

ACCUMED INC
Form 424B5
September 15, 2011
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-166710

This preliminary prospectus supplement relates to an effective registration statement but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these notes and are not soliciting an offer to buy these notes in any jurisdiction where the offer or sale is not permitted.

Subject to completion dated September 15, 2011

Preliminary prospectus supplement

(To prospectus dated May 10, 2010)

Omnicare, Inc.

\$100,000,000

7.75% Senior Subordinated Notes due 2020

Issue Price %

Interest payable June 1 and December 1.

We are offering \$100,000,000 aggregate principal amount of our existing 7.75% Senior Subordinated Notes due 2020, which we refer to as the new notes. The new notes will be issued under the indenture pursuant to which, on May 18, 2010, we issued \$400 million aggregate principal amount of our 7.75% Senior Subordinated Notes due 2020 (the initial notes, and together with the new notes, the notes). The new notes will have the same terms (other than the issue date and public offering price) as the initial notes and will rank *pari passu* with, and vote together with, the holders of the initial notes on any matter submitted to the holders. The new notes will have the same CUSIP number and ISIN as the initial notes and will be fungible with the initial notes for trading purposes. Interest on the initial notes began accruing on May 18, 2010. The notes will mature on June 1, 2020. Upon consummation of this offering, the aggregate principal amount outstanding of our 7.75% Senior Subordinated Notes due 2020, including the new notes offered hereby, will be \$500,000,000.

We may redeem some or all of the notes at any time on or after June 1, 2015 at the redemption prices set forth under Description of notes Optional redemption. Prior to June 1, 2015, we may redeem the notes at a make-whole premium. In addition, at any time prior to June 1, 2013, we may redeem up to 35% of the notes with proceeds we receive from certain equity offerings at the prices set forth under Description of notes Optional redemption. If we sell certain assets and do not reinvest the proceeds or repay indebtedness or if we experience specific kinds of changes in control, we must offer to repurchase the notes.

The notes are guaranteed on an unsecured senior subordinated basis by certain of our existing and future direct and indirect domestic subsidiaries. The notes and guarantees are general senior subordinated obligations ranking equally with our other senior subordinated debt and are subordinated to all of our and the guarantors senior debt, including our new senior credit facility. The notes are structurally subordinated to all indebtedness and obligations of our subsidiaries that do not guarantee the notes and effectively subordinated to our and the guarantors secured debt.

Investing in the notes involves risks. See Risk factors beginning on page S-13.

Public offering price(1)

Underwriting discounts

Proceeds, before expenses, to the Issuer(1)

Edgar Filing: ACCUMED INC - Form 424B5

and commissions

Per note		%		%
Total	\$		\$	
(1) Plus accrued interest from and including June 1, 2011, to, but excluding, delivery date (totaling \$ on the new notes). This amount must be paid by the purchasers of the notes.				

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes to purchasers will be made on or about September , 2011 in book-entry form through The Depository Trust Company for the account of its participants, including Clearstream Banking *société anonyme* and Euroclear Bank, S.A./N.V.

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

Joint Book-Running Managers

J.P. Morgan

Barclays Capital

BofA Merrill Lynch

Goldman, Sachs & Co.

SunTrust Robinson Humphrey

September , 2011

Table of Contents

Table of contents
Prospectus supplement

	Page
<u>About this prospectus supplement</u>	S-1
<u>Forward-looking statements</u>	S-1
<u>Summary</u>	S-3
<u>The offering</u>	S-6
<u>Summary historical consolidated financial information</u>	S-10
<u>Risk factors</u>	S-13
<u>Use of proceeds</u>	S-24
<u>Capitalization</u>	S-25
<u>Business</u>	S-26
<u>Description of other indebtedness</u>	S-32
<u>Description of notes</u>	S-36
<u>Book-entry, delivery and form</u>	S-91
<u>Certain United States federal income tax consequences</u>	S-96
<u>Underwriting</u>	S-102
<u>Legal matters</u>	S-107
<u>Experts</u>	S-107
<u>Available information</u>	S-107
<u>Incorporation of certain documents by reference</u>	S-108

Prospectus

	Page
<u>About this prospectus</u>	1
<u>Forward-looking statements</u>	1
<u>Risk factors</u>	2
<u>Our company</u>	2
<u>Ratio of earnings to fixed charges</u>	4
<u>Use of proceeds</u>	5
<u>Description of debt securities and guarantees of debt securities</u>	5
<u>Plan of distribution</u>	16
<u>Legal matters</u>	18
<u>Experts</u>	18
<u>Where you can find more information</u>	18
<u>Documents incorporated by reference into this prospectus</u>	18

Table of Contents

About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of our notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to our notes. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference, on the other hand, the information in this prospectus supplement shall control.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor any underwriter or agent has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor any underwriter or agent is making an offer to sell our notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

References in this prospectus supplement and the accompanying prospectus to Omnicare, the Company, we, us or our are to Omnicare, Inc. unless otherwise indicated or the context otherwise requires. This section contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing. You should carefully read this entire prospectus supplement, the accompanying prospectus and the other documents we refer to or incorporate by reference, including the Risk factors in this prospectus supplement and the accompanying prospectus, before making an investment decision.

We own the service marks and trademarks for Omnicare Geriatric Pharmaceutical Care Guidelines[®], Omnicare Guidelines[®], OSC2OR[®] and Omnicare Senior Health Outcomes[™].

Forward-looking statements

In addition to historical information, this prospectus supplement contains certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, all statements regarding the intent, belief or current expectations regarding the matters discussed or incorporated by reference in this document (including statements as to beliefs, expectations, anticipations, intentions or similar words) and all statements which are not statements of historical fact.

Such forward-looking statements, together with other statements that are not historical, are based on management's current expectations and involve known and unknown risks, uncertainties, contingencies and other factors that could cause results, performance or achievements to differ materially from those stated. The most significant of these risks and uncertainties are described in our Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission and include, but are not limited to: overall economic, financial, political and business conditions; trends in the long-term healthcare and

Table of Contents

pharmaceutical industries; the ability to attract new clients and service contracts and retain existing clients and service contracts; the ability to consummate pending acquisitions; trends for the continued growth of our businesses; trends in drug pricing; delays and reductions in reimbursement by the government and other payors to customers and to us; the overall financial condition of our customers and our ability to assess and react to such financial condition of our customers; the ability of vendors and business partners to continue to provide products and services to us; the continued successful integration of acquired companies; the continued availability of suitable acquisition candidates; the ability to attract and retain needed management; competition for qualified staff in the healthcare industry; variations in the demand for our products and services; variations in costs or expenses; the ability to implement productivity, consolidation and cost reduction efforts and to realize anticipated benefits; the potential impact of legislation, government regulations, and other government action and/or executive orders, including those relating to Medicare Part D, including its implementing regulations and any subregulatory guidance, reimbursement and drug pricing policies and changes in the interpretation and application of such policies, including changes in calculation of average wholesale price; government budgetary pressures and shifting priorities; federal and state budget shortfalls; efforts by payors to control costs; changes to or termination of our contracts with pharmaceutical benefit managers Medicare Part D plan sponsors and/or commercial health insurers or to the proportion of our business covered by specific contracts; the outcome of disputes and litigation; potential liability for losses not covered by, or in excess of, insurance; the impact of executive separations; the impact of benefit plan termination; the differences in actuarial assumptions and estimates as compared to eventual outcomes; events or circumstances which result in an impairment of assets, including but not limited to, goodwill and identifiable intangible assets; the final outcome of divestiture activities; market conditions; the outcome of audit, compliance, administrative, regulatory, or investigatory reviews; volatility in the market for our stock and in the financial markets generally; access to adequate capital and financing; changes in international economic and political conditions and currency fluctuations between the U.S. dollar and other currencies; changes in tax laws and regulations; changes in accounting rules and standards; and costs to comply with our Corporate Integrity Agreements.

Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, our actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as otherwise required by law, we do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Table of Contents

Summary

Our company

Omnicare is a leading pharmaceutical services company. We are the nation's largest provider of pharmaceuticals and related pharmacy and ancillary services to long-term healthcare institutions. Our clients include primarily skilled nursing facilities (SNFs), assisted living facilities (ALFs), retirement centers, independent living communities, hospitals, hospices, and other healthcare settings and service providers. We are also a provider of specialty pharmaceutical products and support services. We serve long-term care facilities as well as chronic care and other settings which comprised approximately 1,376,000 beds, including approximately 93,000 patients served by the patient assistance programs of our specialty pharmacy services business, as of June 30, 2011. The comparable number at June 30, 2010 was approximately 1,353,000 (including 79,000 patients served by the patient assistance programs of the specialty pharmacy services business). We provide our pharmacy services in all 50 states in the United States, the District of Columbia and in Canada as of June 30, 2011. We also provide operational software and support systems to long-term care pharmacy providers across the United States.

We provide distribution of pharmaceuticals, related pharmacy consulting and other ancillary services, data management services and medical supplies to SNFs, ALFs, retirement centers, independent living communities, hospitals, hospice, and other healthcare settings and service providers. The Company purchases, repackages and dispenses pharmaceuticals, both prescription and non-prescription, and provides computerized medical record-keeping and third-party billing for residents in these facilities. We also provide consultant pharmacist services, including evaluating monthly patient drug therapy, monitoring the drug distribution system within the nursing facility, assisting in compliance with state and federal regulations and providing proprietary clinical and health management programs. In addition, we provide a variety of other products and services, including intravenous medications and nutrition products (infusion therapy services), respiratory therapy services, medical supplies and equipment, clinical care planning and financial and operational software information systems, electronic medical records systems, pharmaceutical informatics services, pharmacy benefit management services, retail and mail-order pharmacy services, pharmaceutical care management for hospice agencies and product support and distribution services for specialty pharmaceutical manufacturers. We also provide pharmaceutical case management services for retirees, employees and dependents who have drug benefits under corporate-sponsored healthcare programs. Since 1989, we have been involved in a program to acquire providers of pharmaceutical products and related pharmacy management services and medical supplies to long-term care facilities and their residents.

Our principal executive offices are located at 1600 RiverCenter II, 100 East RiverCenter Boulevard, Covington, Kentucky, 41011, and our telephone number is (859) 392-3300. Our corporate website address is www.omnicare.com. Information contained on our website is not part of this prospectus supplement.

Table of Contents

Recent developments

Proposed Acquisition of PharMerica Corporation

On September 7, 2011, we commenced a tender offer to purchase all of the outstanding shares of the common stock of PharMerica Corporation (PharMerica) for \$15.00 per share in cash. The tender offer is conditioned on, among other things, (i) there being validly tendered, and not withdrawn, at least a majority of the total number of PharMerica shares outstanding on a fully diluted basis; (ii) the board of directors of PharMerica redeeming or invalidating its poison pill stockholder rights plan; (iii) the board of directors of PharMerica approving the Company's acquisition of PharMerica under Section 203 of the Delaware General Corporation Law (the DGCL) or the Company being satisfied that Section 203 of the DGCL is inapplicable to the acquisition; (iv) the expiration or termination of all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder; and (v) PharMerica not entering into any agreement or transaction having the effect of impairing the Company's ability to acquire PharMerica or otherwise diminishing the expected value to the Company of the acquisition. The tender offer is scheduled to expire at 12:00 midnight, New York City time, on October 4, 2011, unless extended.

According to PharMerica's Annual Report on Form 10-K for the year ended December 31, 2010 (the PharMerica 10-K), PharMerica is the second largest institutional pharmacy services company in the United States based on revenues. PharMerica services healthcare facilities and also provides management pharmacy services to hospitals. According to PharMerica's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (the PharMerica 10-Q), PharMerica operates 94 institutional pharmacies in 44 states. PharMerica's customers are typically institutional healthcare providers, such as skilled nursing facilities, nursing centers, assisted living facilities, hospitals and other long-term alternative care settings. According to the PharMerica 10-Q, PharMerica also provides management services to 90 hospitals in the United States. The information concerning PharMerica contained in this prospectus supplement was taken entirely from the PharMerica 10-K and the PharMerica 10-Q, and neither the Company nor the underwriters take responsibility for the accuracy or completeness of such information.

This offering is not conditioned upon the completion of the proposed acquisition of PharMerica and we cannot assure you that the tender offer, or any acquisition of PharMerica, will be consummated on the proposed terms or at all. The proceeds from this offering will not be used to fund the proposed acquisition.

On September 7, 2011, we filed a lawsuit in the Court of Chancery of the State of Delaware against PharMerica and the members of the board of directors of PharMerica. In the action, we allege, among other things, that the director defendants violated their fiduciary duties by refusing to engage in negotiations with us, refusing to evaluate our offer, and refusing to remove or render inapplicable preclusive defensive measures preventing PharMerica's stockholders from considering the proposed transaction. We are seeking, among other things, declaratory and injunctive relief (i) enjoining the director defendants from engaging in any action or inaction that has the effect of improperly impeding the tender offer in a manner inconsistent with their fiduciary duties and (ii) compelling the director defendants to render the stockholder rights plan and Section 203 of the DGCL inapplicable to the proposed transaction.

