations. Under APB 25, no compensation expense was recognized if the exercise price of the Company’s stock options equaled or exceeded the fair value of the underlying common stock at the date of grant. The Company provided pro forma disclosures in its financial statements as required by SFAS 123, as amended by SFAS No. 148, *Accounting for Stock-Based Compensation-Transition and Disclosure*, related to these fiscal periods prior to January 1, 2006.

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123 (revised 2004), *Share-Based Payment* (“SFAS No. 123(R)”), which replaces SFAS No. 123 and supersedes Accounting Principles Board (APB) Opinion No. 25. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the first annual period after December 15, 2005. SFAS No. 123(R) requires that an entity measure the cost of equity-based service awards based on the grant-date fair value of the award and recognize the cost of such award over the period during which the employee is required to provide service in exchange for the award (vesting period). The pro forma disclosures previously permitted under SFAS No. 123 are no longer an alternative to financial statement recognition. The Company adopted SFAS No. 123(R) on January 1, 2006 using the prospective transition method, which requires that all new stock-based awards granted subsequent to adoption be recognized in the financial statements at fair value.

In 2006 and through August 30, 2007, the Company engaged an unrelated valuation firm, SMART Business Advisory and Consulting, LLC (“Smart”) to provide its opinion as to the fair value per share of the Company’s common stock as of stated dates in 2006 and through August 30, 2007. Subsequent to the merger with Cross Shore, the Company uses the quoted stock price on AIM as the determinant of fair value. In performing its analysis, Smart used valuation methodologies consistent with the requirements of AICPA Technical Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*. Specifically, Smart considered the following methodologies in arriving at its opinion as to the fair value of our common stock:

- an estimate of the value of the Company based on the values of publicly held companies with similar businesses;
- an estimate of the value of the Company based on a discounted cash flow analysis, utilizing the present value of anticipated future cash flows, discounted at an appropriate discount rate reflecting the risk inherent in the investment; and

- allocation of the Company’s equity value, as determined by reference to the above analyses, to the Company’s outstanding classes of equity securities based on the relative risks, preferences, and privileges of such securities.

The per-share weighted average fair value of the options granted during the three months ended September 30, 2008 and 2007 were estimated at \$1.89 and \$1.42, respectively and the per share weighted average fair value of the options granted during the nine months ended September 30, 2008 and 2007, respectively were estimated at \$1.98 and \$1.42 on the date of grant, using the Black-Scholes option-pricing model with the following weighted average assumptions which are based upon the Company’s history or industry comparative information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected volatility	50%	55%	50%	55%
Risk-free interest rate	3.21%	5.19%	3.02%	5.19%
Expected life	6 years	6 years	6 years	6 years

Prior to August 30, 2007, Former RPS’ stock was not publicly traded, and the expected volatility was calculated for each date of grant based on an alternative method (defined as “calculated value”). Subsequent to August 30, 2007, the Company has continued to utilize the calculated value for expected volatility, and will continue to do so until a sufficient level of history is available as a publicly traded company. The Company identified similar public entities for which share price information is available and has considered the historical volatility of these entities’ share prices in estimating expected volatility. The Company used the average volatility of these guideline companies over a six-year period, consistent with the expected term calculated pursuant to Staff Accounting Bulletin No. 107.

The Company estimated the fair value of its common stock during 2006 and through August 30, 2007 utilizing retrospective, third party valuations performed by Smart. The estimated fair value of common stock ranged from \$4.10 to \$5.26 per share in 2007 prior to the merger with Cross Shore on August 30, 2007.

As of September 30, 2008, the aggregate amount of stock-based compensation expense associated with all the options the Company granted since January 1, 2006 determined in accordance with SFAS 123(R) was \$1.9 million, net of estimated forfeitures. This amount will be recognized on a straight-line basis over the vesting period of the related options. Under the true-up provisions of SFAS 123(R), the Company will record additional expense if the actual forfeiture rate is lower than it has initially estimated, and the Company will record a recovery of prior expense if the actual forfeiture rate is higher than it estimated.

