SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 3, 2010

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	0-24249	22-2919486
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Morris Corporate Center 1, Building A
300 Interpace Parkway,
Parsippany, NJ 07054
(Address of principal executive offices and zip Code)

(862) 207-7800
Registrant's telephone number, including area code:

(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:

|_| 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 Exchange Act (17 CFR 240.14d-2(b))

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

Explanatory Note

This Form 8-K/A amends the Form 8-K filed by PDI, Inc. ("PDI" or the "Company") with the Securities and Exchange Commission on November 9, 2010 (the "Initial 8-K"), announcing the acquisition of Group DCA, LLC (the "Acquisition"). As permitted under Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K, the Initial 8-K did not include certain financial statements and pro forma financial information. PDI is filing this amendment to provide the (i) historical audited and unaudited financial information and (ii) unaudited pro forma financial information required to be filed under Item 9.01 of Form 8-K in connection with the Acquisition.

Item 2.01. Completion of Acquisition or Disposition of Assets

This Form 8-K/A amends the Initial 8-K to include the financial statements required by Item 9.01 pertaining to the Acquisition. The information previously reported in Item 2.01 of the Initial 8-K is hereby incorporated by reference into this Form 8-K/A.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

The audited consolidated financial statements of Group DCA, Inc. [(1)], for the year ended December 31, 2009, including the report of independent auditors.

The unaudited consolidated financial statements of Group DCA, Inc. [(1)] including the balance sheet as of September 30, 2010 and the statements of operations and cash flows for the nine months ended September 30, 2010 and 2009 and the notes to the financial statements.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial information which describes the effect of the Acquisition on the Company's consolidated balance sheet and statements of operations, including:

- The unaudited pro forma condensed combined balance sheet as of September 30, 2010, which gives effect to the Acquisition as if it occurred on that date; and

- The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2010 and the year ended December 31, 2009, which give effect to the Acquisition as if it occurred on January 1, 2009.

(d) Exhibits.

[(1)] It should be noted that prior to the Acquisition, Group DCA, Inc. was converted to a single member limited liability company now known as Group DCA, LLC.

Exhibit No.	Description
23.1	Consent of WithumSmith+Brown, PC, independent auditors of Group DCA, Inc.
99.1	Audited consolidated financial statements of Group DCA, Inc. as of and for the fiscal year ended December 31, 2009.
99.2	Unaudited consolidated financial statements of Group DCA, Inc. as of September 30, 2010 and for the nine months ended September 30, 2010 and 2009.
99.3	Unaudited pro forma financial information listed in Item 9.01(b).

SIGNATURES

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.

	PDI, INC.
Date: January 19, 2011	By: /s/ Jeffrey Smith
	Name: Jeffrey Smith
	Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use of our report dated January 18, 2011, relating to our audit of the consolidated financial statements of Group DCA, Inc. and Subsidiaries as of and for the year ended December 31, 2009, which are included in PDI, Inc.'s Current Report (Form 8-K/A) dated January 19, 2011, filed with the Securities and Exchange Commission.

/s/ WITHUMSMITH+BROWN, P.C.

WITHUMSMITH+BROWN, P.C.

Morristown, New Jersey
January 19, 2011

Group DCA Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2009

With Independent Auditors' Report

Independent Auditors' Report

To the Stockholders
Group DCA, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Group DCA, Inc. and Subsidiaries as of December 31, 2009, and the related consolidated statements of operations, stockholders' deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Group DCA, Inc. and Subsidiaries as of December 31, 2009, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ WithumSmith+Brown, PC

WithumSmith+Brown, PC
Morristown, New Jersey
January 18, 2011

Group DCA Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2009

ASSETS	
Current assets	
Cash and cash equivalents	$ 110,512
Accounts receivable	5,091,526
Due from stockholder	66,881
Deferred contract costs	1,615,386
Prepaid expenses	179,038
Total current assets	7,063,343
Property and equipment, net of accumulated depreciation and amortization	980,322
Due from stockholder, net of current portion	370,019
Security deposit	140,000
Other assets	2,526
Total assets	$ 8,556,210
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities	
Bank credit line	$ 1,175,000
Accounts payable and accrued expenses	2,808,014
Note payable - former stockholder	86,250
Deferred rent obligation	14,853
Deferred revenue	13,100,357
Total current liabilities	17,184,474
Long-term liabilities	
Deferred rent obligation, net of current portion	348,541
Total liabilities	17,533,015
Stockholders' deficit	
Common stock; $.0001 par value; 20,000,000 shares authorized, 10,000,000 shares issued, and 8,500,000 shares outstanding	1,000
Additional paid-in capital	282,875
Treasury stock, at cost - 1,500,000 shares	(1,150,000)
Accumulated deficit	(8,110,680)
Total stockholders' deficit	(8,976,805)
Total liabilities and stockholders' deficit	$ 8,556,210

The Notes to Consolidated Financial Statements are an integral part of this statement.

Group DCA Inc. and Subsidiaries
Consolidated Statement of Operations
Year Ended December 31, 2009

Net revenue	$ 15,981,602
Cost of revenue	10,656,538
Gross profit	5,325,064
Selling, general and administrative expenses	
Salaries and employee benefits	3,458,819
Other selling, general and administrative expenses	3,052,637
Total selling, general and administrative expenses	6,511,456
Loss from operations	(1,186,392)
Other income (expenses)	
Interest expense	(65,874)
Other income and expenses, net	12,598
Net other income (expenses)	(53,276)
Loss before provision for taxes	(1,239,668)
Provision for taxes	6,205
Net loss	$ (1,245,873)

The Notes to Consolidated Financial Statements are an integral part of this statement.

