

Emdeon Inc.
Form SC 13G/A
February 15, 2011

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

SCHEDULE 13G

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

EMDEON INC.
(Name of Issuer)

Class A common stock, par value \$0.00001 per share
(Title of Class of Securities)

29084T104
(CUSIP Number)

December 31, 2010
(Date of Event which Requires Filing
of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

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

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

Continued on following pages
Page 1 of 14 Pages
Exhibit Index: Page 10

CUSIP NO. 29084T104

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1. Names of Reporting Persons

SOROS FUND MANAGEMENT LLC

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

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

DELAWARE

Number of Shares Beneficially Owned By Each Reporting Person With	5.	Sole Voting Power 7,787,218
	6.	Shared Voting Power 0
	7.	Sole Dispositive Power 7,787,218
	8.	Shared Dispositive Power 0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

7,787,218

10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

8.57%

12. Type of Reporting Person (See Instructions)

OO, IA

CUSIP NO. 29084T104

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1. Names of Reporting Persons

GEORGE SOROS

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

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

UNITED STATES

Number of Shares Beneficially Owned By Each Reporting Person With	5.	Sole Voting Power 0
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11. Percent of Class Represented By Amount in Row (9)

8.57%

12. Type of Reporting Person (See Instructions)

IA

CUSIP NO. 29084T104

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1. Names of Reporting Persons

ROBERT SOROS

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

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

UNITED STATES

Number of Shares Beneficially Owned By Each Reporting Person With	5.	Sole Voting Power 0
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	8.	Shared Dispositive Power 7,787,218

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10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

8.57%

12. Type of Reporting Person (See Instructions)

IA

CUSIP NO. 29084T104

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1. Names of Reporting Persons

JONATHAN SOROS

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

a.

b.

3. SEC Use Only

4. Citizenship or Place of Organization

UNITED STATES

Number of Shares Beneficially Owned By Each Reporting Person With	5.	Sole Voting Power 0
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	8.	Shared Dispositive Power 7,787,218

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10. Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented By Amount in Row (9)

8.57%

12. Type of Reporting Person (See Instructions)

IA

CUSIP NO. 29084T104

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Item 1(a). Name of Issuer:

Emdeon Inc. (the "Issuer").

Item 1(b). Address of the Issuer's Principal Executive Offices:

3055 Lebanon Pike, Suite 1000
Nashville, TN 37214

Item 2(a). Name of Person Filing

The Statement is filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

- i) Soros Fund Management LLC ("SFM LLC");
- ii) George Soros;
- iii) Robert Soros; and
- iv) Jonathan Soros.

This statement relates to Shares (as defined herein) held for the account of Quantum Partners LP, a Cayman Islands exempted limited partnership ("Quantum Partners"). SFM LLC serves as principal investment manager to Quantum Partners. As such, SFM LLC has been granted investment discretion over portfolio investments, including the Shares, held for the account of Quantum Partners. George Soros serves as Chairman of SFM LLC, Robert Soros serves as Deputy Chairman of SFM LLC, and Jonathan Soros serves as President and Deputy Chairman of SFM LLC.

Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the principal business office of each of the Reporting Persons is 888 Seventh Avenue, 33rd Floor, New York, New York 10106.

Item 2(c). Citizenship:

- i) SFM LLC is a Delaware limited liability company;
- ii) George Soros is a United States citizen;
- iii) Robert Soros is a United States citizen; and
- iv) Jonathan Soros is a United States citizen.

Item 2(d). Title of Class of Securities:

Class A common stock, par value \$0.00001 per share (the "Shares").

Item 2(e). CUSIP Number:

29084T104

CUSIP NO. 29084T104

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Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

This Item 3 is not applicable.

Item 4. Ownership:

Item 4(a). Amount Beneficially Owned:

As of the date hereof, each of the Reporting Persons may be deemed to be the beneficial owner of 7,787,218 Shares.

Item 4(b). Percent of Class:

As of the date hereof, each of the Reporting Persons may be deemed to be the beneficial owner of approximately 8.57% of the total number of Shares outstanding.

Item 4(c). Number of shares as to which such person has:

SFM LLC

(i)	Sole power to vote or direct the vote	7,787,218
(ii)	Shared power to vote or to direct the vote	0
(iii)	Sole power to dispose or to direct the disposition of	7,787,218
(iv)	Shared power to dispose or to direct the disposition of	0

George Soros

(i)	Sole power to vote or direct the vote	0
(ii)	Shared power to vote or to direct the vote	7,787,218
(iii)	Sole power to dispose or to direct the disposition of	0
(iv)	Shared power to dispose or to direct the disposition of	7,787,218

Robert Soros

(i)	Sole power to vote or direct the vote	0
(ii)	Shared power to vote or to direct the vote	7,787,218
(iii)	Sole power to dispose or to direct the disposition of	0
(iv)	Shared power to dispose or to direct the disposition of	7,787,218

Jonathan Soros

(i)	Sole power to vote or direct the vote	0
(ii)	Shared power to vote or to direct the vote	7,787,218
(iii)	Sole power to dispose or to direct the disposition of	0

(iv)	Shared power to dispose or to direct the disposition of	7,787,218
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Item 5. Ownership of Five Percent or Less of a Class:

This Item 5 is not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

The partners of Quantum Partners are entitled to receive, or have the power to direct, the receipt of dividends from or the proceeds of sales of the Shares held for the account of Quantum Partners, in accordance with their ownership interests in Quantum Partners.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:

This Item 7 is not applicable.

Item 8. Identification and Classification of Members of the Group:

This Item 8 is not applicable.

Item 9. Notice of Dissolution of Group:

This Item 9 is not applicable.

Item 10. Certification:

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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SIGNATURES

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

Date: February 14, 2011

SOROS FUND MANAGEMENT LLC

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Assistant General Counsel

Date: February 14, 2011

GEORGE SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 14, 2011

ROBERT SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 14, 2011

JONATHAN SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

EXHIBIT INDEX

	Page No.
A. Joint Filing Agreement, dated as of February 14, 2011, by and among Soros Fund Management LLC, George Soros, Robert Soros, and Jonathan Soros	11
B. Power of Attorney, dated as of June 26, 2009, granted by George Soros in favor of Armando T. Belly, Jodye Anzalotta, Maryann Canfield, Jay Schoenfarber, Robert Soros, and David Taylor	12
C. Power of Attorney, dated as of October 3, 2007, granted by Robert Soros in favor of Armando T. Belly, Jodye Anzalotta, Maryann Canfield, Jay Schoenfarber, and David Taylor	13
D. Power of Attorney, dated as of October 3, 2007, granted by Jonathan Soros in favor of Armando T. Belly, Jodye Anzalotta, Maryann Canfield, Jay Schoenfarber, and David Taylor	14

EXHIBIT A

JOINT FILING AGREEMENT

The undersigned hereby agree that the Schedule 13G with respect to the Class A common stock, par value \$0.00001 per share, of Emdeon Inc., dated as of February 14, 2011, is, and any amendments thereto (including amendments on Schedule 13D) signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934.

