

ON ASSIGNMENT INC  
Form 10-Q  
November 09, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2009

OR

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

Commission file number: 000-20540

ON ASSIGNMENT, INC.  
(Exact name of registrant as specified in its charter)

Delaware

95-4023433

(State of Incorporation)

(I.R.S. Employer Identification No.)

26651 West Agoura Road, Calabasas, CA

91302

(Address of principal executive offices)

(Zip Code)

(818) 878-7900

(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Edgar Filing: ON ASSIGNMENT INC - Form 10-Q

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting  
company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

At October 30, 2009, the total number of outstanding shares of the Company’s Common Stock (\$0.01 par value) was 36,101,349.

---

ON ASSIGNMENT, INC. AND SUBSIDIARIES  
Index

PART I – FINANCIAL INFORMATION

Item 1 – Condensed Consolidated Financial Statements (unaudited)

Condensed Consolidated Balance Sheets at September 30, 2009 and December 31,  
2008 3

Condensed Consolidated Statements of Operations and Comprehensive Income for the Three and Nine Months  
Ended September 30, 2009 and  
2008 4

Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2009 and  
2008 5-6

Notes to Condensed Consolidated Financial  
Statements 7-15

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of  
Operations 16-25

Item 3 – Quantitative and Qualitative Disclosures about Market  
Risks 26

Item 4 – Controls and  
Procedures 26

PART II – OTHER INFORMATION

Item 1 – Legal  
Proceedings 27

Item 1A – Risk  
Factors 27

Item 2 – Unregistered Sales of Equity Securities and Use of  
Proceeds 27

Item 3 – Defaults Upon Senior  
Securities 27

Item 4 – Submission of Matters to a Vote of Security  
Holders 27

Item 5 – Other Information	27
Item 6 – Exhibits	27-28
Signatures	

## PART I - FINANCIAL INFORMATION

## Item 1 — Condensed Consolidated Financial Statements (Unaudited)

ON ASSIGNMENT, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

See notes to condensed consolidated financial statements.

	September 30, 2009	December 31, 2008
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 35,068	\$46,271
Accounts receivable, net of allowance of \$1,921 and \$2,443	49,386	78,370
Advances and deposits	230	311
Prepaid expenses	1,947	4,503
Prepaid income taxes	1,492	3,759
Deferred income tax assets	8,114	9,347
Other	2,313	2,162
<b>Total Current Assets</b>	<b>98,550</b>	<b>144,723</b>
Property and Equipment, net of depreciation of \$20,557 and \$21,921	16,075	17,495
Goodwill	202,797	202,777
Identifiable intangible assets, net	26,857	31,428
Other assets	5,849	5,427
<b>Total Assets</b>	<b>\$ 350,128</b>	<b>\$401,850</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 4,686	\$5,204
Accrued payroll and contract professional pay	13,151	19,836
Deferred compensation	1,962	1,610
Workers' compensation and medical malpractice loss reserves	10,476	9,754
Accrued earn-out payments	4,827	10,168
Other	3,667	6,959
<b>Total Current Liabilities</b>	<b>38,769</b>	<b>53,531</b>
Deferred income taxes	1,930	1,997
Long-term debt	82,913	125,913
Other long-term liabilities	942	1,895
<b>Total Liabilities</b>	<b>124,554</b>	<b>183,336</b>
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued	—	—
Common stock, \$0.01 par value, 75,000,000 shares authorized, 39,269,204 and 38,816,844 issued	393	388
Paid-in capital	230,724	227,522

Edgar Filing: ON ASSIGNMENT INC - Form 10-Q

Retained earnings	19,887	16,215
Accumulated other comprehensive income	1,290	800
	252,294	244,925
Less: Treasury Stock at cost, 3,170,452 and 3,097,364 shares, respectively	26,720	26,411
Total Stockholders' Equity	225,574	