Table of Contents

New Senior Credit Agreement

On August 24, 2011, we entered into a \$750 million senior unsecured credit agreement (the "Senior Credit Agreement") with the lenders named therein, SunTrust Bank, as Administrative Agent, JP Morgan Chase Bank, N.A. as Syndication Agent and Barclays Bank PLC, Goldman Sachs Bank USA and Bank of America, N.A., as Co-Documentation Agents. The Senior Credit Agreement consists of (a) a \$300 million five-year senior unsecured revolving credit facility and (b) a \$450 million five-year senior unsecured term loan facility. The Senior Credit Agreement also provides for an uncommitted incremental facility that permits the Company, subject to certain conditions, to increase the commitment under the Senior Credit Agreement by up to \$300 million in the aggregate; *provided* that no lender is committed to participate in any such increase.

The Senior Credit Agreement replaced our prior \$400 million senior secured revolving credit facility. We are using a portion of the proceeds of the term loan facility to redeem a portion of our outstanding 6.875% senior subordinated notes due 2015. The Senior Credit Agreement may also be used to provide working capital and for other general corporate purposes. See "Description of other indebtedness" Senior Credit Agreement.

Putative Class Action Complaint

On August 24, 2011, a class action complaint entitled *Ansfield v. Omnicare, Inc., et al.* was filed on behalf of a putative class of all purchasers of the Company's common stock from January 10, 2007 through August 5, 2010 against the Company and certain of its current and former officers in the United States District Court for the Eastern District of Kentucky, alleging violations of federal securities law in connection with alleged false and misleading statements with respect to the Company's compliance with federal and state Medicare and Medicaid laws and regulations. The complaint seeks unspecified money damages. The Company believes that the claims asserted in the complaint are entirely without merit and intends to defend against them vigorously.

Table of Contents

The offering

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to Description of notes.

Issuer Omnicare, Inc.
Securities \$100,000,000 aggregate principal amount of 7.75% Senior Subordinated Notes due 2020.

Maturity The new notes offered hereby are an additional issuance under the existing indenture under which we issued the initial notes. The new notes will have the same terms (other than the issue date and public offering price), and will rank *pari passu* with the initial notes. Holders of the new notes will vote together with the holders of the initial notes on any matter submitted to the holders. The new notes will have the same CUSIP number and ISIN as the initial notes and will be fungible with the initial notes of such series for trading purposes.
The notes will mature on June 1, 2020.

Interest Payment Dates June 1 and December 1 of each year, beginning December 1, 2011.

Optional Redemption At any time on or after June 1, 2015, we may redeem the notes, in whole or in part, at the redemption prices set forth under Description of notes Optional redemption. In addition, prior to June 1, 2015, we may redeem the notes at a make-whole premium.

At any time prior to June 1, 2013, we may redeem up to 35% of the notes with the net cash proceeds of certain equity offerings at the redemption price set forth under Description of notes Optional redemption.

Ranking The notes are our unsecured senior subordinated obligations. Accordingly, they rank:

subordinated in right of payment to all of our existing and future senior indebtedness (including our obligations under our senior credit facility);

equal in right of payment to our existing and future senior subordinated indebtedness;

senior in right of payment to our existing and future subordinated indebtedness;

structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any of our existing or future non guarantor subsidiaries; and

Table of Contents

effectively subordinated in right of payment to our secured debt to the extent of the value of the assets securing such debt.

Guarantees

The notes are jointly and severally guaranteed on an unsecured senior subordinated basis by certain of our current and future domestic subsidiaries. Each subsidiary guarantee ranks:

subordinated in right of payment to the guarantors' existing and future senior indebtedness (including the guarantors' obligations under our senior credit facility);

equal in right of payment to the guarantors' existing and future senior subordinated indebtedness;

senior in right of payment to the guarantors' existing and future subordinated indebtedness;

structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any subsidiary of a guarantor if that subsidiary is also not a guarantor under the notes; and

effectively subordinated in right of payment to the secured debt of the guarantors to the extent of the value of the assets securing such debt.

As of June 30, 2011, after giving effect to the Senior Credit Agreement and the use of the proceeds thereof, this offering and the application of proceeds as described in "Use of proceeds":

our outstanding senior indebtedness would have been approximately \$918.4 million, including approximately \$452.5 million of our convertible senior debentures due 2035, which are guaranteed on a senior basis by Omnicare Purchasing Company, LP and capitalized lease obligations and excluding \$19.5 million of outstanding letters of credit under our Senior Credit Agreement which is guaranteed on a senior basis by the guarantors; there would have been approximately \$280.5 million available for borrowing under the Senior Credit Agreement (which is net of \$19.5 million of outstanding letters of credit);

our non-guarantor subsidiaries would have had approximately \$2.7 million of indebtedness outstanding, including trade payables and excluding intercompany payables; and

our outstanding secured debt would have been approximately \$15.9 million, consisting of capitalized lease obligations.

Table of Contents

Covenants

The indenture governing the notes contains covenants that, among other things, limit our ability and/or our subsidiaries' ability to:

pay dividends or make other restricted payments;

incur additional debt or issue preferred stock;

create or permit to exist certain liens;

incur restrictions on the ability of certain of our subsidiaries to pay dividends or other payments;

consolidate, merge or transfer all or substantially all of our assets;

enter into transactions with affiliates; and

sell or dispose of our assets.

However, each of these covenants is subject to a number of significant exceptions. You should read Description of notes - Certain covenants for a description of these covenants.

Many of these covenants will cease to apply to the notes at all times after such notes have investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's.

Change of Control

Upon the occurrence of a change of control, we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount, plus any accrued and unpaid interest to, but not including, the date of repurchase.

Absence of Public Market for the Notes

There is currently no established public trading market for the notes. We do not intend to apply for a listing of the notes on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and may discontinue any market-making activities at any time without notice.

Use of Proceeds

We intend to use the proceeds from this offering to redeem the remaining outstanding portion of our 6.875% Senior Subordinated Notes due 2015, and to use any remaining proceeds from this offering for general corporate purposes. See Use of proceeds.

Form

The notes will be represented by registered global securities registered in the name of Cede & Co., the nominee of the depository, The Depository Trust Company, or DTC. Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants.

Table of Contents

Risk Factors

See Risk factors beginning on page S-13 of this prospectus supplement, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010 and Part II-Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011 for important information regarding us and an investment in the notes.

S-9

Table of Contents**Summary historical consolidated financial information**

The following summary consolidated financial information should be read in conjunction with our historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Current Report on Form 8-K dated July 29, 2011 which is incorporated by reference into this prospectus supplement.

We derived the income statement data for the years ended December 31, 2008, 2009, 2010 and the balance sheet data as of December 31, 2009 and 2010 from our audited financial statements, which are incorporated by reference into this prospectus supplement. We derived the income statement data for the six months ended June 30, 2010 and 2011 and the balance sheet data as of June 30, 2011 from our unaudited financial statements, which are incorporated by reference into this prospectus supplement. We derived the balance sheet data as of December 31, 2008 and June 30, 2010 from our financial statements, as adjusted for discontinued operations, which are not incorporated by reference into this prospectus supplement. In the opinion of management, the unaudited financial statements from which the information below is derived contain all adjustments, which consist only of normal recurring adjustments, necessary to present fairly our financial results of operations as of the applicable dates and for the applicable periods in all material respects. Historical results are not necessarily indicative of the results to be expected in the future. In addition, interim results may not be indicative of results for the remainder of the year.

	2008 (h)	2009 (h)	Years Ended December 31, 2010 (h)	Six Months Ended 2010 (h)	June 30, 2011
Income Statement Data (a)(b):					
Total net sales	\$ 5,992,450	\$ 6,001,053	\$ 6,030,670	\$ 2,983,796	\$ 3,081,477
Operating income	378,813	469,751	189,154	211,064	209,775
Interest expense (c)	143,051	119,893	135,720	68,320	56,801
Income from continuing operations before income taxes	219,610	331,551	33,508	130,709	141,663
Ratio of earnings to fixed charges (d)(e)	2.1x	2.9x	1.2x	2.4x	2.8x
Balance Sheet Data (at end of period)(a):					
Cash and cash equivalents (including restricted cash)	\$ 216,557	\$ 290,971	\$ 496,503	\$ 397,844	\$ 524,013
Working capital	1,731,225	1,601,790	1,863,542	1,854,764	1,790,010
Total assets	7,450,245	7,324,104	7,363,413	7,405,348	7,126,054
Long-term debt (excluding current portion)	2,352,822	1,980,239	2,106,758	2,187,378	1,955,977
Stockholders' equity	3,654,869	3,875,993	3,815,944	3,890,434	3,800,500
Other Financial Data (a)(b):					
Net cash flows from operating activities of continuing operations	\$ 433,589	\$ 480,715	\$ 368,903	\$ 152,949	\$ 280,875
Net cash flows used in investing activities of continuing operations	(281,221)	(142,646)	(125,506)	(13,365)	(29,661)
Net cash flows used in financing activities of continuing operations	(208,706)	(275,929)	(18,652)	(20,383)	(224,088)
Capital expenditures (f)	(57,041)	(29,231)	(23,517)	(11,489)	(18,223)
EBITDA from continuing operations (g)	489,026	579,456	310,164	264,160	262,478
Total debt to total capitalization	39.2%	35.2%	35.6%	36.0%	34.0%

Table of Contents

- (a) We have had an active acquisition program in effect since 1989, which impacts the comparability of the Company's results. See the "Acquisitions" note of the notes to our 2010 consolidated financial statements for additional information concerning acquisitions.
- (b) Included in the income from continuing operations amounts are the following charges.

	2008(h)	2009(h)	Years Ended December 31, 2010(h)	2010(h)	Six Months Ended June 30, 2011
Pre-tax:					
Restructuring and other related charges	\$ 34,089(1)	\$ 19,814(1)	\$ 17,165(1)	\$ 6,994(8)	\$
Settlement, litigation and other related charges	99,267(2)	77,449(2)	113,709(2)	34,867(9)	25,829(9)
Other miscellaneous charges	6,445(3)	5,893(3)	42,422(3)	4,965(10)	4,221(10)
Amortization of discount on convertible notes	25,934(4)	27,977(4)	29,536(4)	14,804(11)	11,862(11)
Separation, benefit plan termination and related costs			64,760(5)		
Goodwill and other asset impairment charges			22,884(6)		
Gain on sales of rabbi trust assets			(3,606)(7)		
Debt redemption costs interest expense			14,297(4)	9,384(11)	1,079(11)
Provision for doubtful accounts			48,500(3)		
Total	\$ 165,735	\$ 131,133	\$ 349,667	\$ 71,014	\$ 42,991

- (1) See the "Restructuring and Other Related Charges" note of the notes to our 2010 consolidated financial statements.
- (2) See the "Commitments and Contingencies" note of the notes to our 2010 consolidated financial statements.
- (3) See the "Description of Business and Summary of Significant Accounting Policies" note of the notes to our 2010 consolidated financial statements.
- (4) See the "Debt" note of the notes to our 2010 consolidated financial statements.
- (5) See the "Separation, Benefit Plan Termination and Related Costs" note of the notes to our 2010 consolidated financial statements.
- (6) See the "Goodwill and Other Intangible Assets" note of the notes to our 2010 consolidated financial statements.
- (7) See the "Employee Benefit Plans" note of the notes to our 2010 consolidated financial statements.
- (8) See the "Restructuring and Other Related Charges" note of the notes to our June 30, 2011 Form 10-Q ("Q2 10Q").
- (9) See the "Commitments and Contingencies" note of the notes to our Q2 10Q.
- (10) See the "Significant Accounting Policies" note of the notes to our Q2 10Q.

Edgar Filing: ACCUMED INC - Form 424B5

- (11) See the Debt note of the notes to our Q2 10Q.
- (c) Interest expense represents gross interest expense, rather than interest expense net of investment income. Our ratio of EBITDA from continuing operations to interest expense has been computed by dividing EBITDA from continuing operations by interest expense.
- (d) Our ratio of earnings to fixed charges has been computed by adding income from continuing operations before income taxes and fixed charges to derive adjusted income, and dividing adjusted income by fixed charges. Fixed charges consist of interest expense on debt (including the amortization of debt issuance expense and discount on convertible bonds) and one-third (the proportion deemed representative of the interest portion) of rent expense.
- (e) Our ratio of earnings to fixed charges and preferred stock dividends for all periods presented are the same as our ratios of earnings to fixed charges because we had no shares of preferred stock outstanding during any period presented, and currently have no shares of preferred stock outstanding.
- (f) Primarily represents the purchase of computer equipment and software, machinery and equipment, and furniture, fixtures and leasehold improvements.
- (g) EBITDA represents earnings before interest (net of investment income), income taxes, depreciation and amortization. Omnicare uses EBITDA primarily as an indicator of the Company's ability to service its debt, and believes that certain investors find EBITDA to be a useful financial measure for the same purpose. However, EBITDA does not represent net cash flows from operating activities, as defined by United States Generally Accepted Accounting Principles (U.S. GAAP), and should not be considered as a substitute for operating cash flows as a measure of liquidity. The Company's

S-11

Table of Contents

calculation of EBITDA may differ from the calculation of EBITDA by others. The following is a reconciliation of EBITDA to net cash flows from operating activities (in thousands):

	Years Ended December 31,			Six Months Ended June 30,	
	2008(h)	2009(h)	2010(h)	2010(h)	2011
EBITDA from continuing operations	\$ 489,026	\$ 579,456	\$ 310,164	\$ 264,160	\$ 262,478
Subtract: Interest expense, net of investment income	(133,269)	(110,223)	(126,110)	(65,551)	(56,250)
Income tax provision	(88,309)	(96,856)	(19,044)	(49,523)	(56,227)
Change in assets and liabilities, net of effects from acquisition and divestiture of businesses	166,141	108,338	203,893	3,863	130,874
Net cash flows from operating activities of continuing operations	433,589	480,715	368,903	152,949	280,875
Net cash flows from operating activities of discontinued operations	4,608	3,079	(288)	628	420
Net cash flows from operating activities	\$ 438,197	\$ 483,794	\$ 368,615	\$ 153,577	\$ 281,295

(h) Certain amounts for all periods presented have been recast to present the Company's Contract Research Organization Services, Tidewater Group Purchasing Organization and certain home healthcare and related ancillary businesses as discontinued operations.