- Valuation of Long-lived Assets

Intangible assets consist primarily of non-compete agreements, customer contracts and lists, and goodwill. The non-compete agreements and customer contracts and lists are amortized over the shorter of their contractual lives or the period over which the assets are expected to contribute to the Company’s cash flows, generally ranging from 2 to 5 years. Goodwill represents the excess of the cost over the fair value of net assets acquired in a business combination. The Company accounts for goodwill and customer lists in accordance with SFAS No. 142, *Goodwill and Intangible Assets*. If the Company determines that the carrying value of definite lived long-lived assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long Lived Assets*, the Company performs an undiscounted cash flow analysis

to determine if impairment exists. If impairment exists, the Company measures the impairment based on the difference between the asset's carrying amount and its fair value. Goodwill is tested for impairment on an annual basis (as of December 31 of each year) and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the Company below its carrying value. If the fair value of the Company is less than the carrying value, goodwill may be impaired, and will be written down to its estimated fair market value, if necessary.

Results of Operations

Three Months Ended September 30, 2008 Compared to the Three Months Ended September 30, 2007:

Revenues. Service revenues increased 26.5% to \$39.1 million for the three months ended September 30, 2008 from \$30.9 million for the three months ended September 30, 2007 as we generated additional business from existing and new customers. The majority of the increase is related to the continued build from existing contracts with several pharmaceutical companies in our Clinical Master Service Provider ("CMSP") programs. CMSP revenue for the three months ended September 30, 2008 grew 52.6% over the comparable prior period, and accounted for 64.0% of our total service revenue for the three months ended September 30, 2008.

Reimbursement revenues and offsetting reimbursable out-of-pocket costs fluctuate from period to period due primarily to the level of pass-through expenses in a particular period. Reimbursement revenues and reimbursable out-of-pocket costs increased 48.2% to \$4.9 million during the three months ended September 30, 2008 from \$3.3 million during the three months ended September 30, 2007. The increase is due primarily to an increase in the number of staff incurred expenses on client programs.

Direct Costs. Direct costs increased 30.6% to \$29.6 million or 75.6% of service revenues for the three months ended September 30, 2008 as compared to \$22.6 million or 73.2% of service revenues for the three months ended September 30, 2007. The increase in direct costs is directly correlated with the increase in revenues as described above, as well as an increase in certain direct costs at a rate greater than the increase in revenues, which are related to the additional infrastructure to support future growth. The primary costs included in direct costs are operational staff payroll and related taxes and benefits.

Selling, general and administrative expenses. Selling, general and administrative expenses ("SG&A") increased 17.7% to \$7.8 million for the three months ended September 30, 2008 from \$6.7 million for the three months ended September 30, 2007 to support the increase in revenues. The primary reason for the increase in SG&A costs was an increase in the number of corporate personnel, which resulted in increases in employee-related costs such as new salaries, as well as increases in salaries for existing employees, bonuses, commissions, health benefits and payroll taxes to \$4.9 million for the three months ended September 30, 2008 as compared to \$4.5 million for the three months ended September 30, 2007. Additionally, due to our increasing global footprint we saw an increase in rent and travel expense to \$0.8 million for the three months ended September 30, 2008 as compared to \$0.7 million for the three months ended September 30, 2007, and due to our public company filing status in the US and on the AIM we saw increases to our insurance premiums, licenses and professional fees to \$0.7 million for the three months ended September 30, 2008 as compared to \$0.5 million for the three months ended September 30, 2007. Although total SG&A expenses increased for the three month period ended September 30, 2008, SG&A expenses, as a percentage of service revenues, decreased to 20.1% for the three months ended September 30, 2008 as compared to 21.6% for the three months ended September 30, 2007. The decrease is attributable to our ability to leverage fixed infrastructure costs and contain semi-variable overhead costs at a slower rate of growth than revenues.

Depreciation and amortization expense. Depreciation and amortization expense increased 45.0% to \$0.4 million for the three months ended September 30, 2008 as compared to \$0.3 million for the three months ended September 30, 2007 due primarily to an increase in the depreciable asset base.

Income from operations. Income from operations remained consistent at \$1.3 million for the three months ended September 30, 2008 when compared to the three months ended September 30, 2007. The flat

income from operations is attributable to higher direct and SG&A costs during the three months ended September 30, 2008 which offset the growth in revenues as described above.

