

**DEPARTMENT OF EDUCATION
SCHOOL BASED BEHAVIORAL HEALTH SERVICES
FY: 2006-07 FINAL REPORT**

BCP, Inc. (dba Nursefinders of Hawaii)

CONTRACT: Intensive Services **CONTRACT NO:** EDN 150-2006-03-03

Overview of Service Delivery

Services Provided

During Fiscal Year 2006-07, BCP has provided Individual and Group Intensive Instructional Services Consultation (Codes 68 and 69), Individual and Group Skills Training (Codes 65 and 70), Parent Education/Training (Code 71), Educational Team Planning and Participation (Code 35) and Court/Due Process Hearing Testimony (Code 38) services to the HDOE, within the scope of the Intensive Services contract.

Student Demographics

Under the Intensive Services contract, fiscal year 2006-07, BCP has served 229 children ages 3-20 on the islands of Hawaii, Kauai, Oahu, and Maui. Districts serviced include: Honolulu, Windward, Leeward, Central, Maui, Kauai, and Hawaii. The student population represented a cross-section of ethnic and racial groups present on the serviced islands. All children served have exhibited social, communication, and/or behavioral deficits which limit educational programming.

Referral Process

Students were referred to BCP in accordance with IDEIA and HDOE procedures. In instances where IEP teams have deemed services necessary, and in which the DOE has been unable to provide equivalent services, BCP has been available to provide needed service. Typically service requests are processed as such:

1. IEP teams have addressed the need for intensive instruction.
2. School Service Coordinators (SSCs) have followed Standards of Practice (SOP) for designated services to assess DOE capabilities to serve.
3. Districts have overseen authorization process.
4. If DOE has been unable to service, SSCs have called BCP to staff.
5. BCP has found appropriate employee for student.
6. BCP has confirmed schedule with SSC.
7. SSC has procured work authorization.
8. Services have begun.

Duration of Services

Students were serviced by skills trainers for an average of 15-25 hours per week. Students were serviced by IISCs for significantly less time, approximately 1-4 hours per week. Duration of services is IEP mandated and authorized accordingly by the DOE. In accordance with outcomes-based approaches and utilizing comprehensive data review, BCP has worked with the IEP team to adjust hours as needed in order to maximize the child's independence.

Unique Qualities of Program

Distinguishing Characteristics of Program

BCP dba Nursefinders has been providing behavioral health services to the State of Hawaii since 1993. BCP has worked with Department of Health, Child and Adolescent Mental Health Division (CAMHD), Department of Health, Developmental Disabilities Division (DDD), and the HDOE in providing quality, evidence-based, outcomes-oriented services to children with instructional needs.

BCP has a number of unique qualities that set it apart from other agencies servicing the same target population. These characteristics include, but are not limited to:

- **Quality and Efficiency In Staffing:** As a nationwide leader in health and home care staffing since 1974, Nursefinders has pioneered the art of efficiency in staffing employees. BCP dba Nursefinders prides itself in the ability to utilize effective human resource management to optimize appropriateness of fit between employee and student. BCP uses advanced staffing software to match employee skill sets to student needs. Supervisors and schedulers work in collaboration to assure optimum quality in employee placement.
- **Field Supervisors:** BCP employs field supervisors to conduct on-site visits with employees at a minimum of once per quarter. Supervisor visits are meant to assure quality delivery of service and resolution of any presenting DOE concerns. Supervisors have been and may be called on at any time to attend to any student-employee issue related the Intensive Services contract.
- **Community Involvement:** BCP employs a fulltime Community Liaison to help build community and civic involvement. BCP has been and continues to be represented at all Community Children's Councils on Hawaii, Kauai, Oahu, and Maui. BCP representatives serve as professional co-chairs on Kauai, East Hawaii, Leeward Oahu, and Windward Oahu. BCP works with parents and the DOE to build teamwork and problem-solving initiatives between providers, schools, and guardians.
- **24-Hour On-Call Staffing:** BCP is always available by telephone. During and after business hours BCP is available to field requests and concerns.

Service Integration

BCP has made every possible effort to maximize service integration from the systems level to the direct service level. In FY 2006-07, BCP has aimed to provide maximum service quality and continuity of care.

- **Service Representatives:** BCP employs fulltime service representatives that are available 24 hours a day, 365 days a year to coordinate services with schools, state agencies, and other contracted providers. These representatives can utilize field supervisors and program directors in addressing specific and individualized HDOE needs.
- **Community Liaison:** BCP employs a Community Liaison to coordinate services at a systems wide level. The Community Liaison has worked with HDOE principals, SBBH, District Educational Specialists, Agency Directors, DOE contract personnel, and affiliates in problem-solving systemwide concerns.
- **Attendance and Participation at School Meetings:** In order to address specific school and service integration concerns, BCP directors, managers and supervisors have been available to sit in school meetings when requested by DOE representatives.
- **Attendance and Participation in Community Children's Councils:** BCP is actively involved in meeting with DOE reps and parents statewide in the Community Children's Councils. BCP personnel have regularly attended all council meetings on Hawaii, Oahu, Kauai, and Maui. These meetings are essential in bringing the specific and system-wide concerns of families to the attention of the DOE and provider agencies.
- **Interagency Communication:** BCP has worked with other provider agencies in service delivery and integration. BCP has had a good working relationship with all other DOE provider agencies.

- **Attendance and Participation in Scheduled DOE Provider Meetings:** Whenever provider meetings have commenced, BCP has been represented in order to assure all directives and policy clarifications followed. BCP Community Liaison has also been utilized in special committee meetings in order to assess and problem-solve contractual concerns.

Program Challenges

Barriers to Providing Service

- **Uncooperative Parents:** On occasion BCP personnel have been unable to provide services due to uncooperative parents. Some parents have consistently not taken children to school, not gotten children out of bed, refused DOE services, etc. These instances have been documented, but nonetheless have been difficult to service.
- **Staffing Turnover:** The paraprofessional is often someone who is at a crossroads in career. Many times these employees will stay with the agency for a year and then go on to higher level positions. The nature of the position and the transient nature of the population of Hawaii make consistent staffing for long term periods very difficult.
- **Lack of Qualified Staff on Neighbor Islands:** BCP has had difficulty in finding qualified staff on Maui, Hawaii, and Kauai. Contract requirements have made it difficult to recruit qualified individuals for Intensive Services positions, however this has not prevented BCP from aggressive recruitment efforts.