Table of Contents

Risk factors

Investing in the notes involves risks. You should carefully consider the risks described in this prospectus supplement and the accompanying prospectus, in addition to the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. These risks are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business operations. Any of these risks could materially and adversely affect our business, financial condition or results of operations. In such cases, you may lose all or part of your investment.

Risks relating to our business

If we or our client facilities fail to comply with Medicaid and Medicare regulations, our revenue could be reduced, we could be subject to penalties and we could lose our eligibility to participate in these programs.

Our business is dependent upon revenues from the Medicare and Medicaid programs, which are highly regulated. The failure, even if inadvertent, of us and/or our client facilities to comply with applicable regulations could adversely affect our reimbursement under these programs and our ability to continue to participate in these programs, which could have a material adverse effect on our results of operations. In addition, our failure to comply with applicable Medicare and Medicaid regulations could subject us to other penalties.

A significant portion of our revenue is pursuant to agreements with payors, including Medicare Part D Plans, and with long term care facility clients, and could be reduced due to the termination of or changes to such agreements.

In 2010, approximately 45% of our revenue was derived from beneficiaries covered under the Medicare Part D program, and 21% was paid by SNFs for drugs covered under Medicare Part A. Our reimbursement under the Part D Program, as well as our reimbursement from certain private third-party payors, is determined pursuant to agreements that we negotiate with those payors or their pharmacy benefit manager (PBM) representatives. Likewise, our reimbursement from SNFs for drugs is determined pursuant to our agreements with them. Certain of these contracts are terminable upon prior notice by the other party. We cannot provide assurance that we will be able to replace terminated or expired contracts on terms as favorable as the existing contracts or at all. The termination or modification of these agreements could adversely affect our reimbursement from these sources, which could have a material adverse effect on our results of operations. Further, termination of our agreement with a long term care facility or similar customer generally terminates our provision of services to any of the residents of the given facility, resulting in the loss of revenue from any source for those residents. Additionally, the proportion of our Part D business serviced under specific agreements may change over time based upon beneficiary choice, reassignment of beneficiaries to different Part D Plans, Part D Plan consolidation or other factors, which could also adversely affect our revenue. The Company's payor mix (as a % of annual sales) for the last three years ended December 31 is presented at the Description of Business and Summary of Significant Accounting Policies note of the Notes to Consolidated Financial Statements for the year ended December 31, 2010 which is incorporated by reference into this Prospectus Supplement.

Table of Contents

Continuing efforts to contain healthcare costs may reduce our future revenue.

Our sales and profitability are affected by the efforts of healthcare payors to contain or reduce the cost of healthcare by lowering reimbursement rates, limiting the scope of covered services, and negotiating reduced or capitated pricing arrangements. The Federal government and many states are facing significant budget pressures that could result in increased cost containment efforts impacting healthcare providers. In particular, the Budget Control Act of 2011 may result in reductions in Medicare payments, which may have an adverse impact on our business and revenues. We cannot predict at this time the possible significance of this legislation on our long-term financial position. Any such changes which lower reimbursement levels under Medicare, Medicaid or other programs could reduce our future revenue. These changes may include modifications in the timing or processing of payments and other changes intended to limit or decrease the growth of Medicare, Medicaid or third party expenditures. In addition, our profitability may be adversely affected by any efforts of our suppliers to shift healthcare costs by increasing the net prices on the products we obtain from them.

Federal and state healthcare legislation has significantly impacted our business, and future legislation and regulations are likely to affect us.

We derive a significant portion of our revenues directly or indirectly from government-sponsored programs, principally the federal Medicare program and to a lesser extent state Medicaid programs. As part of ongoing operations, the Company and its customers are subject to legislative and regulatory changes impacting operations and the level of reimbursement received from the Medicare and Medicaid programs. For example, pursuant to the Patient Protection and Affordable Care Act, as amended by the Health Care and Education and Reconciliation Act of 2010 (collectively, the ACA), the Centers for Medicare & Medicaid Services (CMS) issued a final rule requiring long-term care pharmacies to dispense branded oral solid medications (other than antibiotics) every 14 days, rather than the current practice of every 30 days, effective as of January 1, 2013. In addition, for fiscal year 2012 beginning on October 1, 2011, CMS has announced that payments to Medicare SNFs will be reduced by \$3.87 billion, or 11.1 percent lower than payments for fiscal year 2011. CMS has stated that the reduced rates are intended to correct for an unintended spike in payment levels and better align Medicare payments with costs. There can be no assurance that these legislative and regulatory changes will not adversely impact our results of operations, cash flows, or financial condition as a result of a number of possible factors, including unfavorable changes in reimbursement, increased operational costs, the assessment of penalties on the Company by regulators, and the potential loss of licenses by the Company and/or its customers.

In order to rein in healthcare costs, we anticipate that federal and state governments will continue to review and assess alternate healthcare delivery systems, payment methodologies and operational requirements for healthcare providers, including long-term care facilities and pharmacies. Given the debate regarding the cost of healthcare, managed care, universal healthcare coverage, and other healthcare issues, we cannot predict with any degree of certainty the impact of the ACA, or additional healthcare initiatives, if any, on our business. Further, we receive discounts, rebates and other price concessions from pharmaceutical manufacturers pursuant to contracts for the purchase of their products. There can be no assurance that any changes in legislation or regulations, or interpretations of current law, that would eliminate or significantly reduce the discounts, rebates and other price concessions that we receive from manufacturers or that otherwise impact payment available for drugs under federal or state healthcare programs, would not have a material adverse impact on our overall consolidated results of operations, financial position or cash flows. Longer term, funding for federal and state

Table of Contents

healthcare programs must consider the aging of the population; the growth in enrollees as eligibility is potentially expanded; the escalation in drug costs owing to higher drug utilization among seniors; the impact of the Medicare Part D benefit for seniors; the introduction of new, more efficacious but also more expensive medications; and the long-term financing of the entire Medicare program. Given competing national priorities, it remains difficult to predict the outcome and impact on us of any changes in healthcare policy relating to the future funding of the Medicare and Medicaid programs. Further, Medicare, Medicaid and/or private payor rates for pharmaceutical supplies and services may not continue to be based on current methodologies or remain comparable to present levels. Any future healthcare legislation or regulation impacting these rates may materially adversely affect our business.

Changes in industry pricing benchmarks could materially impact our financial performance.

Contracts and fee schedules in the prescription drug industry, including our contracts with various payors and fee schedules under state Medicaid programs, generally use certain published benchmarks to establish pricing for prescription drugs. These benchmarks include average wholesale price (AWP) and wholesale acquisition cost (WAC). Most of our contracts and fee schedules utilize the AWP standard. Recent events have raised uncertainties as to whether payors will continue to utilize AWP as it has previously been calculated or whether other pricing benchmarks will be adopted for establishing prices within the industry. Also, pursuant to the ACA, certain federal upper limit prices for generic drugs under Medicaid which had been calculated using WAC will instead be calculated using average manufacturer price (AMP), a benchmark which has not been publicly available. These new upper limit prices have not yet been published. Further, CMS announced that it will be conducting a national survey of pharmacies to create a national database of actual acquisition costs (AACs), the results of which states may use to set pharmacy payment rates.

Due to these and other uncertainties, we can give no assurance that the short- or long-term impact of changes to industry pricing benchmarks will not have a material adverse effect on our business and financial results in future periods. Our various projections, including earnings guidance for 2011, contemplate what we have estimated to be the most probable impact resulting from the short- or long-term impact of changes to industry pricing benchmarks. Actual results may be materially less favorable or materially more favorable than those estimated in formulating such projections.

If we fail to comply with licensure requirements, fraud and abuse laws or other applicable laws, we may need to curtail operations, and could be subject to significant penalties.

Our pharmacy business is subject to extensive and often changing federal, state and local regulations, and our pharmacies are required to be licensed in the states in which they are located or do business. While we continuously monitor the effects of regulatory activity on our operations and we currently have pharmacy licenses for each pharmacy we operate, the failure to obtain or renew any required regulatory approvals or licenses could adversely affect the continued operation of our business. In addition, we are subject to federal and state laws imposing registration, repackaging and labeling requirements on certain entities that repackage drugs for distribution; state and federal laws regarding the transfer and shipment of pharmaceuticals; and drug pedigree provisions requiring wholesale drug distributors to document a history of the transactions in a drug lot s chain of distribution. We are also subject to federal and state laws that prohibit some types of direct and indirect payments between

Table of Contents

healthcare providers. These laws, commonly known as the fraud and abuse laws, prohibit payments intended to induce or encourage the referral of patients to, or the recommendation of, a particular provider of items or services. Violation of these laws can result in loss of licensure, civil and criminal penalties, and exclusion from the Medicaid, Medicare and other federal healthcare programs.

Health care companies are subject to numerous investigations by various governmental agencies. Further, under the federal False Claims Act, private parties have the right to bring qui tam, or whistleblower, suits against companies that submit false claims for payments to, or improperly retain overpayments from, the government. Some states have adopted similar state whistleblower and false claims provisions. We have from time to time received, and may in the future receive, government inquiries from federal and state agencies relating to us regarding compliance with various health care laws. These investigations, claims or litigation could result in penalties, fines or other consequences, and there can be no assurance that the resolution of these matters, individually or in the aggregate, will not have a material adverse effect on our results of operations, financial position or cash flows.

Our pharmacies are registered with the appropriate state and federal authorities pursuant to statutes governing the regulation of controlled substances. The Drug Enforcement Administration (DEA) has recently increased scrutiny and enforcement of long-term care pharmacy practices under the federal Controlled Substances Act. We believe that this increased scrutiny and, in some cases, stringent interpretation of existing regulations, effectively changes longstanding practices for dispensing controlled substances in the long-term care facility setting. We have been required to modify the controlled substances dispensing procedures at certain of our pharmacies to comply with the regulations as currently interpreted by the DEA. Heightened enforcement of controlled substances regulations could increase the overall regulatory burden and costs associated with our pharmacy services. We are currently cooperating in connection with two government investigations with respect to certain of these matters. See the Commitments and Contingencies note of each of the Notes to Consolidated Financial Statements for the year ended December 31, 2010 and the Notes to Consolidated Financial Statement for the calendar quarters ended March 31, 2011 and June 30, 2011, which are incorporated by reference into this Prospectus Supplement. There can be no assurance that this heightened level of enforcement and such investigations or any other investigations, or any fines or other penalties resulting therefrom, will not materially adversely affect our results of operations, financial condition or cash flows.

We expend considerable resources in connection with our compliance efforts. However, we cannot assure you that we may not be subject to an enforcement action under applicable law. Moreover, the ACA expands federal health care fraud enforcement authorities. We cannot predict at this time the costs associated with compliance with such law.

Federal and state laws that protect patient health and other personal information may increase our costs and limit our ability to collect and use that information.

Our Company and the healthcare industry generally are required to comply with the Health Insurance Portability and Accountability Act of 1996, as amended, or HIPAA, which mandates, among other things, the adoption of standards to enhance the efficiency and simplify the administration of the healthcare system and to protect the privacy and security of patient information. Many states have similar laws applicable to us. In many of our operations, we are a covered entity under HIPAA, and therefore required to comply in our operations with these

Table of Contents

standards, to notify the government in the event of certain security breaches, and are subject to significant civil and criminal penalties for failure to do so. We also provide services to customers that are healthcare providers themselves and we are required to provide satisfactory written assurances to those customers, in the form of contractual agreements, that we will provide our services in accordance with the requirements of the HIPAA standards. Failure to comply with these contractual agreements could lead to loss of customers, contractual liability to our customers, or, direct action by the federal government, including penalties. In addition to HIPAA, we work to ensure that our operations adhere to state privacy laws and other state privacy or health information requirements not preempted by HIPAA, including those which furnish greater privacy protection for the individual than HIPAA. We believe we comply with HIPAA and similar state requirements; however, at this time we cannot estimate if future changes, if any, to the cost of compliance of the HIPAA and similar state standards will result in an adverse effect on our operations or profitability, or that of our customers.