Date: February 14, 2011

SOROS FUND MANAGEMENT LLC

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Assistant General Counsel

Date: February 14, 2011

GEORGE SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 14, 2011

ROBERT SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

Date: February 14, 2011

JONATHAN SOROS

By: /s/ Jodye Anzalotta
Jodye Anzalotta
Attorney-in-Fact

EXHIBIT B

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that I, GEORGE SOROS, hereby make, constitute and appoint each of ARMANDO T. BELLY, JODYE ANZALOTTA, MARYANN CANFIELD, JAY SCHOENFARBER, ROBERT SOROS and DAVID TAYLOR, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as Chairman of, member of or in other capacities with Soros Fund Management LLC ("SFM LLC") and each of its affiliates or entities advised by me or SFM LLC, all documents, certificates, instruments, statements, filings and agreements ("documents") to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities, futures contracts or other investments, and any other documents relating or ancillary thereto, including without limitation all documents relating to filings with the Commodity Futures Trading Commission and National Futures Association, the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the "Act") and the rules and regulations promulgated thereunder, including all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act and any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of these attorneys-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

Execution of this power of attorney revokes that certain Power of Attorney dated as of the 16th day of June 2005 with respect to the same matters addressed above.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 26th day of June 2009.

GEORGE SOROS

/s/ Daniel Eule

Daniel Eule

Attorney-in-Fact for George Soros

EXHIBIT C

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that I, ROBERT SOROS, hereby make, constitute and appoint each of ARMANDO T. BELLY, JODYE ANZALOTTA, MARYANN CANFIELD, JAY SCHOENFARBER and DAVID TAYLOR, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as Deputy Chairman of, member of or in other capacities with Soros Fund Management LLC (“SFM LLC”) and each of its affiliates or entities advised by me or SFM LLC, all documents, certificates, instruments, statements, filings and agreements (“documents”) to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities, futures contracts or other investments, and any other documents relating or ancillary thereto, including without limitation all documents relating to filings with the Commodity Futures Trading Commission and National Futures Association, the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations promulgated thereunder, including all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act and any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of these attorneys-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 3rd day of October 2007.

ROBERT SOROS

/s/ Robert Soros

EXHIBIT D

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that I, JONATHAN SOROS, hereby make, constitute and appoint each of ARMANDO T. BELLY, JODYE ANZALOTTA, MARYANN CANFIELD, JAY SCHOENFARBER and DAVID TAYLOR, acting individually, as my agent and attorney-in-fact for the purpose of executing in my name, (a) in my personal capacity or (b) in my capacity as President and Deputy Chairman of, member of or in other capacities with Soros Fund Management LLC (“SFM LLC”) and each of its affiliates or entities advised by me or SFM LLC, all documents, certificates, instruments, statements, filings and agreements (“documents”) to be filed with or delivered to any foreign or domestic governmental or regulatory body or required or requested by any other person or entity pursuant to any legal or regulatory requirement relating to the acquisition, ownership, management or disposition of securities, futures contracts or other investments, and any other documents relating or ancillary thereto, including without limitation all documents relating to filings with the Commodity Futures Trading Commission and National Futures Association, the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations promulgated thereunder, including all documents relating to the beneficial ownership of securities required to be filed with the SEC pursuant to Section 13(d) or Section 16(a) of the Act and any information statements on Form 13F required to be filed with the SEC pursuant to Section 13(f) of the Act.

All past acts of these attorneys-in-fact in furtherance of the foregoing are hereby ratified and confirmed.

This power of attorney shall be valid from the date hereof until revoked by me.

IN WITNESS WHEREOF, I have executed this instrument as of the 3rd day of October 2007.

JONATHAN SOROS

/s/ Jonathan Soros

Times New Roman, Times, Serif; margin: 0pt 0; text-align: justify; text-indent: 0.5in">Mr. Cook also formerly served as a board member of West Coast Tissue Services (“WCTS”) and American Donor Services (“ADS”). Mr. Cook did not receive any compensation for his board service from either entity. Darrel Holmes, our Chief Operating Officer, and Mitchell Godfrey, a director, also serve on the board of ADS, and Mr. Godfrey also serves as secretary and treasurer for ADS. Mr. Godfrey receives \$5,000 per year for his service to ADS. Mr. Holmes does not receive any compensation for serving on the board of ADS. ADS and WCTS recover tissue from donors. We reimburse them for their recovery fees, which are comprised primarily of labor costs. The approximate aggregate amount of all transactions with WCTS was \$840,100 for 2013 and \$525,900 for 2012, and the approximate aggregate amount of all transactions with ADS was \$2,055,523 for 2013 and \$1,472,949 for 2012. These relationships have benefited us, as these entities provide us with donors, thus insuring that we have a pipeline of current and future donors, which is necessary to our success.

Unless delegated to the Compensation Committee by the Board of Directors, the Audit Committee or the disinterested members of the full Board of Directors reviews and approves all related party transactions.

(15) Subsequent Events

On March 6, 2014, we borrowed an additional \$4 million from ROS under the same terms that the Company received in its original August 2012 financing with ROS. As additional consideration for the loan, we issued 1.5 million shares of our common stock to an affiliate of ROS.

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our senior management with the participation of our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a – 15(e) under the Exchange Act) as of December 31, 2013. Based upon that evaluation, we concluded that as of December 31, 2013, our disclosure controls and procedures were adequate.

Management’s Report on Internal Control over Financial Reporting

Management is responsible for maintaining adequate internal control over financial reporting as such term is defined in rule 13a-15 (f) under the Securities and Exchange Act of 1934 as amended. Under the supervision and with the participation of senior and executive management, we conducted an evaluation of our internal controls over financial reporting based upon the framework Internal Control – Integrated Framework as outlined by COSO, the Committee of Sponsoring Organizations of the Treadway Commission. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Based on our evaluation under the framework Internal Control – Integrated Framework, management concluded that our internal control over financial reporting was adequate as of December 31, 2013.