Areas Needing Improvement:

- **Ability to Provide Substitutes:** Unforeseen illnesses and emergency situations sometimes occur in which it is difficult to provide substitute employees. BCP has retained permanent substitutes under the Intensive Services contract. In addition, in last minute circumstances BCP-Nursefinders maintains a pool of substitutes upon which to call. Unfortunately on days in which multiple substitutes are needed the pool may not have been sufficient. BCP has recently implemented changes for in order to provide better service times when substitutes are needed. These changes include updated monthly substitute lists, substitute plans for all clients, and a full time on-call substitute available for daily placement.
- **Attendance at Mandatory Group Supervision Meetings:** Systemically BCP-Nursefinders has had difficulty in assuring 100% compliance in the contractual mandatory monthly supervision requirement. Many employees have had any number of events take place, which has precluded meeting attendance including travel and illness. BCP has implemented some changes in order to address this concern. These changes include: smaller, more intimate group settings, more meeting options, and a more systematic means of client discussion.

Quality Management Activities

Quality Management Programs

BCP-Nursefinders is committed to providing quality services and identifying any potential client concerns. The BCP Quality Management Program includes:

- **Field Supervisors/Quarterly Supervisory Field Visits:** BCP employs field supervisors that are responsible to meet with field employees on a quarterly basis, at the point of service. The purpose of these visits is to assure quality service delivery and to facilitate communication between team members. DOE teachers, principals, and student service coordinators can request special visits from these supervisors at any time to help rectify any employee or service concern.

- **Teacher and Client Questionnaires:** BCP-Nursefinders monitors classroom satisfaction by providing teachers the opportunity to provide both verbal and written feedback indicating service satisfaction. BCP supervisors provide yearly classroom teacher questionnaires and quarterly phone calls to assess satisfaction and areas in need of improvement. BCP also mails out client questionnaires to students and their families. The questionnaire provides feedback on parent satisfaction and how well the employee services the child. BCP has achieved its goal of 85% or above for satisfaction in both domains at all branch offices.
- **Monitoring Student Progress:** BCP-Nursefinders monitors data submissions weekly. Agency IISC's are contractually mandated to monitor outcome measures per observation visit with ST and by data analysis in written form on a quarterly basis. Quarterly Progress Reports and Service Plans are monitored monthly at IISC meetings and contractually mandated individual supervision meetings.
- **Timeliness of Service Delivery:** BCP-Nursefinders does not service a case without authorization. Prior to authorization the agency takes a service request. This request is not filled unless an employee is confirmed for the case. In this regard, BCP is 100% timely in filling a request on the requested service date, because the agency would not commit to delivering the service otherwise.
- **Quarterly Performance Improvement Committee Meeting:** BCP convenes quarterly meetings for the purpose of improving service performance. These meetings include field staff as well as supervisor staff in order to address specific agency strengths and challenges.
- **Quarterly Chart Review:** A random sample of client charts are reviewed quarterly to assure accuracy and completion of required documents. Current authorizations, completed service plans, quarterly reports, and data collection are all reviewed for completion, accuracy, and quality.
- **Quarterly Credentialing Audit:** Each quarter all active employee credentialing files are reviewed to assure progress in professional development and proper credentialing.
- **Annual Chart Audit:** Once a year 100% of client charts are reviewed in order to assure accuracy and completion of required documents. Current authorizations, completed service plans, quarterly reports, and data collection are all reviewed for completion, accuracy and quality.
- **Annual Employee File Audit:** Once a year employee files are reviewed in order to assure accuracy and completion of required documents. Current resumes, transcripts, criminal background checks, credentialing, tuberculosis tests, and other required documentation are all reviewed for completion, accuracy and quality.
- **Annual Professional Advisory Committee Meeting**
BCP-Nursefinders conducts a yearly Professional Advisory Committee (PAC) Meeting. The purpose of this meeting is to provide professional review of service operations by respected members of the community. These community members include: physicians, nurses, social workers, and community and advocacy leaders.

Employee Related Information

Nursefinders has employed 327 STs, Parent Trainers, and IISCs (Oahu: 187, Maui: 107, Hawaii: 15, Kauai: 18) for fiscal year 2006-07. (See attached employee lists for details.) All services have had a student-to-employee ratio of 1:1, with the exception of 3 group IISC and 4 group ST cases serviced during the contract period. Pay scales have been

competitive in relation to other provider agencies. BCP has aggressively recruited via job fairs, high school career fairs, posters, weekly newspaper advertising and sign-on bonuses. Retention has continued to be an issue for skills trainers, but not necessarily IISCs. Given the transient nature of the employee base in Hawaii many employees work for a year or two and then continue education or move on to higher level employment.

- **Summary of Employees:** For specific credentialing information for the various branches see the appendix section. Yearly criminal background checks are a mandatory requirement.
- **Employee Training and Development:** During Fiscal Year 2006-07, BCP employees have been trained in the following areas: Applied Behavioral Analysis, Discreet Trial Training, Pervasive Developmental Disorders, Common Disorders of Childhood (Non-PDD), Managing Challenging Behaviors, Crisis Prevention, Structured Teaching, The Importance of Data Collection, Coping with Stress and Burnout, Mandatory Reporting Procedures, Social Stories, Sensory Integration Issues, Relationship Formation, Comic Strip Conversations, DOE Swimming and Transportation Policy, IDEIA/Section 504, etc. These trainings have been supplemental in addition to contractual and orientation requirements. Each employee has spent a minimum of 40 hours in agency and non-agency training over the fiscal year.

Employee Evaluations

BCP employees are evaluated on a continuing basis. Methodology for evaluation include the following instrumental means:

- **Quarterly Visits and Review:** Every quarter each employee is supervised and evaluated in the field by supervisory personnel. Employees are reviewed in the following areas: Data Collection and Documentation, Skills and Knowledge Base, Communication and Teamwork, Policy and Procedure and General Quality of Service. Employees are observed in the field to monitor the efficacy of intervention.
- **Annual Evaluations:** Every year each employee is evaluated by supervisory personnel and quarterly feedback. Evaluations rate job performance and allow for recommendations for improvement and career development.

Plan of Action for the Coming Fiscal Year

BCP-Nursefinders seeks to continue building a positive working relationship with the HDOE in the coming fiscal year. We will continue providing services under the new Intensive Services contract. In addition we look to improve service delivery by anticipating any programmatic or contractual concerns. Some important items to consider are:

- **Anticipated Contract Changes:** BCP has hired additional supervisor support staff in order to assist with increased supervision requirements under new Paraprofessional contract. BCP is also in the process of codifying new training program statewide in order to meet specific training requirements not specified in prior intensive services contract.
- **Accreditation Plans:** During the coming fiscal year the agency hopes to gain certification through Medicare and is currently processing Certificate of Need via Medicare. BCP is also seeking to attain CARF accreditation for the Nursefinders Behavioral Health program.

