ERESEARCHTECHNOLOGY INC /DE/
Form DEFM14A
May 21, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ **Confidential, for use of the Commission Only (as Permitted by Rule 14a-6(e)(2)).**

x Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to § 240.14a-12.

eResearchTechnology, Inc.

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

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

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

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

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

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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eResearchTechnology, Inc.

May 21, 2012

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of eResearchTechnology, Inc. (the ***Company***) to be held on June 22, 2012, at 10:00 a.m., local time, at the Company s executive offices at 1818 Market Street, Philadelphia, PA 19103.

At the meeting, you will be asked to:

- consider and vote on a proposal to adopt the Agreement and Plan of Merger (the ***merger agreement***), dated as of April 9, 2012, by and among the Company, Explorer Holdings, Inc. (***Parent***) and Explorer Acquisition Corp., a wholly-owned subsidiary of Parent (which, along with Parent, is an affiliate of Genstar Capital Partners VI, L.P.), pursuant to which each share of our common stock outstanding at the effective time of the merger will be converted into the right to receive $8.00 in cash and we will become a wholly-owned subsidiary of Parent (the ***merger***);

- consider and cast a nonbinding advisory vote on the golden parachute compensation that may be payable to our named executive officers in connection with the merger as reported on the Golden Parachute Compensation Table on page 49 of the accompanying proxy statement;

- consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement; and

- transact any other business that may properly come before the special meeting, or any adjournment or postponement of the special meeting, including to consider any procedural matters incident to the conduct of the special meeting.

If our stockholders adopt the merger agreement and the merger is completed, you will be entitled to receive $8.00 in cash for each share of our common stock that you own immediately prior to completion of the merger (unless you have properly exercised your appraisal rights with respect to such shares). Upon completion of the merger, we will become a wholly-owned subsidiary of Parent.

Our board of directors, acting upon the unanimous recommendation of a special committee of independent members of our board of directors, which committee was formed for the purpose of evaluating the possible sale of the Company, has unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and has determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, our stockholders.

Our board of directors recommends that you vote FOR the adoption of the merger agreement, FOR approval of the nonbinding advisory proposal regarding golden parachute compensation and FOR approval of the adjournment of the special meeting to solicit additional proxies to approve the proposal to adopt the merger agreement.

Approval of the proposal to adopt the merger agreement requires the affirmative vote of a majority of the outstanding shares of our common stock entitled to vote thereon.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the enclosed prepaid envelope, or submit your proxy through the Internet or by telephone by following the instructions described in the enclosed proxy statement. The failure to vote your shares of our common stock will have the same effect as a vote against the proposal to adopt the merger agreement.

The enclosed proxy statement provides you with information about the special meeting, the merger agreement, the merger and other related matters to be considered by the stockholders of the Company. A copy of

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the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the proxy statement and the merger agreement carefully and in their entirety prior to voting your shares. You also may obtain additional information about the Company from documents we have filed with the Securities and Exchange Commission by following the instructions listed in the section of the accompanying proxy statement entitled WHERE YOU CAN FIND MORE INFORMATION.

On behalf of our board of directors, I thank you for your support and urge you to vote in favor of the adoption of the merger agreement.

Sincerely,

Jeffrey S. Litwin

President and Chief Executive Officer

The accompanying proxy statement is dated May 21, 2012, and is first being mailed, with the form of proxy, to our stockholders on or about May 23, 2012.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE MERGER, PASSED UPON THE MERITS OR FAIRNESS OF THE MERGER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE PROPOSED MERGER, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

YOUR VOTE IS IMPORTANT. PLEASE VOTE ELECTRONICALLY VIA THE INTERNET OR TELEPHONICALLY OR BY COMPLETING, SIGNING, DATING AND PROMPTLY RETURNING THE ENCLOSED PROXY CARD, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING. PLEASE DO NOT SEND IN ANY CERTIFICATES FOR YOUR SHARES AT THIS TIME. IF THE MERGER IS APPROVED, YOU WILL RECEIVE A LETTER OF TRANSMITTAL AND RELATED INSTRUCTIONS TO SURRENDER YOUR SHARE CERTIFICATES.

