

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

COVALENT GROUP INC

CIK: **856569** | IRS No.: **561668867** | State of Incorporation: **NV** | Fiscal Year End: **1231**
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SIC: **8731** Commercial physical & biological research

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

COVALENT GROUP, INC.
(Exact name of registrant as specified in its charter)

Date of Report (Date of earliest event reported): April 29, 2005

Delaware	0-21145	56-1668867
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Glenhardie Corporate Center
1275 Drummers Lane
Suite 100
Wayne, PA 19087

(Address of principal executive offices/Zip Code)

(610) 975-9533

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[] Pre-commencement communications pursuant to Rule 14d-2(b) under the

[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On May 2, 2005, Covalent Group, Inc. ("Covalent") issued a press release announcing the appointment of Christopher F. Meshginpoosh to its Board of Directors effective April 29, 2005. Mr. Meshginpoosh also became Chairman of Covalent's Audit Committee.

A copy of Covalent's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Current Report on Form 8-K, including the exhibit hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 8.01 OTHER EVENTS

On April 29, 2005, the Board of Directors unanimously agreed to amend their compensation for their service to the Company as directors. Accordingly, the annual cash compensation paid to each non-employee director will decrease from \$50,000 per year to \$37,500 per year. The cash compensation will be paid to each non-employee director monthly as it was previously. The non-employee directors are not entitled to any additional meeting fees pursuant to the new arrangement. Under the prior compensation arrangement, non-employee directors were entitled to receive cash payments for each additional meeting in excess of eight board meetings during the year. The additional meeting fees ranged from \$250 to \$1,000 depending upon the length of the meeting.

Non-employee directors will be entitled to be reimbursed for ordinary and necessary travel related expenses to attend said meetings.

Non-employee directors will also receive a stock option grant to purchase 20,000 shares of Common Stock on an annual basis. Each Committee chairman will receive an additional stock option grant to purchase 5,000 shares of Common Stock on an annual basis for their service as a Committee Chairman. Under the prior compensation arrangement, non-employee directors who were members of the Audit Committee received an initial grant, upon joining the Board, to purchase 82,500 shares of Common Stock. All other non-employee directors received an initial option grant to purchase 60,000 shares of Common Stock upon joining the

Board.

Under the prior compensation arrangement, Board of Director stock option grants vested quarterly whereas under the new compensation arrangement, stock option grants will vest from one to five years pursuant to the provisions in the Company's stock based compensation plans.

ITEM 9.01 EXHIBITS

(c) Exhibits.

99.1 - Press release dated May 2, 2005.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COVALENT GROUP, INC.

Date: May 2, 2005

By: /s/ Lawrence R. Hoffman

Name: Lawrence R. Hoffman

Title: Executive Vice President, General Counsel,
Secretary and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DOCUMENT
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99.1	Covalent Group, Inc. Press release dated May 2, 2005.

COVALENT GROUP, INC. APPOINTS CHRISTOPHER F. MESHGINPOOSH
TO ITS BOARD OF DIRECTORS

WAYNE, Pa., May 2 /PRNewswire-FirstCall/ -- Covalent Group, Inc. (Nasdaq: CVGR) today announced the appointment of Christopher F. Meshginpoosh to its Board of Directors. Mr. Meshginpoosh also became Chairman of Covalent's Audit Committee concurrent with his board appointment.

Mr. Meshginpoosh currently serves as a Director at Kreisler Miller, one of the largest full service accounting, tax and advisory firms in the Greater Philadelphia region, where he leads the firm's consulting practice. In this role, he has provided corporate governance and transactional services to several publicly held businesses. Prior to joining Kreisler Miller, Mr. Meshginpoosh served as an executive officer of two publicly held companies, including having served as Chief Financial Officer for Lipient, Inc., a publicly-traded international enterprise software and outsourcing services company serving the pharmaceutical industry. Prior to these positions, Mr. Meshginpoosh held various senior management positions of increasing responsibility in industry as well as serving as a Senior Manager at KPMG.

Mr. Meshginpoosh is a Certified Public Accountant and holds a BS in Accounting, summa cum laude, from West Chester University.

Kenneth M. Borow, M.D., President and Chief Executive Officer, commented, "Mr. Meshginpoosh's appointment to our Board of Directors is a significant step for Covalent as we build a strong foundation of expertise in our company. We are optimistic about our opportunities for growth, and we believe Chris's extensive finance, accounting and management background will contribute to our strategic direction and operational improvement."

About Covalent Group

Covalent Group is a clinical research organization that is a leader in the design and management of complex clinical trials for the pharmaceutical, biotechnology and medical device industries. The Company's mission is to provide its clients with high quality, full-service support for their clinical trials. Covalent offers therapeutic expertise, experienced team management and advanced technologies. The Company has clinical trial experience across a wide variety of therapeutic areas such as cardiovascular, endocrinology/metabolism, diabetes, vaccines, biologics, gene therapy, immunology, neurology, oncology, infectious diseases, gastroenterology, dermatology, hepatology, womens' health and respiratory medicine. Covalent believes that its leadership in the design of complex clinical trials, its application of innovative technologies, therapeutic expertise and commitment to quality offer its clients a means to more quickly and cost effectively develop products through the clinical trial process. With its wholly-owned international subsidiary, Covalent Group, Ltd., as well as its Strategic Partners operating around the world, Covalent is able to meet the

global drug development needs of its clients.

This press release contains forward-looking statements identified by words such as "estimate," "project," "expect," "intend," "believe," "anticipate" and similar expressions. Actual results might differ materially from those projected in, expressed in or implied by the forward-looking statements. Potential risks and uncertainties that could affect the Company's future operating results and financial condition include, without limitation: (i) our success in attracting new business and retaining existing clients and projects; (ii) the size, duration, and timing of clinical trials; (iii) the termination, delay or cancellation of clinical trials; (iv) the timing difference between our receipt of contract milestone or scheduled payments and our incurring costs to manage these trials; (v) outsourcing trends in the pharmaceutical, biotechnology and medical device industries; (vi) the ability to maintain profit margins in a competitive marketplace; (vii) our ability to attract and retain qualified personnel; (viii) the sensitivity of our business to general economic conditions; (ix) other economic, competitive, governmental and technological factors affecting our operations, markets, products, services and prices; and (x) announced awards received from existing and potential customers are not definitive until fully negotiated contracts are executed by the parties. Additional information concerning factors that could cause actual results to materially differ from those in forward-looking statements is contained in Covalent Group's SEC filings, including its Annual Report on Form 10-K for the year ended December 31, 2004 and other periodic reports under the Securities Exchange Act of 1934, as amended, copies of which are available upon request from Covalent Group's investor relations department.

Investor Relations Contact: Lawrence Hoffman, CPA, Esq.
CFO, Covalent Group, Inc.

(610) 975-9533

Contact us on-line: <http://www.covalentgroup.com>

SOURCE Covalent Group, Inc.

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/Web site: <http://www.covalentgroup.com> /