Programmatic Improvements

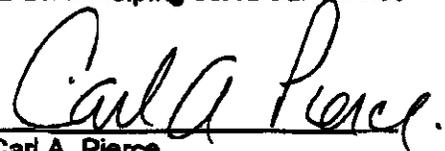
- **Servicing the Kona:** The agency will also be acquiring space on the Kona side of the Big Island. BCP looks forward to utilizing these offices as a base of operations to service the DOE on the West and North side of Hawaii Island..
- **Greater Relationship with DOE:** BCP looks forward to utilizing the Community Liaison and the Program Directors of each island in problem-solving and fine-tuning services at the school and district level. The DOE can feel free to call upon any administrative staff at BCP for clarification of company policy or assisting in DOE program development related to the Intensive Services contract. BCP looks forward to working collaboratively with the DOE in helping serve our service population.

Prepared by:



Jeffrey S. Krepps, MSCP
Director of Behavioral Health
BCP, dba Nursefinders of Hawaii

Reviewed by:



Cari A. Pierce
Area Director
BCP, dba Nursefinders of Hawaii

1.1

PERFORMANCE IMPROVEMENT COMMITTEE: BEHAVIORAL HEALTH
Meeting Date: June 27, 2007

Present:

Josliene Strapple, BH Operations Manager
Carilyn Ah-Yat, ST
Bennett Valencia, IISC/Supervisor

Jeffrey Krepps, Director of Behavioral Health
Andra Kimura, ST

1. Nursefinders-Behavioral Health:

BH Director reviewed purpose of meeting and overview of BH services. Director reviewed new contract dates and scopes of service.

2. Review of Quality Improvements during Q1

Quality Improvements addressed during the last PIC and implemented include:

- Elimination of duplicate payroll paperwork for billable services.
- FT Sub hired.

Outstanding initiatives include:

- The creation of substitute packets for sub employees.
- Grievance log utilization.

3. Employee-Based Quality Indicators

Assets and Advantages:

- **Employment Stability:** Committee reports that there is generally a high level of satisfaction related to Nursefinders nationwide status and recent contract awards.
- **Receptive Supervisors:** Committee reports that supervisors are accessible and helpful whenever they are needed.
- **Loyalty Rewards:** Committee reports that field team likes the prospects of earning points that may be redeemed for cash for positive employee behavior.

Challenges:

- **Knowledge of Company Benefits:** Employees commented that they were not aware of company benefits. This information was not easily available.
- **Hands-on Training:** Employees requested more hands-on-training opportunities as opposed to lecture material.
- **CSR Responsiveness:** Employees noted that CSRs were not responsive to schools, per what they were hearing at the schools.
- **Administrative Support Still Unknown:** Field employees report knowing who to go to for scheduling and supervision, however not knowing who to go for specific administrative or human resource needs. Recent staffing has still not lead to employee recognition of supervisory or HR staff.

Recommendations/Action for Improvement:

- **Knowledge of Company Benefits:** A monthly newsletter has been requested in order to disseminate BH information to field staff including knowledge of company benefits, training opportunities and other relevant information.

- **Hands-on Training:** Consideration to the development of a training committee to address the need for greater employee training capacity.
- **CSR Responsiveness:** CSRs have new report to Office Manager to assure consistency as Operations Manager duties have been modified to reimbursement.
- **Administrative Support Unknown:** Clinical Director will create a newsletter item or mail-out to address who the point of contact for administrative issues are.

4. Client-Based Quality Indicators

In the hopes of creating more meaningful client-based indicators the following tools will be utilized in upcoming Performance Improvement Committee meetings.

- **Service Satisfaction Review:** Out of 21 respondents, 16 have responded favorably and 2 have responded unfavorably.
- **Service Delivery Review:** Measurement tool needs to be devised to chart timeliness of service initiation, timeliness of report submissions, ability to provide substitutes, and fill rate assessment. Director to work with Operations/Office Manager to monitor.
- **Outcomes Measurement:** Discharges must be measured to assess successful intervention versus poor service. Following N-Home conversion, Director will monitor discharge reports.
- **Incident Report and Sentinel Event Trending:** One incident was reported this quarter, this was reported to Risk Management Department and client school.

Report has been compiled from information from notes taken by the Director of Behavioral Health.

Prepared by: _____
Jeffrey S. Krepps, Director of BH

Date: _____

Nursefinders
The Professional Choice.
for Home Care & Behavioral Health

Behavioral Health Quarterly Review – Annual Evaluation

I. EMPLOYEE INFO:

Employee:		Phone:		Position:	
		Alternate:		Hire Date:	

II. REVIEW DATES:

Quarter 1	Quarter 2	Quarter 3	Quarter 4

III. CASE SPECIFICS:

Client 1	Client:		IISC:		Teacher:	
	Age	Needs	Agency	Phone	School	Phone
Quarter 1:						
Quarter 2:						
Quarter 3:						
Quarter 4:						

Client 2	Client:		IISC:		Teacher:	
	Age	Needs	Agency	Phone	School	Phone
Quarter 1:						
Quarter 2:						
Quarter 3:						
Quarter 4:						

Client 3	Client:		IISC:		Teacher:	
	Age	Needs	Agency	Phone	School	Phone
Quarter 1:						
Quarter 2:						
Quarter 3:						
Quarter 4:						

IV. STEPS FOR SUPERVISORY REVIEW

	1	2	3	4		1	2	3	4
Client Chart(s) Reviewed					Teacher(s) Engaged as Supervisor				
Employee File Reviewed					Discussion with Teacher(s)				
IISC(s) Engaged as Supervisor					Employee Shadowed with Client(s)				
Discussion with IISC(s)					Discussion with Employee				

V. QUARTERLY SUPERVISORY REVIEW:

Data Collection and Documentation	Q1	Q2	Q3	Q4	Annual
• Data collection is thorough and appropriate.					
• Goals and Objectives are appropriate.					
• Documentation is legible.					
• Has offered data to IISC and teacher.					
Skills and Knowledge Base	Q1	Q2	Q3	Q4	Annual
• Demonstrates knowledge of IEP – Service Plan.					
• Demonstrates competence in instructing client.					
• Progress toward completing CEU Requirement.					
Communication and Teamwork	Q1	Q2	Q3	Q4	Annual
• Communicates well with administrative personnel					
• Seeks guidance when appropriate					
• Takes direction from Supervisors, IISC, teacher.					
Policy and Procedures	Q1	Q2	Q3	Q4	Annual
• Verification Logs and Data are turned in on time.					
• Transportation Policy is followed.					
• Medication Policy is followed.					
• Water Policy is followed.					
• Employee attends mandatory group supervision.					