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eResearchTechnology, Inc.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on June 22, 2012

TO THE STOCKHOLDERS OF ERESEARCHTECHNOLOGY, INC.:

Notice is hereby given that a special meeting of the stockholders of eResearchTechnology, Inc., a Delaware corporation (the ***Company***), will be held on June 22, 2012, at 10:00 a.m., local time, at the Company s executive offices located at 1818 Market Street, Philadelphia PA 19103, for the following purposes:

1. *Merger Proposal.* To consider and vote on a proposal to adopt the Agreement and Plan of Merger (the ***merger agreement***), dated as of April 9, 2012, by and among the Company, Explorer Holdings, Inc. (***Parent***) and Explorer Acquisition Corp., a wholly-owned subsidiary of Parent (which, along with Parent, is an affiliate of Genstar Capital Partners VI, L.P.), pursuant to which each share of our common stock outstanding at the effective time of the merger will be converted into the right to receive $8.00 in cash and we will become a wholly-owned subsidiary of Parent (the ***merger***);

2. *Advisory Vote on Golden Parachute Compensation.* To consider and cast a nonbinding advisory vote on the golden parachute compensation that may be payable to our named executive officers in connection with the merger as reported on the Golden Parachute Compensation Table on page 49 of the accompanying proxy statement;

3. *Adjournment Proposal*. To consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement; and

4. *Other Business*. To transact any other business that may properly come before the special meeting, or any adjournment or postponement of the special meeting, including to consider any procedural matter incident to the conduct of the special meeting.

The merger agreement, the merger and the golden parachute compensation arrangements are more fully described in the accompanying proxy statement, which you should read carefully in its entirety before voting.

Our board of directors has fixed the close of business on May 18, 2012 as the record date for the determination of stockholders entitled to notice of, and to vote at, this special meeting and any adjournment or postponement thereof. Only holders of our common stock at the close of business on the record date are entitled to vote at the special meeting.

Our board of directors, acting upon the unanimous recommendation of a special committee of independent members of our board of directors, which committee was formed for the purpose of evaluating the possible sale of the Company, has unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and has determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, our stockholders.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT, FOR APPROVAL OF THE GOLDEN PARACHUTE COMPENSATION AND FOR APPROVAL OF THE ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES TO APPROVE THE PROPOSAL TO ADOPT THE MERGER AGREEMENT.

Your vote is very important, regardless of the number of shares you own. The approval of the adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock. **If you abstain or do not vote on the adoption of the merger agreement, it will have the same effect as a vote by you against the adoption of the merger agreement.**

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Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the enclosed prepaid envelope, or submit your proxy through the Internet or by telephone. Properly executed proxy cards with no instructions indicated on the proxy card will be voted **FOR** the adoption of the merger agreement, **FOR** approval of the golden parachute compensation and **FOR** approval of the adjournment of the special meeting, if necessary or appropriate to solicit additional proxies to approve the proposal to adopt the merger agreement.

If your shares are held in street name, which means through a brokerage firm, bank or other nominee, you should instruct your broker, bank or other nominee how to vote your shares using the voting instruction form furnished by your broker, bank or other nominee. If you do not instruct your broker, bank or other nominee how to vote, your shares will not be voted on any proposal on which your broker, bank or other nominee does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker, bank or other nominee can register your shares as being present at the meeting for the purposes of determining the presence of a quorum but will not be able to vote on matters for which specific authorization is required. **If you do not instruct your broker, bank or other nominee how to vote, it will have the same effect as a vote against the adoption of the merger agreement, but it will not have an effect on the nonbinding advisory proposal regarding golden parachute compensation**.