Group DCA Inc. and Subsidiaries
Consolidated Statement of Stockholders' Deficit
Year Ended December 31, 2009

	Common Stock						
	Shares Outstanding	Amount	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
Balance - beginning of year as previously reported	8,500,000	$ 10	$ 475,591	$ (1,150,000)	$ (184,609)	$ 948,149	$ 89,141
Prior-period adjustments (See note 9)		990	(210,390)	-	184,609	(6,834,956)	(6,859,747)
Balance - beginning of year as restated	8,500,000	1,000	265,201	(1,150,000)	-	(5,886,807)	(6,770,606)
Net loss	-	-	-	-	-	(1,245,873)	(1,245,873)
Stock option based expense	-	-	17,674	-	-	-	17,674
Distributions to stockholders	-	-	-	-	-	(978,000)	(978,000)
Balance - December 31, 2009	8,500,000	$ 1,000	$ 282,875	$ (1,150,000)	$ -	$ (8,110,680)	$ (8,976,805)

The Notes to Consolidated Financial Statements are an integral part of this statement.

Group DCA Inc. and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended December 31, 2009

Cash flows from operating activities	
Net loss	$ (1,245,873)
Adjustment to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	293,173
Stock option expense	17,674
Deferred rent expense	16,648
Changes in operating assets and liabilities:	
Accounts receivable	(3,616,246)
Prepaid expenses	(53,057)
Deferred contract costs	(71,094)
Other assets	13,191
Accounts payable and accrued expenses	(415,867)
Deferred revenue	5,637,350
Net cash provided by operating activities	575,899
Cash flows from investing activities	
Acquisition of equipment and computer software	(319,805)
Cash flows from financing activities	
Repayment of note due from stockholder	55,084
Net repayment of bank credit line	(325,000)
Repayment of note payable to stockholder	(345,000)
Distributions to stockholders	(958,000)
Net cash used in financing activities	(1,572,916)
Net decrease in cash and cash equivalents	(1,316,822)
Cash and cash equivalents, beginning of year	1,427,334
Cash and cash equivalents, end of year	$ 110,512
Supplementary information	
Cash paid during the year:	
Interest paid	$ 65,874
Income taxes paid	$ 6,205

The Notes to Consolidated Financial Statements are an integral part of this statement.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Group DCA Inc. (the "Company") is a Delaware corporation and has its principal place of business at 800 Lanidex Plaza, Parsippany, NJ 07054. The Company is an e-Communications firm providing educational and marketing programs to the healthcare community on behalf of its pharmaceutical and biotechnology clients.

Graphic Details, LLC, Insight Exchange, LLC, and Park Street Research, LLC, (collectively the "Subsidiaries") are wholly owned subsidiaries of the Company and provide specialized promotional, educational, and market research services, respectively.

Basis of Accounting

Assets and liabilities are recorded and revenues and expenses are recognized on the accrual basis of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of Group DCA, Inc. and its subsidiaries: Graphic Details, LLC, Insight Exchange, LLC and Park Street Research, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Company considers all liquid investments purchased with a maturity of three months or less at acquisition to be cash equivalents. At various times throughout the year, certain balances at a financial institution exceeded the Federal Deposit Insurance Corporation's limit ($250,000 through December 31, 2013). Management monitors regularly the financial condition of the banking institution, along with their balances in cash and cash equivalents and endeavors to keep this potential risk at a minimum.

Receivables and Credit Policies

Accounts receivable are uncollateralized, non interest bearing, customer obligations due under normal trade terms requiring payment ranging within 30 to 45 days from the invoice date and are stated at the amount billed to the customer. Customer account balances with invoices dated over 90 days are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice, or if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Amounts deemed to be uncollectible by management are written off against the allowance. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. In addition, management periodically evaluates the adequacy of the allowance based on the Company's past experience. As of December 31, 2009, accounts receivable were considered fully collectible, and accordingly, no allowance was established.

Revenue Recognition
Revenue consists primarily of fees for providing promotional, research, and educational programs for clients.

Revenue from contracts associated with the delivery of a tangible product is generally recognized when such products are completed and title is passed to the customer. Service revenue is deferred and recognized as revenue on a straight-line basis over the service period. The service period is defined as the period of time over which the on-line marketing content is substantially delivered to the customer's target audience. For service offerings where no contractual service period is defined within the arrangement, the Company records revenue over the estimated length of time in months of the program based on the recent historical performance of similar on-line marketing programs.

Pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 605-25-05, ("Revenue Arrangements with Multiple Deliverables"), the Company evaluates multiple-element revenue arrangements for separate units of accounting, and follows the appropriate revenue recognition policy applicable to each separate unit. Elements are considered separate units of accounting provided that (i) the delivered item has stand-alone value to the customer, (ii) there is objective and reliable evidence of the fair value of the delivered item, and (iii) if a general right of return exists relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially within the control of the Company.

For arrangements with multiple elements, the Company allocates net revenue to each element using vendor specific objective evidence, if it exists, and otherwise third party evidence of the fair value of the deliverables. Under arrangements involving a combination of the sale of products and the delivery of services, assuming the multiple-element criteria can be established, product sales are recognized as revenue when the products are sold and title is passed to the customer, and service revenue is recognized on a straight-line basis over the service period. If the multiple-element criteria for separate accounting cannot be established, the delivered element is combined with the undelivered element and revenue is deferred and recognized upon delivery of the undelivered element in accordance with the revenue recognition policy of the undelivered element.

While the majority of our sales transactions contain standard business terms and conditions, there are some transactions that contain non-standard business terms and conditions. As a result, significant contract interpretation is sometimes required to determine the appropriate accounting including: (1) whether an arrangement exists and what is included in the arrangement; (2) how the arrangement consideration should be allocated among the deliverables if there are multiple deliverables; (3) when to recognize net revenues on the deliverables; and (4) whether undelivered elements are essential to the functionality of delivered elements. In addition, our revenue recognition policy requires an assessment as to whether collection is probable, which inherently requires us to evaluate the creditworthiness of our customers. Changes in judgments on these assumptions and estimates could materially impact the timing of revenue recognition.

Deferred Revenue
Customers are invoiced according to agreed upon billing terms. Contracts that are invoiced prior to performance of related services or delivery of products are recorded as deferred revenue and are not recognized as revenues until earned, in accordance with revenue recognition policies.

Deferred Contracts Costs
Direct costs related to customer contracts are deferred and recognized ratably with the respective contract revenue.