Item 9B. Other Information

None

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PART III

Item 10 Directors and Executive Officers of the Registrant

Executive Officers and Directors

The names, ages and positions of our executive officers and directors are as follows:

Name	Age	Position
Daniel Goldberger	55	Director, Chief Executive Officer and President
Kent Swanson	69	Chairman of the Board
Mitchell Godfrey	68	Director
Michael Lopach	65	Director
Jon Wickwire	70	Director
John Deedrick	51	Director
John Gandolfo	53	Chief Financial Officer
Darrel Holmes	60	Chief Operating Officer
Nicholas Navarro	34	Vice President of Sales
Gregory Juda	38	Chief Scientific Officer

The principal occupations for the past five years (and, in some instances, for prior years) of each of our executive officers and directors are as follows.

Daniel Goldberger, Director, Chief Executive Officer and President, has more than 25 years of experience as a leader of both publicly traded and privately held medical technology companies, with a proven track record of building revenue and profits through the introduction of market changing product innovations. He was most recently CEO and a director of Sound Surgical Technologies from April 2007 through its merger with Solta Medical (Nasdaq

SLTM) in February 2013. Previously, he was President/CEO and a director of Xcorporeal (Amex XCR) an innovator in portable dialysis and Glucon (private) a developer of glucose measurement technology and several other successful enterprises. Mr. Goldberger is a named inventor on more than 60 US patents. He holds a BS in Mechanical Engineering from the Massachusetts Institute of Technology and an MS in Mechanical Engineering from Stanford University.

Kent Swanson, Chairman of the Board, was with Accenture for over 32 years, retiring from the firm in 2001 as a Senior Partner. He held global leadership and management positions in a wide range of industries and geographies. From 2001 to 2008, he was the Board Chair of ALN Medical Management; providing outsourced services for clinic-based physician practices. Also from 2001 to 2008, he was Board Chair for Boys Hope Girls Hope of Colorado, a charitable organization providing a home and scholarship education for disadvantaged children with significant capabilities and promise. From 2002 to 2009, he was a Board member, Audit Committee member and Compensation Committee Chair for MPC Computers. Mr. Swanson graduated with distinction from the University of Minnesota earning an M.S. in Business and received an M.B.A. from the University of Chicago in 1969.

Mitchell Godfrey, Director, has been involved over the past 25 years in a number of private enterprises, including consulting for and participation in firms in the manufacturing, medical devices, nuclear, service and animal health industries. Mr. Godfrey graduated from the University of Utah in 1968 with Bachelor of Science degrees in psychology and mathematics. He served as a Lieutenant in the U.S. Navy for a period of four years in the 1960s. Upon his return from overseas duty, he served as a director of the Utah Vietnam Agent Orange Program. He currently is the Chairman of the Montana based Crow Creek Falls Conservation Group and has been actively involved in many other organizations. Mr. Godfrey joined us in October 2003 as our Chief Financial Officer until December 2007, when his primary responsibility was changed to investor relations. Mr. Godfrey currently serves as a consultant to the Company and is also on the Board of Directors of American Donor Services, one of our recovery partners.

Michael Lopach, Director, is a certified public accountant with over 40 years of accounting experience. Mr. Lopach spent 27 years of his career with Galusha, Higgins, Galusha & Co., the largest privately held accounting firm in Montana and northern Idaho, where he served as president and CEO. In 1999, Mr. Lopach founded Lopach & Carparelli PC, an accounting firm that focuses on medical practitioners. Mr. Lopach received his MBA from the University of Notre Dame. Mr. Lopach serves as chairman of the Board's Audit Committee.

Jon Wickwire, Director, is an attorney and founding shareholder of Wickwire Gavin, P.C., a national construction law firm which merged with Akerman Senterfitt, one of the top 100 law firms in the United States. Mr. Wickwire served as lead counsel on major infrastructure litigation and alternative dispute resolutions, both domestically and internationally, throughout his 35 year career, and was the founding fellow of the American College of Construction Lawyers. Mr. Wickwire also served as the founding chairman of the College of Scheduling, an organization dedicated to advancing the techniques, practice and profession of project scheduling, and has authored several books and articles on construction and public contract law, including *Construction Management: Law and Practice* and *The Construction Subcontracting Manual: Practice Guide with Forms*. Mr. Wickwire currently serves on the advisory board for Crunchies Food Company. Mr. Wickwire is a graduate of the University of Maryland and Georgetown University Law Center. Mr. Wickwire serves as chairman of the Nominations and Corporate Governance Committee.

John Deedrick, Director, is an experienced senior executive with 15 years experience in healthcare venture capital and business consulting. Mr. Deedrick also has 12 years of experience in the high tech defense industry. He has served as a corporate venture capitalist for Mayo Clinic and a Founder and General Partner for Accuitive Medical Ventures. Mr. Deedrick also serves as President and CEO of CHIP Solutions and is Founder and Chairman of GreatDeeds, a Minnesota non-profit organization. Mr. Deedrick has served on the board of numerous early stage healthcare companies over the last 15 years. Mr. Deedrick received his undergraduate degree from Northwestern College (Roseville, MN) and his MBA from St. Thomas University (St. Paul, MN).

John Gandolfo, Chief Financial Officer, joined Bacterin as its interim Chief Financial Officer on a part-time basis, effective June 4, 2010, and filled this position full time commencing on July 6, 2010. Mr. Gandolfo also served as Interim Co-Chief Executive Officer from April 5, 2013 to August 14, 2013, and as a Director from July 9, 2013 to August 14, 2013. Mr. Gandolfo has 25 years of experience as chief financial officer of rapidly growing private and publicly held companies with a primary focus in the life sciences, healthcare and medical device areas. Mr. Gandolfo has had direct responsibility over capital raising, including four public offerings, financial management, mergers and acquisition transactions and SEC reporting throughout his professional career. Prior to joining Bacterin, Mr. Gandolfo served as the Chief Financial Officer for Progenitor Cell Therapy LLC, a leading manufacturer of stem cell therapies. Prior to joining Progenitor, Mr. Gandolfo served as the Chief Financial Officer for Power Medical Interventions, Inc., a publicly held developer and manufacturer of computerized surgical stapling and cutter systems, from January 2007 to January 2009. Prior to joining PMI, Mr. Gandolfo was the Chief Financial Officer of Bioject Medical Technologies, Inc., a publicly held supplier of needle-free drug delivery systems to the pharmaceutical and biotechnology industries, from September 2001 to May 2006, and served on the Bioject's Board of Directors from September 2006 through May 2007. Prior to joining Bioject, Mr. Gandolfo was the Chief Financial Officer of Capital Access Network, Inc., a privately held specialty finance company, from 2000 through September 2001, and Xceed, Inc., a publicly held Internet consulting firm, from 1999 to 2000. From 1994 to 1999, Mr. Gandolfo was Chief Financial Officer and Chief Operating Officer of Impath, Inc., a publicly held, cancer-focused healthcare information

company. From 1987 through 1994, he was Chief Financial Officer of Medical Resources, Inc., a publicly held manager of diagnostic imaging centers throughout the United States. A graduate of Rutgers University, Mr. Gandolfo is a certified public accountant (inactive status) who began his professional career at Price Waterhouse.