Review Key:

<input type="checkbox"/> Exemplary	<input type="checkbox"/> Exceeds Expectations	<input type="checkbox"/> Meets Expectations	<input type="checkbox"/> Need Improvement	<input type="checkbox"/> Unsatisfactory
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Comments and Recommendations:

Q1:	
Q2:	
Q3:	
Q4:	

VII. ANNUAL REVIEW

<input type="checkbox"/> Exemplary	<input type="checkbox"/> Exceeds Expectations	<input type="checkbox"/> Meets Expectations	<input type="checkbox"/> Need Improvement	<input type="checkbox"/> Unsatisfactory
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Comments, Recommendations, and Follow-up

2.1

Nursefinders Behavioral Health Hawaii District

Name:	Educational Background	
John Brownyard	BA	Sociology
Nathan Carr	BS	Business Administration
Elizabeth Carolan	BA	Psychology
Phyllis DeKok	BA	Psychology
Kathy Gaiser-Licht	BA MA	Sociology Clinical Psychology
Susan Hahn	AA	Early Childhood Education
Jose Irizarry	AA BA	Physical Ed. Physical Ed.
Carrie Kahawai	AA	Liberal Arts
Mary Lopresti	BA BA	Music Ed. Early Childhood Ed.
Jim McLelland	L1, L2	Adult Ed. NCE Requirement Parapro
Julie Ross	AA BS	Liberal Arts Nursing
Jesse Soberman	BA	Psychology
Stritama Sherreitt	MA	Marriage & Family Therapy
Ty Vanebo	BA	Elementary Education
Ken Wilson	BA BA	Admin. Of Justice Psychology
Ileana Wilson-Fanning	BA BA	Psychology Anthropology

MAUI ST

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Chappelle, Patricia - SKT [REDACTED]	[REDACTED]	30	T	05/09/0
Chavez, Ramona - SKT [REDACTED]	[REDACTED]	30	I	06/22/0
Coloma, Marilyn - SKT [REDACTED]	[REDACTED]	30	I	01/05/0
Connelly, Suni - SKT [REDACTED]	[REDACTED]	30	T	09/08/0
Conrad, Sarah - SKT [REDACTED]	[REDACTED]	30	T	01/07/0
Cotton, Jennifer - SKT [REDACTED]	[REDACTED]	30	T	11/21/0
Cotton, John - SKT [REDACTED]	[REDACTED]	30	T	05/12/0
Cowell, Cody - SKT [REDACTED]	[REDACTED]	30	T	12/19/0
Cowing, Carol - SKT [REDACTED]	[REDACTED]	30	I	06/18/04
Daubert, Kealohakapualan - SKT [REDACTED]	[REDACTED]	30	T	09/29/04

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired

Wailuku, HI 96793-9481				
Davis, Jolyn - SKT [REDACTED]	[REDACTED]	30	Y	05/27/04
Dela Cruz, Roland - SKT [REDACTED]	[REDACTED]	30	Y	01/10/07
Diaz, Yolanda - SKT [REDACTED]	[REDACTED]	0	Y	08/18/04
Emerson, Tiffany - SKT [REDACTED]	[REDACTED]	30	Y	11/29/06
Evans, Chelsia - SKT [REDACTED]	[REDACTED]	20	I	06/18/04
Furtado, Rachelle - SKT [REDACTED]	[REDACTED]	30	T	10/19/06
Garvey, Jeanna - SKT [REDACTED]	[REDACTED]	30	T	02/09/06
Garzino, Lynne - SKT [REDACTED]	[REDACTED]	30	Y	10/27/04
Goette, Franz - SKT [REDACTED]	[REDACTED]	30	I	12/05/01

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Gonsalvas, Jody - SKT [REDACTED]	[REDACTED] (808) 576-8730	30	T	05/15/03
goo, goo - SKT [REDACTED]	[REDACTED]	30	T	08/27/04
Goo, Leslie - SKT [REDACTED]	[REDACTED]	30	Y	10/15/02
Goode, Rachel - SKT [REDACTED]	[REDACTED]	30	T	05/03/06
Grandinetti, Christina - SKT [REDACTED]	[REDACTED]	30	T	10/21/04
Haase, Donald - SKT [REDACTED]	[REDACTED]	30	I	07/23/04
Hagen, Goril - SKT [REDACTED]	[REDACTED]	30	I	10/15/03
Hammerli, Christiane - SKT [REDACTED]	[REDACTED]	30	I	06/27/06
Hannigan, Lori - SKT [REDACTED]	[REDACTED]	30	T	06/29/05

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Harris, Kevin - SKT [REDACTED]	[REDACTED]	30	I	10/27/04
Haughey, Rickey - SKT [REDACTED]	[REDACTED]	30	I	10/06/04
Hayashi, Kristine - SKT [REDACTED]	[REDACTED]	30	T	08/28/03
Headrick, Jolene - SKT [REDACTED]	[REDACTED]	30	T	06/08/05
Hunt, Barbara - SKT [REDACTED]	[REDACTED]	30	T	04/28/04
Jackson, Jenny - SKT [REDACTED]	(808) [REDACTED]	30	I	08/22/06
Johnson, Duncan - SKT [REDACTED]	[REDACTED]	30	Y	05/15/03
Joseph, Crystal - SKT [REDACTED]	(808) [REDACTED]	30	Y	10/26/05
kamikawa, amy - SKT [REDACTED]	[REDACTED]	30	I	09/30/04
Kapuaala, Isfrid - SKT [REDACTED]	[REDACTED]	30	I	06/24/04

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
[REDACTED]	[REDACTED]			
Karaya, Mary - SKT [REDACTED]	[REDACTED]	30	I	07/02/04
Kelley, Ehrin - SKT [REDACTED]	[REDACTED]	30	T	01/12/05
Kiek, Elizabeth - SKT [REDACTED]	[REDACTED]	30	Y	06/14/07
Kimura, Melinda - SKT [REDACTED]	[REDACTED]	30	I	11/05/03
Kusakabe, Brandon - SKT [REDACTED]	[REDACTED]	30	T	05/07/07
Kushi, Kimberly - SKT [REDACTED]	[REDACTED]	30	T	06/22/05
Lanning, Elizabeth - SKT [REDACTED]	[REDACTED]	30	T	01/07/04
Lashaway, Jacie - SKT [REDACTED]	[REDACTED]	30	Y	07/19/06
Limon, Edna - SKT [REDACTED]	[REDACTED]	30	I	09/09/04

