

BIO IMAGING TECHNOLOGIES INC

Form SC 13D/A

February 13, 2004

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

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

BIO-IMAGING TECHNOLOGIES, INC.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

09056N103000

(Cusip Number)

Gerald F. Roach, Esq.
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2500 Wachovia Capitol Center
150 Fayetteville Street Mall
Raleigh, North Carolina 27601
(919) 821-1220

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 31, 2003

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

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* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. Name of Reporting Person: Pharma Services Holding, Inc. I.R.S. Identification Nos. of above persons (entities only):

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
Delaware

7. Sole Voting Power:
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
924,381(1)

9. Sole Dispositive Power:
0

10. Shared Dispositive Power:
924,381(1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
924,381(1)

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

o

13. Percent of Class Represented by Amount in Row (11):

8.13%(2)

14. Type of Reporting Person (See Instructions):

CO

-
- (1) Includes 735,832 shares (the Quintiles Shares) of common stock (Common Stock) of Bio-Imaging Technologies, Inc. (the Issuer) beneficially owned by Quintiles, Inc. (Quintiles). Pursuant to an Agreement between Quintiles and the Issuer, Quintiles loaned the Issuer an aggregate amount of \$1,000,000. The outstanding principal amount of the loan at December 31, 2003 is \$666,664. Such amount is convertible by Quintiles into the Issuer s Common Stock based on the Conversion Price as defined in such Agreement, subject to adjustment as set forth therein. The current Conversion Price is the greater of \$0.906 or 75% of the average closing price for the 10 days before conversion. Based on an assumed Conversion Price of \$0.906 per share and the outstanding loan amount, Quintiles has the right to acquire 735,832 shares of the Issuer s Common Stock. Using the average price calculation instead, as of December 31, 2003, the Conversion Price is \$4.618 and Quintiles has the right to acquire 144,370 shares. Also includes 188,549 shares (the QFinance Shares) of Common Stock beneficially owned by QFinance, Inc. (QFinance).
- (2) Calculated based on 10,632,977 shares of outstanding Common Stock on October 31, 2003, as reported in the Issuer s Form 10-QSB for the period ending September 30, 2003 and filed with the Securities and Exchange Commission on November 14, 2003, and 924,381 shares of Common Stock beneficially owned by Quintiles and QFinance. See footnote 1 above; using the average price calculation for the Quintiles Shares, the percentage is 3.09%.
-

1. Name of Reporting Person: I.R.S. Identification Nos. of above persons (entities only):
Pharma Services Intermediate Holding Corp.

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
Delaware

7. Sole Voting Power:
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
924,381(3)

9. Sole Dispositive Power:
0

10. Shared Dispositive Power:
924,381(3)

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
924,381(3)

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

o

13. Percent of Class Represented by Amount in Row (11):

8.13%(4)

14. Type of Reporting Person (See Instructions):

CO

(3) Includes the Quintiles Shares and the QFinance Shares. See footnote 1 above.

(4) Calculated based on 10,632,977 shares of outstanding Common Stock on October 31, 2003, as reported in the Issuer's Form 10-QSB for the period ending September 30, 2003 and filed with the Securities and Exchange Commission on November 14, 2003, and an aggregate of 924,381 shares of Common Stock beneficially owned by Quintiles and QFinance. See footnote 1 above; using the average price calculation for the Quintiles Shares, the percentage is 3.09%.

1. Name of Reporting Person: I.R.S. Identification Nos. of above persons (entities only):
Quintiles Transnational Corp.

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
North Carolina

7. Sole Voting Power:
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
924,381(5)

9. Sole Dispositive Power:
0

10. Shared Dispositive Power:
924,381(5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
924,381(5)

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

o

13. Percent of Class Represented by Amount in Row (11):

8.13%(6)

14. Type of Reporting Person (See Instructions):

CO

(5) Includes the Quintiles Shares and the QFinance Shares. See footnote 1 above.

(6) Calculated based on 10,632,977 shares of outstanding Common Stock on October 31, 2003, as reported in the Issuer's Form 10-QSB for the period ending September 30, 2003 and filed with the Securities and Exchange Commission on November 14, 2003, and an aggregate of 924,381 shares of Common Stock beneficially owned by Quintiles and QFinance. See footnote 1 above; using the average price calculation for the Quintiles Shares, the percentage is 3.09%.