If you attend the special meeting, you may revoke your proxy and vote in person, even if you have previously returned your proxy card or submitted your proxy through the Internet or by telephone**. Your attendance at the special meeting alone will not revoke your proxy.**

If you hold your shares in street name, you must obtain a legal proxy from your broker, bank or other nominee in order to vote in person at the special meeting. Please contact your broker, bank or other nominee for instructions on how to obtain such a legal proxy. If your shares are held by a broker, bank or other nominee, and you plan to attend the special meeting, please also bring to the special meeting this legal proxy and your statement evidencing your beneficial ownership of our common stock. Please carefully review the instructions in the enclosed proxy statement and the enclosed proxy card or the information forwarded by your broker, bank or other nominee regarding each of these options.

Stockholders who do not vote in favor of the adoption of the merger agreement have the right to demand appraisal of the fair value of their shares of our common stock, as determined by the Court of Chancery of the State of Delaware, if the merger is completed, but only if they perfect their appraisal rights and the other requirements of the Delaware General Corporation Law are satisfied. A copy of the Delaware statutory provisions relating to appraisal rights is attached as Annex C to the proxy statement, and a summary of these provisions can be found under Appraisal Rights on page 53 in the proxy statement.

The enclosed proxy statement provides you with information about the special meeting, the merger agreement, the merger and other related matters to be considered by our stockholders. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the proxy statement and the merger agreement carefully and in their entirety prior to voting your shares. You also may obtain additional information about the Company from documents we have filed with the Securities and Exchange Commission by following the instructions listed in the section of the accompanying proxy statement entitled WHERE YOU CAN FIND MORE INFORMATION.

You should not send any certificates representing shares of our common stock with your proxy card. Upon completion of the merger, we will send instructions to you regarding the procedure for exchanging your stock certificates for the cash merger consideration.

By order of the Board of Directors,

Jeffrey S. Litwin

President and Chief Executive Officer

Philadelphia, Pennsylvania

May 21, 2012

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PROXY STATEMENT DATED MAY 21, 2012

PROXY STATEMENT

You are receiving this proxy statement and proxy card or voting instruction form because you own shares of our common stock. This proxy statement describes matters on which we urge you to vote and is intended to assist you in deciding how to vote your shares of common stock with respect to such matters. The proxy statement is dated May 21, 2012, and is first being mailed to stockholders of the Company on or about May 23, 2012.

Throughout this proxy statement, all references to the Company, eResearch, we, us, and our refer to eResearchTechnology, Inc., unless otherwise indicated or the context otherwise requires. You are being asked to consider and approve the adoption of the merger agreement which sets forth the terms pursuant to which the merger will be effectuated. In addition to the Company, Explorer Holdings, Inc. and Explorer Acquisition Corp., which we may refer to as Parent and Merger Sub, respectively, in this proxy statement, are parties to the merger agreement. Both Parent and Merger Sub are affiliated with Genstar Capital Partners VI, L.P., which we may refer to as Genstar VI, and Genstar Capital LLC, which we may refer to as Genstar, in this proxy statement. J.P. Morgan Securities, LLC, who served as financial advisor to our board of directors, may be referred to in this proxy statement as J.P. Morgan .

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting To Be Held on June 22, 2012:

the notice and proxy statement are available

at: http://www.amstock.com/proxyservices/viewmaterial.asp?conumber=25241

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SUMMARY TERM SHEET

This summary term sheet highlights selected information from this proxy statement and may not contain all of the information that is important to you. We encourage you to read carefully the remainder of this proxy statement, including the attached annexes and the other documents to which we have referred you, because this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meeting of stockholders. See also Where You Can Find More Information on page 84 of this proxy statement. We have included references to other portions of this proxy statement to direct you to a more complete description of the topics presented in this summary.