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Honolulu Behavioral Health
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All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Liuzzi, Annie - SKT [REDACTED]	[REDACTED]	30	T	04/12/06
Losano, Fred - SKT [REDACTED]	[REDACTED]	30	I	06/22/05
Luna, Derek - SKT [REDACTED]	[REDACTED]	30	Y	11/29/06
Mason, David - SKT [REDACTED]	[REDACTED]	30	Y	03/29/06
Matsui, Jason - SKT [REDACTED]	[REDACTED]	30	Y	04/04/07
Matsui, Tiara - SKT [REDACTED]	[REDACTED]	30	Y	07/19/06
Matthews, Guy - SKT [REDACTED]	[REDACTED]	30	T	09/01/04
McNally, Kelly - SKT [REDACTED]	[REDACTED]	40	I	08/28/02
Moepono, Kaheanani - SKT [REDACTED]	[REDACTED]	30	Y	02/01/06

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Momoa, Ronda - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	I	03/01/01
Nakahashi, Kimberly - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	05/18/01
Nichole, Cherisse - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	03/19/04
Ochoa, Lori - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	I	07/06/05
Palmsira, Christopher - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	10/11/06
Paz, Margaret - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	03/10/04
Peterson, Glenda - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	T	05/28/04
Piligrin, Tracy - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	06/20/07
Rayman, Jesamyn - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	T	03/23/05
Register, Diana - SKT [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	T	02/21/06

Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
[REDACTED]	[REDACTED]			
Richards, Nathaniel - SKT [REDACTED]	[REDACTED]	30	T	10/27/06
Rochman, Lee - SKT [REDACTED]	[REDACTED]	30	I	06/15/06
Rubin, Erin - SKT [REDACTED]	[REDACTED]	30	T	06/29/05
Sakamoto, Lane - SKT [REDACTED]	[REDACTED]	30	Y	03/16/05
Salazar, Fidela - SKT [REDACTED]	[REDACTED]	40	Y	12/05/01
Santella, Linda - SKT [REDACTED]	[REDACTED]	30	T	12/10/01
Seacat, Christian - SKT [REDACTED]	[REDACTED]	30	Y	04/15/04
Shaw, John - SKT [REDACTED]	[REDACTED]	30	I	10/03/06
Skilling-Kean, Roberta - SKT [REDACTED]	[REDACTED]	30	I	11/26/06

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Smith, Curtis - SKT [REDACTED]	(808)572-5146	30	T	03/17/04
Sutton, Lara - SKT [REDACTED]	[REDACTED]	30	T	10/21/04
Taguchi, Kimberly - SKT [REDACTED]	[REDACTED]	30	T	01/17/03
Takakura, Chad - SKT [REDACTED]	[REDACTED]	30	T	04/21/03
Takakura, Patricia - SKT [REDACTED]	[REDACTED]	30	Y	01/05/04
Tano, Joanna - SKT [REDACTED]	[REDACTED]	30	T	07/27/06
Tano, Kawika - SKT [REDACTED]	[REDACTED]	30	T	07/27/06
Theisen, Maribeth - SKT [REDACTED]	[REDACTED]	30	T	11/30/05
Thorngren, Philip - SKT [REDACTED]	(808) [REDACTED] (808) [REDACTED]	30	I	09/11/03

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Honolulu Behavioral Health
Status Report
All SKT Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Van Dyne, Peter - SKT [REDACTED]	[REDACTED]	30	I	07/25/06
Vazquez, Jennifer - SKT [REDACTED]	[REDACTED]	30	I	07/21/03
Waikiki, Nelton - SKT [REDACTED]	(8 [REDACTED]) (8 [REDACTED])	30	I	06/04/04
Walker, Benjamin - SKT [REDACTED]	(8 [REDACTED])	30	T	10/05/05
Wayman, Lisa - SKT [REDACTED]	(8 [REDACTED])	30	T	10/20/04
Weers-Verweij, Christine - SKT [REDACTED]	(8 [REDACTED])	30	Y	12/06/06
Whitford, Malia - SKT [REDACTED]	(8 [REDACTED]) (8 [REDACTED])	30	Y	03/21/07
Willis, Ragnhild - SKT [REDACTED]	(8 [REDACTED])	30	Y	06/15/05
Wong, Nina - SKT [REDACTED]	(8 [REDACTED])	30	Y	12/20/06
Young, Stephanie - SKT [REDACTED]	(8 [REDACTED])	30	Y	07/19/06

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Honolulu Behavioral Health
Status Report
All ISC Employees In Personnel File
Region(s) Selected: --3-----

Name & Address	Phone Numbers	Hrs Des	Active	Date Hired
Colegrova, Colleen - ISC [REDACTED] [REDACTED] 3-	[REDACTED]	30	Y	05/28/03
Coleman, Deborah - ISC [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	I	03/02/05
Cowell, Christina - ISC [REDACTED] [REDACTED]	(8) [REDACTED] [REDACTED]	30	Y	05/28/03
DuRivage, Jeanne - ISC [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	Y	11/16/05
Hokamura, Denise - ISC [REDACTED] [REDACTED]	(8) [REDACTED]	30	Y	02/23/05
Iwankiw, Sally - ISC [REDACTED] [REDACTED]	(8) [REDACTED] [REDACTED]	30	Y	11/06/03
Lowenthal, Dawn - ISC [REDACTED] [REDACTED]	(8) [REDACTED] [REDACTED]	30	I	10/12/05
Wright, Carol - ISC [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	30	I	12/07/05

Employees in this Report: 8

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NP KAUAI DISTRICT

Name	Degree	Experience	Paid?
Acia, Lynnese	AA-Liberal Arts	Nursefinders Skills Trainer 09/2006-Present	Yes
		DOE Educational Assistant 09/2004-2/2005	Yes
		Tiffe Skills Trainer 2/2005-9/2006	Yes
Alkana, Vigil	MA-Social Work	Nursefinders Kauai Skills Trainer 6/2004-present	Yes
		IISC 7/2006-present	Yes
		Hina Mauka Outpatient Counselor 4/2000-11-2000	Yes
		Kahi Mohala Care Coordinator 10/1996-6/1998	Yes
		Hale Opio Family Therapist 4/1993-4/1995	Yes
		Kauai Hospice Client Support 02/2001-present (inactive)	Volunteer
Barnes, Tyler	AA-Liberal Arts	Nursefinders Skills Trainer 5/2007-9/2007	Yes
		HHA/PA 8/2003-9/2007	Yes
		Mastercare PA 12/2005-6/2007	Yes
		Private PA 11/2001-8/2002 & 10/2004-11/2005	Yes
Bator, Bonnie	AA-Liberal Arts AS-Early Childhood Education BS-Communication	Nursefinders Skills Trainer 1/2004-present	Yes
		Shama Kai Child Care 2002-2004	Yes
		HCC-Children's Center Teacher's Aid 8/1999-12/1999	Yes-Stipend