1. Name of Reporting Person: I.R.S. Identification Nos. of above persons (entities only):
Quintiles, Inc.

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions):
OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
North Carolina

7. Sole Voting Power:
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
735,832(7)

9. Sole Dispositive Power:
0

10. Shared Dispositive Power:
735,832(7)

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
735,832(7)

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

o

13. Percent of Class Represented by Amount in Row (11):

6.47%(8)

14. Type of Reporting Person (See Instructions):

CO

5

(7) Includes the Quintiles Shares only. See footnote 1 above.

(8) Calculated based on 10,632,977 shares of outstanding Common Stock on October 31, 2003, as reported in the Issuer's Form 10-QSB for the period ending September 30, 2003 and filed with the Securities and Exchange Commission on November 14, 2003, and an aggregate of 735,832 shares of Common Stock beneficially owned by Quintiles. See footnote 1 above; using the average price calculation for the Quintiles Shares, the percentage is 1.34%.

Item 1. Security and Issuer

This Schedule 13D/A relates to the common stock, par value \$.00025 per share, of the Issuer (the "Common Stock"). The principal executive offices of the Issuer are located at 826 Newtown-Yardley Road, Newtown, Pennsylvania 18940-1721.

Item 2. Identity and Background

This statement is filed jointly pursuant to rule 13d-1(k)(1) on behalf of Pharma Services Holding, Inc. ("Pharma Services"); Pharma Services Intermediate Holding Corp. ("Intermediate Holding"), a wholly-owned subsidiary of Pharma Services; Quintiles Transnational Corp. ("QTRN"); and Quintiles, Inc. ("Quintiles"), a wholly-owned subsidiary of QTRN (collectively, the "Reporting Persons"). All of the outstanding common stock of QTRN is owned by Intermediate Holding and Pharma Services.

Pharma Services's principal business office address is c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Suite 200, Durham, North Carolina 27703. Intermediate Holding's principal business office address is c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Suite 200, Durham, North Carolina 27703. QTRN's principal business office is at 4709 Creekstone Drive, Suite 200, Durham, North Carolina 27703. Quintiles's principal business office address is c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Suite 200, Durham, North Carolina 27703.

During the last five years, neither the Reporting Persons nor any of their respective executive officers or directors, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), nor has any Reporting Person been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, been subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Please see Schedule I for information pertaining to Pharma Services, Intermediate Holding, QTRN and Quintiles executive officers and directors.

Item 3. Source and Amount of Funds or Other Considerations

The Quintiles Shares beneficially owned by the Reporting Persons were acquired on October 25, 2001 (the "Closing Date") pursuant to an Asset Purchase Agreement (the "Agreement"), dated as of the Closing Date, between the Issuer and Quintiles. Pursuant to the Agreement, Quintiles sold certain of its assets in consideration for the Issuer's promissory note (the "Note") in the principal amount of \$1,000,000 with interest per annum equal to the three month LIBOR rate in effect on the last day of each quarter, plus three percent (3.0%), as reported in the Wall Street Journal.

The Note, which is payable in quarterly installments with respect to 50% of the aggregate principal amount together with all outstanding interest, matures thirty-six (36) months from the Closing Date and is convertible by Quintiles any time prior to maturity into shares of Common Stock.

Over time, the Issuer has made principal payments that have reduced the outstanding principal balance of the Note. The outstanding principal amount of the Note at December 31, 2003 is \$666,664. Such amount is convertible by Quintiles into the

Issuer's Common Stock based on the Conversion Price as defined in such Agreement, subject to adjustment as set forth therein. The current Conversion Price is the greater of \$0.906 or 75% of the average closing price for the 10 days before conversion. Based on an assumed Conversion Price of \$0.906 per share and the outstanding loan amount, Quintiles has the right to acquire 735,832 shares of the Issuer's Common Stock. The number of shares of Common Stock into which the Note may be converted could be less than 735,832, depending on the market price per share of Common Stock on the date of conversion, and the outstanding principal balance as of any such conversion. For example, using the average price calculation, as of December 31, 2003, the Conversion Price is \$4.618 and Quintiles has the right to acquire 144,370 shares.

Under the Agreement, the Reporting Persons were entitled to acquire up to an additional 646,247 shares of Common Stock after January 1, 2003, to the extent that revenues between the Closing Date and December 31, 2002 arising from certain contracts transferred to the Issuer exceed a threshold amount. Pursuant to such provision, QFinance acquired 188,549 shares of Common Stock.