Interest income and expense. Interest income decreased to \$94,000 during the three months ended September 30, 2008 from interest income of \$108,000 during the three months ended September 30, 2007 due primarily to a decrease in interest rates. Interest expense decreased to \$91,000 for the three months ended September 30, 2008 from \$1.4 million during the three months ended September 30, 2007. The decrease is due to the payoff of the outstanding balance on our line of credit and the outstanding notes payable subsequent to the merger with Cross Shore on August 30, 2007. Interest expense for the three months ended September 30, 2007 included a \$0.9 million non-cash charge to mark our put warrant liability to market during the period. The put warrants were exchanged for common stock in connection with the Cross Shore merger on August 30, 2007.

Provision for income taxes. The provision for income taxes for the three months ended September 30, 2008 increased to \$0.5 million as compared to a provision for income taxes of \$40,000 for the three months ended September 30, 2007. Our effective tax rate for the three months ended September 30, 2007 was significant as the interest charge related to the put warrant liability incurred in the first quarter of 2007 was non-deductible for income tax purposes. Accordingly, the income tax expense recorded in the three months ended September 30, 2007 is reflective of that rate. The provision for income taxes recorded during the three months ended September 30, 2008 is reflective of our recurring effective tax rate.

Net income (loss). As a result of the factors discussed above, net income for the three months ended September 30, 2008 increased to \$0.7 million or \$0.02 per basic and diluted share, from a net loss of \$20,000 for the three months ended September 30, 2007 or \$(0.01) per share, basic and diluted.

Nine Months Ended September 30, 2008 Compared to the Nine Months Ended September 30, 2007:

Revenues. Service revenues increased 36.9% to \$117.4 million for the nine months ended September 30, 2008 from \$85.8 million for the nine months ended September 30, 2007 as we generated additional business from existing and new customers. The majority of the increase is related to the continued build from existing contracts with several pharmaceutical companies in our CMSP programs. CMSP revenue for the nine months ended September 30, 2008 grew 68.6% over the comparable prior period, and accounted for 62.1% of our total service revenue for the nine months ended September 30, 2008.

Reimbursement revenues and offsetting reimbursable out-of-pocket costs fluctuate from period to period due primarily to the level of pass-through expenses in a particular period. Reimbursement revenues and reimbursable out-of-pocket costs increased 29.3% to \$13.2 million during the nine months ended September 30, 2008 from \$10.2 million during the nine months ended September 30, 2007. The increase is due primarily to an increase in the number of staff incurred expenses on client programs.

Direct Costs. Direct costs increased 41.2% to \$87.9 million or 74.9% of service revenues for the nine months ended September 30, 2008 as compared to \$62.3 million or 72.6% of service revenues for the nine months ended September 30, 2007. The increase in direct costs is directly correlated with the increase in revenues as described above, as well as an increase in certain direct costs at a rate greater than the increase in revenues, which are related to the additional infrastructure to support future growth. The primary costs included in direct costs are operational staff payroll and related taxes and benefits.

Selling, general and administrative expenses. SG&A increased 24.1% to \$22.7 million for the nine months ended September 30, 2008 from \$18.3 million for the nine months ended September 30, 2007 to support the increase in revenues. The primary reason for the increase in SG&A costs was an increase in the number of corporate personnel, which resulted in increases in employee related costs such as new salaries, as well as increases in salaries for existing employees, bonuses, commissions, health benefits and payroll taxes to \$14.0 million for the nine months ended September 30, 2008 as compared to \$12.1 million for the nine months ended September 30, 2007. Additionally, due to our increasing global footprint we saw an increase in rent and travel expense to \$2.6 million for the nine months ended September 30, 2008 as compared to \$1.9 million for the nine months ended

September 30, 2007, and due to our public company filing status in the US and on the AIM we saw increases to our insurance premiums, licenses and professional fees to \$2.3 million for the nine months ended September 30, 2008 as compared to \$1.4 million for the nine months ended September 30, 2007. Although total SG&A expenses increased for the nine month period ended September 30, 2008, SG&A expenses, as a percentage of service revenues, decreased to 19.3% for the nine months ended September 30, 2008 as compared to 21.4% for the nine months ended September 30, 2007. The decrease is attributable to our ability to leverage fixed infrastructure costs and contain semi-variable overhead costs at a slower rate of growth than revenues.

Depreciation and amortization expense. Depreciation and amortization expense increased 71.9% to \$1.2 million for the nine months ended September 30, 2008 as compared to \$0.7 million for the nine months ended September 30, 2007 due primarily to an increase in the depreciable asset base.