Like many health care providers, Omnicare maintains personal information of or concerning its patients. Such information is subject to increasing regulation designed to prevent or mitigate the effects of financial and medical identity theft. There can be no assurance that the loss or improper exposure of personal data by us will not adversely impact our business or result in possible civil litigation by customers and affected individuals.

There are costs and administrative burdens associated with ongoing compliance with information privacy and security laws. Failure to comply carries with it the risk of significant penalties and sanctions. Omnicare cannot predict at this time the costs associated with compliance, or the impact of such laws and regulations on our results of operations, cash flows or financial condition.

We have substantial outstanding debt and could incur more debt in the future. Any failure to meet our debt obligations would adversely affect our business and financial condition.

At June 30, 2011, our total consolidated long-term debt accounted for approximately 34.0% of our total capitalization. In addition, we and our subsidiaries may be able to incur substantial additional debt in the future. The instruments governing our current indebtedness contain restrictions on our incurrence of additional debt. These restrictions, however, are subject to a number of qualifications and exceptions, and under certain circumstances, we could incur substantial additional indebtedness in compliance with these restrictions, including in connection with potential acquisition transactions. Additionally, these restrictions do not prevent us from incurring obligations that do not constitute debt under the governing documents.

The degree to which we are leveraged could have important consequences to you, including:

a substantial portion of our cash flow from operations will be required to be dedicated to interest and principal payments and may not be available for operations, working capital, capital expenditures, expansion, acquisitions, dividends or general corporate or other purposes;

our ability to obtain additional financing in the future may be impaired;

we may be more highly leveraged than our competitors, which may place us at a competitive disadvantage;

our flexibility in planning for, or reacting to, changes in its business and industry may be limited; and

Table of Contents

our degree of leverage may make it more vulnerable in the event of a downturn in our business or in our industry or the economy in general. Our ability to make payments on and to refinance our debt will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, business, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available under our credit facilities in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we would be able to refinance any of our debt, including any credit facilities, on commercially reasonable terms or at all.

We are subject to risks relating to our acquisition strategy, including in connection with our proposed acquisition of PharMerica.

One component of our strategy contemplates our making selected acquisitions. Acquisitions involve inherent uncertainties. These uncertainties include our ability to consummate proposed acquisitions on favorable terms or at all, the effect on acquired businesses of integration into a larger organization, and the availability of management resources to oversee the operations of these businesses.

Even though an acquired business may have experienced positive financial performance as an independent company prior to an acquisition, we cannot be sure that the business will continue to perform positively after an acquisition.

We also may acquire businesses with unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and tax contingencies. We have policies and procedures to conduct reviews of potential acquisition candidates for compliance with healthcare laws and to adapt the acquired businesses to our standards and applicable laws. We also generally seek indemnification from sellers covering these matters. We may, however, incur material liabilities for past activities of acquired businesses.

We cannot be sure of the successful completion or integration of any acquisition, or that an acquisition will not have an adverse impact on our results of operations, cash flows or financial condition. We also may not realize any or all of the anticipated benefits of any acquisition.

Our proposed acquisition of PharMerica is subject to all of the risks described above. In addition, management of PharMerica has been unwilling to negotiate the terms of a transaction with us. Therefore, we have been unable to conduct a review of PharMerica's operations or to obtain representations with respect to PharMerica's business. Because we expect to acquire at least a majority of the total number of PharMerica's shares outstanding on a fully diluted basis if the tender offer is successful, our investment in PharMerica will be subject to all of its liabilities other than obligations, if any, discharged upon closing of the potential transaction, including unknown or contingent liabilities that could be material. We cannot assure you as to whether or when, and on what terms, the proposed acquisition of PharMerica will take place. See "Recent Developments - Proposed Acquisition of PharMerica Corporation."

If we fail to comply with our Corporate Integrity Agreement, we could incur penalties or suffer other adverse consequences; there are costs associated with compliance.

In 2009, we entered into an amended and restated Corporate Integrity Agreement ("CIA"), which requires, among other things, that we maintain and augment our compliance program in

Table of Contents

accordance with the terms of the agreement. Pursuant to the CIA, we are required, among other things, to (i) create procedures designed to ensure that each existing, new or renewed arrangement with any actual or potential source of health care business or referrals to us or any actual or potential recipient of health care business or referrals from us does not violate the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), or related regulations, directives and guidance, including creating and maintaining a database of such arrangements; (ii) retain an independent review organization to review our compliance with the terms of the CIA and report to the Office of Inspector General regarding that compliance; and (iii) provide training for certain of our employees as to our obligations under the CIA. The CIA continues the requirements of our prior corporate integrity agreement to create and maintain procedures designed to ensure that all therapeutic interchange programs are developed and implemented by us consistent with the CIA and federal and state laws for obtaining prior authorization from the prescriber before making a therapeutic interchange of a drug, and to maintain procedures for the accurate preparation and submission of claims for federal health care program beneficiaries, including beneficiaries in hospice programs. The requirements of the CIA have resulted in increased costs to maintain our compliance program and greater scrutiny by federal regulatory authorities. Violations of the CIA could subject us to significant monetary penalties or other adverse consequences. Consistent with the CIA, we review our contracts for compliance with applicable laws and regulations. As a result of this review, pricing under certain consultant pharmacist services contracts has been increased, and there can be no assurance that such pricing will not result in the loss of certain contracts.

We operate in a highly competitive business.

The long-term care pharmacy business is highly regionalized and, within a given geographic region of operations, highly competitive. Our largest competitor nationally is PharMerica Corporation. In the geographic regions we serve, we also compete with numerous local and regional institutional pharmacies, pharmacies owned by long-term care facilities and local retail pharmacies. While we compete on the basis of quality, price, terms and overall cost-effectiveness, along with the clinical expertise, breadth of services, pharmaceutical technology and professional support we offer, competitive pressures may adversely affect our profitability and results of operations.

Risks relating to this offering

The notes and the subsidiary guarantees are subordinated to senior indebtedness.

The notes are subordinated in right of payment to all of our current and future senior indebtedness, including our obligations under the Senior Credit Agreement. The indenture governing the notes will not limit the amount of additional indebtedness, including senior indebtedness, we or our subsidiaries can create, incur, assume or guarantee, if we are in compliance with the covenants contained in the indenture. By reason of the subordination of the notes, in the event of insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of our business, our assets will be available to pay the amounts due on the notes only after all of our senior indebtedness has been paid in full. In addition, upon default in payment with respect to certain of our senior indebtedness or an event of default with respect to this indebtedness permitting the acceleration thereof, we may be blocked from making payments on the notes pursuant to the indenture.

In addition, we conduct most of our operations through our subsidiaries. The notes are structurally subordinated to indebtedness of our subsidiaries. Certain of our domestic subsidiaries

Table of Contents

will guarantee, on a joint and several basis, our obligations under the notes on a senior subordinated basis. However, the guarantees are subordinated to the senior indebtedness of these subsidiaries, including the guarantors' guarantees of the Senior Credit Agreement and Omnicare Purchasing Company, LP's guarantee of the convertible debentures. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of any of these subsidiaries, senior creditors of these subsidiaries generally will have the right to be paid in full before any distribution is made in respect of the guarantees. In addition, your claims will be effectively subordinated to the claims of creditors of any of our subsidiaries that do not guarantee the notes. Our non-guarantor subsidiaries generated approximately 2.2% of our total revenues during the twelve months ended June 30, 2011 and comprised approximately 3.3% of our total assets at June 30, 2011.

As of June 30, 2011, after giving effect to the Senior Credit Agreement and the use of proceeds thereof, this offering and the application of proceeds as described in "Use of proceeds", our outstanding senior indebtedness would have been approximately \$918.4 million, including approximately \$452.5 million of our convertible senior debentures due 2035, which are guaranteed on a senior basis by Omnicare Purchasing Company, LP and capitalized lease obligations and excluding \$19.5 million of outstanding letters of credit. Approximately \$280.5 million (net of \$19.5 million of outstanding letters of credit) would have been available for borrowing under the Senior Credit Agreement which is guaranteed on a senior basis by the guarantors. See "Summary Recent Developments."

Your ability to enforce the guarantees of the notes may be limited.

Although the notes are our obligations, they are unconditionally guaranteed on an unsecured senior subordinated basis by certain of our domestic subsidiaries. The performance by each subsidiary guarantor of its obligations with respect to its guarantee may be subject to review under relevant federal and state fraudulent conveyance and similar statutes in a bankruptcy or reorganization case or lawsuit by or on behalf of unpaid creditors of such subsidiary guarantor. Under these statutes, if a court were to find under relevant federal or state fraudulent conveyance statutes that a subsidiary guarantor did not receive fair consideration or reasonably equivalent value for incurring its guarantee of the notes, and that, at the time of such incurrence, the subsidiary guarantor: (i) was insolvent; (ii) was rendered insolvent by reason of such incurrence or grant; (iii) was engaged in a business or transaction for which the assets remaining with such subsidiary guarantor constituted unreasonably small capital; or (iv) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, then the court, subject to applicable statutes of limitation, could void the subsidiary guarantor's obligations under its guarantee, recover payments made under the guarantee, subordinate the guarantee to other indebtedness of the subsidiary guarantor or take other action detrimental to the holders of the notes.

The measure of insolvency for these purposes will depend upon the governing law of the relevant jurisdiction. Generally, however, a company will be considered insolvent for these purposes if the sum of that company's debts is greater than the fair value of all of that company's property or if the present fair salable value of that company's assets is less than the amount that will be required to pay its probable liability on its existing debts as they become absolute and matured or if a company is not able to pay its debts as they become due. Moreover, regardless of solvency, a court could void an incurrence of indebtedness, including the guarantees, if it determined that such transaction was made with the intent to hinder, delay or

Table of Contents

defraud creditors. In addition, a court could subordinate the indebtedness, including the guarantees, to the claims of all existing and future creditors on similar grounds. The guarantees also could be subject to the claim that, since the guarantees were incurred for our benefit and only indirectly for the benefit of the subsidiary guarantors, the obligations of the subsidiary guarantors under the guarantees were incurred for less than reasonably equivalent value or fair consideration.

There can be no assurance as to what standard a court would apply in order to determine whether a subsidiary guarantor was insolvent upon the sale of the notes or that, regardless of the method of valuation, a court would not determine that the subsidiary guarantor was insolvent upon consummation of the sale of the notes. If the court concludes that a guarantee is voided or limited on fraudulent conveyance grounds, other senior creditors of ours may have priority over the holders of the notes in respect of the assets of the relevant guarantor.

The notes are structurally subordinated to all obligations of our non-guarantor subsidiaries and effectively subordinated to our secured obligations.

We are a holding company and hold most of our assets at, and conduct most of our operations through, direct and indirect subsidiaries. As a holding company, our results of operations depend on the results of operations of our subsidiaries. Moreover, we are dependent on dividends or other intercompany transfers of funds from our subsidiaries to meet our debt service and other obligations. The ability of our subsidiaries to pay dividends or make other payments or advances to us will depend on their operating results and will be subject to applicable laws and restrictions contained in agreements governing the debt of such subsidiaries.

The claims of creditors of our non-guarantor subsidiaries, including trade creditors, will generally have priority as to the assets of such subsidiaries over the claims of our creditors, including the holders of notes. At June 30, 2011, after giving effect to the issuance of notes in this offering and the use of proceeds therefrom, the aggregate amount of debt of our non-guarantor subsidiaries, including trade payables and excluding intercompany payables, would have been approximately \$2.7 million.

In addition, the notes are our general unsecured obligations. Therefore, the notes are effectively subordinated to our and the guarantors' secured debt to the extent of the value of the collateral. As of June 30, 2011 after giving effect to the Senior Credit Agreement and the use of proceeds thereof, this offering and the use of proceeds therefrom, we and the guarantors' would have had approximately \$15.9 million of secured debt consisting of capitalized lease obligations.

We are permitted to create unrestricted subsidiaries, which generally will not be subject to any of the covenants in the indenture, and we may not be able to rely on the cash flow or assets of those unrestricted subsidiaries to pay our indebtedness.

Unrestricted subsidiaries will generally not be subject to the covenants under the indenture. Unrestricted subsidiaries may enter into financing arrangements that limit their ability to make loans or other payments to fund payments in respect of the notes. Accordingly, we may not be able to rely on the cash flow or assets of unrestricted subsidiaries to pay any of our indebtedness, including the notes. See Description of notes Brief description of the notes and the guarantees for further information.

Table of Contents

Our ability to repurchase the notes upon a change of control or in connection with an asset sale repurchase may be limited.

In the event of certain changes of control involving us, you will have the right, at your option, to require us to purchase all or a portion of the notes you hold at a purchase price equal to 101% of the aggregate principal amount of your notes, plus accrued interest thereon to the repurchase date. In addition, under certain circumstances we may be required by the terms of the indenture to make an offer to repurchase notes with proceeds from asset sales. Our ability to repurchase the notes upon a change of control or in connection with any asset sale repurchase may be limited by the terms of our senior indebtedness and the subordination provisions of the indenture relating to the notes. Further, our ability to repurchase the notes upon a change of control or in connection with an asset sale repurchase will be dependent on the availability of sufficient funds and our ability to comply with applicable securities laws. Accordingly, there can be no assurance that we will be in a position to repurchase the notes upon a change of control or in connection with an asset sale repurchase. The term "change of control" under the indenture is limited to certain specified transactions and may not include other events that might adversely affect our financial condition or result in a downgrade of the credit rating (if any) of the notes, nor would the requirement that we offer to repurchase the notes upon a change of control necessarily afford holders of the notes protection in the event of a highly leveraged reorganization. See "Description of notes" "Repurchase at the option of holders" "Change of control."