Item 4. Purpose of Transaction

Pursuant to the Agreement, the Issuer was required to use its Reasonable Efforts, as defined in the Agreement, to effect the election of one individual designated by Quintiles to the Issuer's Board of Directors. Such individual designated by Quintiles was elected to the Issuer's Board of Directors.

The Agreement is filed as an exhibit to the previously filed Schedule 13D and is incorporated herein by reference. The foregoing summary of the transaction is not intended to be complete and is qualified in its entirety by reference to such exhibit.

The Reporting Persons acquired beneficial ownership of the shares for the purpose of investment only and may elect to dispose or otherwise transfer such shares from time to time, as permitted under contract or applicable law. Except to the extent that it is customary for the director designated by Quintiles to do so, the Reporting Persons have no intention to influence or direct the Issuer's affairs, modify its corporate structure or interfere with the business decisions of its management. Except as may be set forth above, neither the Reporting Persons, nor to the best of their knowledge, any executive officer or director of the Reporting Persons, has any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer; (c) a sale or transfer of a material amount of assets of the Issuer; (d) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure; (g) changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) a class of securities of the Issuer being delisted from a national securities exchange or ceasing to be authorized to be quoted in an interdealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer

Based on information contained in the most recent publicly available filings of the Issuer with the Securities and Exchange Commission, Pharma Services is deemed to beneficially own the number of shares and the percentage of outstanding shares of Issuer Common Stock listed on lines 11 and 13, respectively, of Page 2 of this Schedule 13D/A. In addition, the number of shares as to which Pharma Services has sole or shared voting power and sole or shared dispositive power, is listed on lines 7-10 of Page 2 of this Schedule 13D/A.

Based on information contained in the most recent publicly available filings of the Issuer with the Securities and Exchange Commission, Intermediate Holding is deemed to beneficially own the number of shares and the percentage of outstanding shares of Issuer Common Stock listed on lines 11 and 13, respectively, of Page 3 of this Schedule 13D/A. In addition, the number of shares as to which Intermediate Holding has sole or shared voting power and sole or shared dispositive power, is listed on lines 7-10 of Page 3 of this Schedule 13D/A.

Based on information contained in the most recent publicly available filings of the Issuer with the Securities and Exchange Commission, QTRN is deemed to beneficially own the number of shares and the percentage of outstanding shares of Issuer Common Stock listed on lines 11 and 13, respectively, of Page 4 of this Schedule 13D/A. In addition, the number of shares as to which QTRN has sole or shared voting power and sole or shared dispositive power, is listed on lines 7-10 of Page 4 of this Schedule 13D/A.

Based on information contained in the most recent publicly available filings of the Issuer with the Securities and Exchange Commission, Quintiles is deemed to beneficially own the number of shares and the percentage of outstanding shares of Issuer Common Stock listed on lines 11 and 13, respectively, of Page 5 of this Schedule 13D/A. In addition, the number of shares as to which Quintiles has sole or shared voting power and sole or shared dispositive power, is listed on lines 7-10 of Page 5 of this Schedule 13D/A.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Except as described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer, including but not limited to transfer or voting of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantors of profit, division of profit or loss or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits

Exhibit 99.01* Asset Purchase Agreement, dated October 25, 2001, between the Issuer and Quintiles, Inc.

Exhibit 99.02 Joint Filing Agreement between Pharma Services Holding, Inc., Pharma Services Intermediate Holding Corp., Quintiles Transnational Corp., and Quintiles, Inc.

* Previously Filed.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2004

PHARMA SERVICES HOLDING, INC.

By: /s/ John S. Russell

Name: John S. Russell
Title: Vice President & Corporate Secretary

PHARMA SERVICES INTERMEDIATE HOLDING CORP.

By: /s/ John S. Russell

Name: John S. Russell
Title: Vice President & Corporate Secretary

QUINTILES TRANSNATIONAL CORP.

By: /s/ John S. Russell

Name: John S. Russell
Title: Executive Vice President & General Counsel
Chief Administrative Officer

QUINTILES, INC.