Income from operations. Income from operations increased to \$5.5 million for the nine months ended September 30, 2008 as compared to income from operations of \$4.5 million for the nine months ended September 30, 2007. The increase is attributable to growth in revenues in excess of the corresponding growth in direct costs and SG&A costs as described above.

Interest income and expense. Interest income increased to \$0.3 million during the nine months ended September 30, 2008 due to an increase in the level of investable cash on hand subsequent to the August 30, 2007 merger with Cross Shore. Interest expense decreased to \$0.2 million for the nine months ended September 30, 2008 from \$6.0 million during the nine months ended September 30, 2007. The decrease is due to the payoff of the outstanding balance on our line of credit and the outstanding notes payable subsequent to the merger with Cross Shore on August 30, 2007. Interest expense from the nine months ended September 30, 2007 includes a \$4.7 million non-cash charge to mark our put warrant liability to market during the period. The put warrants were exchanged for shares of Cross Shore common stock in connection with the Cross Shore merger on August 30, 2007.

Provision for income taxes. The provision for income taxes for the nine months ended September 30, 2008 increased to \$2.3 million versus a benefit of \$3.2 million for the nine months ended September 30, 2007. Our effective tax rate for the nine months ended September 30, 2007 was significant as the interest charge related to the put warrant liability is non-deductible for income tax purposes. Accordingly, the income tax benefit recorded in the nine months ended September 30, 2007 is reflective of that rate. The provision for income taxes recorded during the nine months ended September 30, 2008 is reflective of our recurring effective tax rate.

Net income. As a result of the factors discussed above, net income for the nine months ended September 30, 2008 increased to \$3.2 million or \$0.10 per basic share and \$0.09 per diluted share, from net income of \$1.8 million for the nine months ended September 30, 2007 or \$0.17 per basic share and \$0.09 per diluted share.

Liquidity and Capital Resources

In the United States, we manage our cash function using collection and cash management accounts. Daily collections are swept into our operating account with excess funds invested in high quality money market funds of short duration. Disbursements presented for payment are funded daily out of the money market accounts. Outside of the United States, cash balances are maintained at levels necessary to support operating activities. As in the United States, cash balances for foreign subsidiaries are generally maintained in the functional currency of the applicable subsidiary.

Our expected primary cash needs on both a short and long-term basis are for capital expenditures, expansion of services, possible future acquisitions, global expansion, working capital and other general corporate purposes.

We maintain a working capital line of credit with a bank, with a maximum potential borrowing capacity of \$15.0 million. At September 30, 2008, there were no outstanding borrowings under this facility. Interest

on outstanding borrowings under this facility is at the bank's prime rate (5.00% at September 30, 2008). The credit facility contains various financial and other covenants, including a prohibition on paying dividends or distributions (other than dividends or distributions payable in our stock). At September 30, 2008, we were in compliance with these covenants. The facility is secured by all of our corporate assets. At September 30, 2008, we had available cash and cash equivalent balances of \$9.3 million and working capital of \$34.6 million, which we believe will provide sufficient liquidity for the next twelve months.

During the nine months ended September 30, 2008, our operating activities used cash of \$0.4 million, a decrease of \$7.8 million from the corresponding amount for the nine months ended September 30, 2007. Cash provided by operating activities during the nine month period ended September 30, 2008 can be attributed to net income of \$3.2 million, supplemented by non-cash charges for depreciation of \$1.2 million, and stock based compensation of \$0.4 million, an increase in accounts payable of \$18,000, an increase in other assets of \$22,000 and a decrease in other liabilities of \$25,000.

These sources of cash were offset by the use of cash in other operating assets and liabilities of \$5.4 million consisting primarily of a decrease of \$1.6 million in deferred revenue, a decrease of \$0.3 million in customer deposits, an increase in prepaid expenses and other current assets of \$0.4 million, an increase of \$0.6 million in our income taxes payable/recoverable, a decrease in accrued expenses of \$0.5 million, and by an increase in accounts receivable, net of allowance for doubtful accounts of \$1.9 million, or 5.9%, to \$34.0 million at September 30, 2008 from \$32.1 million at December 31, 2007 primarily related to the timing of cash collections.

Cash used in investing activities for the nine months ended September 30, 2008 totaled \$0.8 million, consisting primarily of the increase in restricted cash of \$0.3 million and the purchase of property and equipment totaling \$1.1 million.

Cash used in financing activities for the nine months ended September 30, 2008 totaled \$0.5 million, consisting primarily of principal payments on capital lease obligations of \$0.5 million.

