CROSS COUNTRY HEALTHCARE INC
Form DEF 14A
April 02, 2014

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

CROSS COUNTRY HEALTHCARE, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CROSS COUNTRY HEALTHCARE, INC.
6551 Park of Commerce Boulevard
Boca Raton, Florida 33487

April 2, 2014

Dear Cross Country Healthcare Stockholder:

I invite you to attend our Annual Meeting of Stockholders. The meeting will be held on Tuesday, May 13, 2014 at 11:00 a.m. Eastern Time at the offices of Proskauer Rose LLP at Eleven Times Square, New York, New York 10036-8299.

On the following pages, you will find the Notice of Meeting, which lists the matters to be considered and acted upon at the meeting, and the Proxy Statement. After the formal business session, we will discuss the financial results for 2013 and report on current operations.

Your vote is very important regardless of the number of shares you own. Detailed voting instructions appear on page 1 of the Proxy Statement. The Board of Directors unanimously recommends that you vote FOR Proposals I, II, III and IV described in the Proxy Statement.

Sincerely,

William J. Grubbs
President and Chief Executive Officer

CROSS COUNTRY HEALTHCARE, INC.
6551 Park of Commerce Boulevard
Boca Raton, Florida 33487

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 13, 2014

To the Holders of Common Stock:

The Annual Meeting of Stockholders of Cross Country Healthcare, Inc. (the Company) will be held at the offices of Proskauer Rose LLP at Eleven Times Square, New York, New York 10036-8299 on Tuesday, May 13, 2014, at 11:00 a.m. Eastern Time for the following purposes:

1. The election of six directors to the Company's Board of Directors to hold office until the next Annual Meeting or until their respective successors are duly elected and qualified;
2. To approve the amendment and restatement of the Company's 2007 Stock Incentive Plan (amended and restated effective March 20, 2013), which, if approved, will be renamed the 2014 Omnibus Incentive Plan;
3. The approval and ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014;
4. The non-binding advisory vote to approve compensation of the Company's named executive officers, as described in this proxy statement; and
5. To transact such other business, if any, as may properly come before the meeting or any adjournment thereof.

Stockholders of record at the close of business on March 17, 2014 are entitled to receive notice of, and to vote at, the Annual Meeting.

Important Notice Regarding the Availability of
Proxy Materials for the Annual Meeting of Stockholders
to be Held on May 13, 2014.

The Proxy Statement and the Annual Report to stockholders are available online at our website at http://ir.crosscountryhealthcare.com. We are pleased to take advantage of the Securities and Exchange Commission rules that allow us to furnish these proxy materials and our Annual Report to stockholders on the Internet. We believe that posting these materials on the Internet enables us to provide stockholders with the information that they need more quickly, while lowering our costs of printing and delivery and reducing the environmental impact of our Annual Meeting.

By Order of the Board of Directors,

Susan E. Ball
General Counsel and Secretary

April 2, 2014

YOUR VOTE IS IMPORTANT. ACCORDINGLY, THE COMPANY URGES YOU TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING. STOCKHOLDERS CAN ALSO RETURN THEIR VOTE BY THE INTERNET OR BY PHONE – PLEASE SEE THE PROXY CARD FOR VOTING INSTRUCTIONS.

CROSS COUNTRY HEALTHCARE, INC.
6551 Park of Commerce Boulevard
Boca Raton, Florida 33487

PROXY STATEMENT

GENERAL INFORMATION

These proxy materials are furnished in connection with the solicitation by the Board of Directors of Cross Country Healthcare, Inc. (Cross Country, the Company, our, we, or us), a Delaware corporation, of proxies to be voted at 2014 Annual Meeting of Stockholders (the Annual Meeting), or at any adjournment or postponement thereof.

You are invited to attend our Annual Meeting on Tuesday, May 13, 2014, beginning at 11:00 a.m. Eastern Time at the offices of Proskauer Rose LLP at Eleven Times Square, New York, New York 10036-8299.

Electronic Notice and Mailing. Pursuant to the rules promulgated by the Securities and Exchange Commission, or the Commission, we are making our proxy materials available to you on the Internet. Accordingly, we will mail a Notice of Internet Availability of proxy materials (which we refer to as the Notice of Internet Availability) to the beneficial owners of our common stock, par value $.0001 per share, or Common Stock, on or about April 2, 2014. From the date of the mailing of the Notice of Internet Availability until the conclusion of the Annual Meeting, all beneficial owners will have the ability to access all of the proxy materials at *www.proxyvote.com*. All stockholders will have an opportunity to request a paper or e-mail delivery of these proxy materials.

The Notice of Internet Availability will contain:

- the date, time and location of the Annual Meeting, the matters to be acted upon at the Annual Meeting and the Board of Directors’ recommendation with regard to each matter;
- the Internet address that will enable access to the proxy materials;
- a comprehensive listing of all proxy materials available on the website;
- a toll-free phone number, e-mail address and Internet address for requesting either paper or e-mail delivery of proxy materials;
- the last reasonable date a stockholder can request materials and expect them to be delivered prior to the meeting; and
- instructions on how to access the proxy card.

You may also request a paper or e-mail delivery of the proxy materials on or before the date provided in the Notice of Internet Availability by calling 1-800-579-1639. We will fill your request within three business days. You will also have the option to establish delivery preferences that will be applicable for all your future mailings.

How to Vote. Stockholders of record (that is, stockholders who hold their shares in their own name) can vote any one of four ways:

(1) *By Internet*: Go to the website *www.proxyvote.com* to vote via the Internet. You will need to follow the instructions on your proxy card and the website. If you vote via the Internet, you may incur telephone and Internet access charges.
(2) *By Telephone*: Call the toll-free number 1-800-690-6903 to vote by telephone. You will need to follow the instructions on your proxy card and the recorded instructions.
(3) *By Mail*: If you prefer, you can contact us to obtain copies of all proxy materials, including proxy cards, by calling 1-800-579-1639, or by mail: Cross Country Healthcare, Inc., General Counsel, at 6551 Park of Commerce Blvd., Boca Raton, Florida, 33487. If you contact us to request a proxy card, please mark, sign

and date the proxy card and return it promptly in the self-addressed, stamped envelope, that we will provide. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

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(4) *In Person*: You can attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote by ballot. Record holders and other beneficial owners holding shares in the name of a bank, broker or other holder of record (street name) or their proxies may attend the Annual Meeting in person. When you arrive at the Annual Meeting, you must present photo identification, such as a driver's license.

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies to vote in the same manner as if you signed, dated and returned your proxy card. **If you vote via the Internet or by telephone, do not mail a proxy card.**

If your shares are held in street name you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Internet and telephone voting also will be offered to stockholders owning shares through most banks and brokers.

Stockholders Entitled to Vote. Persons holding shares of our Common Stock at the close of business on March 17, 2014, the record date for the Annual Meeting, are entitled to receive notice of and to vote their shares at the Annual Meeting. As of that date, there were 31,101,179 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

Revocability of Proxies. You may revoke your proxy and reclaim your right to vote up to and including the day of the Annual Meeting by giving written notice of revocation to us (to the attention of the Inspectors of Election), timely delivering a valid, later-dated proxy or voting by ballot at the Annual Meeting. Please note that attendance at the Annual Meeting will not by itself revoke a proxy.

Vote at the Annual Meeting. Your mail-in vote, your e-vote or vote by telephone will not limit your right to vote at the Annual Meeting if you later decide to attend in person. If your shares are held in street name, as described above, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign and return your proxy card, or vote by internet or telephone but fail to give voting instructions, the shares represented by the proxy will be voted by the Proxy Committee as recommended by the Board of Directors. The Proxy Committee consists of William J. Grubbs and Thomas C. Dircks.

Other Matters. Proxy cards, unless otherwise indicated by the stockholder, confer upon the Proxy Committee discretionary authority to vote all shares of stock represented by the proxies on any matter which may be properly presented for action at the Annual Meeting even if not covered herein. If any of the nominees for director named in Proposal I—Election of Directors should be unavailable for election, the proxies will be voted for the election of such other person as may be recommended by the Board of Directors in place of such nominee. The Board of Directors is not aware of any matter for action by the stockholders at the Annual Meeting other than the matters described in the Notice.

Quorum. The presence, in person or by proxy, of the holders of a majority of the shares of Common Stock issued and outstanding entitled to vote at the Annual Meeting is required to constitute a quorum. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business.

Required Vote; Abstentions and Broker Non-Votes. Directors will be elected by a majority of the votes cast at the Annual Meeting in an uncontested election. Votes withheld, abstentions and broker non-votes will not have any effect on the outcome of voting with respect to the election of directors, unless no affirmative votes are received for a nominee. The affirmative vote of holders of a majority of shares represented at the Annual Meeting, in person or by proxy and entitled to vote is required for approval of the amendment and restatement of the Company’s 2007 Stock Incentive Plan (amended and restated effective March 20, 2013), which, if approved, will be renamed the 2014 Omnibus Incentive Plan, to approve the non-binding vote regarding the compensation of the Company’s named executive officers as described in this proxy statement, and ratification of the Audit Committee selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014. Abstentions have the same effect as a vote against any proposal. Broker non-votes are deemed not entitled to vote and are not counted as votes for or against any proposal.

Proxy Solicitation. We will bear the cost of solicitation, including the preparation, assembly, printing and mailing of the proxy materials. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, we may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, telegram or other means by our directors, officers or employees. No additional compensation will be paid to these individuals for any such services. Except as described above, we do not presently intend to solicit proxies other than by mail.

Stockholder Communications. The Board of Directors has adopted a process by which stockholders may communicate with our directors. Any stockholder wishing to do so may call our toll-free phone number at 800-354-7197 or send an e-mail to *governance@crosscountryhealthcare.com*. All such communications will be kept confidential and forwarded directly to the Board of Directors or any individual director or committee of the Board of Directors, as applicable.

Code of Ethics and Business Ethics Policy. We have adopted a code of ethics and a business ethics policy that applies to all of our employees, including executive officers and the Board of Directors. The code of ethics and business ethics policy are available on our website at *www.crosscountryhealthcare.com* under Investor Relations and the code of ethics has been filed with the Commission as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2004 (filed as Exhibit 14.1 on March 16, 2005), and incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2013, or 2013 Form 10-K.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of March 17, 2014, regarding the beneficial ownership of our Common Stock by each person who is known by us to be the beneficial owner of 5% or more of our Common Stock, our Chief Executive Officer, Chief Financial Officer and the three most highly compensated persons (other than the CEO and CFO) who were serving as executive officers at December 31, 2013 (referred to herein as Named Executive Officers, or the NEOs), each of our directors and director nominees, and all directors and executive officers as a group. The percentages in the last column are based on 31,101,179 shares of Common Stock outstanding on March 17, 2014, plus the number of shares of Common Stock deemed to be beneficially owned by such individual or group pursuant to Rule 13d-3(d)(1) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. In each case, except as otherwise indicated in the footnotes to the table, the shares shown in the second column are owned directly by the individual or members of the group named in the first column and such individual or group members have sole voting and dispositive power with respect to the shares shown. For purposes of this table, beneficial ownership is determined in accordance with federal securities laws and regulations. Persons shown in the table disclaim beneficial ownership of all securities not held by such persons directly and inclusion in the table of shares not owned directly by such persons does not constitute an admission that such shares are beneficially owned by the director or officer for purposes of Section 16 of the Exchange Act or any other purpose. Shares of Common Stock subject to options that are currently exercisable or exercisable within 60 days of March 17, 2014 are deemed outstanding for computing the ownership percentage of the stockholder holding such options, but are not deemed outstanding for computing the ownership percentage of any other stockholder.