		Malamalama Waldorf School Teacher's Aide 1/2000-5/2000	Yes-Stipend
Biber, Karena	PASSED-Paraprofessional Exam	Nursefinders Skills Trainer 6/2005-present Hale Opio Skills Trainer 07/2001-7/2005	Yes Yes
Foy, Linda	BA-Psychology	Nursefinders Skills Trainer 7/2005-present Personal Care Aide 12/2006-present Hale Opio Skills Trainer 9/2000-7/2005	Yes Yes
Gavin, Ronald "Gabe"	BS-Horticulture	Nursefinders Skills Trainer 9/2006-present Kauai Economic Opportunity Service Coordinator 5/2003-12/2003	Yes Yes
Gilstein, Bryan	BA-Sociology	Nursefinders Skills Trainer 9/2005-present DOE Educational Assistant/Part Time Teacher 10/2005-present Connecting Children and Families Paraprofessional 06/2002-07/2002	Yes Yes Yes
Green, Courtney	BA-Social Science Minor-Psychology	Nursefinders Skills Trainer 9/2006-present New Alternatives Child Care Worker 10/2001-11/2002	Yes Yes
Lum, Cheryl	LSW MA-Social Work BA-Social Work AA-Liberal Arts	Nursefinders Clinical Director IISC Skills Trainer 12/2003-present Dept of Health-DD Division Intake Worker/Case Mngr 1/2000-12/2003 Judiciary Juvenile Probation 1/1998-1/2000 Hale Opio	Yes Yes Yes Yes

		Residential Counselor 8/1996-1/1998	
Martin, Tamra	AA-Liberal Arts	Nursefinders Skills Trainer 8/14/06-present	Yes
Mello, William	PASSED-Paraprofessional Exam	Nursefinders Skills Trainer 7/2006-present Personal Assistant-Certified Nurses Aide 2/2003	Yes
Mello (cont)		ARC of Kauai Personal Assistant 10/2002-2/2003	Yes
		Arc of Hawaii Personal Assistant 9/1998-10-2002	Yes
Norris, Mary	121 Credits toward BA/BS Psychology OK'd by Debbie Farmer	Hale Opio Therapeutic Aid 2/1998-10/2002	Yes
		Hale Opio Skills Trainer 10/2002-2/2004	Yes
Oliver, Kaliki	PASSED-Paraprofessional Exam	Nursefinders Skills Trainer 3/2006-present Personal Assistant-Certified Nurses Aide 12/2004	Yes
Shannon, Georgia	AA-Liberal Arts	Nursefinders Skills Trainer 2/2006-present Personal Assistant 04/2005-present	Yes
		ARC of Maui Personal Assistant 10/2002-12/2002	Yes
Venter, Lachlan "Lucky"	AS-Physical Therapy Assistant	Nursefinders Skills Trainer Personal Assistant 1/2006	Yes
		Dept of Health Physical Therapy Assistant 1/2000-8/2000	Yes
		Lihue Physical Therapy Physical Therapy Technician 10/1999-12/1999	Yes
Wakuta, Deborah	AA-Liberal Arts	Nursefinders Skills Trainer 6/2006-present	Yes
		Dept of Ed. Education Assistant 1998-2006	Yes
		Kamehameha School Paraprofessional 10/1992-8/1999	Yes
Woods, Brian	BS-Business	Nursefinders	Yes

		Skills Trainer 5/2005-9/2007	
		Battle Creek Outdoor Ed. Counselor 9/2003-6/2004	Yes

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Nursefinders Behavioral Health Honolulu Branch

Employee Name	Education Background
Aalona, Luanne	BA
Abrams, Aaron	BA
Afuola, Kalasa	MSCP
Aguilar, Alana	AA
Ahern, Brendan	BA
Ah Yat, Carryn	BA
Alo, Glen	AA
Amore, Brandee	Meets 48 Credit Req.
Antonio, Orlando	BA
Arnold, Nohealani	Meets 48 Credit Req.
Au, Christopher	MA
Baillard, Leon	BA
Bardsley-Marcial, Kevin	BA
Batacan, Roselind	Meets 48 Credit Req.
Baxter, Margaret	Praxis Series Exam
Bazell, Gabriel	Meets 48 Credit Req.
Bey, Mwangi Abaz	Meets 48 Credit Req.
Blackman, Angelica	BA
Boli, Joseph	BA
Bortle, Steven	Meets 48 Credit Req.
Brandon, Nathan	BA
Bungcoyao, Rosemarie	AA
Cabral, Cindy	BA
Caliri, Matt	BA
Carlaga, Jonathan	BA
Cheung, Marissa	Meets 48 Credit Req.
Chong III, Edmond	BS
Chung, Michael	BA
Chun, Vivian	BA
Claudi, Kristin	BA
Cliff, Neta	BS
Croff, Norma	BA
Crowell, Richard	AA
Deeley, Nicholas	BA
Dekine, Shirley	MA
Desselle, Jonathan	BA
DiCarlo, Jaime	BA
Doane, Jonathan	BA
Doane, Micah	BA
Dobson, Pualeiala	BA
Domingo-Guerrero, Kathleen	BA
Duffy, Mollyann	BS
Evonuk, John	BA
Faavae, Henry	AA
Fonoti, June	AA
Francis, Alicia	MA
Frett, Kamuel	BA
Fuller, Richard	BA
Furtado, Jonathan	BA
Galangam, Honeylyne	BA

Nursefinders Behavioral Health Honolulu Branch

Garcia, Holly	BA
Glover, Rochella	CO
Hamel, Margery	MA
Haws, Sarah	MA
Heinrich, Caroline	BA
Hemm, Maile	BA
Henderson, Katrina	BS
Hewahewa, Bradley	AS
Higashi, Teri-Lynn	BA
Hiu, Douglas	Meets 48 Credit Req.
Hooks, Ashley	Meets 48 Credit Req.
Hoomanawanui, Shane	AA
Ili, Robertson	CO
Inocelda, Casey	AA
Iwashita, Ann	MA
Jaimes, Pharrah	AS
Jefferson, Mark	BA
Jimenez, Clyde	Meets 48 Credit Req.
Joyce-Koga, Rosemary	AA
Kamakele, Shalia	BS
Kapiko, Leona	The Praxis Series
Kaulia, Rhesa	LMFT
Kawai, Christl	BA
Kawelo, Jorie	CO
Kellinui, Mary Ellen	BA
Kimura, Andra	CO
Kimura, Blaine	BA
Kinoshita, Kyle	CO
Koko, Maafala	BA
Kubota, Jane	CO
Laakso, Allison	BA
Labrador, Laura	CO
Lee, Jeffrey	AA
Lee, Jerry	AA
Lessary, Christy	BA
Letsinger, Reenikia	AA
Leung, Sung Fat	BA
Lewis, Kira	BA
Lewis, Marlowe	Meets 48 Credit Req.
Leyvas, Anthony	Meets 48 Credit Req.
Lima, Sharon	MA
Lindstrom, Erick	BS
Lopez, Bianca	BA
Lopez, Lori	BA
Lucas, Cornel	BA
Lum, Misha	BA
Lum, Timothy	BA
Maga, Steve	BA
Maier, Justin	BA
Malufau, Feso	BS
Martian, Marissa	AA
Martin, Maya	BA