Contractual Obligations

Set forth below is information concerning our known contractual obligations as of September 30, 2008.

	Payments Due by Period				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years
Contractual Obligations					
Capital leases	\$ 1,623,116	\$229,051	\$1,291,332	\$ 102,733	—
Operating leases	\$12,180,738	420,283	3,047,675	2,881,893	5,830,887
Total	\$13,803,854	\$649,334	\$4,339,007	\$2,984,626	\$5,830,887

Off-Balance Sheet Arrangements

At December 31, 2007, RPS was not a party to any off-balance sheet arrangements as defined by Regulation S-K Item 303(a)(4)(ii), promulgated under the Exchange Act.

Inflation

Certain of RPS' revenues are earned under long-term contracts (having terms in excess of one year) and generally include an inflation or cost of living adjustment for the portion of services to be performed one year from the contract date. As a result, RPS believes that the effects of inflation generally do not have a material effect on its operations or financial condition.

Recently Issued Accounting Standards

The Company adopted FASB Statement No. 157, *Fair Value Measurements* (“SFAS No. 157”) effective January 1, 2008. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (“the exit price”) in an orderly transaction between market participants at the measurement date. The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. In determining fair value, the Company primarily uses prices and other relevant information generated by market transactions involving identical or comparable assets (“market approach”). As of September 30, 2008, the fair value of the Company’s financial assets are based on level one observable inputs. We have determined that our fair value measurements are in accordance with the requirements of SFAS No. 157, therefore, the implementation of SFAS No. 157 did not have any impact on our consolidated financial condition or results of operations.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*, which replaces SFAS No. 141, *Business Combinations*. SFAS No. 141(R) retains the fundamental requirements of SFAS No. 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS No. 141(R) defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date the acquirer achieves control. SFAS No. 141(R) is effective for the Company beginning January 1, 2009. The impact of the adoption of SFAS No. 141(R) will depend upon the nature and terms of business combinations, if any, that the Company consummates on or after January 1, 2009.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Foreign currency risks. Since RPS operates in countries other than the United States, it is exposed to various foreign currency risks. The majority of client services are contracted in U.S. dollars. However, at times, a portion of the work performed under these contracts is performed by one of our subsidiaries under which costs are incurred in the local denomination of that subsidiary. In these instances, where expenses are incurred in a denomination that is other than U.S. dollars, our net earnings can be affected by fluctuations in exchange rates. In addition, any fluctuation in the exchange rates of the net assets of our foreign subsidiaries denominated in local currency would be reflected in translation gains or losses, which are accounted for in other comprehensive income in our statements of changes redeemable convertible preferred stock and stockholder’ equity. We do not believe that a change of 10% in the foreign currency exchange rates would have a material impact on our financial position or results of operations.

For the nine months ended September 30, 2008, approximately 5% of our net revenues were derived from our operations outside of the United States. We currently do not engage in derivative or hedging activities related to our potential foreign exchange exposures. However, we contemplate future anticipated foreign currency working capital requirements, capital asset acquisitions of our foreign operations, and our planned international expansion, and we will consider maintaining a portion of our cash and cash equivalents denominated in foreign currencies sufficient to satisfy these possible future requirements. We will also evaluate the need and cost of financial instruments to hedge currency exposures on an ongoing basis and may hedge against exchange rate exposure in the future.

Interest rate risk. The primary objective of our investment activity is to preserve principal, provide liquidity and maximize income without increasing risk. Our investments have limited exposure to market risk. To minimize this risk, we maintain our portfolio of cash and cash equivalents in a variety of investments, consisting primarily of bank deposits and money market funds. The interest rates are variable and fluctuate with current market conditions. The risk associated with fluctuating interest rates is limited to this investment portfolio, and we do not believe that a 10% change in interest rates would have a material impact on our financial position or results of operations.

Item 4T. Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of September 30, 2008. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e)

and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of the Company's disclosure controls and procedures as of September 30, 2008, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of such date, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which to our knowledge have not materially changed other than as set forth below.

Our contracts may be delayed, terminated or reduced in scope with little or no notice, which could adversely impact our profitability.

Many of our contracts with our clients may be terminated or reduced in scope with little or no notice. Cancellations may occur for a variety of reasons, including the failure of the client's product to satisfy safety and/or efficacy requirements, unexpected results of the client's product or the client's decision to reduce its research and development activities. In addition, if we are unable to provide the sufficient number of staff required for a project, the contract may be delayed, terminated, or reduced in scope.