Name	Number of Shares of Common Stock Beneficially Owned		Percentage of Outstanding Common Stock Owned	
BlackRock, Inc.	3,696,055(a	)(b)	11.7	%
Wells Fargo & Company	3,122,381(a	)(c)	9.9	%
Dimensional Fund Advisors LP	2,549,182(a	)(d)	8.1	%
Skyline Asset Management, L.P.	1,639,464(a	)(e)	5.2	%
Eagle Boston Investment Management, Inc.	1,127,948(a	)(f)	3.6	%
Vickie Anenberg	229,742(g	)(h)		*
Susan E. Ball	177,917(g	)(h)		*
Joseph A Boshart	646,910(g	)(h)	2.1	%
W. Larry Cash	77,189(g	)(h)		*
Deborah A. Dean	22,500(g	)(h)		*
Thomas C. Dircks	23,200(g	)(h)		*
Gale Fitzgerald	50,189(g	)(h)		*
William J. Grubbs	69,229(g	)(h)		*
Emil Hensel	470,522(g	)(h)(i)	1.5	%
Richard M. Mastaler	30,562(g	)(h)		*
Joseph A. Trunfio PhD	62,189(g	)(h)		*
All directors and executive officers as a group	1,933,639(j	)	6.1	%

* Less than 1%

(a) Addresses are as follows: BlackRock, Inc., 40 East 52nd Street, New York, NY 10022; Wells Fargo & Company, 420 Montgomery Street, San Francisco, CA 94104; Dimensional Fund Advisors LP, Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746; Eagle Boston Investment Management, Inc., 800 Carillon Parkway, St. Petersburg, FL 33716; Skyline Asset Management, L.P., 120 South LaSalle Street, Suite 1320, Chicago, IL 60603; Third Avenue Management LLC, 622 Third Avenue, 32nd Floor, New York, New York 10017; and Royce & Associates, LLC, 745 Fifth Avenue, New York, NY 10151.

(b) The information regarding the beneficial ownership of shares by BlackRock, Inc. was obtained from its statement on Schedule 13G, filed with the Commission on January 10, 2014. Such statement discloses that BlackRock, Inc. possesses sole voting power over 3,655,647 shares and sole dispositive power over 3,696,055 shares.

(c) The information regarding the beneficial ownership of shares by Wells Fargo & Company was obtained from its statement on Schedule 13G, filed with the Commission on January 28, 2014. Such statement discloses that Wells Fargo & Company possesses shared dispositive power over 3,122,381 shares and shared voting power over 3,122,171 shares.

(d) The information regarding the beneficial ownership of shares by advisory clients of Dimensional Fund Advisors LP was obtained from its statement on Schedule 13G, filed with the Commission on February 10, 2014. In its role as investment advisor or manager, Dimensional Fund Advisors LP possesses sole investment and/or voting power over 2,477,816 shares and sole dispositive power over 2,549,182 shares.

(e) The information regarding the beneficial ownership of shares by Skyline Asset Management, L.P was obtained from its statement on Schedule 13G, filed with the Commission on February 14, 2014. Such statement discloses that Skyline Asset Management, L.P. possesses sole dispositive and voting power over 1,639,464 shares.

(f) The information regarding the beneficial ownership of shares by Eagle Boston Investment Management, Inc. was obtained from its statement on Schedule 13F, filed with the Commission on March 11, 2014. Such statement discloses that Eagle Boston Investment Management, Inc. possesses sole dispositive and voting power over 1,127,948 shares.

(g) Includes shares of Common Stock which such individuals have the right to acquire through the exercise of stock options within 60 days of March 17, 2014 as follows: Vickie Anenberg, 104,821; Susan E. Ball, 80,442; Joseph A Boshart, 166,749; W. Larry Cash, 15,000; Deborah Dean, 0; Thomas C. Dircks, 0; Gale Fitzgerald, 0; William J. Grubbs, 12,500; Emil Hensel, 157,637; Richard M. Mastaler, 0; Joseph A. Trunfio, 13,000. Includes Restricted Shares as follows: Vickie Anenberg, 60,250; Susan E. Ball, 54,750; Joseph A Boshart, 0; W. Larry Cash, 25,435; Deborah A. Dean, 22,500; Thomas C. Dircks, 20,039; Gale Fitzgerald, 25,435; William J. Grubbs, 35,047; Emil Hensel, 63,750; Richard M. Mastaler, 23,720; and Joseph A. Trunfio, 25,435.

(h) Address is c/o Cross Country Healthcare, Inc., 6551 Park of Commerce Boulevard, Boca Raton, Florida 33487.

(i) Mr. Hensel holds 144,073 shares directly, his wife holds 168,812 shares.

(j) Includes 567,649 shares of Common Stock which the directors and executive officers have the right to acquire through the exercise of stock options within 60 days of March 17, 2014 and 404,361 restricted shares.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The members of our Board of Directors, our executive officers and persons beneficially owning 10% or more of our outstanding Common Stock are subject to the reporting requirements of Section 16(a) of the Exchange Act that requires them to file reports with respect to their ownership of our Common Stock and their transactions in such Common Stock. Based solely upon a review of (i) the copies of Section 16(a) reports that we have received from such persons or entities for transactions in our Common Stock and their Common Stock holdings for the year ended December 31, 2013 and (ii) the written representations received from one or more of such persons or entities that no annual Form 5 reports were required to be filed by them for such fiscal year, we believe that all reporting requirements under Section 16(a) for such fiscal year were met in a timely manner by our directors, executive officers and beneficial owners of 10% or more of our Common Stock, except that Daniele Addis, Senior Vice President, Business Services, Deborah Dean, Senior Vice President, Sales and Marketing, and Paul Tymchuk, Chief Information Officer, each inadvertently failed to timely file a Form 3 with the Commission. Such Form 3s were subsequently filed with the Commission.

PROPOSAL I
ELECTION OF DIRECTORS

The Board of Directors currently consists of six members. All of the directors currently serving on the Board of Directors have been nominated by the Governance and Nominating Committee of the Board of Directors to stand for re-election at the Annual Meeting of Stockholders for one-year terms. The Board of Directors unanimously approved these nominations. Each nominee elected will hold office until the Annual Meeting of Stockholders to be held in 2015 and until a successor has been duly elected and qualified unless, prior to such meeting a director shall resign, or his or her directorship shall become vacant due to his or her death, resignation or removal. All nominees were elected at the Annual Meeting of stockholders held in 2013.

Each nominee has agreed to serve, if elected, and management has no reason to believe that they will be unavailable to serve. If any of the nominees should be unavailable for election, the proxies will be voted for the election of such other person as may be recommended by the Board of Directors in place of such nominee. Shares represented by proxies that are returned properly signed will be voted FOR the nominees unless the stockholder indicates on the proxy that authority to vote the shares is withheld for one or more or for all of the nominees listed. A proxy cannot be voted for a greater number of persons than the six nominees named below. Directors are elected by a majority of the votes cast in an uncontested election. Votes withheld, abstentions and broker non-votes will not have any effect on the outcome of voting with respect to the election of directors, unless no affirmative votes are received for a nominee. The following six individuals have been nominated for election at the Annual Meeting of Stockholders for a one-year term ending upon the 2015 Annual Meeting of Stockholders:

Name	**Age**	**Position**
William J. Grubbs	56	President, Chief Executive Officer and Director
W. Larry Cash	65	Director
Thomas C. Dircks	56	Chairman of the Board and Director
Gale Fitzgerald	63	Director
Richard M. Mastaler	68	Director
Joseph A. Trunfio, PhD	67	Director

The Board recommends that holders vote FOR the election of the nominees.

In selecting qualified individuals to serve on our Board of Directors, among other attributes, we look for those individuals who possess characteristics that include integrity, business experience, financial acumen and leadership abilities, familiarity with our business and businesses similar or analogous to ours, and the extent to which a candidate’s knowledge, skills, background and experience are already represented by other members of our Board of Directors. In addition, in composing a well-rounded Board of Directors, we look for those individuals possessing a diversity of complementary skills, core-competencies and expertise, including diversity with respect to age, gender, national origin and race, for the optimal functioning of the Board and with a view toward constituting a Board with the appropriate skills and experience necessary to oversee our business.

The following information sets forth the principal occupation and employment during at least the past five years of each director nominee, positions and offices with us, specific skills, attributes and qualifications and certain other information. In addition, we have summarized for each director nominee why such director nominee has been chosen to serve on our Board of Directors. No family relationship exists among any of the nominees or executive officers.

William J. Grubbs became President, Chief Operating Officer and a director of the Company on April 1, 2013. He became Chief Executive Officer of the Company on July 5, 2013. From October 2012 through March 2013, Mr.

Grubbs was Executive Vice President and Chief Operating Officer of Trueblue, Inc., a staffing company. From 2005 through 2011, Mr. Grubbs held various senior executive positions with SFN Group, Inc., a staffing company formerly known as Spherion Corporation. Mr. Grubbs holds a B.S. degree in Computer Science from University of New Hampshire. He is currently on the board of Diversant, LLC.

The Board has concluded that Mr. Grubbs should serve as a director due to his extensive executive level management skills and operational experience.

W. Larry Cash has been a director and Audit Committee member since October 2001 and a Compensation Committee member since May 2006. He is currently President of Financial Services and Chief Financial Officer of Community Health Systems. He joined Community Health Systems as Vice President and Chief Financial Officer in September 1997 and was named to the board of directors of Community Health Systems in 2001. Prior to joining Community Health Systems, Mr. Cash served as Vice President and Group Chief Financial Officer of Columbia/HCA Healthcare Corporation from September 1996 to August 1997. Prior to Columbia/HCA, Mr. Cash spent 23 years at Humana, Inc., most recently as Senior Vice President of Finance and Operations from 1993 to 1996. He received his B.S. in Accounting from the University of Kentucky at Lexington.

For ten consecutive years, Mr. Cash has been recognized as one of the top three chief financial officers in the healthcare sector by Institutional Investor magazine. He was named Business Tennessee's first ever CFO of the Year in 2008 and also earned that distinction in the public companies category from the Nashville Business Journal in 2009.

The Board has concluded that Mr. Cash should serve as a director due to his extensive executive level management skills, corporate financial management and operational experience. Additionally, Mr. Cash has a vast understanding of many aspects of the healthcare industry and brings solid expertise and proven leadership skills to the Board.

Thomas C. Dircks has been a director since July 1999 and was elected to serve as Chairman of the Board of Directors on August 2, 2013. Mr. Dircks served as a member of the Compensation Committee from October 2001 through December 2013, and a member of the Governance and Nominating Committee from March 2004 through December 31, 2013. Mr. Dircks has been Managing Partner of Charterhouse Group, Inc., a private equity firm (Charterhouse) since June 2002. Mr. Dircks served as President of Charterhouse from June 2001 until June 2002 and served as Executive Vice President of Charterhouse from July 2000 until June 2001. He has been employed as an executive officer of Charterhouse since 1983. He was previously employed as a Certified Public Accountant at a predecessor of PricewaterhouseCoopers, LLP. He holds a B.S. in Accounting and a Masters of Business Administration from Fordham University.

The Board has concluded that Mr. Dircks should serve as a director due to his extensive executive management, accounting, tax and strategic planning expertise. Additionally, Mr. Dircks’ risk management skills and financial acumen add an important dimension to our Board’s composition.

Gale Fitzgerald has been a director and member of the Audit Committee since May 2007, and since January 2014 has served as the Chairperson of the Governance and Nominating Committee. Ms. Fitzgerald is a retired principal of TranSpend, Inc., a consulting company. Before co-founding TranSpend, Inc. in 2003, she served as the President of QP Group, Inc. Prior to joining QP Group, Inc., she served as the Chairman and Chief Executive Officer of Computer Task Group, Inc. from 1994 to 2000. She joined Computer Task Group, Inc. in 1991 as Senior Vice President and was promoted to President and Chief Operating Officer in July 1993. Prior to joining Computer Task Group, Inc., she was Vice President, Professional Services at International Business Machines Corporation, which evolved into IBM Global Services. Ms. Fitzgerald worked at IBM for 18 years in various technical, marketing and management positions. She is currently on the Boards of Health Net, Inc. and Diebold, Inc. Ms. Fitzgerald has a B.A. in Government from Connecticut College and a Masters in Theology from Augustine Institute in Denver, Colorado.

The Board has concluded that Ms. Fitzgerald should serve as a director because of her extensive executive leadership experience and management skills. Ms. Fitzgerald’s expertise provides an invaluable resource to the Board with respect to corporate and strategic planning and assessing and managing risks.