There is currently no public market for the notes, and an active trading market may not develop for the notes. The failure of a market to develop for the notes could adversely affect the liquidity and value of your notes.

There is no existing market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. We have been advised by the underwriters that following the completion of the offering, certain of the underwriters currently intend to make a market in the notes. However, they are not obligated to do so and any market-making activities with respect to the notes may be discontinued by them at any time without notice. In addition, any market-making activity will be subject to limits imposed by law. A market may not develop for the notes, and there can be no assurance as to the liquidity of any market that may develop for the notes. If an active, liquid market does not develop for the notes, the market price and liquidity of the notes may be adversely affected. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors.

Table of Contents

A breach of a covenant in our debt instruments could cause acceleration of a significant portion of our outstanding indebtedness.

A breach of a covenant or other provision in any debt instrument governing our current or future indebtedness could result in a default under such instruments. Our ability to comply with these covenants and other provisions may be affected by events beyond our control, and we cannot assure you that we will be able to comply with these covenants and other provisions. Upon the occurrence of an event of default under any debt instrument, the lenders or holders of such debt instruments could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders or holders of such debt instruments could proceed against collateral granted to them, if any, to secure the indebtedness. If our current or future lenders or holders of such debt instruments accelerate the payment of the indebtedness owed to them, we cannot assure you that our assets would be sufficient to repay in full our outstanding indebtedness.

S-23

Table of Contents

Use of proceeds

We estimate that the net proceeds from this offering will be approximately \$ million after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the proceeds from this offering to redeem the remaining outstanding portion of our 6.875% Senior Subordinated Notes due 2015, and to use any remaining proceeds from this offering for general corporate purposes. Certain underwriters or their affiliates may hold positions in the 6.875% Senior Subordinated Notes due 2015, which will be redeemed with the proceeds of this offering. As of June 30, 2011, \$525 million in aggregate principal amount of the 6.875% Senior Subordinated Notes due 2015 was outstanding. Subsequent to June 30, 2011, we redeemed \$250 million aggregate principal amount of our 6.875% senior subordinated notes due 2015 and called an additional \$175 million aggregate principal amount of such notes for redemption.

S-24

Table of Contents**Capitalization**

The following table shows our capitalization as of June 30, 2011 on an actual basis and as adjusted to reflect the offering of the notes in this offering and the use of proceeds therefrom as described under Use of proceeds. The following should be read in connection with our consolidated financial statements and notes, which are incorporated by reference in this prospectus supplement.

	As of June 30, 2011	
	Actual	As Adjusted
	(\$ in thousands, except per share data)	
Cash and cash equivalents (including restricted cash)	\$ 524,013	\$ 515,992
Debt		
\$400 million senior secured revolving credit facility, due 2015 (1) (2)		
New \$300 million senior unsecured revolving credit facility, due 2016 (1) (2)		
New \$450 million senior unsecured term loan facility, due 2016 (2)		450,000
6.125% senior subordinated notes, due 2013	75,000	75,000
6.875% senior subordinated notes, due 2015 (2)(3)	525,000	
7.75% senior subordinated notes, due 2020	400,000	400,000
7.75% senior subordinated notes, due 2020, offered hereby		100,000
3.75% convertible senior subordinated notes, due 2025	575,000	575,000
4.00% junior subordinated convertible debentures, due 2033	345,000	345,000
3.25% convertible senior debentures, due 2035	452,500	452,500
Capitalized lease and other debt obligations	15,919	15,919
Subtotal	2,388,419	2,413,419
Add interest rate swap agreement	6,075	6,075
(Subtract) unamortized debt discount	(435,014)	(435,014)
Total Debt	1,959,480	1,984,480
Stockholders equity		
Preferred stock, no par value, 1,000,000 shares authorized, none issued and outstanding		
Common stock, \$1 par value, 200,000,000 shares authorized, 131,250,100 shares issued and outstanding as of June 30, 2011	131,250	131,250
Paid-in capital	2,467,706	2,467,706
Retained earnings (4)	1,599,271	1,582,833
Treasury stock, at cost-15,441,600 shares as of June 30, 2011	(407,818)	(407,818)
Accumulated other comprehensive income	10,091	10,091
Total stockholders equity	3,800,500	3,784,062
Total capitalization	\$ 5,759,980	\$ 5,768,542

(1) Excludes approximately \$19.5 million of outstanding letters of credit.

(2) On August 24, 2011, we entered into the Senior Credit Agreement, which replaced our senior secured credit facility, and incurred \$450 million of indebtedness thereunder, which is being used to redeem a portion of our 6.875% senior subordinated notes due 2015.

Edgar Filing: ACCUMED INC - Form 424B5

- (3) Subsequent to June 30, 2011, we redeemed \$250 million aggregate principal amount of our 6.875% senior subordinated notes due 2015 and we called an additional \$175 million aggregate principal amount of such notes for redemption.

- (4) Includes the write-off of deferred debt issuance costs, early redemption premium and estimated transaction costs on the redemption of the 6.875% senior subordinated notes due 2015, as well as the write-off of deferred debt issuance costs on the senior secured revolving credit facility.

S-25

Table of Contents

Business

Background

Omnicare is a leading pharmaceutical services company. We are the nation's largest provider of pharmaceuticals and related pharmacy and ancillary services to long-term healthcare institutions. Our clients include primarily skilled nursing facilities (SNFs), assisted living facilities (ALFs), retirement centers, independent living communities, hospitals, hospice, and other healthcare settings and service providers. We are also a provider of specialty pharmaceutical products and support services. We provide our pharmacy services to long-term care facilities as well as chronic care and other settings which comprised approximately 1,376,000 beds, including approximately 93,000 patients served by the patient assistance programs of our specialty pharmacy services business, as of June 30, 2011. The comparable number at June 30, 2010 was approximately 1,353,000 (including 79,000 patients served by the patient assistance programs of the specialty pharmacy services business). We provide our pharmacy services in all 50 states in the United States, the District of Columbia and in Canada as of June 30, 2011. We also provide operational software and support systems to long-term care pharmacy providers across the United States.

We provide distribution of pharmaceuticals, related pharmacy consulting and other ancillary services, data management services and medical supplies to SNFs, ALFs, retirement centers, independent living communities, hospitals, hospice, and other healthcare settings and service providers. The Company purchases, repackages and dispenses pharmaceuticals, both prescription and non-prescription, and provides computerized medical record-keeping and third-party billing for residents in these facilities. We also provide consultant pharmacist services, including evaluating monthly patient drug therapy, monitoring the drug distribution system within the nursing facility, assisting in compliance with state and federal regulations and providing proprietary clinical and health management programs. In addition, we provide a variety of other products and services, including intravenous medications and nutrition products (infusion therapy services), respiratory therapy services, medical supplies and equipment, clinical care planning and financial and operational software information systems, electronic medical records systems, pharmaceutical informatics services, pharmacy benefit management services, retail and mail-order pharmacy services, pharmaceutical care management for hospice agencies and product support and distribution services for specialty pharmaceutical manufacturers. We also provide pharmaceutical case management services for retirees, employees and dependents who have drug benefits under corporate-sponsored healthcare programs. Since 1989, we have been involved in a program to acquire providers of pharmaceutical products and related pharmacy management services and medical supplies to long-term care facilities and their residents.

In March 2011, we committed to a plan to divest our contract research services organization (CRO Services). The sale of CRO Services was completed in April 2011. Also in April 2011, we divested of our Tidewater group purchasing organization. Following the discontinuance of CRO Services, we now operate in one segment, the pharmacy services segment.

Our Business

We purchase, repackage and dispense prescription and non-prescription medication in accordance with physician orders and deliver such prescriptions to long-term care facilities for administration to individual residents by the facilities' nursing staff. We service long-term care facilities typically within a radius of approximately 150 miles of our pharmacy locations and

Table of Contents

maintain a 24-hour, seven-day per week, on-call pharmacist service for emergency dispensing and delivery, and for consultation with the facility's staff or attending physician.

Upon receipt of a prescription, the relevant resident information is entered into our computerized dispensing and billing systems. At that time, the dispensing system checks the prescription for any potentially adverse drug interactions, duplicative therapy or resident sensitivity. When required and/or specifically requested by the physician or patient, branded drugs are dispensed, and generic drugs are substituted in accordance with applicable state and federal laws as requested by the physician or resident. Subject to physician approval and oversight, and in accordance with our pharmaceutical care guidelines, we also provide for patient-specific therapeutic interchange of more efficacious and/or safer drugs for those presently being prescribed. See "The Omnicare Geriatric Pharmaceutical Care Guideline[®]" below for further discussion.

We utilize a unit-of-use drug distribution system. This means that our prescriptions are packaged for dispensing in individual doses. This differs from prescriptions filled by retail pharmacies, which typically are dispensed in vials or other bulk packaging requiring measurement of each dose by or for the patient. Our delivery system is intended to improve control over pharmaceutical distribution and patient compliance with drug therapy by increasing the accuracy and timeliness of drug administration.

In conjunction with our drug distribution system, our computerized record keeping/documentation system is designed to result in greater efficiency in nursing time, improved control and reduced waste in client facilities, and lower error rates in both dispensing and administration. We also furnish intravenous administration of medication and nutrition therapy and respiratory therapy services, medical supplies and equipment and clinical care planning and software support systems. We believe we distinguish ourselves from many of our competitors by also providing proprietary clinical programs. For example, we have developed a ranking of drugs based on their relative clinical effectiveness for the elderly and by cost to the payor. We use these rankings, which we call the *Omnicare Geriatric Pharmaceutical Care Guidelines[®]*, or *Omnicare Guidelines[®]*, to more effectively manage patient care and costs. In addition, we provide health and outcomes management programs for the large base of elderly residents of the long-term facilities we serve.

Consultant pharmacist services

Federal and state regulations mandate that long-term care facilities, in addition to providing a source of pharmaceuticals, retain consultant pharmacist services to monitor and report on prescription drug therapy in order to maintain and improve the quality of resident care. The Omnibus Budget Reconciliation Act of 1987 implemented in 1990 sought to further upgrade and standardize care by setting forth more stringent standards relating to planning, monitoring and reporting on the progress of prescription drug therapy, as well as overall drug usage. In addition, the Centers for Medicare & Medicaid Services (CMS) issued revised guidelines to surveyors of long-term care facilities which, effective December 18, 2006, expanded the scope and detail in which surveyors are assessing pharmacy services at facilities, including consultant pharmacy services (discussed later herein). We provide consultant pharmacist services, which help clients

Table of Contents

comply with the federal and state regulations applicable to nursing homes. The services offered by our consultant pharmacists include:

monthly medication regimen reviews for each resident in the facility to assess the appropriateness and effectiveness of drug therapies, including a review of the resident's current medication usage, monitoring drug reactions to other drugs or food, monitoring lab results and recommending alternate therapies, dosing adjustments or discontinuing unnecessary drugs;

monitoring and monthly reporting on the appropriateness of drug usage;

participation on the pharmacy and therapeutics, quality assurance and other committees of client facilities, as well as periodic involvement in staff meetings;

development and maintenance of pharmaceutical policy and procedures manuals; and

assistance to the nursing facility in complying with state and federal regulations as they pertain to drug use.

We have also developed a proprietary software system for use by our consultant pharmacists. The system, called OSC2OR® (Omnicare System of Clinical and Cost Outcomes Retrieval), enables our pharmacists not only to perform their functions more efficiently, but also provides the platform for consistent data retrieval for health and outcomes management.

Additionally, we offer specialized consulting services, which help long-term care facilities enhance care and reduce and contain costs, as well as to comply with state and federal regulations. Under these consulting services, we offer:

data required for OBRA and other regulatory purposes, including reports on usage of chemical restraints known as psychotropic drugs, antibiotic usage (infection control) and other drug usage;

contribution to plan of care programs, which assess each patient's state of health upon admission and monitor progress and outcomes using data on drug usage as well as dietary, physical therapy and social service inputs;

counseling related to appropriate drug usage and implementation of drug protocols;

on-site educational seminars for the nursing facility staff on topics such as drug information relating to clinical indications, adverse drug reactions, drug protocols and special geriatric considerations in drug therapy, and information and training on intravenous drug therapy and updates on OBRA and other regulatory compliance issues; and

nurse consultant services and consulting for dietary and medical records.