In addition, for the nine months ended September 30, 2008, our top five clients represented approximately 54% of service revenues and our twenty top clients comprised approximately 89% of service revenues. For the nine months ended September 30, 2008, our largest customer was responsible for 20% of our service revenues. The loss of our single largest client or the loss or reduction in scope of a single material contract or several smaller contracts of any of our top five clients could materially adversely affect our results of operations, revenues or cash flow. No assurance can be given that we will be able to realize the service revenues included in backlog and accordingly our aggregate backlog is not a necessarily meaningful indicator of future results. Our current total backlog as of September 30, 2008 was \$143.1 million, of which approximately \$105.0 million is not expected to be realized in 2008.

The exercise of the outstanding warrants and options may have an adverse effect of the market price of our stock.

Approximately 1.4 million warrants and approximately 2.9 million options for our stock are currently outstanding. In addition, we cannot assure investors that the holders of our stock subject to lock-up restrictions will not sell substantial amounts of their stock upon any waiver, expiration or termination of the restrictions. The sale or even the possibility of sale of such stock or the stock underlying the warrants and options could have an adverse effect on the market price for our securities or on our ability to obtain a future public financing. If and to the extent that warrants and/or options are exercised, stockholders could be diluted.

Our stockholders have approved a proposal that gives our Board of Directors the authority to delist our common stock from AIM, and our warrants will be delisted if we delist our common stock from AIM. As a result of any such delisting, our common stock and warrants may become illiquid.

At our 2008 Annual Meeting of Stockholders, our stockholders approved a proposal that gives our Board of Directors the authority to delist our common stock from AIM upon 10 business days notice at anytime until December 31, 2008. If we do not delist our common stock from AIM before December 31, 2008, we will seek additional approval from our stockholders to delist our common stock from AIM after December 31, 2008. Our warrant holders did not approve the proposal to delist our warrants from AIM, but our nominated advisor for the AIM has indicated that it will resign from its position as nominated advisor as of the date our common stock is delisted from AIM. Thereafter, trading of our warrants on AIM will be suspended, and if we do not appoint another nominated advisor within one month after the suspension of our warrants from trading on AIM (which appointment of a new nominated advisor we believe is unlikely), our warrants will be delisted from AIM.

There may be a period of time following the delisting from AIM in which our stock and warrants are not listed on any securities exchange or electronic quotation medium. Accordingly, stockholders and holders of warrants may run the risk of illiquidity in their stock and warrant ownership and be unable to sell their stock and warrants in the open market from some period of time following the delisting from trading on AIM and prior to the listing of our common stock and warrants on a securities exchange or electronic quotation medium. Stockholders and warrant holders may continue to hold their common stock and warrants and may continue to trade such securities on a United States exchange or electronic quotation medium following application and admittance, if any, to a United States securities exchange or electronic quotation medium, subject to compliance with applicable securities laws.

Our stockholders have approved a proposal to effect a reverse stock split, which may impact our ability to attract institutional investors, decrease our market capitalization, and cause stockholders to own "odd lots" of shares.

At our 2008 Annual Meeting of Stockholders, our stockholders approved a proposal that gives our Board of Directors the authority to effect a reverse stock split at a ratio of one-for-two to one-for-four, to be determined by our Board of Directors. If the reverse stock split is implemented, the resulting per-share price may not attract institutional investors or investment funds and may not satisfy the investing guidelines of these investors, and consequently, the trading liquidity of our common stock may not improve. If the reverse stock split is implemented and the market price of our common stock declines, the percentage decline may be greater than would occur in the absence of the split.

If the reverse stock split is implemented, the market price of our common stock may not be sustainable at the direct arithmetic result of the reverse stock split. If the market price of our common stock declines after the reverse stock split, our total market capitalization (the aggregate value of all of our outstanding common stock at the then existing market price) after the split will be lower than before the split.

The reverse stock split may also result in some stockholders owning "odd lots" of less than 100 shares of our common stock on a post-split basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "round lots" of even multiples of 100 shares.

