

I TRAX INC  
Form 10-Q  
May 10, 2007

**United States  
Securities and Exchange Commission  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended: March 31, 2007  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-31584

**I-TRAX, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**23-3057155**  
(I.R.S. Employer  
Identification Number)

**4 Hillman Drive, Suite 130, Chadds Ford,  
Pennsylvania**  
(Address of principal executive offices)

**19317**  
(Zip Code)

**(610) 459-2405**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

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

Large accelerated filer       Accelerated filer       Non-Accelerated filer

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

As of May 1, 2007, there were 40,199,352 shares of the registrant's \$0.001 par value common stock outstanding.



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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of I-trax, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of I-trax, Inc. (a Delaware corporation) and Subsidiaries as of March 31, 2007, and the related condensed consolidated statements of operations and cash flows for the three month periods ended March 31, 2007 and 2006. These interim financial statements are the responsibility of the company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with United States generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2006, and the related consolidated statements of operations, stockholders' equity and cash flows, for the year then ended (not presented herein); and in our report dated March 10, 2007, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2006, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

GOLDSTEIN GOLUB KESSLER LLP  
New York, New York  
May 3, 2007

**I-TRAX, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
*(in thousands, except share data)*

	<b>ASSETS</b>	
	<b>March 31, 2007</b>	<b>December 31, 2006</b>
	<b>(Unaudited)</b>	
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,123	\$ 6,558
Accounts receivable, net	24,807	21,704
Other current assets	1,117	1,526
<b>Total current assets</b>	<b>33,047</b>	<b>29,788</b>
<b>Property and equipment, net</b>		
Property and equipment, net	3,475	3,377
Goodwill	51,620	51,620
Customer list, net	17,788	18,159
Other intangible assets, net	288	402
Other long term assets	37	41
<b>Total assets</b>	<b>\$ 106,255</b>	<b>\$ 103,387</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 9,431	\$ 10,376
Accrued payroll and benefits	4,515	4,444
Accrued restructuring charges	107	118
Other current liabilities	8,626	11,627
<b>Total current liabilities</b>	<b>22,679</b>	<b>26,565</b>
Senior secured credit facility	13,412	9,057
Note payable	114	129
Other long term liabilities	2,706	1,945
<b>Total liabilities</b>	<b>38,911</b>	<b>37,696</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Preferred stock - \$.001 par value, 2,000,000 shares authorized, 291,751 and 559,101 issued and outstanding, respectively; Liquidation preference: \$7,294,000 and \$13,978,000 at March 31, 2007 and December 31, 2006, respectively	--	1
Common stock - \$.001 par value, 100,000,000 shares authorized 40,197,882 and 36,613,707 shares issued and outstanding, respectively	39	35

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Additional paid in capital	<b>139,043</b>		136,623
Accumulated deficit	<b>(71,738)</b>		(70,968)
Total stockholders' equity	<b>67,344</b>		65,691
<hr/>			
Total liabilities and stockholders' equity	<b>\$ 106,255</b>	<b>\$</b>	103,387

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

**I-TRAX, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
*(in thousands, except share data)*

	<b>Three months ended March 31</b>	
	<b>2007</b>	<b>2006</b>
Net revenue	\$ 33,550	\$ 30,525
Costs and expenses		
Operating expenses	25,399	23,443
General and administrative expenses	7,064	5,992
Depreciation and amortization	809	859
Total costs and expenses	33,272	30,294
Operating income	278	231