Darrel Holmes, Chief Operating Officer, Mr. Holmes has over 25 years of experience in the medical device, biologics, and diagnostic industries. He previously served as Operations Executive for American Qualex, HYCOR Biomedical and Stratagene, and as Executive Vice President and COO of Big Spring Water Company. Since joining Bacterin International, Inc. in 2003, Mr. Holmes has assumed responsibilities for all aspects of medical device and biologic product design and development, process scale-up, and production, and Mr. Holmes also served as Interim Co-Chief Executive Officer from April 5, 2013 to August 14, 2013. Mr. Holmes has worked with numerous regulatory agencies at the federal, state, and local level and coordinates Bacterin's ISO 13485 compliance and environmental health and safety programs. He oversees Bacterin's operations and production, facility management, engineering and information technology (IT) to produce Bacterin's medical devices and biologic products, and to accommodate business growth. He directs the design, purchase, validation and implementation of capital assets and facility expansions for the company, and is responsible for strategic planning as well as the development and administration of division-level budgets. Currently, Mr. Holmes serves as the Tissue Bank Director and on Bacterin's Medical Advisory Committee, as a member of Montana State University's Employer Advisory Board, as a Scientific Advisory Board Member for Montana Molecular in Bozeman, Montana, and as member of the Board of Directors of American Donor Services. Mr. Holmes graduated from California State University at Long Beach with a degree in Biological Science.

Nicholas Navarro, National Sales Manager, has ten years of sales and management experience in the orthopedic industry. As the Vice President of Sales, Mr. Navarro is responsible for managing Bacterin's hybrid distribution force by supporting product sales for all Bacterin divisions. Prior to being promoted to this position in February 2012, Mr. Navarro served in various roles at Bacterin, starting as a Direct Representative, advancing to a Regional Sales Manager, and relocating to headquarters to serve as Vice President of Devices. Mr. Navarro's previous experience includes sales roles with Johnson and Johnson, specializing in wound and infection management, and at Wright Medical as a Foot and Ankle Hardware Specialist. Mr. Navarro has a Psychology degree from the University of Iowa and a minor in Business. Mr. Navarro also contributes time and efforts to support Miracle Feet, which helps to correct club feet in developing countries.

Gregory Juda, Chief Scientific Officer, joined Bacterin in 2005 and has played an integral role in the growth of Bacterin's orthobiologics business. During his time with the company, Dr. Juda has been responsible for guiding the development, commercialization, and marketing of three revolutionary, life-enhancing allograft products; Bacterin's OsteoSponge® allograft family, OsteoSelect® Demineralized Bone Matrix Putty, and hMatrix® Acellular Dermal Matrix. Dr. Juda is an expert in the design, manufacturing, regulation, and marketing of biologics and biologic based medical devices. He was responsible for directing equipment, facility, and process validation efforts for Bacterin's state-of-the-art allograft tissue processing facility. These efforts included the design and validation of programs for tissue processing and decontamination, facility cleaning and monitoring, and sterilization of finished product. Currently, Dr. Juda directs research and development efforts for Bacterin's orthobiologic product lines and serves as the primary source of technical expertise for Bacterin's direct and indirect sales initiatives. Dr. Juda received a Bachelor of Science in Biochemistry from Virginia Polytechnic Institute and State University and a Doctorate of Philosophy in Biochemistry from Montana State University-Bozeman.

Scientific Advisory Board

Our Scientific Advisory Board assists us with issues relating to our coating and biologic technologies. As our needs evolve, members with required areas of interest and expertise are added. Members of our Scientific Advisory Board are compensated in cash or shares of common stock under our equity incentive plan.

Board Composition and Terms of Office

The composition of our board of directors, audit committee, compensation committee, and nominations and governance committee, is subject to the corporate governance provisions of the NYSE MKT, including rules relating to the independence of directors. A majority of our board members and all of our board committee members are independent directors. All directors hold office for staggered three year terms and until the election and qualification of their successors. Officers are elected by, and serve at the discretion of, the board of directors.

Board Committees

We have established an audit committee, compensation committee and nominations and corporate governance committee, in compliance with applicable corporate governance requirements.

Audit Committee

The purpose of the Audit Committee is to assist the oversight of our Board of Directors of the integrity of the financial statements of our company, our company's compliance with legal and regulatory matters, the independent auditor's qualifications and independence, and the performance of our company's independent auditor and internal audit function. The primary responsibilities of the Audit Committee are set forth in its charter and include various matters with respect to the oversight of our company's accounting and financial reporting process and audits of the financial statements of our company. The Audit Committee also selects the independent auditor to conduct the annual audit of the financial statements of our company; reviews the proposed scope of such audit; reviews accounting and financial controls of our company with the independent auditor and our financial accounting staff; and reviews and approves transactions between us and our directors, officers, and their affiliates.

The Audit Committee currently consists of Messrs. Lopach, Swanson and Wickwire, each an independent director of our company under NYSE MKT listing standards as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Mr. Lopach serves as the Chairman of the Audit Committee. The Board of Directors has determined that Messrs. Lopach and Swanson (whose backgrounds are detailed above) each qualify as an "audit committee financial expert" in accordance with applicable rules and regulations of the SEC.

Compensation Committee

The primary purposes of the Compensation Committee are to determine or recommend the compensation of our CEO and other executive officers, and to oversee our Equity Incentive Plan. Our Compensation Committee currently consists of John Deedrick, Kent Swanson and Michael Lopach, each of whom is an independent director. Mr. Deedrick serves as the Chairman of the Compensation Committee.

Nominations and Corporate Governance Committee

The purposes of the Nominations and Corporate Governance Committee include the selection or recommendation to our Board of Directors of nominees to stand for election as directors at each election of directors, the oversight of the selection and composition of committees of our Board of Directors, the oversight of the evaluations of our Board of Directors and management, and the development and recommendation to our Board of Directors of a set of corporate governance principles applicable to our company. The Nominations and Corporate Governance Committee currently consists of Messrs. Wickwire, Swanson and Deedrick, each of whom is an independent director of our company under NYSE MKT listing standards as well as under rules adopted by the SEC pursuant to Sarbanes-Oxley. Mr. Wickwire serves as the Chairman of the Nominations and Corporate Governance Committee.