Long-Lived Assets
The Company periodically evaluates the net realizable value of long-lived assets, principally property and equipment, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. An impairment in the carrying value of an asset is recognized whenever future cash flows (undiscounted) from an asset are estimated to be less than its carrying value. The amount of the impairment recognized is the difference between the carrying value of the asset and its fair value. There were no impairment losses recorded for the year ended December 31, 2009.

Property and Equipment
Property and equipment are stated at cost. Maintenance and repairs are charged to expense as incurred. Costs of major additions and betterments are capitalized. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets ranging from 3 to 7 years. The cost of leasehold improvements is amortized on a straight-line basis over the lesser of the estimated lives of the assets or the term of the related lease.

Internal Use Software
Costs incurred in developing or obtaining computer software are capitalized and amortized over the assets' estimated useful lives ranging from three to five years. The Company capitalized $275,804 during the year ended December 31, 2009. Capitalized software costs are included in property and equipment in the accompanying balance sheet.

Advertising Costs
Advertising expenses are expensed as incurred. Advertising expenses totaled $109,668 for the year ended December 31, 2009.

Shipping and Handling Costs
The Company records shipping and handling costs charged to customers as revenue and direct shipping costs incurred are included in "Cost of Revenue" in the accompanying consolidated statement of operations.

Income Taxes
The Company has elected to be taxed under subchapter "S" of the Internal Revenue Code and files with its wholly-owned single member limited liability company subsidiaries on a consolidated basis. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. The elections are also valid for state purposes; however, certain states impose certain minimum taxes and fees which accounted for approximately $6,205 and are included in the provision for income taxes in the accompanying consolidated statement of operations.

Use of Estimates
The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include recognition of deferred revenue, accrued liabilities, and useful lives assigned to property and equipment. Actual results could differ from those estimates.

Use of Estimates (continued)

The Company has recently determined that portions of certain transactions may be subject to sales tax. As part of the assessment, the Company has retained outside consultants to help determine the applicability of the various state sales tax rules, and the overall amount of the potential exposure, including the potential tax, interest and penalties, if any. The Company is currently unable to determine if it will be able recover any significant portion of such taxes from other parties to these transactions. Additionally, the Company is unaware of any amounts that may have been paid by other parties to the transactions which could potentially reduce the exposure. Accordingly, while the Company has not yet completed its assessment, based on information that is currently available, the Company has recorded a reserve of $875,000 at December 31, 2009, of which $360,000 relates to fiscal 2009 and is recorded in costs of revenue and $515,000 relates to prior fiscal years and is recorded as a correction of an error in the beginning balance of Retained Earnings (See note 9).

Fair Value Disclosures

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, short term borrowings and debt approximate their fair values because of the relative short-term maturity of these instruments.

New Accounting Pronouncements

The Company adopted the accounting for uncertainty in income taxes recognized in an entity's financial statements which prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The pronouncement, adopted on January 1, 2009, also provided guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition requirements. This pronouncement had no effect on the Company's financial statements upon adoption and for the year ended December 31, 2009. The Company conducts business domestically and, as a result, files Federal and State of New Jersey income tax returns. In the normal course of business, the Company is subject to examination by taxing authorities. The Company has no open periods relating to its Federal and State of New Jersey returns prior to the year ended December 31, 2006.

In October 2009, the FASB issued guidance on revenue recognition for multiple-deliverable revenue arrangements. This guidance establishes a new selling price hierarchy to use when allocating the sales price of a multiple element arrangement between delivered and undelivered elements. The standard is generally expected to result in revenue recognition for more delivered elements than under current rules. The Company is required to adopt this standard prospectively for new or materially modified agreements entered into on or after January 1, 2011. The Company is evaluating the impact of this guidance.

The Company is not aware of any other pronouncements, not yet adopted, that would have a material effect on its prospective financial statements.

2. Related Party Transactions

Due from stockholder consists of an unsecured promissory note. The note is due in quarterly installments of $20,171 which includes principal and interest. The interest rate is 3.35% and the note matures December 31, 2015. For the year ended December 31, 2009 interest income totaled $14,916 and is included in other income in the accompanying consolidated statement of operations.

In March 2007, the Company entered into a stock redemption agreement with a former stockholder. Interest paid on this note payable amounted to $14,882 for the year ended December 31, 2009. See Note 4 for note payable terms.

3. Property and Equipment

Property and equipment consist of the following:

Leasehold improvements	$ 304,543
Office and computer equipment	499,441
Furniture and fixtures	167,549
Computer software	485,531
Website development and domain rights	199,309
	1,656,373
Less: Accumulated depreciation and amortization	676,051
Net book value	$ 980,322

Depreciation and amortization expense for the year ended December 31, 2009 was $293,173.

4. Bank Credit Line and Note Payable

The Company maintains a revolving line of credit with a financial institution with a credit limit of $1,500,000 that expires on May 31, 2011. Interest only is payable monthly at BBA LIBOR daily floating rate plus 4.00% (4.23% at December 31, 2009). The loan is secured by the assets of the Company, secured by certain real property of the stockholders, and personally guaranteed by the stockholders.	$ 1,175,000
Note payable to former stockholder which is due in quarterly installments of $86,250 maturing on February 15, 2010. Interest is payable at 4.93%. The note was issued pursuant to a treasury stock acquisition and is secured by the 1,500,000 shares of common stock purchased by the Company.	86,250
Total, all current	$ 1,261,250

The Company was in default of financial covenants with the financial institution which issues the revolving line of credit as of December 31, 2009. Subsequent to December 31, 2009 the line of credit was paid in full as part of the acquisition of the Company by PDI, Inc. (see Note 10).

5. Concentrations of Risk

As of December 31, 2009 the Company had a concentration of accounts receivable from four customers that accounted for approximately 12%, 12%, 16% and 28% of accounts receivable, respectively.

For the year ended December 31, 2009 the Company had a concentration of revenues from two customers that accounted for 26% and 19% of revenue.

The Company's revenue is generated in the United States of America. An adverse change in economic conditions in the United States of America or events or conditions that have a negative impact on spending by pharmaceutical and biotechnology companies could negatively affect the Company's revenues and results of operations.