Richard M. Mastaler has been a director since June 21, 2011. Mr. Mastaler has served on the Audit Committee and Governance and Nominating Committee since January 2014. Mr. Mastaler is the Chairman and Chief Executive Officer of Managed Health Venture, Inc., a managed care consulting firm, which he founded in 2002. He previously held executive-level positions with CCN Managed Care, Inc., Magellan Health Services, Inc., Preferred Health Networks, QualMed, Inc., Humana Medical Plan, Unilab Corporation, and three Humana hospitals. He also is a Fellow of the American College of Healthcare Executives. Mr. Mastaler currently serves on the Advisory Counsel of the University of California San Diego. Mr. Mastaler holds a Bachelor of Science degree in Business Administration from Florida State University and a Master’s degree in Healthcare Administration from George Washington University.

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The Board has concluded that Mr. Mastaler should serve as a director because of his extensive healthcare and management experience. Mr. Mastaler's experience in the healthcare industry provides an excellent resource to the Board for strategic planning and leadership purposes.

Joseph A. Trunfio, PhD has been a director since October 2001. He has served on the Governance and Nominating Committee since May 2006 and was appointed to the Compensation Committee as its Chairman, effective January 1, 2014. Mr. Trunfio served on the Audit Committee from October 2001 until December 2013. He has served as President and Chief Executive Officer of Atlantic Health System, a not-for-profit hospital group, since March 1999, where he is a member of the Board of Trustees. From July 1997 to February 1999, Mr. Trunfio served as President and Chief Executive Officer of Via Caritas Health System, a not-for-profit hospital group. Prior to his position with Via Caritas Health System, he served as President and Chief Executive Officer of SSM Healthcare Ministry Corp., a not-for-profit hospital group. Mr. Trunfio received his B.A. from St. John's University (N.Y.) and holds a Ph.D. in Clinical Psychology from the University of Miami.

The Board has concluded that Mr. Trunfio should serve as a director due to his extensive executive management and leadership experience. Mr. Trunfio brings to the Board a depth of understanding of our business and the various challenges we face in the current economic environment.

Affirmative Determinations Regarding Director Independence and Other Matters

The Board of Directors observes all criteria for independence established by the Nasdaq Stock Market, or Nasdaq, under its applicable Listing Rules. As such, the Board of Directors has determined each of the following directors and nominees to be an independent director under the meaning of Rule 5605(a) (2) of the Nasdaq Listing Rules:

W. Larry Cash
Thomas C. Dircks
Gale Fitzgerald
Richard M. Mastaler
Joseph A. Trunfio, PhD

The Board of Directors has also determined that each member of the Audit, Compensation and Governance and Nominating Committees meets the applicable independence requirements set forth by Nasdaq, the Commission and the Internal Revenue Service. The Board of Directors has further determined that W. Larry Cash, a member and Chairman of the Audit Committee, is an audit committee financial expert as defined in the rules promulgated by the Commission and, as such, Mr. Cash satisfies the requirements of Rule 5605(c)(2) of the Nasdaq Listing Rules.

Board Committees and Meetings

Meetings of the Board of Directors. During the year ended December 31, 2013, there were 11 meetings of the Board of Directors. Each director who served in such capacity during the year ended December 31, 2013 attended at least 90% of the aggregate number of meetings of the Board of Directors and of the committee or committees thereof on which he or she served. All of the directors nominated for election to the Board except Mr. Grubbs were members of the Board for the entire 2013 year. It is the practice of the Board of Directors to have the independent directors meet in an executive session at each meeting of the Board. It is also our practice that all directors should attend the Annual Meeting of Stockholders. All of the then directors attended the 2013 Annual Meeting.

Board Leadership Structure and Role in Risk Oversight

Our Company is led by Mr. William J. Grubbs, who has served as our President and Chief Executive Officer since July 5, 2013. Our Board of Directors is comprised of Mr. Grubbs, our Chief Executive Officer, and five independent directors. Each of our Audit, Compensation and Governance and Nominating Committees are comprised entirely of independent directors. In accordance with our by-laws, our Board of Directors has authority to, among other things, appoint a Chairman. After evaluating the structure of the Board and its Committees and the skillsets of its members, the Board of Directors voted on November 5, 2013 to reorganize its Committees and unanimously elected Mr. Dircks as Chairman of the Company.

While risk management is primarily the responsibility of our management team, the Board is responsible for the overall supervision of our risk management activities which occurs at both the full Board level and at the committee level. Our Audit Committee also has the responsibility to, among other things, review with management, the Company's policies regarding major financial risk exposures and the steps management has taken to monitor and control such exposures. The Audit Committee also reviews with management, the policies governing the process by which risk assessment and risk management are undertaken and has oversight for the effectiveness of management's enterprise risk management process that monitors key business risks facing us. In addition to our Audit Committee, the other committees of the Board consider the risks within their areas of responsibility. For example, the Compensation Committee assesses risk that could result from the structure and design of our executive compensation programs, our incentive compensation plans, director compensation, perquisites and compliance with the Sarbanes-Oxley Act of 2002 regarding prohibitions on loans to executive officers and directors. The Governance and Nominating Committee evaluates risks with respect to succession planning, corporate governance matters and the background and suitability of director nominees. Additionally, the Board of Directors continually evaluates our risks related to liquidity, operations, credit, regulatory compliance and fiduciary risks, and the processes in place to monitor and control such exposures. Management also provides regular updates throughout the year to the respective committees regarding management of the risks they oversee, and each of these committees report their findings to the full Board, including any areas of risk that require Board attention. Additionally, the full Board reviews our short- and long-term strategies, including consideration of risks facing us and their potential impact.

The Board of Directors has determined that our current board leadership structure is appropriate and helps to ensure proper risk oversight for us for a number of reasons, the most significant of which are as follows:

- our Chief Executive Officer is the individual selected by the Board of Directors to manage us on a day-to-day basis and his direct involvement in our operations makes him best positioned to consult with our Board to create appropriate agendas for Board meetings and determine the time allocated to each agenda item in discussions of our short- and long-term objectives, as well as lead productive strategic planning sessions with the Board;
- Members of the Board are kept informed of our business by various documents sent to them before each meeting and as otherwise requested, as well as through oral reports made to them during these meetings by our Chief Executive Officer, Chief Financial Officer and other senior executives;
- our Board structure provides strong oversight by independent directors, in particular because non-management directors meet separately, the Board is advised of all actions taken by the various committees of the Board, they have full access to all of our books, records and reports and members of management are available at all times to answer their questions;
- our Board has extensive management experience in business and particularly the healthcare industry; and
- the continuity and tenure of our Board provide a valuable source of institutional knowledge regarding our evaluation and current makeup.

Committees of the Board of Directors. Our Board of Directors has three standing committees: Audit, Compensation and Governance and Nominating Committees. Each of these committees is comprised solely of independent directors within the meaning of Rule 5605(a) (2) of the Nasdaq Listing Rules. Each committee operates pursuant to a committee charter. The charters of each of the Audit, Compensation and Governance and Nominating Committees are available on our website at www.crosscountryhealthcare.com by choosing the Investor Relations link, clicking on the Corporate Governance section and selecting the respective charter under View.

The current composition of our Board's standing committees is as follows:

Audit Committee

The Audit Committee consists of Messrs. Cash and Mastaler and Ms. Fitzgerald. Mr. Cash joined the Audit Committee upon his appointment to the Board in October 2001; Ms. Fitzgerald joined the Audit Committee upon her appointment to the Board in May 2007; and Mr. Mastaler was appointed to serve on the Audit Committee, effective

January 1, 2014. Mr. Cash is the Chairman of the Audit Committee. Messrs. Cash and Mastaler and Ms. Fitzgerald are independent directors under the Commission's rules and Nasdaq's Listing Rules for Audit Committees. The Audit Committee has adopted a written charter, which is available on our website as described under Committees of the Board of Directors. The Audit Committee is the principal agent of the Board of

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Directors in overseeing (i) the quality and integrity of our financial statements, (ii) legal and regulatory compliance, (iii) the independence, qualifications, and performance of our independent registered public accounting firm, (iv) the performance of our internal auditors and (v) the integrity of management and the quality and adequacy of disclosures to stockholders. The Committee also:

- is solely responsible for hiring and terminating our independent registered public accounting firm and pre-approving all auditing, as well as any audit-related, tax advisory and any other non-auditing services to be performed by the independent registered public accounting firm;
- reviews and discusses with our independent registered public accounting firm their quality control procedures and our critical accounting policies and practices;
- regularly reviews the scope and results of audits performed by our independent registered public accounting firm and internal auditors;
- meets with management to review the adequacy of our internal control framework and our financial, accounting, and reporting and disclosure control processes;
- reviews our periodic filings and quarterly earnings releases;
- reviews and discusses with our chief executive and financial officers the procedures they follow to complete their certifications in connection with our periodic filings with the Commission; and
- discusses management's plans with respect to our major financial risk exposures.

During 2013, there were 5 meetings of the Audit Committee. The Audit Committee regularly meets with our independent registered public accounting firm separate from management and regularly holds executive sessions without management.

The Board has determined that each member of the Audit Committee is able to read and understand fundamental financial statements, including our balance sheet, income statement and cash flow statement, as required by Nasdaq rules. In addition to determining that Mr. Cash is an audit committee financial expert under the Commission's rules, the Board has determined that Mr. Cash satisfies the Nasdaq rule requiring that at least one member of the Audit Committee have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, including being, or having been, a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Compensation Committee

The Compensation Committee oversees the compensation of our executives, our executive management structure, the compensation related policies and programs involving our executive management and the level of benefits of officers and key employees. The members of the Compensation Committee consist of Messrs. Trunfio and Cash who are both independent directors under Rule 5605(a) (2) of the Nasdaq Listing Rules. Mr. Cash joined the Compensation Committee upon his appointment to the Board in October 2001; Mr. Dircks served on the Compensation Committee from October 2001 through December 2013; and Mr. Trunfio was appointed to the Compensation Committee as its Chairman, effective January 1, 2014. During 2013, there were 3 meetings of the Compensation Committee. The Compensation Committee has adopted a written charter, which is available on our website as described under Committees of the Board of Directors.

The agenda for meetings of the Compensation Committee is determined by its Chairman with the assistance of our Chief Executive Officer. Compensation Committee meetings are regularly attended by our Chief Executive Officer, except for portions of the meetings with respect to voting or deliberation. The Compensation Committee's Chairman reports the Committee's recommendations on executive compensation to the Board of Directors.

The Compensation Committee has the authority under its charter to retain, approve fees for and terminate advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities.

Governance and Nominating Committee

The role of the Governance and Nominating Committee is to: (i) develop and recommend to the Board of Directors a set of corporate governance principles and review them at least annually; (ii) determine the

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qualifications for board membership and recommend nominees to the stockholders; and (iii) ensure a robust and effective performance evaluation process is in place for the Board, the CEO, and senior management, as well as an effective succession planning process for these positions.

The Amended and Restated Charter of the Governance and Nominating Committee is available on our website as described under Committees of the Board of Directors. Our Governance Guidelines are also available on our website at www.crosscountryhealthcare.com by choosing the Investor Relations link, clicking on the Governance Documents section and selecting the guidelines under View. The Governance and Nominating Committee consists of Ms. Fitzgerald and Messrs. Trunfio and Mastaler, who are all independent directors under Rule 5605(a) (2) of the Nasdaq Listing Rules. Mr. Dircks served on the Governance and Nominating Committee from October 2001 through December 2013. Ms. Fitzgerald was appointed to the Governance and Nominating Committee as its Chairman, effective January 1, 2014; Mr. Trunfio has served on the Committee since October 2001; and Mr. Mastaler was appointed to the Committee, effective January 1, 2014.