Nursefinders Behavioral Health Honolulu Branch

Martin, Tamra	CO
Martinez, Carlos	BA
Matutaro, Erbai	BA
McClintock, Mary	BS
McNulty, Jeff	BS
Melahn, Christopher	PH
Miller, Earl	BA
Miine, Mary	BA
Mizumoto, Erin	BA
Molner, Jason	BA
Monje, Monique	AA
Montgomery, Quinn	BS
Moore, Woodrow	AA
Moorhead, Amber	BA
Mora, Giselle	Meets 48 Credit Req.
Mukai, Donna	AA
Nahigan, Diana	BA
Nakagawara, Ross	BA
Nakashima, Ramie	Meets 48 Credit Req.
Nason, Silvester	BA
Natividad, Mefesa	BA
Niupulusu, Crissy	BA
Okano, Mark	BA
Oshiro, Brandon	Meets 48 Credit Req.
Pabo, Juliet	AA
Pagaragan, Manuel	BA
Powell, Christopher	BA
Pulsifer, Benjamin	BA
Quizon, Laurine	BA
Rayburn, Carrie	BA
Rezaghi, Jason	AA
Riley, Ty	BA
Roman, Cassandra	AA
Rosa, Mark	BA
Rrig, Phillip	BA
Ruiz, Grisel	CO
Sado, Colin	BA
Sakamoto, Kristi	LSW
Sakamoto, Melysse	MSFT
Saofaigaalii, Toatuga	BA
Saunders, Lonnie	BA
Schoap, Jennifer	BA
Seigaku, Cherise	BA
Sevaaetai, Kristie	AA
Shiroma, Lisa	BA
Simon, Alenaloa	BA
Silverstein, Cherub	BA
Smith, Jami	BA
Smith, Kawika	BA
Smith, Melinda	AA
Smith, Tameke	BA
Soon, Nohealani	BS

Nursefinders Behavioral Health Honolulu Branch

Stephens, Zachary	BA
Stump, Celeste	MA
Sweeney, Joseph	BA
Tablja, Marc	BA
Takahashi, Melissa	BA
Taylor, Nathan	Meets 48 Credit Req.
Thompson, Kelci	Meets 48 Credit Req.
Thompson, Terrence	Meets 48 Credit Req.
Toilolo, Norcie	BA
Tomita, Jason	Meets 48 Credit Req.
Tsukamoto, Jessica	Meets 48 Credit Req.
Uii, Eveline	Meets 48 Credit Req.
Ushijima, Mark	BA
Uyehara, Joyce	BS
Valencia, Bennett	LSW
Van Aken, Ashley	BA
Vigilimo, Emily	BA
Wallace, Victoria	BA
Walther, Konrad	BA
Wasson, Dollyeanna	BS
White, Tara	BA
Wong, Matthew	BA
Wong, Michelle	Meets 48 Credit Req.
Woods, Dawn	Meets 48 Credit Req.
Worthington, Tevairangi	BA
Wright Jr., Gary	BA
Wright, Jonathan	BA
Xie, Ruo	Meets 48 Credit Req.
Yamaguchi, Aloha	BS
Yamaguchi, Kehaulani	BA
Yeow, Lynette	MA
Yule, Brian	BA

3.1-3.2

CONSOLIDATED FINANCIAL STATEMENTS

Nursefinders, Inc. and Subsidiaries

Operating Period January 2, 2006 through December 31, 2006 /

Nursefinders, Inc. and Subsidiaries

Consolidated Financial Statements

Operating Period January 2, 2006 through December 31, 2006

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Dallas, Texas 75201

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Telex: 8710375
www.ey.com

Report of Independent Auditors

The Stockholder
Nursefinders, Inc.

We have audited the accompanying consolidated balance sheet of Nursefinders, Inc. and subsidiaries (the Company), a Texas corporation and a wholly owned subsidiary of Nursefinders Acquisition Corporation, which is a wholly owned subsidiary of NF Acquisition Corporation, as of December 31, 2006, and the related consolidated statements of operations, stockholder's equity, and cash flows for the operating period January 2, 2006 through December 31, 2006 (the Operating Period). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nursefinders, Inc. and subsidiaries at December 31, 2006, and the consolidated results of their operations and their cash flows for the Operating Period January 2, 2006 through December 31, 2006, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

April 10, 2007

Nursefinders, Inc. and Subsidiaries

Consolidated Balance Sheet

December 31, 2006

Assets**Current assets:**

Cash	\$ 2,863,954
Restricted cash	536,900
Accounts receivable, net	54,854,743
Prepaid expenses and other current assets	4,125,973
Total current assets	62,381,570

Due from NFAC and NAC	3,522,339
Property and equipment, net	4,204,886
Intangible assets, net	16,192,101
Goodwill	125,326,409
Other assets	1,930,981
Total assets	\$ 213,558,286

Liabilities and stockholder's equity**Current liabilities:**

Accounts payable	\$ 3,525,092
Accrued liabilities	35,785,023
Current maturities of long-term debt	4,518,271
Total current liabilities	43,828,386

Long-term debt	92,659,552
Other long-term liabilities	21,424,666
Total liabilities	157,912,604

Commitments and contingencies**Stockholder's equity:**

Common stock, \$0.01 par value, 100,000 shares authorized and 1,000 issued and outstanding	10
Additional capital	59,454,281
Accumulated deficit	(3,808,609)
Total stockholder's equity	55,645,682
Total liabilities and stockholder's equity	\$ 213,558,286

See accompanying notes.