At December 31, 2009, the Company had a concentration of accounts payable to two vendors that accounted for approximately 62% of accounts payable.

6. Commitments and Contingencies

The Company leases office space under a non-cancellable operating lease agreement commencing May 1, 2007 and expiring on June 1, 2017. The lease contains provisions for rent free periods. The total amount of rental payments due over the lease term is being charged to rent expense on the straight line method over the term of the lease. The cumulative difference between rent expense recorded and amount paid is credited to "deferred rent obligation" which is included under "current liabilities and long-term liabilities" in the accompanying consolidated balance sheet. The lease agreement also includes monthly payments for utilities and escalation fees. The minimum rental payments required by the lease are as follows:

2010	$ 420,000	
2011	430,500	
2012	441,000	
2013	451,500	
2014	462,000	
Thereafter		1,197,000
Total	$ 3,402,000	

Rent expense for all lease agreements for the year ended December 31, 2009 aggregated $460,785.

7. 401(K) Plan and Profit Sharing Plan

The Company has a 401(K) Plan ("Plan") with a profit sharing feature. Employees may contribute from 1% to 15% of their annual compensation to the Plan. The Company contributes up to 3% of annual compensation to all employees that participate in the Plan. The Company's contribution to the Plan for the year ended December 31, 2009 was $118,940.

8. Stock Option Plan

The Company has a stock option plan (the "Option Plan") that provides for the granting of share options and shares in the Company to employees and consultants. General awards under the Option Plan consist of a specified number of options awarded to an employee or consultant subject to the satisfaction of various vesting conditions determined and specified by the Company at the time of the award. The Company has reserved one million shares for issuance upon exercise of options and contingent awards. In 2009, the Company awarded 18,787 options under the Option Plan. The options were awarded with an exercise price of $2.50 in 2009.

The exercise price of a share option is established by the Company in its discretion, but may not be less than the fair value, as determined through historical transactions or an annual valuation, of a share as of the date of grant. Share options, subject to certain restrictions, may be exercisable for a defined period of time from the date of the grant after full vesting occurs. Upon termination of employment any unvested options are immediately cancelled and available for future grants, while vested options are exercisable for a defined period. The vesting period for awards is to be established by the Company in its discretion on the date of grant. The various grants vest over periods from immediate vesting up to 4 years.

8. Stock Option Plan (continued)

Activity with respect to options was as follows:

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)
Outstanding balance, January 1, 2009	836,344	$ 1.31	5.2
Granted	18,787	2.50	10.0
Forfeited or expired	(69,167)	2.54	-
Outstanding balance, December 31, 2009	785,964	$ 1.34	4.1
Exercisable, December 31, 2009	697,187	$ 1.36	3.6

The following table summarizes additional information regarding options outstanding and exercisable at December 31, 2009:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Options Outstanding at Year End	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable at Year End	Weighted Average Exercise Price
0.10 - 1.00	538,935	3.8	$ 0.70	460,550	$ 0.67
1.01 - 2.00	10,694	1.7	$ 2.00	10,694	$ 2.00
2.01 - 3.00	236,335	5.0	$ 2.76	225,943	$ 2.75
	785,964			697,187	

At December 31, 2009 there were 214,036 share options for future grant. However, the Option Plan terminated on February 8, 2010.

The exercise price of the vested options exceeded the respective fair values ascribed to the shares at December 31, 2009; thus there was no intrinsic value on vested grants at those dates. The weighted average fair value of share options granted by the Company in 2009 using the Black Scholes Valuation model, was $1.01 per option in 2009. The following assumptions were applied in valuing the grants: (i) expected lives of 10 years, (ii) weighted average risk-free interest rates of 4.5%, (iii) a dividend yield of 0%, (iv) volatility of 50% (determined by using data of comparable publicly held companies) and (v) consideration of the option’s exercise price when compared to the fair value of the Company’s share options.

Compensation expense related to these options totaled $17,674 in 2009. The total compensation cost related to non-vested awards not yet recognized approximates $24,547 at December 31, 2009; such amount will be recognized over the remaining vesting period of 1-3 years.

9. Prior-Period Adjustments

The Company's stockholders' deficit at January 1, 2009 has been restated to incorporate the following prior period adjustments:

	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)
Balance – December 31, 2008 as previously reported	$ 10	$ 475,591	$ (184,609)	$ 948,149
To adjust bad debt expense				(200,000)
To correct revenue and associated cost of revenue in accordance with revenue recognition policy				(6,144,747)
To correct common stock balance	990	(990)		
To correct compensation expense related to stock options		(209,400)		209,400
To correct unrealized loss on privately held entity previously recorded as comprehensive loss			184,609	(184,609)
To accrue sales tax expense				(515,000)
Balance – December 31, 2008 as restated	$ 1,000	$ 265,201	$ -	$ (5,886,807)

10. Subsequent Events

The Company has evaluated subsequent events occurring after the balance sheet date through the date of January 18, 2011, which is the date the financial statements were available to be issued. The following subsequent event has been included for disclosure.

Sale of the Company

On November 3, 2010, Group DCA, LLC, a Delaware limited liability company, JD & RL, Inc., a Delaware corporation (the "Seller") and the sole member of Group DCA, LLC, Robert O. Likoff, individually and as the representative of the Seller and the stockholders of the Seller, Jack Davis, individually, and PDI, Inc., a Delaware corporation (the "Acquirer"), entered into a Membership Interest Purchase Agreement (the "Agreement") pursuant to which the Acquirer acquired all of the issued and outstanding membership interests of Group DCA, LLC. Prior to completing the transaction, the Company converted from an S-Corp to a limited liability company, changing its legal name from Group DCA, Inc. to Group DCA, LLC. As of the acquisition date, the Acquirer had no prior material relationship with any of the parties to the Agreement. In connection with the sale of the Company, the Company's 401(K) Plan and Profit Sharing Plan was terminated effective October 31, 2010.

Exhibit 99.2

Consolidated Financial Statements (Unaudited)

Group DCA, Inc.