The Board's current policy with regard to the consideration of director candidates recommended by stockholders is that the Governance and Nominating Committee will review and consider any director candidates who have been recommended by stockholders in compliance with the procedures established from time to time by the Board (the current procedures are described below), and conduct inquiries as it deems appropriate. The Governance and Nominating Committee will consider for nomination any such proposed director candidate who is deemed qualified by the Governance and Nominating Committee in light of the minimum qualifications and other criteria for Board membership approved by the Board from time to time. To date, we have not received any recommendation from stockholders requesting that the Governance and Nominating Committee consider a candidate for inclusion among the Governance and Nominating Committee's slate of nominees in our Proxy Statement.

Certain identification and disclosure rules apply to director candidate proposals submitted to the Governance and Nominating Committee by any single stockholder or group of stockholders that has beneficially owned more than five percent of Common Stock for at least one year, referred to as a Qualified Stockholder Proposal. If the Governance and Nominating Committee receives a Qualified Stockholder Proposal with the necessary notice, information and consent provisions as referenced above, the proxy statement to which the Qualified Stock Proposal referred will disclose the name of the proposed candidate and the stockholder (or stockholder group) who recommended the candidate and will also disclose whether or not the Governance and Nominating Committee chose to nominate the proposed candidate. However, no such disclosure will be made without the written consent of both the stockholder (or stockholder group) and the proposed candidate to be so identified. The procedures described in this paragraph are not meant to replace or limit stockholders' general nomination rights in any way.

In considering director nominees, the Nominating Committee will consider the following:

- the needs of the Company with respect to particular areas of specialized knowledge;
- the relevant business experience of the nominee including any experience in healthcare, business, finance, accounting, administration or public service;
- the personal and professional integrity of the nominee;
- the nominee's ability to commit the resources necessary to be an effective director of a public company, including the nominee's ability to attend meetings; and
- the overall balance of the Board.

Other than the foregoing, there are no stated minimum criteria for nominees, although the Governance and Nominating Committee may also consider other facts as it may deem are in the best interests of the Company and its stockholders.

All stockholder recommendations for director candidates must be submitted to our legal department at 6551 Park of Commerce Blvd., Boca Raton, Florida, 33487, who will forward all recommendations to the Governance and Nominating Committee. All stockholder recommendations for director candidates must be submitted to us not less than 120 calendar days prior to the first anniversary of the date of our proxy statement released to stockholders in connection with the previous year's Annual Meeting. All stockholder recommendations for director candidates must include the following information:

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- The name and address of record of the stockholder;
- A representation that the stockholder is a record holder of our securities or, if the stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b) (2) of the Exchange Act;
- The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed director candidate;
- A description of the qualifications and background of the proposed director candidate that addresses the minimum qualifications and other criteria for Board membership approved by the Board from time to time;
- A description of all arrangements or understandings between any stockholder and the proposed director candidate;
- The consent of the proposed director candidate (i) to be named in the proxy statement relating to our Annual Meeting of Stockholders and (ii) to serve as a director if elected at such Annual Meeting; and
- Any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the Commission.

There have been no changes to the procedures by which stockholders may recommend nominees to our Board of Directors since our last disclosure of such procedures, which appeared in the definitive proxy statement for our 2013 Annual Meeting of Stockholders.

The Governance and Nominating Committee is responsible for identifying and evaluating individuals qualified to become Board members, including nominees recommended by stockholders, and recommending to the Board the persons to be nominated by the Board for election as directors at the Annual Meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. Director nominees are selected by the Governance and Nominating Committee in accordance with the policies and principles in its charter and the criteria set forth above. There are no differences in the manner in which the Governance and Nominating Committee evaluates director nominees recommended by stockholders and a candidate that has been initially recommended by the Governance and Nominating Committee. The Nominating Committee has the authority to retain a search firm to identify or evaluate or assist in identifying and evaluating potential nominees.

During 2013, there was one meeting of the Governance and Nominating Committee.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee are Messrs. Trunfio and Cash. During 2013:

- no officer (or former officer) or employee of the Company or any of its subsidiaries served as a member of the Compensation Committee;
- none of the members of the Compensation Committee had a direct or indirect material interest in any transaction in which the Company was a participant and the amount involved exceeded $200,000, except that (i) W. Larry Cash is the Executive Vice President and Chief Financial Officer of Community Health Systems and, during our fiscal year ended December 31, 2013, we provided healthcare staffing services to Community Health Systems resulting in revenues to us of $584,418; and (ii) Mr. Trunfio is the President and Chief Executive Officer of Atlantic Health System and, during our fiscal year ended December 31, 2013, we provided healthcare staffing services to Atlantic Health System resulting in revenues to us of $3,312,594.
- none of our executive officers served on the Compensation Committee (or another Board committee with similar functions or, if there was no such committee, the entire Board of Directors) of another entity where one of that entity's executive officers served on our Compensation Committee;
- none of our executive officers was a director of another entity where one of that entity's executive officers served on the our Compensation Committee; and
- none of our executive officers served on the Compensation Committee (or another Board committee with similar functions or, if there was no such committee, the entire Board of Directors) of another entity where one of that entity's executive officers served as a director on our Board.

Director Compensation and Other Arrangements

In 2013, Messrs. Cash, Dircks, Mastaler and Trunfio and Ms. Fitzgerald received cash compensation in the amount of $2,000 per in-person board meeting attended and $1,000 per telephonic board meeting attended. In addition, Messrs. Cash, Dircks, Mastaler and Trunfio and Ms. Fitzgerald each received an annual retainer of $30,000 (paid in equal quarterly installments). Mr. Cash received additional annual cash compensation of $15,000 during 2013 for serving as Audit Committee Chair (paid in equal quarterly installments). Messrs. Cash, Dircks and Trunfio and Ms. Fitzgerald each received $1,500 per meeting of the Audit, Compensation and Governance and Nominating Committees attended in 2013. In accordance with the 2007 Stock Incentive Plan, Messrs. Cash, Dircks, Mastaler and Trunfio and Ms. Fitzgerald also received a grant of restricted shares of Common Stock as of the first day of the month following our Annual Meeting. Each such grant consisted of a number of shares of restricted Common Stock equal to approximately $55,000, based on the closing price of our Common Stock on the date of grant.

In August 2013, the Compensation Committee engaged an independent compensation advisor, Pearl Meyer & Partners, referred to as PM&P, to advise on compensation matters. As a result of the benchmark surveys and evaluation of peer data presented by PM&P, on November 4, 2013, the Compensation Committee adopted a new director compensation plan. Effective November 2013, the Chairman of the Board of Directors received cash compensation of $35,000, which was paid to Charterhouse Equity Partners, LLC. Effective January 1, 2014, each director shall receive an annual retainer of $50,000. The Chairman of the Audit Committee shall receive an annual retainer of $15,000; the Chairman of the Compensation Committee shall receive an annual retainer of $10,000; and the Chairperson of the Governance and Nominating Committee shall receive an annual retainer of $5,000. No payments shall be made for committee member services. In accordance with the 2007 Stock Incentive Plan, Messrs. Cash, Dircks, Mastaler and Trunfio and Ms. Fitzgerald will also receive a grant of restricted shares of Common Stock as of the first day of the month following our Annual Meeting. Each such grant consists of a number of shares of restricted Common Stock equal to approximately $100,000, based on the closing price of our Common Stock on the date of grant. Directors will also be required to hold an amount of the Company's common stock equal to two times the annual cash retainer, which amount may be accumulated over three years.

In its role, PM&P rendered services specifically requested by the Compensation Committee, which included examining the overall pay mix for our executives, conducting a competitive assessment of our executive compensation program and making recommendations to and advising the Compensation Committee on

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compensation design and levels. The Compensation Committee assessed the independence of PM&P pursuant to the applicable Nasdaq and Commission requirement and concluded that no conflict of interest exists that would prevent PM&P from service as its independent consultant.

All directors are also reimbursed for the expenses they incur in attending meetings of the Board or Board committees.

2013 DIRECTOR COMPENSATION TABLE

The following table provides compensation information for our directors in 2013, except for Mr. Grubbs and Mr. Emil Hensel, our former Chief Financial Officer who served as a Director until his resignation from the Board of Directors on March 7, 2014. Compensation received by Messrs. Grubbs and Hensel is included in the Summary Compensation Table on page 28 of this proxy statement.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	All Other Compensation ($)
W. Larry Cash	70,000	55,000	—	—	—	—	125,000
Thomas C. Dircks	85,000	55,000	—	—	—	—	140,000
Gale Fitzgerald	51,500	55,000	—	—	—	—	106,500
Richard M. Mastaler	44,000	55,000	—	—	—	—	99,000
Joseph A. Trunfio PhD	52,000	55,000	—	—	—	—	107,000

(1) The grant date fair value of the stock awards granted in 2013 to each Director was approximately $55,000. As of December 31, 2013, the aggregate number of shares underlying outstanding option awards held by W. Larry Cash and Joseph A. Trunfio, were 15,000 and 13,000, respectively (all of which are exercisable within 60 days of March 17, 2014).

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our current executive officers other than Mr. Grubbs whose information is provided as part of Proposal I:

Name	Age	Position
Daniele Addis, MBA	54	Senior Vice President, Business Services
Vickie Anenberg	49	President, Cross Country Staffing
Susan E. Ball, JD, MBA, RN	50	General Counsel and Secretary
William Burns, MBA	44	Chief Financial Officer
Deborah Dean	53	Senior Vice President, Sales and Marketing
James Ginter	65	President, Medical Doctor Associates
Paul Tymchuk	49	Chief Information Officer

Daniele Addis has served as Senior Vice President, Business Services since January 29, 2014. From September 2011 to January 2014, Ms. Addis was Senior Vice President, Shared Services of Randstadt Professionals, a staffing company. Prior to that, she was Vice President, Shared Services and held various other positions at SFN Group. From January 1998 to January 2006, Ms. Addis was Senior Finance Manager of Office Depot, Inc. Ms. Addis holds a Bachelor in Business from Ecole Superieure de Commerce, Nantes, France, a Master of Arts In Economics from George Mason University and a Master of Business Administration from Jacksonville University.

Vickie Anenberg has served as President of Cross Country Staffing since May 8, 2012. From January 2006 to May 8, 2012, she served as Executive Vice President of Cross Country Staffing. Ms. Anenberg had also served as President of Cross Country Staffing from August 2002 to December 2005. Prior to that, she served as Vice President of the Nursing Division since 1995. Prior to joining Cross Country Staffing in 1990, she worked at Proctor & Gamble since 1986.

Susan E. Ball, JD, MBA, RN has served as General Counsel since May 2004 and Secretary since March 2010. Prior to that, Ms. Ball served as our Corporate Counsel from March 2002 to May 2004. Ms. Ball has also served as a Director of Jamestown Indemnity, Ltd. since September 2008. Before joining us, Ms. Ball practiced law at Gunster, Yoakley & Stewart, P.A. from November 1998 to March 2002 and at Skadden, Arps, Slate, Meagher and Flom from 1996 to November 1998. Prior to practicing law, Ms. Ball was a registered nurse. Ms. Ball received her B.S. degree in Nursing from The Ohio State University, her Juris Doctor degree from New York Law School, and her Masters of Business Administration from Florida Atlantic University.

William Burns was appointed Chief Financial Officer, effective April 1, 2014. Prior to joining the Company, Mr. Burns served as Group Vice President and Corporate Controller for Gartner, Inc., a technology research and advisory firm, since 2008. From 2006 until 2008, Mr. Burns was the Chief Accounting Officer for CA Technologies, Inc. Mr. Burns earned his Bachelor of Arts in Accounting and information from Queens College in 1992 and a Masters of Business Administration from New York University’s Stern School of Business in 2000. Mr. Burns is a Certified Public Accountant.

Deborah Dean has served as SVP, Sales and Marketing since June 20, 2013. Prior to joining the Company, Ms. Dean served as the Vice President of Sales of Vision IT from January 2012 to May 2013. She served as the Senior Vice President, Strategic Accounts for Spherion Staffing Services from May 2006 to November 2011. From November 2001 to March 2006, Ms. Dean served as the Vice President of Sales for Spring Group Plc. Ms. Dean holds her B.A. in English from Alma College.

James Ginter joined Medical Doctor Associates shortly after it was founded in 1987 and has served as President since 1993. Mr. Ginter holds a B.S. Degree in Education from Bowling Green State University.