Nominations to the Board of Directors

Our directors take a critical role in guiding our strategic direction and overseeing the management of our company. Board candidates are considered based upon various criteria, such as their broad-based business and professional skills and experiences, a global business and social perspective, concern for the long-term interests of the stockholders, diversity, personal integrity and judgment.

In addition, directors must have time available to devote to board activities and to enhance their knowledge in the growing business. Accordingly, we seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities.

Family Relationships

There are no family relationships among our new directors and executive officers and any former or proposed directors or executive officers.

Legal Proceedings

During the past ten years, none of our directors or executive officers has been:

o the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

o convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, that has not been reversed, suspended, or vacated;

subject of, or a party to, any order, judgment, decree or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of a federal or state securities or commodities law or regulation, law or regulation respecting financial institutions or insurance companies, law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as described in Item 13 below and in Note 10 to our financial statements, none of our directors, officers or affiliates, or any beneficial owner of 5% or more of our common stock, or any associate of such persons, is an adverse party in any material proceeding to, or has a material interest adverse to, us or any of our subsidiaries.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) requires directors, executive officers and holders of more than 10% of an equity security registered pursuant to Section 12 of the Exchange Act of 1934 to file various reports with the SEC.

To the Company's knowledge, based solely on our review of the Section 16 reports furnished to us in 2012, we believe all reports required pursuant to Section 16(a) were filed on a timely basis except for the following: Daniel Goldberger filed a Form 4 one day late due to a delay in receipt of trade confirmations.

Code of Ethics

We have adopted a Code of Conduct and a Code of Ethics for our CEO and Senior Financial Officers, both of which are posted on our website at www.bacterin.com. The contents of our website are not incorporated by reference into this annual report on Form 10-K.

Procedures for Shareholder Recommendation of Nominees to the Board of Directors

The procedures by which shareholders may recommend nominees to the Board of Directors are contained in our Bylaws.

Item 11. Executive Compensation

The table below summarizes the compensation earned for services rendered to the Company for the fiscal years indicated, by its Chief Executive Officer and two most highly-compensated named executive officers other than the Chief Executive Officer. The Company had two Chief Executive Officers and two Interim Co-Chief Executive Officers during 2013.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards (1)	Change in Pension Value and Non-Equity Deferred Compensation			Total
						Plan Completion	Accrual	Other Compensation	
Daniel Goldberger Chief Executive Officer From August 14, 2013 to present	2013	143,077	-	-	1,098,055	-	-	-	1,241,132
Guy S. Cook Chief Executive Officer Until April 5, 2013	2013	\$156,065	\$46,960	\$-	\$-	\$-	\$-	\$-	\$203,025
	2012	500,000	100,000	-	138,180	-	-	-	738,180
John Gandolfo Chief Financial Officer Interim Co-Chief Executive Officer from April 5 2013 to August 14, 2013	2013	321,462	100,800	68,340	34,745	-	-	-	525,347
	2012	299,947	50,000	-	96,726	-	-	-	446,673
Darrel Holmes Chief Operating Officer Interim Co-Chief Executive Officer from April 5 2013 to August 14, 2013	2013	254,615	84,000	68,340	34,745				441,700
	2012	199,231	50,000		197,467				
Nick Navarro National Sales Manager	2013	240,000	70,500	22,780	34,745				368,025
	2012	233,077			261,005			13,344 (2)	507,426
Gregory Juda Chief Scientific Officer	2013	200,000	71,128	22,780	34,745				328,653
	2012	179,807			110,482				290,289

(1) Key assumptions used to estimate the grant date fair value of restricted stock and option awards are contained in Note 8 to the financial statements in Item 8 of this Annual Report on Form 10-K.

(2) Commission

Employment Agreements

Employment agreements for our current executive officers are set forth as exhibits to this Form 10-K. The employment agreements require each of the executives to perform such duties as are customarily performed by one holding their positions and provide for a fixed annual base salary. In addition, each executive is entitled to receive certain cash bonuses and grants under our equity incentive plan as may be determined by the compensation committee of our board of directors.

The employment agreements also contain covenants (a) restricting the executives from engaging in any activity competitive with our business, (b) prohibiting the executive from disclosing confidential information regarding our company, and (c) requiring that all intellectual property developed by the executive and relating to our business constitutes our sole and exclusive property.

Bacterin International Equity Incentive Plan and Inducement Grant to our Chief Executive Officer

The following is a summary of the material terms of the Bacterin International Equity Incentive Plan (the “Plan”):

The purpose of the Plan is to enable us to attract, retain and motivate key employees, directors and independent consultants, by providing them with stock options and restricted stock grants. Stock options granted under the Plan may be either incentive stock options to employees, as defined in Section 422A of the Internal Revenue Code of 1986, or non-qualified stock options. The Plan is administered by our compensation committee. The administrator of the Plan has the power to determine the terms of any stock options granted under the incentive plan, including the exercise price, the number of shares subject to the stock option and conditions of exercise. Stock options granted under the Plan are generally not transferable, vest in installments and are exercisable during the lifetime of the optionee only by such optionee. The exercise price of all incentive stock options granted under the Plan must be at least equal to the fair market value of the shares of common stock on the date of the grant.

There are 9,000,000 shares of our common stock authorized to be issued under the Plan. As of December 31, 2013, we had outstanding options to purchase 5,583,285 shares and 643,500 shares of restricted stock issued, to directors, executives, employees and consultants, leaving approximately 1,006,648 shares available for issuance thereunder.

We also granted stock options to our Chief Executive Officer outside of our Plan as an inducement material to entering into employment with the company pursuant to Section 711(a) of the NYSE MKT Company Guide. The inducement grant to our Chief Executive Officer was approved by the Compensation Committee of our Board of Directors. The inducement grant consists of a stock option to purchase up to 2,000,000 shares of the Company's common stock, with a per share exercise price of \$0.60, which was the closing price of the Company's common stock on the August 14, 2013 grant date. The option vests over five years, with 20% of the underlying shares vesting after one year and the remaining eighty percent (80%) vesting in forty-seven (47) equal monthly installments as to 33,334 underlying shares, beginning September 15, 2014, and one final installment as to 33,302 underlying shares.

Except for the Equity Incentive Plan and the inducement grant to our Chief Executive Officer discussed above, we do not have any other stock option plans or other similar incentive compensation plans for officers, directors and employees.