The Omnicare Geriatric Pharmaceutical Care Guidelines®

In June 1994, to enhance the pharmaceutical care management services that we offer, we introduced to our client facilities and their attending physicians the *Omnicare Geriatric Pharmaceutical Care Guidelines*® (*Omnicare Guidelines*®). We believe the *Omnicare Guidelines*® is the first drug formulary ranking drugs by disease state according to their clinical effectiveness independent of their cost, specifically designed for the elderly residing in long-term care institutions and the community. The *Omnicare Guidelines*® ranks drugs used for specific diseases as preferred, acceptable or unacceptable based solely on their disease-specific clinical

Table of Contents

effectiveness in treating the elderly. The *Omnicare Guidelines*® takes into account such factors as pharmacology, safety and toxicity, efficacy, drug administration, quality of life and other considerations specific to the frail elderly population residing in facilities and for those living independently. The clinical evaluations and rankings are developed exclusively for us by the University of the Sciences in Philadelphia (formerly the Philadelphia College of Pharmacy), an academic institution recognized for its expertise in geriatric long-term care. The *Omnicare Guidelines*® is extensively reviewed and updated at least annually by the University of Sciences in Philadelphia, taking into account, among other factors, the latest advances as documented in the medical literature. In addition, the *Omnicare Guidelines*® provides relative cost information comparing the prices of the drugs to patients, their insurers or other payors of the pharmacy bill.

As the *Omnicare Guidelines*® focuses on health benefits, rather than solely on cost, we believe that use of the *Omnicare Guidelines*® assists physicians in making the best clinical choices of drug therapy for the patient in a manner that is cost efficient for the payor of the pharmacy bill. Accordingly, we believe that the development of and compliance with the *Omnicare Guidelines*® is important in lowering costs for SNFs operating under the federal Medicare program's prospective payment system (PPS) for Medicare Part A patients, Prescription Drug Plans under Medicare Part D and state Medicaid programs, managed care and other payors, including residents or their families.

Health and outcomes management

We have expanded upon the data in the *Omnicare Guidelines*® to develop health and outcomes management programs targeted at major categories of disease commonly found in the elderly, such as congestive heart failure, stroke prevention, Alzheimer's disease, fracture prevention and pain management. These programs seek to identify patients who may be candidates for more clinically efficacious drug therapy and to work with physicians to optimize pharmaceutical care for these geriatric patients. We believe these programs can enhance the quality of care of elderly patients while reducing costs to the healthcare system, which arise from the adverse outcomes of sub-optimal or inappropriate drug therapy.

Outcomes-based algorithm technology

Combining data provided by our proprietary systems, the *Omnicare Guidelines*® and health management programs, our pharmacists seek to determine the best clinical and most cost-effective drug therapies and make recommendations for the most appropriate pharmaceutical treatment. Since late 1997, we have augmented their efforts with the development of proprietary, computerized, database-driven technology that electronically screens and identifies patients at risk for particular diseases and assists in determining treatment protocols. This system combines pharmaceutical, clinical and care planning data and screens the data utilizing algorithms derived from medical best practice standards, allowing our pharmacists to make recommendations to improve the effectiveness of drug therapy in seniors, including identifying potentially underdiagnosed and undertreated conditions. We offer similar evidenced-based predictive modeling technology to assist hospice agencies in the management of pharmaceutical care for their patients.

Pharmaceutical case management

Combining our clinical resources, including the *Omnicare Guidelines*® health and outcomes management programs and our comprehensive database of medical and pharmacy data, we are

Table of Contents

providing pharmaceutical case management services to community dwelling retirees, employees and dependents who receive drug benefits under employer-sponsored healthcare programs. Because seniors living independently are often under the care of multiple practitioners with no coordination of prescribing, this population is highly susceptible to drug-related problems. *Omnicare Senior Health Outcomes* addresses this need through programs designed to reduce unnecessary and inappropriate drug use, to add necessary drug therapy according to current practice standards for certain at-risk groups and to make therapeutic interventions in accordance with the *Omnicare Guidelines*® and health management programs. These services are provided on behalf of large corporate employers sponsoring healthcare benefits, including prescription drug benefits, that seek to protect the safety and quality of healthcare for their retirees, employees and dependents while containing or reducing their costs.

Ancillary services

We provide the following ancillary products and services:

Infusion therapy products and services. With cost containment pressures in healthcare, SNFs and nursing facilities (NFs) are increasingly called upon to treat patients requiring a high degree of medical care and who would otherwise be treated in the more costly hospital environment. We provide intravenous (or infusion therapy) products and services for these client facilities as well as hospice and home care patients. Infusion therapy consists of the product (a nutrient, antibiotic, chemotherapy or other drugs in solution) and the intravenous administration of the product.

We prepare the product to be administered using proper equipment in an aseptic environment and then deliver the product to the nursing home for administration by the nursing staff. Proper administration of intravenous (IV) drug therapy requires a highly trained nursing staff. Upon request, our consultant pharmacists and nurse consultants provide an education and certification program on IV therapy to assure proper staff training and compliance with regulatory requirements in client facilities offering an IV therapy program.

By providing an infusion therapy program, we enable our client SNFs and NFs to admit and retain patients who otherwise would need to be cared for in a hospital or another type of acute-care facility. The most common infusion therapies we provide are total parenteral nutrition, which provides nutrients intravenously to patients with chronic digestive or gastro-intestinal problems, antibiotic therapy, chemotherapy, pain management and hydration.

Wholesale medical supplies/Medicare Part B billing. We distribute disposable medical supplies, including urological, ostomy, nutritional support and wound care products and other disposables needed in the nursing home environment. In addition, we bill Medicare directly for certain of these product lines for patients eligible under the Medicare Part B program. As part of this service, we determine patient eligibility, obtain certifications, order products and maintain inventory at the nursing facility. We also contract to act as billing agent for certain nursing homes that supply these products directly to the patient.

Table of Contents

Other services. We provide clinical care plan, financial software and electronic medical records systems for long-term care facilities, as well as operational software systems for long-term care pharmacies. We provide comprehensive pharmaceutical care services for hospice patients. We also offer respiratory therapy products, durable medical equipment along with pharmacy benefit management, retail and mail-order pharmacy services, and distribution and product support services for specialty pharmaceuticals. We also have a pharmaceutical informatics service to capitalize on our unique geriatric pharmaceutical database, by providing a unique offering of our broad-based long-term care data to augment the pharmaceutical industry's ability to monitor performance in the long-term care channel. We continue to review the expansion of these as well as other products and services that may further enhance our ability or that of our clients to provide quality healthcare services for their patients in a cost-effective manner.

S-31

Table of Contents

Description of other indebtedness

Senior credit agreement

On August 24, 2011, we entered into the Senior Credit Agreement. The Senior Credit Agreement consists of (a) a \$300 million, five-year senior unsecured revolving credit facility and (b) a \$450 million, five-year senior unsecured term loan facility. The Senior Credit Agreement also provides for an uncommitted incremental facility that permits us, subject to certain conditions, to increase the commitments under the Senior Credit Agreement by up to \$300 million in the aggregate; *provided* that no lender is obligated to participate in any such increase.

We are using the proceeds of the term loan facility to redeem a portion of our outstanding 6.875% senior subordinated notes due 2015. The Senior Credit Agreement may also be used to provide working capital and for other general corporate purposes.

Our obligations under the Senior Credit Agreement are unsecured. The Senior Credit Agreement is guaranteed by our subsidiaries, subject to certain exceptions. The Senior Credit Agreement will mature on August 24, 2016. The interest rate applicable to the Senior Credit Agreement is, at our option, a floating base rate plus an applicable margin or the London interbank offered rate (LIBOR) plus an applicable margin. Initially, the applicable margins will be set at 1.50% with respect to the floating base rate loans and 2.50% with respect to the LIBOR loans. The applicable margins for the Senior Credit Agreement may increase or decrease based on our consolidated total leverage ratio as specified in the Senior Credit Agreement.

The Senior Credit Agreement contains covenants including compliance with various financial ratios and tests, and covenants that restrict, among other things, our ability to incur debt; incur liens; merge or consolidate with other companies; sell assets; make certain investments; pay dividends or distributions to stockholders; and enter into transactions with affiliates. Events of default include failure to pay principal or interest when due; breach of any representation or warranty; covenant defaults; impairment of loan documentation or any guarantees; and cross-defaults to certain other indebtedness.

Upon entering into the Senior Credit Agreement, we incurred \$450 million in term loan indebtedness, which is being used to redeem a portion of our 6.875% senior subordinated notes due 2015.

7.75% Senior subordinated notes

On May 18, 2010, we issued \$400 million aggregate principal amount of 7.75% senior subordinated notes due 2020. The new notes offered hereby are an additional issuance under the existing indenture under which we issued the 7.75% notes. The new notes will have the same terms (other than the issue date and public offering price), and will rank *pari passu* with the initial notes. Holders of the new notes will vote together with the holders of the initial notes on any matter submitted to the holders. The new notes will have the same CUSIP number and ISIN as the initial notes and will be fungible with the initial notes of such series for trading purposes.

6.125% Senior subordinated notes

At June 30, 2011, we had outstanding \$75 million aggregate principal amount of 6.125% senior subordinated notes due 2013. The 6.125% notes are guaranteed by those of our domestic subsidiaries who will guarantee the notes offered hereby.

Table of Contents

The 6.125% senior subordinated notes are currently redeemable at our option at a redemption price equal to 100% of the principal amount thereof. If we undergo a change of control (as defined in the indenture governing the 6.125% notes), we will be required to offer to repurchase the 6.125% notes at a price equal to 101% of the principal amount thereof. If we sell certain of our assets, we may be required to use the net cash proceeds to offer to repurchase the 6.125% notes at 100% of the principal amount thereof.

The indenture governing the 6.125% senior subordinated notes contains certain covenants which limit our ability, among other things, to incur debt; make certain payments, including dividends or distributions; incur liens; make certain investments; engage in certain transactions with affiliates; merge or consolidate with other companies; and sell assets.

6.875% Senior subordinated notes

At June 30, 2011, we had outstanding \$525 million aggregate principal amount of 6.875% senior subordinated notes due 2015. Subsequent to June 30, 2011, we redeemed \$250 million aggregate principal amount of our 6.875% senior subordinated notes due 2015 and called an additional \$175 million aggregate principal amount of such notes for redemption. The 6.875% notes are guaranteed by those of our domestic subsidiaries who will guarantee the notes offered hereby.

The 6.875% senior subordinated notes are currently redeemable at a redemption price equal to 103.438% of the principal amount thereof. The redemption price declines ratably to 100% on December 15, 2013.

The indenture governing the 6.875% senior subordinated notes contains certain covenants which limit our ability, among other things, to incur debt; make certain payments, including dividends or distributions; incur liens; make certain investments; engage in certain transactions with affiliates; merge or consolidate with other companies; and sell assets.

We intend to use the proceeds of this offering to redeem the remaining outstanding portion of the 6.875% senior subordinated notes.

3.25% Convertible senior debentures

At June 30, 2011, we had outstanding \$452.5 million aggregate principal amount of 3.25% convertible senior debentures due 2035. The 3.25% convertible senior debentures due 2035 are guaranteed on a senior basis by Omnicare Purchasing Company, LP.

At any time on or after December 15, 2015, we may redeem all or a part of the 3.25% debentures for cash at a redemption price equal to 100% of the principal amount thereof. The 3.25% debentures are convertible into cash and shares of our common stock, initially based on a conversation rate of 12.5423 shares per \$1,000 principal amount thereof (which is equivalent to an initial conversion price of approximately \$79.73 per share), subject to adjustment. In the event of certain types of fundamental changes that occur on or prior to December 15, 2015, we will increase the conversion rate or, in lieu thereof, we may elect to adjust the conversion obligation and conversation rate so that the 3.25% debentures are convertible into shares of the acquiring or surviving company.

Table of Contents

The 3.25% debentures bear interest at a rate of 3.25% per year, subject to an upward adjustment on and after December 15, 2015 in certain circumstances, up to a rate not to exceed 1.99 times the original 3.25% interest rate per year. We will also pay contingent interest in cash on the 3.25% debentures, beginning with the six-month interest period commencing December 15, 2015, during any six-month period in which the trading price of the 3.25% debentures measured over a specified number of trading days equals or exceeds 120% of the principal amount of the 3.25% debentures.

3.75% Convertible senior subordinated notes

At June 30, 2011, we had outstanding \$575 million aggregate principal amount of 3.75% convertible senior notes due 2025. The 3.75% notes are guaranteed by those of our domestic subsidiaries who will guarantee the notes offered hereby.

After December 15, 2018, we may redeem all or a part of the convertible notes for cash at a redemption price equal to 100% of the principal amount of the convertible notes being redeemed, plus accrued and unpaid interest (including contingent interest, if any) to, but not including, the redemption date if the closing sale price of our common stock was more than 120% of the then current conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on, and including, the trading day prior to the mailing of the notice of redemption.

The indenture governing the 3.75% convertible senior subordinated notes contains certain covenants which limit our ability, among other things, to incur debt; make certain payments, including dividends or distributions; incur liens; make certain investments; engage in certain transactions with affiliates; merge or consolidate with other companies; and sell assets.

Trust preferred income equity redeemable securities

In June, 2003 Omnicare Capital Trust I (Trust I) completed the issuance of \$345 million aggregate liquidation amount of Trust Preferred Income Equity Redeemable Securities (the Old Trust PIERS). In connection with the issuance of the Old Trust PIERS we issued a corresponding amount of 4.00% Junior Subordinated Convertible Debentures due 2033 to Trust I (the Old Convertible Subordinated Debentures).