Paul Tymchuk has served as Chief Information Officer since July 29, 2013. From November 2011 through June, 2013, Mr. Tymchuk was Chief Information Officer of Randstadt Professionals, a staffing company. Prior to that, Mr. Tymchuk was the Vice President, Information Technology for SFN Group from October 2006 to November 2011. Mr. Tymchuk holds a B.S. in Computer Mathematics from Carleton University in Ottawa, Canada.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the compensation philosophy, principles, objectives, policies and practices with respect to our NEOs. Our NEOs for fiscal 2013 are (i) William J. Grubbs, who was appointed President and Chief Operating Officer effective April 1, 2013, and who became Chief Executive Officer and President effective July 5, 2013, (ii) Emil Hensel, who served as Chief Financial Officer until his resignation from that position effective March 31, 2014, and who will retire from the Company on June 4, 2014, (iii) Vickie Anenberg, President of Cross Country Staffing, (iv) Susan E. Ball, General Counsel and Secretary, (v) Deborah Dean, who joined the Company as Senior Vice President, Sales and Marketing on June 20, 2013, and (vi) Joseph Boshart, who served as Chief Executive Officer through his retirement on July 5, 2013. Mr. Boshart is included as an NEO in compliance with Commission rules.

Executive Summary

2013 Business Performance Highlights

A summary of key highlights that occurred during the year include:

- On July 5, 2013, Mr. Boshart retired as the Chief Executive Officer and a director of Cross Country
- In April 2013, Mr. Grubbs, joined Cross Country as its President and Chief Operating Officer. Effective, July 5, 2013 he became Chief Executive Officer and President of the Company.
- On February 19, 2013, the Company announced that it had sold its clinical trial services business for $52 million, plus an earn-out of up to $3.75 million related to certain performance-based milestones The $3.75 million earn-out related to certain performance-based milestone has been treated as contingent consideration and we assigned no value to this earn-out as of December 31, 2013 based on recent available information. The sale allowed the Company to narrow its focus and concentrate its resources on its core nurse and allied staffing and physician staffing businesses, which pro forma represent about 90% of the Company's consolidated revenue.
- On December 2, 2013, the Company announced that it had acquired the operating assets of On Assignment, Inc.'s Allied Healthcare staffing division. The acquisition is expected to be accretive to our 2014 earnings by approximately $0.04 per diluted share and greatly expands our national footprint.
- Our share price increased substantially over the course of 2013. On December 31, 2012, our share price closed at $4.80 and on December 31, 2013, closed at $9.98, for an increase of 108%.
- For purposes of our annual incentive program, our financial performance was below expectations and incentive payouts were not earned by certain of our executives, including Mr. Hensel and Ms. Ball. However, performance results of our largest division, Cross Country Staffing, were within the performance range established by the Committee, therefore entitling Ms. Anenberg to an incentive compensation award payout. Additionally, the Committee determined that discretionary bonuses were appropriate for Mses. Anenberg, Ball and Dean based on other factors unrelated to the results of the Company's performance.

2014 Compensation Changes

In an effort to realign management's compensation with future Company performance, the following change were made to the executive compensation program, effective for the 2014 fiscal year:

- The annual incentive program was redesigned and will align executive rewards with financial and subjective goals. The financial goals will constitute 80% of the total annual incentive award and be based on Adjusted EBITDA and Revenue objectives. The subjective goals will constitute 20% of the total annual incentive award and be based on specific, measurable goals established by the CEO and the Compensation Committee.
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To ensure appropriate alignment between pay and performance, the maximum annual incentive award was increased to 180% of each executive's individual target.

- The long-term incentive plan was redesigned to increase the percentage of performance-based long-term compensation and align the value of annual grants with the 50th percentile of the market. Future annual equity grants will now consist of a grant of performance shares that will be settled in time-based restricted stock representing 50% of the total award value and a grant of time-based restricted stock representing 50% of the total award value.
- The performance share grants will have a one-year performance goal followed by a two-year cliff vest with respect to any restricted stock earned, while the restricted stock grants will vest ratably over 3 years.

2013 Say-On-Pay Voting Results

For the third straight year, our executive compensation program received substantial shareholder support and was approved, on an advisory basis, by 98.7% of the votes cast at the 2013 annual stockholder meeting. Our Compensation Committee believes that this vote reflected our shareholders' strong support of the compensation decisions made by the Committee for Cross Country's Named Executive Officers for 2013. The Company considered these results and made decisions consistent with our compensation philosophy and objectives over the past year.

Executive Compensation Program Design and Oversight

The Compensation Committee, or the Committee, provides oversight of our executive compensation programs. The various programs and plans covering executive officers are reviewed and administered by the Committee. A detailed discussion of the Committee's structure, roles and responsibilities and related matters can be found under the heading Compensation Committee above and in the Committee's Charter on our website at *www.crosscountryhealthcare.com* by choosing the Investor Relations link, clicking on the Corporate Governance section and selecting the charter under View.

The purpose of our executive compensation programs is to (1) attract and retain executives, (2) reward the success of our executives in attaining key operating objectives, such as revenue growth, growth of operating earnings, earnings per diluted share, or EPS, or growth of market share, and ultimately, (3) align our executives interests with our stockholders to attain an increased market price for our stock. The performance of our executives, considered in light of general economic and specific company, industry and competitive conditions, serves as the primary basis for determining their overall compensation. It is also the Committee's intention to set total executive compensation sufficiently high to attract and retain strong, motivated leadership who will not only strive to reach our key operating and strategic objectives, but also demonstrate the utmost integrity in doing so. The Committee uses a mix of compensation vehicles to generate a compensation program for our executives that rewards our short-term and long-term goals, thereby aligning the incentives of our executives with our stockholders.

Philosophy and Executive Compensation Principles

With our diverse operations, we must attract and retain executive talent that has the competencies and skills to operate successfully on a multitude of levels. The compensation program is designed to incentivize executives to achieve our overall strategic and financial objectives by rewarding executives who meet certain targets and demonstrate their ability to lead through operational excellence. The Committee believes that these attributes lead to long-term stockholder value creation. While the Committee strives for consistency in creating compensation programs to attain these goals, sufficient flexibility is maintained to ensure that the overall philosophical intent of the program is met. The Committee's executive compensation principles are to:

- provide competitive compensation programs to attract and retain executive talent with high ethical standards and the capability to lead;
- use cash incentives to reward executives for achieving our short-term operating goals;
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use equity-based incentive plans to tie a portion of compensation to our long-term results and align the executives’ financial interests with those of the stockholders;

- ensure that compensation in the aggregate is commensurate with our results;
- provide a tool for focusing and directing the energies of key executives toward achieving individual and corporate objectives;

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- ensure that the total executive compensation program is affordable, including its impact on earnings; and
- be transparent so that both executives and stockholders understand the executive compensation program and the objectives it seeks to achieve.

These principles are implemented using various elements that offer the flexibility to adapt the compensation program, from time to time, in response to changing needs of the business. For 2013, the Committee used the following elements, the specific rationale and design of which are outlined in more detail below:

- Base salary
- Cash incentives
- Equity incentives, consisting of restricted stock awards and stock appreciation rights

NEOs also participated in our employee benefit plans generally available to all of our employees.

Roles of the Committee, Compensation Consultant and Management

The Compensation Committee is comprised solely of independent directors and is responsible for determining the compensation of our CEO and other NEOs. The Compensation Committee receives assistance during the year from PM&P, the Compensation Committee's independent compensation advisor; and from our CEO and internal compensation staff, led by our General Counsel.

In mid-2013, the Compensation Committee engaged an independent compensation consultant, PM&P, to review, assess and provide recommendations with respect to certain aspects of the Company's compensation program for executive officers and directors. In this role, PM&P rendered services specifically requested by the Compensation Committee, which included examining the overall pay mix for our executives, conducting a competitive assessment of our executive compensation program and making recommendations to and advising the Compensation Committee on compensation design and levels.

The CEO provides the Committee with his assessment of the CFO's performance and the CEO delivers his perspective on the factors described above in developing his recommendation for the CFO's compensation, including salary adjustments, cash incentives and equity grant guidelines for the then current year. The CEO also recommends the compensation structure for the other NEOs to the Committee for its review and approval. Upon receipt of this information, the Committee discusses proposed compensation plans for the CEO, CFO and other NEOs in detail, including how the compensation levels of the CEO and CFO compare to each other. Based on our Governance Guidelines, the Committee is required to annually approve the goals and objectives for compensating the CEO, evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation and approve the compensation structure for the other NEOs.

Process

Our NEO compensation program is implemented yearly and it coincides with the completion of our annual financial statement audit and release of annual earnings, as well as the approval of the budget for the then current year. Annual cash incentives earned for the prior year, if any, are determined by the Committee and paid out at that time. Current year target objectives are also established at that time and any adjustments to base salaries are determined by the Committee either at that time or during the second quarter.

When making NEO compensation decisions, the Committee takes many other factors into account, including the economy, the NEO's performance, expected future contributions to the Company's success, the financial and operational results of individual business units, our financial and operational results as a whole, the NEO's historical compensation, any retention concerns and the CEO's recommendations in the cases of NEOs other than the CEO. In looking at historical compensation, the Committee looks at the progression of salary increases over time, an NEO's ability to meet targets in prior years, the value inherent in equity awards to be granted to complete the total compensation program for an NEO for a particular year, economic outlook and our stock performance. Historically, the Committee has disregarded whether the NEO has exercised options or sold shares so that these personal investment decisions do not skew the Committee's understanding of the aggregate reward opportunity that has been provided. The Committee uses the same general factors in evaluating the CEO's performance and compensation as it uses for the other NEOs.

The Committee adjusts the cash incentive portion of the NEOs' compensation consistent with its philosophy to incentivize and reward executives to reach certain financial and strategic objectives and reward them based upon their performance. The Committee believes that maintaining the flexibility to make upward or downward adjustments to the various components of the NEOs compensation programs allows the Committee to appropriately provide incentives to individuals and further aligns the NEOs with the objectives of our stockholders.

Market Positioning

Generally, our policy has been to pay our NEOs base salaries below the 50th percentile of our peer group, but to offer them performance based incentive compensation that if earned will increase their overall compensation. As a result of the structure of our program and the unfavorable business conditions in the recent past years, our overall compensation program has been below the median of our peer group. Incentive payouts, at a reduced level, begin upon achievement of a predetermined percentage of targeted objectives (generally 80% or higher) which can vary from year to year and from one performance metric to another, so that there is not a disincentive to the NEOs. We believe that an all or nothing approach could provide a disincentive compared to our tiered payout approach that is better aligned with our overall operating objectives. In determining competitive compensation levels for the NEOs, the Committee takes into account their responsibilities, past performance, external market practices and the economy.

Peer Group

For fiscal 2013, the Committee, based on the recommendation of PM&P, identified the following seven peer group of companies: AMN Healthcare Services, Inc., On Assignment, Inc., KForce, Inc., TrueBlue, Inc., CDO Corp., Hudson Global, and Barrett Business Services, Inc. (the 2013 Peer Group). The 2013 Peer Group reflected the following changes from our 2012 Peer Group: the 2013 Peer Group eliminated IPC The Hospitalist Company, Inc., MedAssets, Inc., LHC Group, Alliance Healthcare Services, Inc., Corvel Corporation and US Physical Therapy, Inc., and added TrueBlue, Inc., CDO Corp., Hudson Global, and Barrett Business Services, Inc. The changes were made based on our objective of benchmarking to staffing and business-services organizations. Companies that met these initial criteria were further screened by annual revenues, EBITDA margin, revenue growth, enterprise value and market capitalization to ensure a focus on companies of similar size and operating complexity. Each 2013 Peer Group company is comparable to the Company in certain respects, however, factors such as revenue, business mix, as well as the way the companies structure their top management also affect executive compensation. The Committee looked at the practices of the 2013 Peer Group and used their compensation levels as an indicator of the competitive market for our executives for fiscal year 2013.