Further, the reverse stock split will result in an increase in the number of our authorized but unissued shares. If a one-for-two reverse stock split is implemented, we will have at least 133,726,297 authorized but unissued shares, and will have even more unauthorized but unissued shares if the reverse stock split is implemented at a ratio of one-for-three or one-for-four. We may issue these shares without the approval of our stockholders, and any such issuance will have a dilutive effect on the ownership interests of our current stockholders or any stockholders that own our shares prior to effectiveness of the reverse stock split.

Item 4. Submission of Matters to a vote of Security Holders.

We held our 2008 Annual Meeting of Stockholders on August 20, 2008 at our corporate headquarters at 520 Virginia Drive, Fort Washington, Pennsylvania 19034. The following proposals were submitted to our stockholders:

- Proposal 1: the election of three Class I directors to serve for a term ending at the Annual Meeting of Stockholders to be held in 2011, or until each of their successors is duly elected and qualified;
- Proposal 2 and 2W: approval of the cancellation of admission of our common stock (Proposal 2) and warrants (Proposal 2W) from trading on AIM on September 1, 2008, or at a later date, provided that cancellation of admission to AIM will not occur later than December 31, 2008 without obtaining the additional approval of the stockholders and warrant holders;
- Proposal 3: approval of an amendment to our certificate of incorporation to effect a reverse stock split at a ratio between one-for-two and one-for-four, to be determined by the Board of Directors;
- Proposal 4: approval of the ReSearch Pharmaceutical Services, Inc. 2007 Equity Incentive Plan; and
- Proposal 5: ratification of the appointment by our Audit Committee of Ernst & Young, LLP as our independent auditor for 2008.

Holders of our common stock were entitled to one vote per share on all matters submitted to a vote of stockholders. Holders of our warrants for common stock were entitled to vote only on the cancellation of admission of warrants to AIM pursuant to the AIM rules. The holders of our common stock voted for the following Class I directors as follows:

Name	Votes For	Votes Against
Thomas R. Armstrong	25,218,659	0
James R. Macdonald	25,218,659	0
Stephen E. Stonefield	25,218,659	0

The following directors continued as directors after the 2008 Annual Meeting of Stockholders and will be voted on by the stockholders at the 2009 Annual Meeting of Stockholders (Class II) and the 2010 Annual Meeting of Stockholders (Class III).

Jack H. Dean	Class II
Warren W. Myers	Class II
Daniel Raynor	Class II
Harris Koffer	Class III
Daniel M. Perlman	Class III
Peter M. Yu	Class III

The results of voting on the remaining proposals are as follows:

Proposal	Votes For	Votes Against	Votes Abstaining
Proposal 2: Cancellation of admission of common stock on AIM	25,218,659	0	0
Proposal 2W: Cancellation of admission of warrants on AIM	100,000	592,934	0
Proposal 3: Approval of reverse stock split	25,218,659	0	0
Proposal 4: Approval of our 2007 Equity Incentive Plan	24,226,680	0	991,979
Proposal 5: Ratification of the appointment of Ernst & Young, LLP	25,218,659	0	0

All proposals put to the stockholders were approved. The warrant holders did not approve cancellation of the admission of the warrants to purchase common stock on AIM.

Item 6. Exhibits.

See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this quarterly report, which Exhibit Index is incorporated hereinby reference.

SIGNATURES

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 thereunto duly authorized.

Date: November 13, 2008

ReSearch Pharmaceutical Services, Inc.

By: /s/ Steven Bell

Steven Bell
Executive Vice President of Finance and
Chief Financial Officer

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



<DOCUMENT>
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<DESCRIPTION> Exhibit 31.1
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EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Daniel M. Perlman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ReSearch Pharmaceutical Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2008

/s/ Daniel M. Perlman

Daniel M. Perlman
Chief Executive Officer

W71563.SUB, DocName: EX-31.2, Doc: 3



<DOCUMENT>
<TYPE> EX-31.2
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EXHIBIT 31.2

**CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven Bell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ReSearch Pharmaceutical Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2008

/s/ Steven Bell

Steven Bell
Chief Financial Officer



<DOCUMENT>
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EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of ReSearch Pharmaceutical Services, Inc. (the "Company") for the three months ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel M. Perlman, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 13, 2008

/s/ Daniel M. Perlman

Daniel M. Perlman
Chief Executive Officer



<DOCUMENT>
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EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of ReSearch Pharmaceutical Services, Inc. (the "Company") for the three months ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven Bell, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 13, 2008

/s/ Steven Bell

Steven Bell
Chief Financial Officer