Each Old Trust PIERS has a stated liquidation amount and issue price of \$50, representing an undivided beneficial interest in the assets of Trust I, which assets consist solely of the Old Convertible Subordinated Debentures. The Old Trust PIERS have a distribution rate of 4.00% per annum of their stated liquidation amount. During any quarterly period Trust I will also pay contingent distributions on the Old Trust PIERS if the trading price of the Old Trust PIERS reaches certain specified levels. Distributions on the Old Trust PIERS will be made only to the extent that we make corresponding interest payments on the Old Convertible Subordinated Debentures. Upon certain circumstances, holders of the Old Trust PIERS may convert their Old Trust PIERS into shares of our common stock.

On March 8, 2005, we completed the exchange of approximately \$333.8 million aggregate liquidation amount of the Old Trust PIERS (representing 96.7% of the total liquidation amount of the Old Trust PIERS outstanding) for an equal amount of the Series B Trust Preferred Income Equity Redeemable Securities (the New Trust PIERS). Each New Trust PIERS represents an

Table of Contents

undivided beneficial interest in the assets of Omnicare Capital Trust II (the New Trust), which assets consist solely of a corresponding amount of Series B 4.00% Junior Subordinated Convertible Debentures (the New Convertible Subordinated Debentures) issued by us. We have fully and unconditionally guaranteed the Old Trust PIERS and the New Trust PIERS.

The terms of the New Trust PIERS are substantially identical to the terms of the Old Trust PIERS, except that the New Trust PIERS are convertible into cash and, if applicable, shares of our common stock.

S-35

Table of Contents

Description of notes

You can find the definitions of certain terms used in this description under the subheading **Certain definitions**. In this description, the word **Omnicare** refers only to Omnicare, Inc. and not to any of its subsidiaries.

Omnicare issued \$400 million in aggregate principal amount of 7.75% Senior Subordinated Notes due 2020 (the **initial notes**) under the indenture dated as of June 13, 2003 and a supplemental indenture, dated the Issue Date, among itself, the Guarantors and U.S. Bank National Association, as trustee (together, the **indenture**). In this offering, Omnicare will issue an additional \$100,000,000 in aggregate principal amount of its 7.75% Senior Subordinated Notes due 2020 (the **new notes** and together with the initial notes, the **notes**). The initial notes and the new notes will be treated as a single class, in each case, for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. The new notes will have the same CUSIP number and ISIN as the initial notes and will be fungible with the initial notes for trading purposes. Interest on the notes began accruing on May 18, 2010. The notes will mature on June 1, 2020. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939. Upon consummation of this offering, the aggregate principal amount outstanding of our 7.75% Senior Subordinated Notes due 2020, including the new notes offered hereby, will be \$500,000,000.

The following description is a summary of the material provisions of the indenture. It does not restate those agreements in their entirety. We urge you to read the indenture because it, and not this description, defines your rights as holders of the notes. Copies of the indenture are available as set forth below under **Concerning the trustee**. **Certain defined terms** used in this description but not defined below under **Certain definitions** have the meanings assigned to them in the indenture.

The registered Holder of a note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the indenture.

Brief description of the notes and the guarantees

The notes

The notes:

are general unsecured obligations of Omnicare;

are subordinated in right of payment to all existing and future Senior Debt of Omnicare;

are *pari passu* in right of payment with our 6.875% Notes, our 6.125% Notes and our 3.75% Convertible Senior Subordinated Notes due 2025;

are *pari passu* in right of payment with any future senior subordinated Indebtedness of Omnicare;

are unconditionally guaranteed by the Guarantors; and

are senior to our 4.00% Convertible Subordinated Debentures due 2033.

Table of Contents

The guarantees

On the Issue Date, the notes will be guaranteed by each of Omnicare's Domestic Subsidiaries except the Excluded Subsidiaries.

Each guarantee of the notes:

is a general unsecured obligation of the Guarantor;

is subordinated in right of payment to all existing and future Senior Debt of that Guarantor (including, in the case of Purchasing, its guarantee of our 3.25% Convertible Senior Debentures due 2035); and

is *pari passu* in right of payment with all existing and future senior subordinated Indebtedness of that Guarantor.

The notes are unsecured obligations of Omnicare and as such are effectively subordinated to the secured debt of Omnicare to the extent of the value of the assets securing such debt. As of June 30, 2011, after giving effect to the Senior Credit Agreement and the use of the proceeds thereof and this offering and the use of the proceeds hereof, Omnicare would have had approximately \$15.9 million of secured debt, consisting of capitalized lease obligations.

As of June 30, 2011, after giving effect to the Senior Credit Agreement and the use of the proceeds thereof and this offering and the use of the proceeds hereof, Omnicare and the Guarantors would have had total Senior Debt of approximately \$918.4 million on a consolidated basis, including our 3.25% Convertible Senior Debentures due 2035 and capitalized lease obligations and excluding \$19.5 million of outstanding letters of credit under the Senior Credit Agreement. The Senior Credit Agreement is guaranteed on a senior basis by the Guarantors. The 3.25% Convertible Senior Debentures due 2035 are Senior Debt of Omnicare and Purchasing, but are not guaranteed by, and are not guarantee obligations of, the other Guarantors. Approximately \$280.5 million would have been available to Omnicare for borrowing under the Senior Credit Agreement, which is net of \$19.5 million of outstanding letters of credit. As indicated above and as discussed in detail below under the caption Subordination, payments on the notes and under these guarantees are subordinated to the payment of Senior Debt. The indenture permits us and the Guarantors to incur additional Senior Debt.

As of the Issue Date, all our Subsidiaries will be Restricted Subsidiaries, except for certain Subsidiaries which will be designated as Unrestricted Subsidiaries. These Unrestricted Subsidiaries held approximately 0.17% of our total consolidated assets as of June 30, 2011 and accounted for approximately 0.02% of our total consolidated revenues for the three months ended June 30, 2011. In addition, under the circumstances described below under the subheading Certain covenants Designation of restricted and unrestricted subsidiaries, we will be able to designate other subsidiaries as Unrestricted Subsidiaries. Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture. Our Unrestricted Subsidiaries will not guarantee the notes.

Principal, maturity and interest

Omnicare may issue additional notes from time to time after this offering. Any offering of additional notes is subject to the covenant described below under the caption Certain

Table of Contents

covenants Incurrence of indebtedness and issuance of preferred stock. The notes and any additional notes of the same series subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Omnicare will issue notes in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will mature on June 1, 2020.

Interest on the notes will accrue at the rate of 7.75% per annum. Interest on the notes will be payable semi-annually in arrears on June 1 and December 1, commencing on December 1, 2011. Omnicare will make each interest payment to the Holders of record on the immediately preceding May 15 and November 15. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of receiving payments on the notes

If a Holder has given wire transfer instructions to Omnicare and the trustee, all principal, interest and premium on that Holder's notes will be paid in accordance with those instructions. All other payments on notes will be made at the office or agency of the paying agent and registrar unless Omnicare elects to make interest payments by check mailed to the Holders at their address set forth in the register of Holders.

Paying agent and registrar for the notes

The trustee acts as paying agent and registrar. Omnicare may change the paying agent or registrar without prior notice to the Holders of the notes, and Omnicare or any of its Subsidiaries may act as paying agent or registrar.

Transfer and exchange

A Holder may transfer or exchange notes in accordance with the indenture. The registrar and the trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. Omnicare is not required to transfer or exchange any note selected for redemption. Also, Omnicare is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Subsidiary guarantees

The notes are guaranteed by each of Omnicare's current and future Domestic Subsidiaries except the Excluded Subsidiaries. The Subsidiary Guarantees are full and unconditional, and joint and several obligations of the Guarantors. Each Subsidiary Guarantee is subordinated to the prior payment in full of all Senior Debt of that Guarantor. The obligations of each Guarantor under its Subsidiary Guarantee is limited as necessary to prevent that Subsidiary Guarantee from constituting a fraudulent conveyance under applicable law. See Risk factors Your ability to enforce the guarantees of the notes may be limited.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than Omnicare or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

Table of Contents

(2) subject to the provisions of the following paragraph, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under the indenture and its Subsidiary Guarantee pursuant to a supplemental indenture satisfactory to the trustee.

The Subsidiary Guarantee of a Guarantor will be released, and any Person acquiring assets (including by way of merger or consolidation) or Capital Stock of a Guarantor shall not be required to assume the obligations of any such Guarantor:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary, if the sale or other disposition complies with the Asset Sale provisions of the indenture;

(2) in connection with any sale of a majority of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary, if the sale complies with the Asset Sale provisions of the indenture;

(3) if Omnicare designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary or an Excluded Subsidiary in accordance with the requirements of the indenture;

(4) if any Guarantor is otherwise no longer obligated to provide a Subsidiary Guarantee pursuant to the indenture;

(5) if such Guarantor's guarantee of any obligations under the Credit Agreement, or if the Credit Agreement is no longer outstanding, any other Indebtedness of Omnicare, is fully and unconditionally released, except that such Guarantor shall subsequently be required to become a Guarantor by executing a supplemental indenture and providing the trustee with an officers' certificate and opinion of counsel at such time as it guarantees any obligations under the Credit Agreement, or if the Credit Agreement is no longer outstanding, any other Indebtedness of Omnicare; or

(6) upon Omnicare's exercise of its legal defeasance option or covenant defeasance option as described under Legal defeasance and covenant defeasance below or if Omnicare's obligations under the indenture and notes are discharged in accordance with the terms of the indenture.

Subordination

The payment of principal, interest and premium on the notes will be subordinated to the prior payment in full of all Senior Debt of Omnicare, including Senior Debt incurred after the Issue Date.

The holders of Senior Debt of Omnicare will be entitled to receive payment in full of all Obligations due in respect of Senior Debt of Omnicare (including interest accruing after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt of Omnicare, whether or not allowable as a claim in such proceeding) before the Holders of notes will be entitled to receive any payment with respect to the notes (except that Holders of notes may receive and retain Permitted Junior Securities and payments made from the trust

Table of Contents

described under Legal defeasance and covenant defeasance), in the event of any distribution to creditors of Omnicare:

- (1) in a liquidation or dissolution of Omnicare;
- (2) in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Omnicare or its property;
- (3) in an assignment for the benefit of creditors of Omnicare; or
- (4) in any marshaling of Omnicare's assets and liabilities.

Omnicare also may not make any payment in respect of the notes (except in Permitted Junior Securities or from the trust described under Legal defeasance and covenant defeasance) if:

- (1) a payment default on Designated Senior Debt of Omnicare occurs and is continuing beyond any applicable grace period; or
- (2) any other default occurs and is continuing on Designated Senior Debt of Omnicare that permits holders of that Designated Senior Debt to accelerate its maturity and the trustee receives a notice of such default (a Payment Blockage Notice) from Omnicare or the holders of any Designated Senior Debt of Omnicare.

Payments on the notes by Omnicare may and will be resumed:

- (1) in the case of a payment default, upon the date on which such default is cured or waived or such Designated Senior Debt of Omnicare is discharged or paid in full; and
- (2) in the case of a nonpayment default, upon the earlier of the date on which such nonpayment default is cured or waived or such Designated Senior Debt of Omnicare is discharged or paid in full or 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Debt of Omnicare has been accelerated.

No new Payment Blockage Notice may be delivered unless and until:

- (1) 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice; and
- (2) all scheduled payments of principal, interest and premium on the notes that have come due have been paid in full in cash.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the trustee will be, or be made, the basis for a subsequent Payment Blockage Notice.

If the trustee or any Holder of the notes receives a payment in respect of the notes from Omnicare (except in Permitted Junior Securities or from the trust described under Legal defeasance and covenant defeasance) when the payment is prohibited by these subordination provisions, the trustee or the Holder, as the case may be, will hold the payment in trust for the benefit of the holders of Senior Debt of Omnicare. Upon the proper written request of the holders of Senior Debt of Omnicare, the trustee or the Holder, as the case may be, will deliver the amounts in trust to the holders of Senior Debt of Omnicare or their proper representative.

Table of Contents

Omnicare must promptly notify holders of Senior Debt of Omnicare if payment of the notes is accelerated because of an Event of Default.

The indenture contains provisions with respect to the subordination of each Subsidiary Guarantee to Senior Debt of the relevant Guarantor comparable to those set forth above for the subordination of the notes. The 3.25% Convertible Senior Debentures due 2035 do not constitute claims against any of the Guarantors (other than Purchasing) and, therefore, do not constitute Senior Debt of such Guarantors. Accordingly, the subordination provisions set forth in this section as to such Guarantors do not apply with respect to the 3.25% Senior Convertible Senior Debentures due 2035. The indenture requirements described above (i.e., that the trustee or a Holder of the notes hold in trust for holders of Senior Debt any payments prohibited by the subordination provisions of the indenture, and deliver such payments in trust to the holders of Senior Debt) apply in respect of any payments received by the trustee or a Holder pursuant to a Subsidiary Guarantee of the notes only to Senior Debt of the relevant Guarantor and not to Senior Debt of Omnicare, Inc. (including the 3.25% Convertible Senior Debentures due 2035).