Outstanding Equity Awards at Fiscal Year-End (December 31, 2013)

Name	Option Awards				Stock Awards	
	Equity Incentive Number of Plan Awards: Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Unearned	Option Exercise Price	Option Expiration Date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested
Daniel Goldberger	-	2,000,000	\$ 0.60	8/14/23		
Guy Cook	-	-	\$ -	-		
John Gandolfo	150,000	100,000	\$ 1.60	6/3/20	100,500	50,250
	14,000	56,000	\$ 2.36	3/27/22		
		70,000	\$ 0.68	5/24/23		
Darrel Holmes	30,000		\$ 1.34	10/9/16	100,500	50,250
	18,287		\$ 1.50	12/29/18		
	11,712		\$ 1.50	12/29/18		
	15,000		\$ 1.50	12/29/18		
	15,000		\$ 1.50	12/29/18		
	15,000		\$ 1.50	12/29/18		
	14,000	56,000	\$ 2.36	3/27/22		
	33,000	67,000	\$ 1.65	9/6/22		
		70,000	\$ 0.68	5/24/23		
Nick Navarro	36,000	24,000	\$ 1.60	4/1/20	33,500	16,750
	24,000	36,000	\$ 2.36	3/27/22		
	80,000	120,000	\$ 1.48	5/8/22		
		70,000	\$ 0.68	5/24/23		
Gregory Juda	2,500		\$ 1.34	8/22/15	33,500	16,750
	3,750		\$ 1.34	2/8/17		
	14,999		\$ 1.34	8/21/17		
	25,000		\$ 6.90	11/17/20		
	24,000	96,000	\$ 1.47	5/8/22		
		70,000	\$ 0.68	5/24/23		

Potential Payments Upon Termination or Change-in-Control

Both our Chief Executive Officer and our Chief Financial Officer have employment agreements that provide for payment of twelve months base salary if they are terminated in connection with a change in control.

Retirement Plans

The Company has a 401(k) plan available to all full-time employees following a six month probationary period. The Company matches up to 2% of employee contributions at the end of the year.

Director Compensation

Name	Fees Earned or Paid in Cash ⁽¹⁾	Stock Awards	Option Awards ⁽²⁾	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Mitch Godfrey ⁽³⁾	\$ -	\$ -	\$41,500	\$ -	\$ -	\$ 95,000	\$ 136,500
Kent Swanson	\$ 50,000	\$ -	\$41,500	\$ -	\$ -	\$ -	\$91,500
Michael Lopach	\$ 50,000	\$ -	\$41,500	\$ -	\$ -	\$ -	\$91,500
Jon Wickwire	\$ 50,000	\$ -	\$41,500	\$ -	\$ -	\$ -	\$91,500
John Deedrick	\$ 50,000	\$ -	\$41,500	\$ -	\$ -	\$ -	\$91,500

Our independent Board members receive an annual retainer of \$40,000 per year, and our Committee Chairs ⁽¹⁾receive an additional \$10,000 per year. Beginning in 2014, our independent Board Chair will receive an additional \$20,000 per year.

⁽²⁾ Key assumptions used to estimate the grant date fair value of option awards are contained in Note 8 to the financial statements in Item 8 of this Annual Report on Form 10-K.

Mitchell Godfrey serves as a consultant to the Company and all compensation paid to Mr. Godfrey was in ⁽³⁾payment for his services as a consultant. Mr. Godfrey does not receive any director fees for his service as a director.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between our board of directors and the board of directors or compensation committee of any other company, nor has any interlocking relationship existed in the past.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the beneficial ownership of our common stock as of December 31, 2013, by (a) each of our directors and executive officers, (b) all of our directors and executive officers as a group, and (c) each person who is known by us to beneficially own 5% or more of our common stock.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned ⁽²⁾	Percentage of Shares Beneficially Owned ⁽³⁾
<i>Directors and Named Executive Officers</i> ⁽¹⁾ :		
Daniel Goldberger	100,100	*
Kent Swanson	676,509 ⁽⁴⁾	1.3 %
Mitchell Godfrey	1,112,133 ⁽⁵⁾	2.1 %
Michael Lopach	181,185 ⁽⁶⁾	*
Jon Wickwire	503,764 ⁽⁷⁾	0.9 %
John Deedrick	50,000 ⁽⁸⁾	*
John P. Gandolfo	177,920 ⁽⁹⁾	*
Darrel Holmes	152,332 ⁽¹⁰⁾	*
Nick Navarro	170,000 ⁽¹¹⁾	*
Gregory Juda	90,249 ⁽¹²⁾	*
All executive officers and directors as a group (10 persons)	3,214,192	6.0 %
Five Percent Shareholders:		
Guy S. Cook 246 Painted Hills Rd. Bozeman, MT 59714	10,305,441 ⁽¹³⁾	19.3 %
Rawleigh Hazen Ralls, IV c/o Lacuna, LLC 1100 Spruce Street, Suite 202 Boulder, Colorado 80302	3,100,550 ⁽¹⁴⁾	5.8 %

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OrbiMed Advisors LLC 601 Lexington Ave., 54 th Floor New York, NY 10022	4,131,579 (15)	7.8	%
Perkins Capital Management, Inc. 730 East Lake Street Wayzata, MN 55391	3,316,273 (16)	6.2	%

*Less than 1% of outstanding shares of common stock.

(1) The address for directors and named executive officers is c/o Bacterin International, Inc., 664 Cruiser Lane, Belgrade Montana 59714.

Unless otherwise indicated, includes shares owned by a spouse, minor children and relatives sharing the same home, as well as entities owned or controlled by the named person. Also includes shares if the named person has (2) the right to acquire those shares within 60 days after December 31, 2013, by the exercise or conversion of any warrant, stock option or convertible preferred stock. Unless otherwise noted, shares are owned of record and beneficially by the named person.

(3) The calculation in this column is based upon 53,338,658 shares of common stock outstanding on December 31, 2013. The shares of common stock underlying warrants and stock options are deemed outstanding for purposes of computing the percentage of the person holding them, but are not deemed outstanding for the purpose of computing the percentage of any other person.

(4) Includes (a) 350,000 shares of our common stock held directly, (b) 200,000 shares held by a family limited partnership, (c) warrants to purchase 66,509 shares of our common stock, and (d) options to purchase 60,000 shares of our common stock.

(5) Includes (a) 711,467 shares of our common stock, (b) 250,666 shares of common stock owned by Mr. Godfrey's spouse, and (c) vested options to purchase 150,000 shares of our common stock.