Components of the NEO 2013 Compensation Program

The Committee uses various compensation elements to provide an overall competitive total compensation and benefits package to the NEOs that is tied to creating stockholder value, is commensurate with our results and aligns with the business strategy. The Committee's specific rationale, design, reward process and relating information are outlined below.

Base Salary

We provide the NEOs with a base salary to compensate them for services rendered during the fiscal year. Base salary ranges for NEOs are determined on the basis of each executive's position, performance and level of responsibility. Salary levels are typically considered annually as part of the performance review process, as well as upon a promotion or other change in job responsibility. Base salaries for NEOs are generally benchmarked below the 50th percentile of the Peer Group. Our philosophy is that base salaries should meet the objective of compensating NEOs for their basic day-to day efforts. Historically, the value of long-term incentives granted has not been determined as a multiple of base salary. Therefore, an increase in base salary has not had any impact on the level of long-term incentive award levels.

In 2013, consistent with the Company's continued cost reduction initiatives, no salary increases were recommended or approved for any of the NEOs. In connection with the commencement of his employment with us, the Committee determined that for the period prior to his becoming chief executive officer Mr. Grubb's would be paid a base salary at the annual rate of $500,000, and that upon his becoming our chief executive officer, which occurred on July 5, 2013, his base salary would increase to the annual rate of $550,000. Mr. Grubbs base salary as chief executive officer is within approximately the 50th percentile of chief executive officers in our 2013 peer group. Mr. Grubb's base salary was determined by the Committee to be within a reasonable range of comparable chief executive officer base salaries based on a review of a market analysis of our competitors.

For 2013, Mr. Hensel and Mses. Anenberg, Ball and Dean received base salaries at the annual rates of $357,706, $325,000, $279,000 and $250,000, respectively. Prior to his retirement on July 5, 2013, Mr. Boshart received a base salary at the annual rate of $523,446.

Annual Cash Incentive Program

The annual cash incentive program is a core component of our pay-for-results philosophy. The program is heavily weighted to our financial results or relevant business units and the goals are closely linked to business strategy. The components of this program have historically included the incentive and reward opportunity (expressed as a percentage of base salary) and the performance measures determined by the Committee (such as revenue, contribution income, EBITDA (earnings before interest, tax and depreciation) or EPS. To ensure the integrity of the goals and minimize the risk of unanticipated outcomes, each goal has had a performance range built around it with a commensurate increase or decrease in the associated award opportunity. The Compensation Committee may adjust performance measures for certain extraordinary or unusual items at its sole discretion.

Historically, the Committee has established performance goals and the weighting of each goal during its first Committee meeting each year. The process for setting the goals begin with the management team establishing preliminary goals based on prior year's results, strategic initiatives, industry performance and projected economic conditions. The Committee assesses the difficulty of the goals and their implications for share price appreciation, revenue growth and other related factors. The iterative process results in final goals presented by management to the Committee at its March meeting.

Incentives and Award Opportunities. Each annual target cash incentive award opportunity is expressed as a percentage of base salary, which may be earned based on both the achievement of certain financial objectives (the Objective Bonus component) and subjective considerations (the Subjective Bonus component).

If results fall below pre-established threshold levels, no cash award is payable under the Objective Bonus component, although a Subjective Bonus may still be paid at the discretion of the Committee. If results exceed pre-established outstanding goals, the cash award payable under the Objective Bonus component is capped at a maximum award opportunity. The Committee believes that having a maximum cap serves to promote good judgment by the NEOs, reduce the likelihood of windfalls and makes the maximum cost of the plan predictable. The award opportunity is established for each position with the desired emphasis on pay at risk (more pay at risk for more senior executives) and internal equity (comparably positioned executives should have comparable award opportunities).

The Subjective Bonus opportunity is capped at a maximum amount, expressed as a percentage of base salary, which varies for each position. The use of subjective criteria requires the Committee to weigh a multitude of subjective factors relative to specific responsibilities. This process allows the Committee to evaluate performance and to recognize contributions in light of our changing needs as the nation's economy and the healthcare staffing industry evolve. Given the Company's current financial position as of the end of 2013, the Committee determined that no Subjective Bonus would be paid to any of our NEOs for 2013.

Annual Incentive for Mr. Grubbs. Mr. Grubbs did not participate in the 2013 annual cash incentive plan due to his commencing employment after the date that the Committee determined the performance targets and bonus opportunities thereunder, nor was Mr. Grubbs granted a Subjective Bonus opportunity.

Annual Incentive for Mr. Hensel. For 2013 Mr. Hensel, as chief financial officer, was awarded, an Objective Bonus component with a target cash bonus of 65% of his base salary tied to the achievement of meeting certain EBITDA, EPS and revenue targets, with a lower payout if the target was not achieved but exceeded a minimum threshold and a higher payout if it exceeded the target, and an amount determined by linear interpolation between target levels. 40% of the Objective Bonus opportunity was weighted toward the EBITDA target, 40% was weighted toward achieving the EPS target and 20% was weighted towards the revenue target.

A range of results was established for each of these goals, from a threshold to a maximum cash award. Mr. Hensel was entitled to receive a range of 6.5% to 39% of his base salary based on the EBITDA component, 6.5% to 39% of his base salary based on the EPS component and 3.25% to 19.5% based on the revenue component.

The payout thresholds for the Revenue, EBITDA and EPS target portions of the Objective Bonus for Mr. Hensel in 2013 was not achieved, accordingly, no amount of the Objective Bonus was paid to Mr. Hensel for 2013. The Committee also established a Subjective Bonus component for Mr. Hensel with a target cash bonus of up to 30% of his annual base salary.

The chart below sets forth the total annual bonus potential for Mr. Hensel for 2013 based on the level of Objective Bonus component achievement.

EBITDA Target ($000s)	Objective Bonus Based on EBITDA	% Base Salary	EPS Target	Objective Bonus Based on EPS	% Base Salary	Revenue Target	Objective Bonus Based on Revenue	% Base Salary	Maximum Subjective Bonus	Total Eligib Bonu
<$ 8,000	$ 0	0.0 %	<$ 0.08	$ 0	0.0 %	<$ 443,000	$ 0	0.0 %	$ 107,312	$ 107,31
$ 8,000	$ 23,251	6.5 %	$ 0.08	$ 23,251	6.5 %	$ 443,000	$ 11,625	3.25 %	$ 107,312	$ 165,43
$ 10,000	$ 93,004	26.0 %	$ 0.110	$ 93,004	26.0 %	$ 470,000	$ 46,502	13.0 %	$ 107,312	$ 339,82
≥$ 11,600	$ 139,505	39.0 %	≥$ 0.130	$ 139,505	39.0 %	>$ 517,000	$ 69,753	19.5 %	$ 107,312	$ 456,07

For 2013, actual EBITDA was $6 million (excluding the acquisition of On Assignment's allied health business), actual EPS was $(1.68) and actual revenue was $434.9 million (excluding the acquisition of On Assignment's allied health business). Accordingly, none of the threshold targets were achieved and no amount of the annual bonus was paid to Mr. Hensel.

Annual Incentive for Ms. Anenberg. For 2013, the Committee established an annual incentive opportunity for the position of President of Cross Country Staffing, with an Objective Bonus component based solely on the financial results of that business unit. The target amount based on the level of achievement of the Objective Bonus component was 50% of base salary and the position was eligible for a Subjective Bonus component which could not exceed 30% of base salary.

50% of the Objective Bonus opportunity, with a range of 6.25% to 37.5% of base salary, was weighted toward the level of achievement of an Adjusted Contribution Income target, 20% with a range of 2.5% to 15% of base salary was weighted toward the level of achievement of a Consolidated EBITDA target and 30% with a range of 3.75% to 22.5% of base salary was weighted toward the level of achievement of a revenue target. A range of results was established for each of these goals, from a threshold to a maximum cash award, with an amount determined by linear interpolation between target levels. Adjusted Contribution Income consisted of contribution income adjusted to reflect an imputed tax charge related to the cost of providing per diem allowances to traveling field employees.

Adjusted Contribution Income was added for 2013 to increase the focus on metrics based on our profitability and create a better balance between our revenue growth and our profitability. The non-GAAP measurement of Adjusted Contribution Income reflects an allocation for the tax cost of meals and incidentals and the exclusion of contribution income resulting from the acquisition of On Assignment's allied health business in December 2013.

The chart below set forth the total bonus potential for the position of President of Cross Country Staffing for 2013:

Adjusted Contribution Income Target ($000s)	Objective Bonus Based on Adjusted Contribution Income	% Base Salary	Consolidated EBITDA Target	Objective Bonus Based on Consolidated EBITDA	% Base Salary	Revenue Target	Objective Bonus Based on Revenue	% Base Salary	Maximum Subjective Bonus	Total Eligible Bonus
<$ 14,520	$ 0	0.0 %	<$ 8,000	$ 0	0.0 %	<$ 235,000	$ 0	0.0 %	$ 97,500	$ 97,500
$ 14,520	$ 20,313	6.25 %	$ 8,000	$ 8,125	2.5 %	$ 235,000	$ 12,188	3.75 %	$ 97,500	$ 138,126
$ 17,088	$ 81,250	25.0 %	$ 10,000	$ 32,500	10.0 %	$ 293,500	$ 48,750	15.0 %	$ 97,500	$ 260,000
≥$ 21,360	$ 121,875	37.5 %	≥$ 11,600	$ 48,750	15.0 %	>$ 323,000	$ 73,125	22.5 %	$ 97,500	$ 341,250

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The results with respect to the Objective Bonus under the 2013 annual incentive opportunity for the position of President of Cross Country Staffing were as follows:

Objective Performance Goal	Performance Achieved	Percentage of Target Achieved	Bonus Earned
Adjusted Contribution Income	$ 17,403,500	51.85 %	$ 84,250
Consolidated EBITDA	$ 6,181,900	0 %	$ 0
Revenue	$ 268,220,800	20.3 %	$ 32,950
			117,200

In June 2013, the Committee determined that in addition to her annual performance based-bonus opportunity, it was in the Company’s best interest to provide an additional incentive to Ms. Anenberg. Accordingly, in June 2013, Ms. Anenberg was paid a discretionary bonus in the amount of $60,000.

Annual Incentive for Susan E. Ball. Similar to the 2013 annual incentive opportunities for our chief financial officer, the Objective Bonus component of Ms. Ball’s annual incentive plan, based on her position as general counsel, was based upon our level of achievement of EBITDA, EPS and revenue targets established by the Committee for 2013. The remaining portion of her annual incentive plan for 2013 was a Subjective Bonus opportunity which could not exceed 30% of her base salary.

For 2013, the Objective Bonus portion of her incentive opportunity had a target cash bonus of 45% of her base annual compensation. 40% of the Objective Bonus opportunity was weighted toward the EBITDA target, 40% was weighted toward achieving the EPS target and 20% was weighted towards the revenue target. A range of results was established for each of these goals, from a threshold to a maximum cash award. In 2013, Ms. Ball was entitled to receive a range of 4.5% to 27% of her base compensation based on the EBITDA component, 4.5% to 27% of her base compensation based on the EPS component and 2.25 to 13.5% on the revenue component, and an amount determined by linear interpolation between target levels.

The chart below sets forth the total bonus potential for Ms. Ball for 2013 based on the level of her Objective Bonus component achievement:

EBITDA Target (2013) ($000s)	Objective Bonus Based on EBITDA (2013)	% Base Salary	EPS Target (2013)	Objective Bonus Based on EPS (2013)	% Base Salary	Revenue Target (2013)	Objective Bonus Based on Revenue (2013)	% Base Salary	Maximum Subjective Bonus (2013)	Total Eligible Bonus (2013)
<$ 8,000	$ 0	0.0 %	<$ 0.08	$ 0	0.0 %	<$ 443,000	$ 0	0.0 %	$ 83,700	$ 83,700
$ 8,000	$ 12,555	4.5 %	$ 0.08	$ 12,555	4.5 %	$ 443,000	$ 6,278	2.25 %	$ 83,700	$ 115,088
$ 10,000	$ 50,220	18.0 %	$ 0.110	$ 50,220	18.0 %	$ 470,000	$ 25,110	9.0 %	$ 83,700	$ 209,250
≥$ 11,600	$ 75,330	27.0 %	≥$ 0.130	$ 75,330	27.0 %	>$ 517,000	$ 37,665	13.5 %	$ 83,700	$ 272,025

For 2013, actual EBITDA was $6 million (excluding the acquisition of On Assignment’s allied health business), actual EPS was $(1.68) and actual revenue was $434.9 million (excluding the acquisition of On Assignment’s allied health business). Accordingly, none of the thresholds were achieved and Ms. Ball did not receive a cash performance bonus for 2013.