As a result of the subordination provisions described above, in the event of a bankruptcy, liquidation or reorganization of Omnicare or any Subsidiary Guarantor, Holders of notes may recover less ratably than creditors of Omnicare or such Subsidiary Guarantor who are holders of Senior Debt of Omnicare or such Subsidiary Guarantor, as the case may be. See Risk factors The notes and the subsidiary guarantees are subordinated to senior indebtedness.

Failure by Omnicare to make any required payment in respect of the notes when due or within any applicable grace period, whether or not occurring during a payment blockage period, will result in an Event of Default under the indenture and, thereafter, Holders of the notes will have the right to accelerate the maturity thereof.

Optional redemption

At any time prior to June 1, 2013, Omnicare may on any one or more occasions redeem up to 35% of the aggregate principal amount of the notes (including any additional notes) at a redemption price of 107.750% of the principal amount, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 65% of the aggregate principal amount of such notes remains outstanding immediately after the occurrence of such redemption (excluding notes held by Omnicare and its Subsidiaries); and
- (2) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

At any time prior to June 1, 2015, Omnicare may redeem all but not part of the notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest to (but not including) the redemption date.

Except pursuant to the preceding two paragraphs, the notes will not be redeemable at Omnicare's option prior to June 1, 2015. On or after June 1, 2015, Omnicare may redeem all or a part of the notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest,

Table of Contents

if any, on the notes redeemed, to (but not including) the applicable redemption date, if redeemed during the twelve-month period beginning on June 1 of the years indicated below:

Period	Redemption Price
2015	103.875%
2016	102.583%
2017	101.292%
2018 and thereafter	100.000%

Mandatory redemption

Except as set forth below under Repurchase at the option of holders, Omnicare is not required to make mandatory redemption or sinking fund payments with respect to the notes.

Repurchase at the option of holders***Change of control***

If a Change of Control occurs, unless Omnicare has exercised its right to redeem all of notes as described above under Optional redemption, each Holder of notes will have the right to require Omnicare to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's notes pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, Omnicare will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to (but not including) the date of purchase. Within 30 days following any Change of Control, Omnicare will mail a notice to each Holder stating the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the indenture and described in such notice. Omnicare will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, Omnicare will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such conflict.

On the Change of Control Payment Date, Omnicare will, to the extent lawful:

- (1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by Omnicare.

Table of Contents

The paying agent will promptly mail to each Holder of notes properly tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; *provided* that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

Prior to complying with any of the provisions of this Change of Control covenant, but in any event within 90 days following a Change of Control, Omnicare will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of notes required by this covenant. If Omnicare does not obtain such a consent or repay such borrowings, Omnicare will remain prohibited from purchasing notes. In such case, Omnicare's failure to purchase notes would constitute an Event of Default under the indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the indenture would likely restrict payments to the Holders of notes.

Omnicare will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date. The provisions described above that require Omnicare to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the indenture are applicable.

Omnicare will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by Omnicare and purchases all notes properly tendered and not withdrawn under the Change of Control Offer. Any Change of Control Offer may be made in advance of, and conditioned on the consummation of, such Change of Control.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Omnicare and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of notes to require Omnicare to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Omnicare and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

Under clause (4) of the definition of Change of Control, a Change of Control will occur when a majority of Omnicare's board of directors are not Continuing Directors. In a recent decision in connection with a proxy contest, the Delaware Court of Chancery held that the occurrence of a change of control under a similar indenture provision may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board) as continuing directors, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties owed to the corporation and its stockholders. Therefore, in certain circumstances involving a significant change in the composition of Omnicare's board of directors, including in connection with a proxy contest where Omnicare's board of directors does not endorse a dissident slate of directors but approves them as Continuing Directors, holders of the notes may not be entitled to require Omnicare to make a Change of Control Offer.

Table of Contents

The Change of Control purchase feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of Omnicare and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between us and the underwriters. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain other transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the Incurrence of indebtedness and issuance of preferred stock covenant. Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenants, however, the indenture does not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

Future indebtedness that we may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the holders of their right to require us to repurchase their notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us.

The provisions under the Indenture relative to our obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the notes.

Asset sales

Omnicare will not, and will not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Omnicare (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) the fair market value is determined by Omnicare's Board of Directors and evidenced by a resolution of the Board of Directors; and

(3) at least 70% of the consideration received in the Asset Sale by Omnicare or such Restricted Subsidiary is in the form of cash, Cash Equivalents and/or Replacement Assets. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on Omnicare's or such Restricted Subsidiary's most recent balance sheet, of Omnicare or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets and from which Omnicare or such Restricted Subsidiary is released from further liability;

(b) any securities, notes or other obligations received by Omnicare or any such Restricted Subsidiary from such transferee that are converted by Omnicare or such Restricted Subsidiary into cash within 180 days of receipt, to the extent of the cash received in that conversion; and

Table of Contents

(c) any Designated Non-cash Consideration received by Omnicare or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed \$50 million at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Omnicare or a Restricted Subsidiary may apply those Net Proceeds at its option:

- (1) to repay Senior Debt or Indebtedness of a Restricted Subsidiary that is not a Guarantor;
- (2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business;
- (3) to make a capital expenditure;
- (4) to acquire Replacement Assets; or
- (5) to acquire other long-term assets that are used or useful in a Permitted Business.

Omnicare or the Restricted Subsidiary will be deemed to have complied with the immediately preceding sentence with respect to any such Net Proceeds if it enters into a binding agreement to make an acquisition or capital expenditure permitted pursuant to clause (2), (3), (4) or (5) of the immediately preceding sentence in an amount equal to such Net Proceeds within such 365 days; *provided* that, if the relevant acquisition or capital expenditure is not consummated or completed, as the case may be, within the later of (x) 365 days after the receipt of the relevant Net Proceeds and (y) 180 days after the date of such binding agreement, such Net Proceeds will constitute Excess Proceeds. Pending the final application of any Net Proceeds, Omnicare or the Restricted Subsidiary may temporarily invest the Net Proceeds in any manner that is not prohibited by the indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds \$75.0 million, Omnicare will make an offer (an Asset Sale Offer) to all Holders of notes and all holders of other Indebtedness that is *pari passu* with the notes containing provisions similar to those set forth in the indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Omnicare may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee will select the notes and such other *pari passu* Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

Omnicare will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are

Table of Contents

applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, Omnicare will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such conflict.

Certain agreements governing Omnicare's outstanding Senior Debt generally prohibit Omnicare from purchasing notes, and also provide that certain transactions constituting a Change of Control or Asset Sale event with respect to Omnicare would constitute a default under these agreements. Any future credit agreements or other agreements relating to Senior Debt to which Omnicare becomes a party may contain similar restrictions and provisions. In the event a Change of Control or Asset Sale occurs at a time when Omnicare is prohibited from purchasing notes, Omnicare could seek the consent of its senior lenders to the purchase of notes or could attempt to refinance the borrowings that contain such prohibition. If Omnicare does not obtain such a consent or repay such borrowings, Omnicare will remain prohibited from purchasing notes. In such case, Omnicare's failure to purchase notes would constitute an Event of Default under the indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the indenture would likely restrict payments to the Holders of notes.

Selection and notice

If less than all of the notes are to be redeemed at any time, the trustee will select notes for redemption as follows:

- (1) if the notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the notes are listed; or
- (2) if the notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such method as the trustee deems fair and appropriate.

No notes of \$2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture. Notices of redemption may be conditional upon the occurrence of certain events, including equity offerings.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the Holder of notes upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption.

Certain covenants

Covenant removal

From and after the first date on which both (a) the notes are rated Investment Grade by each of Moody's Investor Service, Inc. (Moody's) and Standard & Poor's Ratings Group (S&P) and

Table of Contents

(b) there shall not exist a Default or Event of Default under the indenture (a Rating Event), Omnicare and the Restricted Subsidiaries will no longer be subject to the covenants described under Restricted payments, Incurrence of indebtedness and issuance of preferred stock, Dividend and other payment restrictions affecting subsidiaries, Transactions with affiliates, Additional subsidiary guarantees, clause (4) of the first paragraph under Merger, consolidation or sale of assets and Repurchase at the option of holders Asset sales. Upon the occurrence of a Rating Event, the Subsidiary Guarantees of each of the Guarantors will be automatically released.

There can be no assurance that a Rating Event will occur or, if one occurs, that the notes will continue to maintain an Investment Grade rating. In addition, at no time after a Rating Event will the provisions and covenants contained in the indenture at the time of issuance of the notes that cease to be applicable after the Rating Event be reinstated.

In the event Moody's or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) designated by Omnicare with notice to the trustee and the foregoing provisions will apply to the rating issued by the replacement rating agency.

Restricted payments

Omnicare will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Omnicare's or any Restricted Subsidiary's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Omnicare or any of its Restricted Subsidiaries) or to the direct or indirect holders of Omnicare's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of Omnicare or to Omnicare or a Restricted Subsidiary);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Omnicare) any Equity Interests of Omnicare;

(3) make any voluntary or optional payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the notes or the Subsidiary Guarantees, except a payment of interest or principal at the Stated Maturity thereof or the purchase, redemption, defeasance, acquisition or retirement for value of any such Indebtedness within 365 days of the Stated Maturity thereof; or

(4) make any Restricted Investment

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as Restricted Payments), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) Omnicare would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the

Table of Contents

applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the second paragraph of the covenant described below under the caption Incurrence of indebtedness and issuance of preferred stock ; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Omnicare and its Restricted Subsidiaries after April 1, 2010 (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (8), (9), (10), (11), (12), (14), (15), (16), (17), (18) and (19) of the next succeeding paragraph) is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of Omnicare for the period (taken as one accounting period) from April 1, 2010 to the end of Omnicare's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), *plus*

(b) 100% of the aggregate net cash proceeds received by Omnicare since April 1, 2010 as a contribution to its common equity capital or from the issue or sale of Equity Interests of Omnicare (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities that have been converted into or exchanged for such Equity Interests of Omnicare (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Restricted Subsidiary), *plus*

(c) to the extent that any Restricted Investment that was made after April 1, 2010 is sold for cash or Cash Equivalents (or a combination thereof) or otherwise liquidated or repaid for cash or Cash Equivalents (or a combination thereof), the lesser of (i) the return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment, *plus*

(d) an amount equal to the sum of (x) the net reduction in Investments in Unrestricted Subsidiaries resulting from cash dividends, repayments of loans or advances or other transfers of assets, in each case to Omnicare or any Restricted Subsidiary from Unrestricted Subsidiaries, plus (y) the portion (proportionate to Omnicare's equity interest in such Subsidiary) of the fair market value of the net assets of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary, in each case since April 1, 2010 (*provided, however*, that the foregoing sum shall not exceed, in the case of any Unrestricted Subsidiary, the amount of Investments made since April 1, 2010 by Omnicare or any Restricted Subsidiary that were treated as Restricted Payments, and *provided, further*, that no amount will be included under this clause

(d) to the extent it is already included in clauses (a), (b) or (c) above), *plus*

(e) \$1,635 million. As of June 30, 2011, the amount available for Restricted Payments pursuant to the foregoing clauses 3(a)-(e) was approximately \$1,608 million.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the indenture;

Table of Contents

- (2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of Omnicare or any Restricted Subsidiary or of any Equity Interests of Omnicare in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of Omnicare (other than Disqualified Stock); *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of Omnicare or any Restricted Subsidiary with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;
- (4) the payment of any dividend or similar distribution by a Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;
- (5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Omnicare or any Restricted Subsidiary held by any officer, director or employee of Omnicare or any Subsidiary of Omnicare in connection with any management equity subscription agreement, any compensation, retirement, disability, severance or benefit plan or agreement, any stock option or incentive plan or agreement, any employment agreement or any other similar plans or agreements; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed \$75.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding years);
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or stock appreciation rights or the lapsing of restrictions on restricted stock, to the extent such Equity Interests represent a portion of the exercise price of those stock options or stock appreciation rights or the withholding taxes payable in connection with such stock options, stock appreciation rights or restricted stock;
- (7) the payment of dividends by Omnicare on its common stock in an aggregate annual amount of up to \$200.0 million;
- (8) the repurchase of any class of Capital Stock of a Restricted Subsidiary (other than Disqualified Stock) if such repurchase is made pro rata among all holders of such class of Capital Stock;
- (9) the payment of any scheduled dividend or similar distribution, and any scheduled repayment of the stated amount, liquidation preference or any similar amount at final maturity or on any scheduled redemption or repurchase date, in respect of any series of preferred stock or similar securities of Omnicare or any Restricted Subsidiary (including Disqualified Stock), *provided* that such series of preferred stock or similar securities was issued in compliance with the Incurrence of indebtedness and issuance of preferred stock covenant;
- (10) payments in lieu of fractional shares;
- (11) the purchase of any Indebtedness that is subordinate to the notes at a purchase price no greater than 101% of the principal amount thereof in the event of a Change of Control in accordance with provisions similar to those described under Repurchase at the option of holders Change of control ; *provided* that prior to such purchase Omnicare has

Table of Contents

made the Change of Control Offer as provided in such section and has purchased all notes validly tendered for payment in connection with such Change of Control Offer;