As of September 30, 2010 and for the Nine Months Ended September 30, 2010 and 2009

Group DCA, Inc.
Consolidated Financial Statements (Unaudited)
As of September 30, 2010 and for the Nine Months Ended September 30, 2010 and 2009

Contents

GROUP DCA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
As of September 30, 2010 (unaudited)

	September 30, 2010
ASSETS	
Current assets:	
Cash and cash equivalents	$ 76,979
Accounts receivable	3,066,525
Due from stockholder	66,881
Deferred contract costs	238,062
Prepaid expenses	144,571
Total current assets	3,593,018
Property and equipment, net	881,525
Due from stockholder, net of current portion	320,068
Other long-term assets	147,526
Total assets	$ 4,942,137
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities:	
Bank credit line	$ 1,200,000
Accounts payable and accrued expenses	2,545,913
Deferred rent obligation	14,853
Deferred revenue	13,683,305
Total current liabilities	17,444,071
Deferred rent obligation, net of current portion	337,400
Total liabilities	17,781,471
Stockholders' deficit:	
Common stock, $.0001 par value; 20,000,000 shares authorized; 10,130,750 shares issued and 8,630,750 outstanding	1,013
Additional paid-in capital	308,957
Accumulated deficit	(11,999,304)
Treasury stock, at cost (1,500,000 shares)	(1,150,000)
Total stockholders' deficit	(12,839,334)
Total liabilities and stockholders' deficit	$ 4,942,137

GROUP DCA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Nine Months Ended September 30, 2010 and 2009 (unaudited)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Revenue, net	$ 10,464,276	$ 11,895,005
Cost of revenue	7,702,947	8,493,132
Gross profit	2,761,329	3,401,873
Salaries and employee benefits	2,406,450	2,300,930
Other selling, general and administrative expenses	2,702,153	2,278,710
Total operating expenses	5,108,603	4,579,640
Operating loss	(2,347,274)	(1,177,767)
Other income (expense), net	(5,985)	(49,303)
Loss before provision for taxes	(2,353,259)	(1,227,070)
Provision for taxes	1,407	7,032
Net loss	$ (2,354,666)	$ (1,234,102)

GROUP DCA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009 (unaudited)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Cash flows from operating activities		
Net loss	$ (2,354,666)	$ (1,234,102)
Adjustment to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	249,079	212,227
Stock option expense	5,996	13,256
Deferred rent expense	(11,141)	20,361
Other changes in assets and liabilities:		
Decrease in accounts receivable	2,025,001	143,434
Decrease in prepaid expenses	34,467	21,431
Decrease in deferred contract costs	1,377,324	397,236
(Increase) decrease in other long-term assets	(5,000)	8,249
Decrease in accounts payable and accrued expenses	(274,851)	(1,714,892)
Increase in deferred revenue	582,948	2,541,015
Net cash provided by operating activities	1,629,157	408,215
Cash flows from investing activities		
Purchase of property, plant and equipment	(150,282)	(282,995)
Net cash used in financing activities	(150,282)	(282,995)
Cash flows from financing activities		
Repayment of note due from stockholder	49,951	70,000
Issuance of common stock	32,850	-
Net proceeds (repayment) of bank credit line	25,000	(550,000)
Repayment of note payable to stockholder	(86,250)	(258,750)
Distributions to stockholders	(1,533,958)	(718,000)
Net cash used in financing activities	(1,512,407)	(1,456,750)
Net decrease in cash and cash equivalents	(33,532)	(1,331,531)
Cash and cash equivalents - beginning	110,511	1,427,334
Cash and cash equivalents - ending	$ 76,979	$ 95,803
Supplementary information		
Cash paid during the year:		
Interest paid	$ 15,857	$ 39,382
Income taxes paid	$ 3,670	$ 5,450

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Group DCA Inc. (the "Company") is a Delaware corporation and has its principal place of business at 800 Lanidex Plaza, Parsippany, NJ 07054. The Company is an e-Communications firm providing educational and marketing programs to the healthcare community on behalf of its pharmaceutical and biotechnology clients.

Graphic Details, LLC, Insight Exchange, LLC, and Park Street Research, LLC, (collectively the "Subsidiaries") are wholly owned subsidiaries of the Company and provide specialized promotional, educational, and market research services, respectively.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements and related notes (the interim financial statements) should be read in conjunction with the consolidated financial statements of the Company and related notes as included in the Company's audited consolidated financial statements for the year ended December 31, 2009.

Basis of Accounting

Assets and liabilities are recorded and revenues and expenses are recognized on the accrual basis of accounting.

Principles of Consolidation

The interim financial statements include the accounts of Group DCA, Inc. and its subsidiaries: Graphic Details, LLC, Insight Exchange, LLC and Park Street Research, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

Revenue consists primarily of fees for providing promotional, research, and educational programs for clients.

Revenue from contracts associated with the delivery of a tangible product is generally recognized when such products are completed and title is passed to the customer. Service revenue is deferred and recognized as revenue on a straight-line basis over the service period. The service period is defined as the period of time over which the on-line marketing content is substantially delivered to the customer's target audience. For service offerings where no contractual service period is defined within the arrangement, the Company records revenue over the estimated length of time in months of the program based on the recent historical performance of similar on-line marketing programs.

Pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 605-25-05, "Revenue Arrangements with Multiple Deliverables", the Company evaluates multiple-element revenue arrangements for separate units of accounting, and follows the appropriate revenue recognition policy applicable to each separate unit. Elements are considered separate units of accounting provided that (i) the delivered item has stand-alone value to the customer, (ii) there is objective and reliable evidence of the fair value of the delivered item, and (iii) if a general right of return exists relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially within the control of the Company.

For arrangements with multiple elements, the Company allocates revenue to each element using vendor specific objective evidence, if it exists, and otherwise third party evidence of the fair value of the deliverables. Under arrangements involving a combination of the sale of products and the delivery of services, assuming the multiple-element criteria can be established, product sales are recognized as revenue when the products are sold and title is passed to the customer, and service revenue is recognized on a straight-line basis over the service period. If the multiple-element criteria for separate accounting cannot be established, the delivered element is combined with the undelivered element and revenue is deferred and recognized upon delivery of the undelivered element in accordance with the revenue recognition policy of the undelivered element.