In addition to the cash incentive plan described above, Ms. Ball is also eligible to receive bonuses related to work performed on each acquisition, divestiture and/or financing completed by us in 2013. Ms. Ball is responsible for conducting legal due diligence and negotiations for these transactions, as well as documenting and closing these transactions. Any such bonus is based on the size and complexity of the deal. During 2013, the Company divested its clinical trials business and entered into a new credit facility. Ms. Ball was awarded an aggregate bonus of $100,000 for her work on these transactions.

Annual Incentive for Deborah Dean. As an inducement to her joining the Company, Ms. Dean was guaranteed an annual bonus for 2013 in the amount of $30,000. Ms. Dean did not participate in the 2013 annual cash incentive plan due to her commencing employment after the date that the Committee determined the performance targets and bonus opportunities thereunder, nor was Ms. Dean granted a Subjective Bonus opportunity.

Equity Awards

The Committee uses equity-based awards from time to time to focus executives on long-term performance and to align executives' financial interests with those of shareholders. In 2013, equity awards were also used in part as a retention tool. During the past five years, the Committee has granted senior executives stock options, stock appreciation rights and/or restricted stock awards which vest over time. For 2013, equity awards were granted under our 2007 Stock Incentive Plan (referred to as the Plan).

Equity-based awards for NEOs are generally made based on the executive's position, experience and performance, prior equity-based compensation awards and competitive equity-based compensation levels. Further, the Committee determines the terms and conditions of equity grants taking into account market practices and the objectives of the compensation program. Retaining key talent is a key factor for the Committee in considering the level of equity awards and the vesting schedule.

Equity awards are typically approved by the Committee at its regularly scheduled meeting in May of each fiscal year. The grant date of such awards is the first day of the first month immediately following the Annual Meeting. The Committee may make grants at other times during the year as it deems appropriate. All equity awards must be approved by the Committee. Our current practice is to set the exercise price at the closing price on the date of grant.

At the Committee's May 2013 meeting, the Committee granted the following equity awards to the NEOs (other than Messrs. Boshart and Grubbs and Ms. Dean) with a grant date of June 1, 2013, to supplement their compensation for retention purposes.

Name	Number of Stock Appreciation Rights	Number of Restricted Shares of Common Stock
Emil Hensel	22,500	22,500
Vickie Anenberg	25,000	25,000
Susan E. Ball	22,500	22,500

The stock appreciation rights were issued with an exercise price of $5.21, which was the closing price of our Common Stock on the grant date. The stock appreciation rights and restricted shares will vest 25% per year over four years. Any unexercised stock appreciation rights will expire in seven years (or earlier in the case of termination of employment).

In accordance with his employment agreement (see Employment Agreements below), effective with the commencement of Mr. Grubbs employment on April 1, 2013, as an inducement for his joining the Company, on April 1, 2013, the Committee granted to Mr. Grubbs 46,729 restricted shares of Common Stock with a grant date value of $250,000 and 50,000 stock appreciation rights. The shares of restricted stock will vest over a four year period. The stock appreciation rights granted to Mr. Grubb's were issued with an exercise price of $5.35, which was the closing price of our Common Stock on the grant date, and will vest in four equal installments on April 1 of 2014, 2015, 2016 and 2017.

Effective with the commencement of Ms. Dean's employment on June 20, 2013, as an inducement for her joining the Company and determined in a manner consistent with the grants made on June 1, 2013, on June 20, 2013, the Committee granted to Ms. Dean 22,500 restricted shares of Common Stock and 22,500 stock appreciation rights. The stock appreciation rights were issued with an exercise price of $4.92, which was the closing price of our Common Stock on the grant date. The stock appreciation rights and restricted shares granted to Ms. Dean will vest 25% per year over four years. Any unexercised stock appreciation rights will expire in seven years (or earlier in the case of termination of employment).

In accordance with the terms of the Plan and his award agreements, all unvested stock appreciation rights and shares of restricted stock held by Mr. Boshart on July 5, 2013, the date of his retirement, were forfeited. In addition, all outstanding vested stock appreciation rights held by Mr. Boshart remain exercisable through July 5, 2014.

Deferred Compensation Plan

We maintain the Deferred Compensation Plan, an unfunded non-qualified deferred compensation arrangement, intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, or the Code. Designated executives, including our NEOs, may elect to defer the receipt of a portion of their annual base salary, bonus and commission to our Deferred Compensation Plan. We may also make a discretionary contribution to the Deferred Compensation Plan on behalf of certain participants, which generally become vested after three years from the date such contribution is made to the plan, upon the occurrence of a change in control or upon a participant's retirement, death during employment or disability. Generally, payments under the Deferred Compensation Plan automatically commence upon a participant's retirement, termination of employment or death during employment. Under certain limited circumstances described in the Deferred Compensation Plan, participants may receive distributions during employment. To enable us to meet our financial commitment under the Deferred Compensation Plan, assets may be set aside in a corporate-owned vehicle, which assets remain available to all our general creditors in the event of our insolvency. Participants of the Deferred Compensation Plan are our unsecured general creditors with respect to the Deferred Compensation Plan benefits. Currently, none of our NEOs have any amounts deferred under the Deferred Compensation Plan.

401(k) Plan

We maintain a 401(k) plan. The plan permits eligible employees to make voluntary, pre-tax contributions to the plan up to a specified percentage of compensation, subject to applicable tax limitations. We may make a discretionary matching contribution to the plan equal to a pre-determined percentage of an employee's voluntary, pre-tax contributions and may make an additional discretionary profit sharing contribution to the plan, subject to applicable tax limitations. Eligible employees who elect to participate in the plan are generally vested in any matching contribution after three years of service with us and fully vested at all times in their employee contributions to the plan. The plan is intended to be tax-qualified under Section 401(a) of the Code, so that contributions to the plan and income earned on plan contributions are not taxable to employees until withdrawn from the plan, and so that our contributions, if any, will be deductible by us when made. Our 401(k) matching contribution has a matching contribution rate equal to 25% of the first 6% of compensation contributed to the plan by eligible participants during each payroll period.

Other Benefits

Executives participate in the health and dental coverage, company-paid term life insurance, disability insurance, paid time off and paid holidays programs applicable to other employees in their locality. These benefits are designed to be competitive with overall market practices and are in place to attract and retain the necessary talent in the business. In 2013, Mr. Boshart received a one-time lump sum service award of $500 in recognition of his 20 years of service to the Company.

Employment Agreements

On March 20, 2013, we entered into an employment agreement with William J. Grubbs pursuant to which, on April 1, 2013, Mr. Grubbs became our President and Chief Operating Officer. On July 5, 2013, Mr. Grubbs became our Chief Executive Officer. The initial term for the agreement expires on March 31, 2016, subject to automatic renewal for successive one-year terms unless prior to the end of any renewal term either party has given at least 90 days prior written notice of the intention not to renew the agreement. Mr. Grubbs' base salary was $500,000 during the period in which he served as President and Chief Operating Officer, and was increased to $550,000 per year on July 5, 2013 when he became the Chief Executive Officer. The salary is subject to annual review by the Committee and Mr. Grubbs is eligible to receive an annual bonus of up to 100% of his base salary based on the level of achievement of performance goals to be established by the Committee. Mr. Grubbs is eligible to participate in all benefit plans and fringe benefit arrangements available to our senior executives. If Mr. Grubbs' employment is terminated by us without cause (other than due to a non-renewal of the agreement by us) or Mr. Grubbs terminates his employment for good reason (see Potential Payments Upon Termination or Change in Control below), and if he is not otherwise entitled to receive severance benefits under our Executive Severance Policy, subject to his timely execution of a release, he will be entitled to a severance payment equal to one year’s base salary plus a pro rata portion of the bonus, if any, earned with respect to the year in which such termination occurred.

Under his employment agreement, the Company agreed to pay or reimburse Mr. Grubbs for certain relocation expenses in an amount up to $200,000. In addition, the Company agreed to reimburse him for the reasonable legal fees incurred by him in connection with the negotiation of the employment agreement. These amounts were provided to Mr. Grubb’s on a tax grossed up basis.

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During 2013, we were a party to an employment agreement with Mr. Hensel, pursuant to which he served as our Chief Financial Officer. The initial term of Mr. Hensel's agreement expired on July 29, 2002. Upon expiration of such initial term, his agreement automatically renewed for additional one-year terms. If Mr. Hensel's employment had been terminated without cause, he would have been entitled to the greater of (x) base salary, for the balance of the renewal term, certain other benefits provided in the agreement and bonus for the fiscal year in which the termination occurred or (y) one year's base salary as in effect as of the date of termination.

On March 3, 2014, we entered into a transition agreement with Mr. Hensel that superseded his employment agreement. Under the transition agreement, Mr. Hensel resigned as a Director on March 7, 2014 and as Chief Financial Officer effective March 31, 2014. From March 31, 2014 through June 3, 2014 Mr. Hensel is serving as a Special Advisor to the Company. In such capacity he will be employed on a full-time basis during the month of April to transition his prior duties and responsibilities to our new Chief Financial Officer. From May 1, 2014 through June 3, 2014 he will provide transition services to the Company on an as needed basis. During the period from March 31, 2014 through June 3, 2014 Mr. Hensel will continue to receive his base salary at the annual rate of $357,706. Effective June 4, 2014, Mr. Hensel will retire from the Company and he will receive a lump sum payment in an amount equal to one year of his base salary less any wages paid to him for the period from May 1, 2014 through June 3, 2014. Any equity grants to Mr. Hensel scheduled to vest on or before June 2, 2014 shall vest, while all other non-vested equity grants shall terminate. Mr. Hensel is subject to a non-competition covenant that will expire on June 2, 2015.

Prior to his retirement on July 5, 2013, we were party to an employment agreement with Mr. Boshart which provided for substantially the same terms as Mr. Hensel's employment agreement. Mr. Boshart was not entitled to receive any severance or other amounts from us upon his retirement from the Company other than any accrued earned amounts under the Company benefit plans generally available to all of our employees.

On March 3, 2014, we entered into an employment agreement with William Burns pursuant to which, on April 1, 2014, Mr. Burns will become our Chief Financial Officer. Mr. Burns' base salary is $400,000 per year. The base salary is subject to annual review by the Committee and Mr. Burns is eligible to receive an annual bonus with a target of 70% of his base salary based on the level of achievement of performance goals to be established by the Committee. Mr. Burns is also eligible to participate in the Company's equity incentive plan, as well as all benefit plans and fringe benefit arrangements available to our senior executives. If Mr. Burns' employment is terminated by us without cause or Mr. Burns terminates his employment for good reason, and if he is not otherwise entitled to receive severance benefits under our Executive Severance Policy, subject to his timely execution of a release, he will be entitled to a severance payment equal to one year's base salary. Under his employment agreement, the Company agreed to pay or reimburse Mr. Burns for certain relocation expenses in an amount up to $100,000. In addition, on April 1, 2014 Mr. Burns will receive a grant of 20,000 shares of restricted stock.