(6) Includes (a) 16,949 shares of our common stock held directly, (b) 33,898 shares held by a 401(k) plan, (c) warrants to purchase 20,338 shares, and (d) options to purchase 110,000 shares.

(7) Includes (a) 105,509 shares of our common stock, (b) 257,630 shares of common stock held by trusts, (c) warrants to purchase 30,625 shares of common stock, and (d) options to purchase 110,000 shares of our common stock.

(8) Includes vested options to purchase 50,000 shares of our common stock.

(9) Includes (a) 9,943 shares of our common stock held by an IRA, (b) warrants to purchase 3,977 shares of our common stock, and (c) vested options to purchase 164,000 shares of our common stock.

(10) Includes vested options to purchase 152,332 shares of our common stock.

(11) Includes vested options to purchase 170,000 shares of our common stock.

(12) Includes (a) 20,000 shares of our common stock, and (b) vested options to purchase 70,249 shares of our common stock.

(13) Includes (a) 4,871,029 shares of our common stock held directly, (b) 5,300,000 shares of our common stock held by trusts for the benefit of Mr. Cook's children, and (c) warrants to purchase 134,412 shares of our common stock.

(14) Based on Schedule 13G filed with the SEC on February 14, 2014. Includes 1,990,550 shares held indirectly by a fund for which Mr. Ralls may be deemed to have shared power to vote and dispose of the shares, and 110,000 shares held indirectly by Mr. Ralls' spouse. Mr. Ralls disclaims beneficial ownership of shares held indirectly, except to the extent of his pecuniary interest therein.

(15)

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Based on Schedule 13G filed with the SEC on February 13, 2014. Includes 3,254,386 shares of our common stock and warrants to purchase 877,193 shares of our common stock held by an entity managed by OrbiMed Advisors LLC.

(16) Based on Schedule 13G filed with the SEC on February 7, 2014. Includes 2,965,393 shares of our common stock and warrants to purchase 350,880 shares of our common stock.

Economic Ownership; Stock Ownership Guidelines

Because the table above is limited to shares that are owned or which the person has the right to acquire within 60 days, it does not present a complete view of the economic exposure our directors and executive officers have to the Company's common stock. Excluded from the table above are unvested stock options and unvested warrants which will become vested more than 60 days from December 31, 2013.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons, Promoters and Certain Control Persons

Guy Cook was our President, Chief Executive Officer and Chairman of our Board of Directors until April 5, 2013, when he resigned. Mr. Cook has advised us that he is currently an owner and executive officer of Lattice Biologics, Inc., a competitor of ours that was formerly known as International Biologics, LLC. International Biologics, LLC was a former customer of Bacterin and is indebted to us in the amount of approximately \$32,974, which we are currently attempting to collect.

Mr. Cook assisted unrelated parties in the initial capitalization of Holgan, LLC, a former stocking distributor that purchased a bulk shipment of products from Bacterin at a discount in 2012 (“Holgan”). Holgan subsequently obtained financing from Lacuna Hedge Fund LLLP (“Lacuna”), which is a significant Bacterin shareholder. Holgan failed to fully pay for the products it acquired from Bacterin and defaulted under its credit agreement with Lacuna. The parties are currently in settlement negotiations and we understand that Mr. Cook’s new company Lattice may be purchasing substantially all of the Bacterin products still held by Holgan, with the proceeds to be paid to Lacuna. We are continuing to negotiate with Lacuna on possible settlement arrangements and with Holgan on its unpaid obligation, which we wrote off in 2013.

Mr. Cook’s spouse was employed by Bacterin as the Director of Human Resources until April 9, 2013. Mr. Cook, together with his adult children, owned and operated Silver Forest Fund, LP (“Silver Forest”), a former distributor of Bacterin products. We terminated the contractual relationship with Silver Forest on October 24, 2013. In 2012, Silver Forest purchased Bacterin products from an unaffiliated former distributor and subsequently exchanged some of those products for different Bacterin products of equivalent value. Other than product exchanges and payment of amounts owed by the non-affiliated distributor, there were no other direct transactions between Bacterin and Silver Forest. In 2012, Mr. Cook pledged 1,850,000 shares of Bacterin stock as collateral for loans made for the benefit of Silver Forest.

Mr. Cook remains our largest stockholder with beneficial ownership of approximately 19.4% of our outstanding capital according to Amendment No. 4 to his Schedule 13D filed on February 25, 2014 with the Securities and Exchange Commission (the “Schedule 13D”). In the Schedule 13D, Mr. Cook indicated that he believed Bacterin would be better able to realize its full value as a private entity, and that he planned to engage legal and financial advisors to assist him in evaluating alternatives for taking Bacterin private. To date, Mr. Cook has not made any formal offer to our Board of Directors.

Mr. Cook also formerly served as a board member of West Coast Tissue Services (“WCTS”) and American Donor Services (“ADS”). Mr. Cook did not receive any compensation for his board service from either entity. Darrel Holmes,

our Chief Operating Officer, and Mitchell Godfrey, a director, also serve on the board of ADS, and Mr. Godfrey also serves as secretary and treasurer for ADS. Mr. Godfrey receives \$5,000 per year for his service to ADS. Mr. Holmes does not receive any compensation for serving on the board of ADS. ADS and WCTS recover tissue from donors. We reimburse them for their recovery fees, which are comprised primarily of labor costs. The approximate aggregate amount of all transactions with WCTS was \$840,100 for 2013 and \$525,900 for 2012, and the approximate aggregate amount of all transactions with ADS was \$2,055,523 for 2013 and \$1,472,949 for 2012. These relationships have benefited us, as these entities provide us with donors, thus insuring that we have a pipeline of current and future donors, which is necessary to our success.

Unless delegated to the Compensation Committee by the Board of Directors, the Audit Committee or the disinterested members of the full Board of Directors reviews and approves all related party transactions.

Director Independence

The following board members are independent directors, as defined under the independence standards of the NYSE MKT LLC: Kent Swanson, Michael Lopach, Jon Wickwire and John Deedrick. All of our board committees are comprised solely of independent directors, and the composition of our board committees is described in Item 10 of this Form 10-K.

Item 14. Principal Accountant Fees and Services

EKS&H LLLP (“EKS&H”) served as the independent registered public accounting firm to audit our books and accounts for the fiscal years ending December 31, 2013 and December 31, 2012. The following table presents the aggregate fees billed for professional services rendered by EKS&H for the years ended December 31, 2013 and December 31, 2012.