Nursefinders, Inc. and Subsidiaries**Consolidated Statement of Operations**

Operating Period January 2, 2006 through December 31, 2006

Revenue:	
Nurse staffing services	\$ 151,306,370
Patient care nursing services	58,340,027
Allied staffing services	37,101,316
Physician staffing services	25,544,350
Franchise royalties and fees	1,610,879
Total revenue	<u>273,902,942</u>
Operating expenses:	
Cost of services	200,322,917
Selling, general, and administrative	62,471,979
Depreciation and amortization	3,430,905
Total operating expenses	<u>266,225,801</u>
Income from operations	7,677,141
Other expense	371,820
Interest expense	10,892,742
Loss before income taxes	<u>(3,587,421)</u>
Income tax expense	—
Net loss	<u>\$ (3,587,421)</u>

See accompanying notes.

Nursefinders, Inc. and Subsidiaries

Consolidated Statement of Stockholder's Equity

	<u>Common Stock</u>		<u>Additional Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance at January 2, 2006	1,000	\$ 10	\$ 33,021,107	\$ (221,188)	\$ 32,799,929
Capital contribution from NAC in connection with Chub acquisition	-	-	26,217,345	-	26,217,345
Stock-based compensation	-	-	215,829	-	215,829
Net loss	-	-	-	(3,587,421)	(3,587,421)
Balance at December 31, 2006	<u>1,000</u>	<u>\$ 10</u>	<u>\$ 59,454,281</u>	<u>\$ (3,808,609)</u>	<u>\$ 55,645,682</u>

See accompanying notes.

Nursefinders, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Operating Period January 2, 2006 through December 31, 2006

Operating activities	
Net loss	\$ (3,587,421)
Adjustments to reconcile loss to net cash provided by operating activities:	
Depreciation and amortization	3,430,905
Amortization of debt discount	331,044
Amortization of deferred financing costs	2,060,539
Noncash interest expense	1,439,368
Loss on disposal of property and equipment	8,304
Changes in operating assets and liabilities, net of acquisition:	
Restricted cash surrender value of life insurance and deferred compensation plan	(253,252)
Restricted cash collateral on lines of credit	(536,900)
Accounts receivable	(7,874,702)
Prepaid expenses and other current assets	763,242
Other assets and due from NFAC and NAC	(747,725)
Accounts payable and accrued liabilities	3,211,335
Other long-term liabilities	7,878,596
Net cash provided by operating activities	<u>6,123,333</u>
Investing activities	
Purchases of property and equipment	(2,234,558)
Proceeds from sale of equipment	56,626
Payments for NFAC acquisition	(54,630)
Payments for Club Staffing acquisition, net of cash acquired of \$1,499,882	<u>(82,311,686)</u>
Net cash used in investing activities	<u>(84,544,248)</u>
Financing activities	
Contributions from NAC	26,433,174
Proceeds from senior term loans	75,500,000
Payoff of previous senior term loan	(5,437,500)
Payoff of previous senior credit facility	(12,548,096)
Payments on senior term loans	(975,000)
Repayments on senior lines of credit, net	(2,127,323)
Proceeds from subordinated debt	4,500,000
Payments for debt financing	(4,078,319)
Advance to NAC	<u>(165,875)</u>
Net cash provided by financing activities	<u>81,101,061</u>
Net increase in cash	2,680,146
Cash at beginning of operating period	<u>183,808</u>
Cash at end of operating period	<u>\$ 2,863,954</u>
Supplemental disclosures of cash flow information	
Cash paid for interest	<u>\$ 6,089,938</u>

See accompanying notes.

Nursefinders, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2006

1. Organization and Business

Nursefinders, Inc. and subsidiaries (the Company), a Texas corporation, is a wholly owned subsidiary of Nursefinders Acquisition Corporation (NFAC), which is a wholly owned subsidiary of NF Acquisition Corporation (NAC). Effective August 13, 2004, NAC acquired the stock of NFAC. The Company owns 100% of B.C.P., Inc., NF Services, Inc., Linde Healthcare Staffing, Inc. and Jim Kendall & Associates, LLC (collectively Linde) and Staffco Holdings, Inc. The Company's fiscal operating period ends on the Sunday nearest to December 31. The period covered under this report (the Operating Period) is comprised of the period from January 2, 2006 through December 31, 2006.

The Company is a national provider of per diem nurse, allied, and physician (locum tenens) staffing services to hospitals, nursing homes, physician practices, medical clinics, outpatient surgery centers, corporations, insurers, and individuals. The Company also provides home health care services to individuals with acute care illnesses, long-term chronic health conditions, permanent disabilities, terminal illnesses, and post-procedural needs. The Company's home health care services are subject to extensive federal, state, and local laws and regulations. Such laws and regulations include federal Medicare and state licensing requirements, periodic audits by government agencies, and mandatory compliance with federal and state antifraud, antiabuse, and antikick-back statutes and regulations. The Company operates through a network of Company-owned and franchised offices.

Acquisition Activity

Effective June 13, 2006, the Company acquired the stock of Staffco Holdings, Inc. and its wholly owned subsidiary, Club Staffing, Inc. (Club). Club was acquired to expand the Company's staffing market to include allied staffing. The purchase price consisted of \$80,750,000 in cash and approximately \$3,061,000 in direct acquisition expenses. The purchase price was financed principally through the issuance of NAC common and preferred stock and proceeds from the Company's new senior credit facility and amended subordinated debt agreement. The value of the NAC shares issued referenced above was based on amounts received from the issuance of the NAC stock by NAC. The proceeds from the sale of NAC stock were contributed to the Company under push-down accounting and are reflected in additional paid-in capital. The allocation of the purchase price was based on preliminary data and could change when final determination of all liabilities assumed is obtained.

Nursefinders, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Business (continued)

The preliminary allocation of the purchase price is as follows:

Assets acquired:	
Cash	\$ 1,499,882
Accounts receivable	7,120,401
Other tangible assets	1,760,851
Customer list	5,100,000
Trade name	1,400,000
Goodwill	<u>75,626,014</u>
Total assets acquired	92,507,148
 Less liabilities assumed:	
Accounts payable	1,498,914
Long-term deferred tax liabilities	3,630,412
Other liabilities	<u>3,566,254</u>
Total purchase price	<u>\$ 83,811,568</u>

2. Summary of Significant Accounting Policies**Principles of Consolidation**

The consolidated financial statements include the accounts of Nursefinders, Inc. and its wholly owned subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

Recognition of Revenue

Staffing and net patient services revenue are recognized upon the performance of services. Physician placement fee revenue, included in physician staffing services revenue is recognized when employment candidates accept offers of permanent employment. Allowances are established to estimate losses due to a placed candidate not fulfilling the required employment period. The Company recognizes reimbursements received for out-of-pocket expenses incurred as revenue. Revenue also includes royalties and fees for services provided pursuant to the specific terms of franchise agreements.