By: /s/ John S. Russell

Name: John S. Russell
Title: President

EXHIBIT INDEX

| Exhibit Number | Description |
|-----------------------|--|
| Exhibit 99.01* | Asset Purchase Agreement, dated October 25, 2001, between the Issuer and Quintiles, Inc. |
| Exhibit 99.02 | Joint Filing Agreement between Pharma Services Holding, Inc., Pharma Services Intermediate Holding Corp., Quintiles Transnational Corp., and Quintiles, Inc. |
| * Previously Filed. | |

SCHEDULE I**Directors and Officers of Pharma Services Holding, Inc.**

The name and principal occupation of each executive officer and director of Pharma Services Holding, Inc. (Pharma Services) are set forth below. Unless otherwise indicated, each occupation set forth opposite an executive officer's name refers to employment with QTRN. The business address of each person is Pharma Services Holding, Inc., c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 200, Durham, North Carolina 27703.

| Name | Present Principal Occupation |
|--|---|
| Dennis B. Gillings, Ph.D. John S. Russell | Executive Chairman, Chief Executive Officer and Director Executive Vice President & General Counsel Chief Administrative Officer |
| James L. Bierman Richard M. Cashin, Jr. Clateo Castellini Jonathan J. Coslet Jack M. Greenberg S. Iswaran Jacques Nasser James S. Rubin | Executive Vice President, Chief Financial Officer and Director Chairman, One Equity Partners LLC Director Senior Partner, Texas Pacific Group Director Managing Director, Temasek Holdings (Pte) Ltd. Senior Partner, One Equity Partners LLC Partner, One Equity Partners LLC |

Directors and Officers of Pharma Services Intermediate Holding Corp.

The name and principal occupation of each executive officer and director of Pharma Services Intermediate Holding Corp. (Intermediate Holding) are set forth below. Unless otherwise indicated, each occupation set forth opposite an executive officer's name refers to employment with QTRN. The business address of each person is Pharma Services Intermediate Holding Corp., c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 200, Durham, North Carolina 27703.

| Name | Present Principal Occupation |
|--|---|
| Dennis B. Gillings, Ph.D. John S. Russell | Executive Chairman, Chief Executive Officer and Director Executive Vice President & General Counsel Chief Administrative Officer |
| James L. Bierman Richard M. Cashin, Jr. Clateo Castellini Jonathan J. Coslet Jack M. Greenberg S. Iswaran Jacques Nasser James S. Rubin | Executive Vice President, Chief Financial Officer and Director Chairman, One Equity Partners LLC Director Senior Partner, Texas Pacific Group Director Managing Director, Temasek Holdings (Pte) Ltd. Senior Partner, One Equity Partners LLC Partner, One Equity Partners LLC |

Directors and Officers of Quintiles Transnational Corp.

The name and principal occupation of each executive officer and director of Quintiles Transnational Corp. (QTRN) are set forth below. Unless otherwise indicated, each occupation set forth opposite an executive officer's name refers to employment with QTRN. The business address of each person is c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 200, Durham, North Carolina 27703.

| Name | Present Principal Occupation |
|---------------------------|--|
| Dennis B. Gillings, Ph.D. | Executive Chairman, Chief Executive Officer and Director |
| James L. Bierman | Executive Vice President, Chief Financial Officer and Director |
| John S. Russell | Executive Vice President & General Counsel Chief Administrative Officer |
| Ronald J. Wooten | Executive Vice President, Corporate Development |
| Oppel Greeff | President of Global Product Development |
| Hywel Evans | President, Quintiles Europe |
| Derek Winstanly | President of Quintiles Japan/Asia-Pacific |
| Richard M. Cashin, Jr. | Chairman, One Equity Partners LLC |

Directors and Officers of Quintiles, Inc.

The name and principal occupation of each executive officer and director of Quintiles, Inc. (Quintiles) are set forth below. Unless otherwise indicated, each occupation set forth opposite an executive officer's name refers to employment with QTRN. The business address of each person is Quintiles, Inc., c/o Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 200, Durham, North Carolina 27703.

| Name | Present Principal Occupation |
|----------------------|--|
| John S. Russell | Executive Vice President & General Counsel Chief Administrative Officer |
| Gregory Connors | Vice President |
| David Andrews | Vice President, Taxation |
| James L. Bierman | Executive Vice President, Chief Financial Officer and Director |
| Thomas C. Perkins | Senior Vice President, Corporate Development |
| Beverly Rubin Moyher | Deputy General Counsel |