While the majority of the Company's sales transactions contain standard business terms and conditions, there are some transactions that contain non-standard business terms and conditions. As a result, significant contract interpretation is sometimes required to determine the appropriate accounting including: (1) whether an arrangement exists and what is included in the arrangement; (2) how the arrangement consideration should be allocated among the deliverables if there are multiple deliverables; (3) when to recognize net revenues on the deliverables; and (4) whether undelivered elements are essential to the functionality of delivered elements. In addition, our revenue recognition policy requires an assessment as to whether collection is probable, which inherently requires us to evaluate the creditworthiness of our customers. Changes in judgments on these assumptions and estimates could materially impact the timing of revenue recognition.

Deferred Revenue

Customers are invoiced according to agreed upon billing terms. Contracts that are invoiced prior to performance of related services or delivery of products are recorded as deferred revenue and are not recognized as revenues until earned, in accordance with revenue recognition policies.

Income Taxes

The Company has elected to be taxed under subchapter "S" of the Internal Revenue Code and files with its wholly-owned single member limited liability company subsidiaries on a consolidated basis. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. The elections are also valid for state purposes; however, certain states impose certain minimum taxes and fees which accounted for approximately $1,407 and $7,032 for the nine-month periods ended September 30, 2010 and 2009, respectively, and are included in the provision for income taxes in the accompanying consolidated statement of operations.

Deferred Contract Costs

Direct costs related to customer contracts are deferred and recognized ratably with the respective contract revenue.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include recognition of deferred revenue, accrued liabilities, and useful lives assigned to property and equipment. Actual results could differ from those estimates.

The Company has recently determined that portions of certain transactions may be subject to sales tax. As part of the assessment, the Company has retained outside consultants to help determine the applicability of the various state sales tax rules, and the overall amount of the potential exposure, including the potential tax, interest and penalties, if any. The Company is currently unable to determine if it will be able recover any significant portion of such taxes from other parties to these transactions. Additionally, the Company is unaware of any amounts that may have been paid by other parties to the transactions which could potentially reduce the exposure. Accordingly, while the Company has not yet completed its assessment, based on information that is currently available, the Company has recorded a reserve of approximately $950,000 at September 30, 2010, of which approximately $80,000 and $270,000 relate to the nine months ended September 30, 2010 and 2009, respectively, and is recorded in cost of revenue.

Fair Value Disclosures

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, short term borrowings and debt approximate their fair values because of the relative short-term maturity of these instruments.

New Accounting Pronouncements

In October 2009, the FASB issued guidance on revenue recognition for multiple-deliverable revenue arrangements. This guidance establishes a new selling price hierarchy to use when allocating the sales price of a multiple element arrangement between delivered and undelivered elements. The standard is generally expected to result in revenue recognition for more delivered elements than under current rules. The Company is required to adopt this standard prospectively for new or materially modified agreements entered into on or after January 1, 2011. The Company is evaluating the impact of this guidance.

The Company is not aware of any other pronouncements, not yet adopted, that would have a material effect on its prospective financial statements.

2. Related Party Transactions

Due from stockholder consists of an unsecured promissory note. The note is due in quarterly installments of $20,171 including interest at 3.35% and matures December 31, 2015. For the nine months ended September 30, 2010 and 2009 interest income totaled $10,936 and $23, respectively, and is included in other income in the accompanying consolidated statement of operations.

In March 2007, the Company entered into a stock redemption agreement with a former stockholder. Interest expense on this note payable amounted to $15,857 and $39,382 for the nine months ended September 30, 2010 and 2009, respectively.

3. Bank Credit Line and Note Payable

The Company maintains a revolving line of credit with a financial institution with a credit limit of $1.5 million that expires on May 31, 2011. The balance at September 30, 2010 is $1.2 million. Interest only is payable monthly at BBA LIBOR daily floating rate plus 3.25% (3.76% at September 30, 2010). The loan is secured by the assets of the Company, secured by certain real property of the stockholders, and personally guaranteed by the stockholders.

4. Stock Option Plan

The Company has a stock option plan (the "Option Plan") that provides for the granting of share options and shares in the Company to employees and consultants. General awards under the Option Plan consist of a specified number of options awarded to an employee or consultant subject to the satisfaction of various vesting conditions determined and specified by the Company at the time of the award. The Company has reserved one million shares for issuance upon exercise of options and contingent awards.

In 2009, the Company awarded 18,787 options under the Option Plan. The options were awarded with an exercise price of $2.50 in 2009. In 2010, 130,750 options were exercised and 141,709 options were forfeited. As of September 30, 2010 there were 513,505 options outstanding and no options available for future grant as the Option Plan was terminated on February 8, 2010.

The exercise price of a share option is to be established by the Company in its discretion, but may not be less than the fair value, as determined through historical transactions or an annual valuation, of a share as of the date of grant. Share options, subject to certain restrictions, may be exercisable for a defined period of time from the date of the grant after full vesting occurs. Upon termination of employment any unvested options are immediately cancelled and available for future grants, while vested options are exercisable for a defined period. The vesting period for awards is to be established by the Company in its discretion on the date of grant. The various grants vest over periods from immediate vesting up to 4 years.

5. Subsequent Events

The Company has evaluated subsequent events occurring after the balance sheet date through the date of January 18, 2011, which is the date the financial statements were available to be issued.