	2013	2012
Audit fees	\$ 138,500	\$ 85,000
Audit-related fees	\$ 11,073	\$ 39,500
Tax fees	\$-	\$-
All other fees	\$-	\$ 5,288

In the above table, “audit fees” are fees billed for services provided related to the audit of our annual financial statements, quarterly reviews of our interim financial statements and services normally provided by the independent accountant in connection with statutory and regulatory filings or engagements for those fiscal periods. “Audit-related fees” are fees not included in audit fees that are billed by the independent accountant for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. “Tax fees” are fees billed by the independent accountant for professional services rendered for tax compliance, tax advice and tax

planning. "All other fees" are fees billed by the independent accountant for products and services not included in the foregoing categories.

Audit Committee's Pre-Approval Policy

It is the Audit Committee's policy to approve in advance the types and amounts of audit, audit-related, tax and any other services to be provided by our independent accountants. In situations where it is not possible to obtain full Audit Committee approval, the Audit Committee has delegated authority to the Chairman of the Audit Committee to grant pre-approval of auditing, audit-related, tax and all other services. Any pre-approved decisions by the Chairman are required to be reviewed with the Audit Committee at its next scheduled meeting.

The Audit Committee approved 100% of the services provided by EKS&H.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of or are included in this Annual Report on Form 10-K:

1. Financial statements included in Item 8 of this Annual Report; and
2. Exhibits listed in the Exhibit Index filed as part of this Annual Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BACTERIN INTERNATIONAL HOLDINGS, INC .

By: /s/ Daniel Goldberger
Name: Daniel Goldberger
Title: Chief Executive Officer
Date: March 27, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 27, 2014.

Signature	Title
/s/ Daniel Goldberger Daniel Goldberger	Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ John Gandolfo John Gandolfo	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Kent Swanson Kent Swanson	Director
/s/ Mitchell Godfrey Mitchell Godfrey	Director
/s/ Michael Lopach Michael Lopach	Director
/s/ Jon Wickwire Jon Wickwire	Director
/s/ John Deedrick John Deedrick	Director

Exhibit Index

Exhibit

No.	Description
2.1	Agreement and Plan of Merger, dated as of June 30, 2010, by and among K-Kitz, Inc., KB Merger Sub, Inc. and Bacterin International, Inc. ⁽¹⁾
3.1	Restated Certificate of Incorporation ⁽⁵⁾
3.2	Amended and Restated Bylaws ⁽³⁾
4.1	Form of Warrant to Purchase Common Stock ⁽¹⁾⁽¹⁷⁾
4.2	Form of Common Stock Certificate ⁽⁶⁾
10.1	Form of Indemnification Agreement for the officers and directors ⁽²⁾
10.2	Amended and Restated Bacterin International Equity Incentive Plan ⁽⁷⁾
10.3	Form of Stock Option Agreement ⁽¹⁴⁾ •
10.4	Daniel Goldberger Employment Agreement ⁽⁸⁾ •
10.5	Daniel Goldberger Stock Option Agreement ⁽⁹⁾ •
10.6	Daniel Goldberger Indemnification Agreement ⁽¹⁰⁾
10.7	John Gandolfo Employment Agreement ⁽²⁾ •
10.8	Nicholas Navarro Employment Agreement ⁽¹¹⁾ •
10.9	Darrel Holmes Employment Agreement ⁽²⁾ •
10.10	Greg Juda Employment Agreement ⁽¹⁴⁾ •
10.11	Mitchell Godfrey Consulting Agreement ⁽¹¹⁾ •
10.12	Credit Agreement dated August 24, 2012 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹²⁾
10.13	First Amendment to Credit Agreement dated May 16, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁵⁾
10.14	Waiver and Second Amendment to Credit Agreement dated August 12, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁶⁾
10.15	Waiver and Third Amendment to Credit Agreement dated August 12, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁶⁾
10.16	Fourth Amendment to Credit Agreement dated August 30, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁷⁾
10.17	Waiver and Fifth Amendment to Credit Agreement dated August 12, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁰⁾
10.18	Sixth Amendment to Credit Agreement dated March 6, 2014 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁸⁾
10.19	Royalty Agreement dated August 24, 2012 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹²⁾
10.20	First Amendment to Royalty Agreement dated August 12, 2013 by and between Bacterin and ROS Acquisition Offshore LP ⁽¹⁶⁾
10.21	Form of Securities Purchase Agreement ⁽¹³⁾
10.22	Form of Registration Rights Agreement ⁽¹³⁾
14.1	Code of Conduct ⁽⁴⁾
14.2	Code of Ethics for the CEO and Senior Financial Officials ⁽⁴⁾
21.1	Subsidiaries of the Registrant ⁽²⁾
23.1*	Consent of Independent Accounting Firm, EKS&H LLLP
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

32.1* Section 1350 Certification of Chief Executive Officer
32.2* Section 1350 Certification of Chief Financial Officer
101.INS** XBRL INSTANCE DOCUMENT
101.SCH** XBRL TAXONOMY EXTENSION SCHEMA
101.CAL** XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF** XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB** XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE** XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

- Compensation Agreement
- * Filed herewith
**Furnished herewith

XBRL (eXtensible Business Reporting Language) information is furnished and not filed as part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these Sections.

- (1) Incorporated herein by reference to the Registrant's Form 8-K filed with the SEC on June 30, 2010.
- (2) Incorporated herein by reference to the Registrant's Form 8-K filed with the SEC on July 7, 2010.
- (3) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on July 11, 2013.
- (4) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on January 21, 2011.
- (5) Incorporated by reference to the Registrant's Form 10-Q filed with the SEC on November 14, 2011.
- (6) Incorporated by reference to the Registrant's Form S-3 Registration Statement filed with the SEC on July 11, 2011.
- (7) Incorporated by reference to Appendix B of the Registrant's Proxy Statement filed with the SEC on June 8, 2011.
- (8) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on August 15, 2013.
- (9) Incorporated by reference to the Registrant's Registration Statement on Form S-8 filed with the SEC on September 19, 2013.
- (10) Incorporated by reference to the Registrant's Form 10-Q filed with the SEC on November 14, 2013.
- (11) Incorporated by reference to the Registrant's Form 10-K filed with the SEC on March 29, 2012.
- (12) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on August 28, 2012.
- (13) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on June 5, 2013.
- (14) Incorporated by reference to the Registrant's Form 10-Q filed with the SEC on May 4, 2012.
- (15) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on May 22, 2013.
- (16) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on August 13, 2013.

- (17) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on September 4, 2013.

- (18) Incorporated by reference to the Registrant's Form 8-K filed with the SEC on March 10, 2014.