Severance/Change of Control Arrangements

We maintain an Executive Severance Policy, or the Severance Policy pursuant to which, subject to executing a release, each NEO (other than Mr. Boshart who retired on July 5, 2013) is entitled to receive certain severance payments and benefits if, within 90 days prior to, or within 18 months after, a Change of Control (as defined in the Severance Policy) of the Company, such NEO was terminated without cause or incurred an involuntary termination (*i.e.* a resignation for good reason). Under the Severance Policy, Mr. Grubbs and Mses. Anenberg and Ball are, and prior to his announced retirement Mr. Hensel was, entitled to receive continued base salary for a period of two years following termination, plus two times the amount of their target bonus for the year in which a Change of Control occurs. Mr. Hensel is no longer eligible under the Executive Severance Policy. Under the Severance Policy, Ms. Dean is entitled to receive continued base salary for a period of one year following termination, plus an amount equal to her target bonus for the year in which a Change of Control occurs. In addition, during such periods, we would continue to make group health, life or other similar insurance plans available to such NEO and his or her dependents, and we would pay for such coverage to the extent we paid for such coverage prior to the termination of employment. The severance benefits payable under the Severance Policy are subject to: (1) the six-month delay under Section 409A of the Code; (2) the execution and non-revocation of a general release of claims in favor of the Company within a specified time period; and (3) reduction to avoid any excise tax on parachute payments if the NEO would benefit from such reduction as compared to paying the excise tax.

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In addition, under our general severance pay policy for all of our eligible employees, if an NEO (other than Mr. Grubbs whose arrangement is included in his employment agreement, and prior to his announced retirement, Mr. Hensel, whose arrangements was included in his employment agreement) is terminated without cause (as defined in our general severance pay policy) other than in connection with a Change of Control, the NEO, subject to executing a release, would be entitled to one week's base salary for each full year of continuous service with us.

10b5-1 Plans

The Committee believes that executives should be able to plan for their own financial security, including diversifying their investment portfolio. Therefore, the Committee has approved using 10b5-1 plans to facilitate the planned exercise of options and the sale of shares. These plans facilitate sales of the executives' shares through a broker without the executive's direct involvement in such sales, subject to minimum price thresholds, such that such sales are not subject to the executive's access to material non-public information. Currently, none of our NEOs maintain a 10b5-1 plan.

Perquisites

Our NEOs are not entitled to any perquisites that are not otherwise available to all of our employees. In this regard, it should be noted that we do not provide pension arrangements, post-retirement health coverage or similar benefits for our executives or employees.

Stock Ownership Guidelines

At its meeting on November 5, 2013, the Compensation Committee adopted stock ownership guidelines for the Company's senior executive officers. The guidelines were effective as of January 1, 2014 and provide that the Company's chief executive officer will hold shares of Common Stock equal to three times his base salary, to be accumulated over three years, and the Company's other senior executives will hold shares of Common Stock equal to one times his or her base salary, to be accumulated over three years.

Risk Mitigation

Our Board has reviewed and considered whether our compensation programs and policies create risks that are reasonably likely to have a material adverse effect on us. In that regard, we design our programs in a balanced and diversified manner while also creating significant, yet appropriate, incentives for strong performance based on our business and strategic plan. In most cases, each component of our performance-based compensation program is subject to a limit on the amount paid. We believe that our compensation programs reflect a balance of short-term, long-term, guaranteed and performance based compensation in order not to encourage excessive risk-taking. A significant portion of our compensation program includes performance-based compensation. We believe that this ensures that our NEOs and other employees focus on the health of our business and that will deliver stockholder value over time and discourages excess risk-taking by our NEOs and other employees.

Impact of Accounting and Tax Matters

As a general matter, the Committee reviews and considers the various tax and accounting implications of compensation vehicles that we utilize. With respect to accounting matters, the Committee examines the accounting cost associated with equity compensation in light of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718.

With respect to tax matters, the Committee considers the impact of Section 162(m) of the Code, which generally prohibits any publicly-held corporation from taking a Federal income tax deduction for compensation paid in excess of $1 million in any taxable year to the chief executive officer and any other executive officer (other than the chief financial officer) employed on the last day of the taxable year whose compensation is required to be disclosed to stockholders under Commission rules. Exceptions include qualified performance-based compensation, among other things. It is the Committee’s policy to maximize the effectiveness of our executive compensation plans in this regard. Nonetheless, the Committee retains the discretion to grant awards (such as restricted stock with time-based vesting) that will not comply with the performance-based exception of 162(m) if it is deemed in the best interest of the Company to do so.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement.

THE COMPENSATION COMMITTEE

Joseph A. Trunfio, PhD, Chairman
W. Larry Cash, Member

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus (a) ($)	Stock Awards ($)(b)	Option Awards ($)(c)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(d)	Total ($)
William J. Grubbs Chief Executive Officer and President (e)	2013	377,884	—	250,000	105,065	—	—	222,427	955,376
Joseph A. Boshart Former President and Chief Executive Officer (f)	2013	342,253	—	—	—	—	—	3,688	345,941
	2012	513,379	—	174,000	67,712	—	—	3,125	758,216
	2011	514,064	—	223,200	78,978	149,267	—	3,063	968,572
Emil Hensel Former Chief Financial Officer (g)	2013	357,706	—	117,225	46,305	—	—	3,188	524,424
	2012	350,827	—	130,500	50,784	—	—	3,125	535,236
	2011	351,295	—	186,000	65,815	102,004	—	3,563	708,677
Vickie Anenberg President, Cross Country Staffing	2013	325,000	60,000	130,250	51,450	117,200	—	3,188	687,088
	2012	269,816	—	130,500	50,784	—	—	3,125	454,225
	2011	233,818	—	133,920	47,387	140,367	—	2,923	558,415
Susan E. Ball General Counsel and	2013	275,884	100,000	117,225	46,305	—	—	3,188	542,602
	2012	256,822	—	117,450	42,320	—	—	3,325	419,917
	2011	233,665	—	111,600	39,489	46,972	—	2,921	434,647

Secretary									
Deborah Dean Senior Vice President, Sales and Marketing (h)	2013	125,000	30,000	110,700	41,780	—	—	—	307,480

(a) For 2013, reflects (a) a bonus paid to Ms. Ball for her performance in connection with the Company's divestment of its clinical trials business and entry into a new credit facility, (b) a one-time incentive bonus to Ms. Anenberg and (c) a guaranteed annual bonus to Ms. Dean in connection with her commencement of employment.

(b) Amounts in this column reflect the aggregate grant date fair value of awards of restricted stock granted under our 2007 Stock Incentive Plan and computed in accordance with FASB Topic 718. The aggregate grant date fair value per share of restricted stock granted on June 1, 2013, June 1, 2012, and June 1, 2011 was $5.21, $4.35, and $7.44, respectively. The aggregate grant date fair value per share of restricted stock granted to Mr. Grubbs on April 1, 2013 was $5.35 and to Ms. Dean on June 20, 2013 was $4.92. The assumptions used in determining the grant date fair values of these restricted stock awards are set forth in note 13 to our consolidated financial statements included in our 2013 Form 10-K.

(c) Amounts in this column for all grants to the NEOs included in the table and for all periods reflect the aggregate grant date fair value of Option Awards consisting of stock appreciation rights to be settled in stock, granted under the 2007 Stock Incentive Plan and computed in accordance with FASB ASC 718. The aggregate grant date fair value per share of stock appreciation rights granted on June 1, 2013, June 1, 2012 and June 1, 2011, was $2.06, $1.69, and $2.63, respectively. The aggregate grant date fair value per share of stock appreciation rights granted to Mr. Grubbs on April 1, 2013 was $2.10 and to Ms. Dean on June 20, 2013 was $1.86. The assumptions used in determining the grant date fair values of these stock appreciation rights are set forth in note 14 to our consolidated financial statements included in our 2013 Form 10-K.

(d) The All Other Compensation column for 2013 consists of the following amounts:

Name	401(k) Match(1)	Service Award	Moving Expenses	Legal Fees
Grubbs	—	—	221,002	1,425
Boshart	3,188	500	—	—
Hensel	3,188	—	—	—
Anenberg	3,188	—	—	—
Ball	3,188	—	—	—
Dean	—	—	—	—

(1) Consist of employer matching contributions to the 401(k) plan. See the discussion of our matching contributions under 401(k) Plan above in the Compensation and Discussion Analysis.

(e) Mr. Grubbs joined the Company as President and Chief Operating Officer, effective April 1, 2013, with a base salary at the annual rate of $500,000, and became Chief Executive Officer and President effective July 5, 2013, with a base salary at the annual rate of $550,000.

(f) Mr. Boshart retired from the Company effective July 5, 2013.

(g) Mr. Hensel resigned and chief executive officer effective March 31, 2014 and will retire from the Company effective June 4, 2014.

(h) Ms. Dean joined the Company as Senior Vice President, Sales and Marketing on June 20, 2013.

GRANTS OF PLAN-BASED AWARDS

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name (a)	**Grant Date (b)**	**Committee Action Date**	**Threshold ($)(c)**	**Target ($)(d)**	**Maximum ($)(e)**	**Threshold ($)(f)**	**Target ($)(g)**	**Maximum ($)(h)**	**All Other Stock Awards: Number Of Shares Of Stock Or Units (i)**	**All Other Option Awards: Number Of Securities Underlying Options (j)**	**Exercise Or Base Price Of Option Awards ($/Sh) (k)**	**Grant Date Fair Value of Stock and Options Awards ($)(2)**
William J. Grubbs	4/1/2013	3/20/2013	—	—	—	—	—	—	46,729	—	—	250,000
	4/1/2013	3/20/2013	—	—	—	—	—	—	—	50,000	5.35	105,065
Emil Hensel	2/15/2013	2/15/2013	58,127	232,509	456,075	—	—	—	—	—	—	—
	6/1/2013	5/1/2013	—	—	—	—	—	—	22,500	—	—	117,225
	6/1/2013	5/1/2013	—	—	—	—	—	—	—	22,500	5.21	46,305
Vickie Anenberg	2/15/2013	2/15/2013	40,625	162,500	341,250	—	—	—	—	—	—	—
	6/1/2013	5/1/2013	—	—	—	—	—	—	25,000			130,250
	6/1/2013	5/1/2013	—	—	—	—	—	—		25,000	5.21	51,450
Susan E. Ball	2/15/2013	2/15/2013	31,388	125,550	272,025	—	—	—	—	—	—	—
	6/1/2013	5/1/2013	—	—	—	—	—	—	22,500	—	—	117,225
	6/1/2013	5/1/2013	—	—	—	—	—	—	—	22,500	5.21	46,305
Deborah Dean	6/20/2013	5/14/2013	—	—	—	—	—	—	22,500	—	—	110,700
	6/20/2013	5/14/2013	—	—	—	—	—	—	—	22,500	4.92	41,780

(1) Amounts relate to the NEOs individual annual cash incentive as described in the Compensation Discussion and Analysis contained herein. The Subjective Component of the plans was not included in the threshold or target columns (columns (c) and (d) but was included in the maximum column (column (e)).

(2) Grant date fair value is calculated by multiplying the number of shares times the fair value per award. Refer to the footnotes to the Summary Compensation Table above.

OUTSTANDING EQUITY AWARDS AT 2013 YEAR-END

		Option Awards					Stock Awards			
Name (a)	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c) (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)(1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h) (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)
William J. Grubbs	4/1/2013	—	50,000	—	5.35	04/1/2020	—	—	—	—
	4/1/2013	—	—	—	—	—	46,729	466,355	—	—
Joseph A. Boshart	2/16/2005	25,000	—	—	15.60	7/5/2014	—	—	—	—
	10/01/2007	8,400	—	—	18.25	7/5/2014	—	—	—	—
	5/06/2008	8,349	—	—	13.02	7/5/2014	—	—	—	—
	6/01/2009	125,000	—	—	8.56	7/5/2014	—	—	—	—
	6/01/2010	22,500	—	—	8.09	7/5/2014	—	—	—	—
	6/01/2011	15,000	—	—	7.44	7/5/2014	—	—	—	—
	6/01/2012	10,000	—	—	4.35	7/5/2014	—	—	—	—
Emil Hensel	2/16/2005	23,000	—	—	15.60	2/16/2015	—	—	—	—
	10/01/2007	5,460	—	—	18.25	10/01/2014	—	—	—	—
	5/06/2008	5,427	—	—	13.02	5/06/2015	—	—	—	—
	6/01/2009	85,000	—	—	8.56	6/01/2016	—	—	—	—
	6/01/2010	18,750	6,250	—	8.09	6/01/2017	—			