On November 3, 2010, Group DCA, LLC, a Delaware limited liability company, JD & RL, Inc., a Delaware corporation (the "Seller") and the sole member of Group DCA, LLC, Robert O. Likoff, individually and as the representative of Seller and the stockholders of Seller, and Jack Davis, individually, entered into a Membership Interest Purchase Agreement (the "Agreement") pursuant to which PDI, Inc. (the "Acquirer") acquired all of the issued and outstanding membership interests of Group DCA, LLC. Prior to completing the transaction, the Company converted from an S-Corp to a limited liability company, changing its legal name from Group DCA, Inc. to Group DCA, LLC. As of the acquisition date, the Acquirer had no prior material relationship with any of the parties to the Agreement.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements have been prepared from the historical financial statements of PDI, Inc. ("PDI" or the "Company") and Group DCA, LLC ("Group DCA"), formerly known as Group DCA, Inc., to give effect to the Company's acquisition of Group DCA (the "Acquisition"). See Note 1 for further information. The unaudited pro forma condensed combined financial statements do not purport to represent, and are not necessarily indicative of, what the Company's financial position or results of operations would have been had the Acquisition occurred on the dates indicated.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2009 and nine months ended September 30, 2010 are presented as if the Acquisition had occurred on January 1, 2009 and include all adjustments that (i) give effect to events that are directly attributable to the Acquisition, (ii) are expected to have a continuing impact, and (iii) are factually supportable. The historical consolidated statements of operations of PDI and Group DCA for the year ended December 31, 2009 that were used in preparing the unaudited pro forma condensed combined statement of operations for the same period have been audited. The historical consolidated statements of operations of PDI and Group DCA for the nine months ended September 30, 2010 that were used in preparing the unaudited pro forma condensed combined statement of operations for the same period have not been audited. The unaudited pro forma condensed combined statements of operations do not reflect a reduction of general corporate expenses or other non-direct costs of the Company which are expected to be reduced as a result of the Acquisition.

The unaudited pro forma condensed combined balance sheet as of September 30, 2010 is presented as if the Acquisition had occurred on September 30, 2010, and includes all adjustments that give effect to events that are directly attributable to the Acquisition and are factually supportable. The historical consolidated balance sheets of PDI and Group DCA as of September 30, 2010 that were used in preparing the unaudited pro forma condensed combined balance sheet have not been audited.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the Company's historical consolidated financial statements, related notes, and "Management's Discussion and Analysis", and the Group DCA historical consolidated financial statements and related notes. The consolidated balance sheet of the Company as of December 31, 2009, and the related consolidated statement of operations, cash flows and stockholders' equity for the year then ended, along with the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" are set forth in the Company's Annual Report on Form 10-K filed March 5, 2010. The unaudited interim consolidated financial statements of the Company for the nine months ended September 30, 2010 are set forth in the Company's Quarterly Report on Form 10-Q filed November 4, 2010. The consolidated balance sheet of Group DCA as of December 31, 2009, and the related consolidated statement of operations and cash flows for the year then ended, along with the related notes, are included as Exhibit 99.1 in this Form 8-K/A. The unaudited interim consolidated financial statements of Group DCA for the nine months ended September 30, 2010 are included as Exhibit 99.2 in this Form 8-K/A.

PDI, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
At September 30, 2010
(in thousands, except share and per share data)

	PDI, Inc. (as reported)	Group DCA (historical)	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 83,355	$ 77	$ (25,300)	A	$ 58,132
Short-term investments	130	-	-		130
Accounts receivable, net	10,257	3,133	-		13,390
Unbilled costs and accrued profits on contracts in progress	3,534	-	-		3,534
Deferred contract costs	-	238	-		238
Other current assets	2,334	145	-		2,479
Total current assets	99,610	3,593	(25,300)		77,903
Property and equipment, net	3,030	882	-		3,912
Goodwill	5,068	-	22,298	B	27,366
Other intangible assets, net	2,270	-	8,769	C	11,039
Other long-term assets	4,861	468	-		5,329
Total assets	$ 114,839	$ 4,942	$ 5,767		$ 125,548
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 2,171	$ 1,128	$ -		$ 3,299
Bank credit line	-	1,200	(1,200)	I	-
Unearned contract revenue	8,488	13,683	(9,204)	G	12,967
Accrued salary and bonus	9,498	15	-		9,513
Other accrued expenses	13,204	1,418	-		14,622
Total current liabilities	33,361	17,444	(10,404)		40,401
Acquisition-related contingent consideration	-	-	2,115	H	2,115
Long-term liabilities	9,782	337	-		10,119
Total liabilities	43,143	17,781	(8,289)		52,635
Commitments and contingencies					
Stockholders' equity:					
Preferred stock, $.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-	-		-
Common stock, $.01 par value; 100,000,000 shares authorized; 15,396,028 shares issued and 14,325,139 shares outstanding	154	-	-		154
Common stock, $.0001 par value; 20,000,000 shares authorized; 10,000,000 shares issued and 8,500,000 shares outstanding	-	1	(1)	D	-
Additional paid-in capital	124,405	309	(309)	D	124,405
Accumulated deficit	(39,266)	(11,999)	13,216	F	(38,049)
Accumulated other comprehensive income	(2)	-	-		(2)
Treasury stock, at cost (1,070,889 shares)	(13,595)	-	-		(13,595)
Treasury stock, at cost (1,500,000 shares)	-	(1,150)	1,150	E	-
Total stockholders' equity	71,696	(12,839)	14,056		72,913
Total liabilities and stockholders' equity	$ 114,839	$ 4,942	$ 5,767		$ 125,548

PDI, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Nine Months Ended September 30, 2010
(in thousands, except for per share data)

	PDI, Inc. (as reported)	Group DCA (historical)	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 99,952	$ 10,464	$ -		$ 110,416
Cost of services	77,209	7,703	-		84,912
Gross profit	22,743	2,761	-		25,504
Compensation expense	13,481	2,406	-		15,887
Other selling, general and administrative expenses	10,410	2,702	(412)	C, E	12,701
Facilities realignment	583	-	-		583
Total operating expenses	24,474	5,108	(412)		29,171
Operating income (loss)	(1,731)	(2,347)	412		(3,666)
Other income, net	133	(6)	(183)	H	(56)
Income (loss) from continuing operations before income tax	(1,598)	(2,353)	229		(3,722)
Provision for income tax	208	1	-		210
Income (loss) from continuing operations	$ (1,806)	$ (2,354)	$ 229		$ (3,932)
Basic income (loss) per share of common stock:					
Income (loss) from continuing operations	$ (0.13)				$ (0.28)
Diluted income (loss) per share of common stock:					
Income (loss) from continuing operations	$ (0.13)				$ (0.28)
Weighted average number of common shares and common share equivalents outstanding:					
Basic	14,291				14,291
Diluted	14,291				14,291

PDI, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2009
(in thousands, except for per share data)

	PDI, Inc. (as reported)	Group DCA (historical)	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 80,384	$ 15,982	$ -		$ 96,366
Cost of services	55,844	10,657	-		66,501
Gross profit	24,540	5,325	-		29,865
Compensation expense	17,989	3,459	-		21,448
Other selling, general and administrative expenses	16,944	3,053	654	C	20,651
Asset impairment	18,118	-	-		18,118
Facilities realignment	6,609	-	-		6,609
Total operating expenses	59,660	6,512	654		66,826
Operating (loss) income	(35,120)	(1,187)	(654)	H	(36,960)
Other income, net	183	(53)	(244)		(114)
(Loss) income from continuing operations before income tax	(34,937)	(1,240)	(898)		(37,075)
Provision for income tax	(6,834)	6	-		(6,828)
(Loss) income from continuing operations	(28,103)	(1,246)	(898)		(30,247)
Basic (loss) income per share of common stock:					
(Loss) income from continuing operations	$ (1.98)				$ (2.13)
Diluted (loss) income per share of common stock:					
(Loss) income from continuing operations	$ (1.98)				$ (2.13)
Weighted average number of common shares and common share equivalents outstanding:					
Basic	14,219				14,219
Diluted	14,219				14,219

1) Description of Transaction and Basis of Pro Forma Presentation

On November 3, 2010, PDI, Inc., Group DCA, LLC ("Group DCA"), a Delaware limited liability company, JD & RL, Inc., a Delaware corporation ("Seller") and the sole member of Group DCA, Robert O. Likoff, individually and as the representative of Seller and the stockholders of Seller, and Jack Davis, individually, entered into a Membership Interest Purchase Agreement (the "Agreement") pursuant to which the Company acquired all of the issued and outstanding membership interests of Group DCA. The Company has no prior material relationship with any of the parties to the Agreement.

The consideration paid by the Company to Seller consisted of $25,300,000 in cash (the "Cash Consideration") plus up to $30,000,000 in specified earnout and integration payments (the "Contingent Consideration") earned through the period ending on December 31, 2012. The Cash Consideration is subject to a post-closing increase or decrease based on the amount, if any, by which Group DCA's working capital at closing exceeded or fell short of the target working capital. The Agreement contains customary indemnification obligations. An amount equal to $1,250,000 of the Cash Consideration was placed in an 18-month escrow account to satisfy indemnification claims.

The allocation of the purchase price in Group DCA acquisition to the assets acquired and liabilities assumed from Group DCA is based on preliminary estimates and assumptions. In addition, the Company is in the process of assessing the useful lives and appropriate amortization methods for the identifiable intangible assets that were acquired from Group DCA. These estimates and assumptions are subject to future adjustments upon completion of the valuation of Group DCA's assets and liabilities and these valuations could change significantly from those used in the unaudited pro forma condensed combined financial statements.

Basis of Presentation

The unaudited pro forma condensed combined balance sheet as of September 30, 2010 gives effect to the acquisition as if it occurred on that date. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2010, and the year ended December 31, 2009 give effect to the acquisition as if it occurred on January 1, 2009.

The accompanying unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2010 and for the year ended December 31, 2009 do not reflect any gain or loss on sale from the acquisition.

Pro Forma Footnotes

A Reflects the adjustment to cash and cash equivalents as a result of the cash consideration paid in the Acquisition.

B Reflects the establishment of goodwill resulting from the Acquisition. Under the acquisition method of accounting, the purchase price has been allocated to the Group DCA tangible and identifiable intangible assets acquired and liabilities assumed based on preliminary estimates of fair value. The total purchase consideration less the sum of the estimated fair value of assets acquired and liabilities assumed is recorded as goodwill. The purchase price of the Acquisition has been allocated on a preliminary basis as follows (amounts in thousands):

Purchase consideration:	
Cash consideration paid	$ 25,300
Estimated earn-out payments	2,115
Working capital adjustment	(898)
Total purchase consideration	26,517
Estimated fair value of assets acquired and liabilities assumed:	
Current assets	3,593
Fixed assets	882
Other long-term assets	468
Other intangible assets	6,804
Liabilities assumed	(9,492)
Total estimated fair value of net assets acquired	2,254
Goodwill	$ 24,263

C Reflects the establishment of other intangible assets resulting from the Acquisition and the associated fair value adjustments for additional amortization expense for the nine months ended September 30, 2010 and twelve months ended December 31, 2009. Under the acquisition method of accounting, the purchase price has been allocated to the Group DCA tangible and identifiable intangible assets acquired and liabilities assumed based on preliminary estimates of fair value. The fair values of identifiable other intangible assets acquired are as follows (amounts in thousands):

			Additional Pro Forma Amortization Expense	
	Fair Value	Remaining Useful Life	For the Nine Months Ended September 30, 2010	For the Twelve Months Ended December 31, 2009
Other intangible assets:				
Trade name	$ 2,057	Indefinite	$ -	$ -
Technology	2,688	6.0 years	336	448
Healthcare professional database	2,059	10.0 years	154	206
Total other intangible assets	$ 6,804		$ 490	$ 654

D Reflects the elimination of Group DCA common shares, additional paid-in capital, treasury stock and unamortized stock option costs upon Acquisition.

E Reflects the elimination of acquisition costs of $902 incurred during the nine months ended September 30, 2010.

F Reflects the elimination of Group DCA's historical accumulated deficit and the impact on retained earnings of all pro forma and fair value adjustments.

G Reflects the fair value adjustment to deferred revenue at the acquisition date based on preliminary estimates.

H Reflects the fair value adjustment to accrue for the Contingent Consideration, and the related accretion of interest expense, which has been calculated at its present value based on a preliminary estimate of the fair value of future payments to be made to the Seller.

	Fair Value at Acquisition Date	**Present Value at Acquisition Date**	**Accretion of Interest Expense**		
			Year 1	**Year 2**	**Year 3**
Contingent consideration	$ 2,725	$ 2,115	$ 244	$ 244	$ 122

I Reflects the payoff of the outstanding bank credit line by the Seller as part of the Agreement.