Parties to the Merger (page 24)

eResearchTechnology, Inc.

eResearchTechnology, Inc., a Delaware corporation, is a global technology-driven provider of services and customizable medical devices primarily to biopharmaceutical organizations and, to a lesser extent, healthcare organizations. We believe we are the market leader for centralized cardiac safety and respiratory efficacy services in drug development and we also collect, analyze and distribute electronic patient reported outcomes in multiple modalities across all phases of clinical research. For additional information, please visit www.ert.com. Our principal executive offices are located at 1818 Market Street, Philadelphia, PA 19103. Our telephone number is (215) 972-0240.

Explorer Holdings, Inc.

Explorer Holdings, Inc. is a Delaware corporation that was formed solely for the purpose of acquiring us and has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement. At the time the merger is completed, an affiliated private equity fund, Genstar Capital Partners VI, L.P., will own a majority of the equity of, and will control, Parent. If the merger is completed, Parent will own all of our outstanding capital stock and we will no longer be a publicly-traded company. Parent s address is c/o Genstar Capital LLC, Four Embarcadero Center, Suite 1900, San Francisco, CA 94111-4194. Parent s telephone number is (415) 834-2350.

Explorer Acquisition Corp.

Explorer Acquisition Corp. is a Delaware corporation and wholly-owned subsidiary of Parent that was organized solely for the purpose of completing the merger. Merger Sub has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement. Upon completion of the merger, if completed, Merger Sub will merge with and into us and thereby cease to exist and we will continue as the surviving corporation. Merger Sub s address is c/o Genstar Capital LLC, Four Embarcadero Center, Suite 1900, San Francisco, CA 94111-4194. Merger Sub s telephone number is (415) 834-2350.

Parent and Merger Sub are each entities currently owned, directly or indirectly, by Genstar VI, which is a private equity fund affiliated with Genstar Capital LLC, which we may refer to as Genstar. Additional investors (who may include one or more existing holders of our common stock) are expected to acquire an interest in Parent, as described under The Merger Financing of the Merger Equity Financing below.

J.P. Morgan, the Company s financial advisor in connection with the proposed merger, and its affiliates have had commercial or investment banking relationships with Genstar and its affiliates, as described under The Merger Parties to the Merger .

The Merger; Closing; Marketing Period (Page 59)

If the merger agreement is adopted by our stockholders and the other conditions to closing are satisfied or waived, Merger Sub will merge with and into us, and we will continue as the surviving corporation and wholly-owned subsidiary of Parent. Upon completion of the merger, each share of our common stock issued and

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outstanding immediately prior to the effective time of the merger, including all unvested restricted shares (other than (i) shares owned by Parent, Merger Sub or any subsidiary of Parent or us or any of our subsidiaries, (ii) certain unvested restricted shares granted to certain of our officers in 2012, including all of our named executive officers who were granted equity awards in 2012, which will be forfeited, and (iii) shares held by stockholders, if any, who have properly exercised statutory appraisal rights) will be converted into the right to receive $8.00 in cash. This amount will be without interest and less any applicable withholding tax. In this proxy statement, we refer to the consideration to be paid per share of common stock in the merger as the merger consideration. The surviving corporation will be a privately held corporation, and you will cease to be a stockholder and cease to have any ownership interest in the surviving corporation.

Unless otherwise agreed by the parties to the merger agreement, the parties are required to complete the merger no later than the second business day after the satisfaction or waiver of the conditions described under The Merger Agreement Conditions to the Merger, subject to extension in certain circumstances to allow for completion of a 20 consecutive business day marketing period. The purpose of the marketing period is to provide Parent a reasonable and appropriate period of time for marketing and placement of the debt financing for the purposes of financing the merger.

We currently anticipate that the merger will be completed during the second or third calendar quarter of 2012. However, there can be no assurances that the merger will be completed at all, or if completed, that it will be completed during the second or third calendar quarter of 2012.

The Special Meeting (Page 20)

The special meeting of our stockholders will be held on June 22, 2012, at 10:00 a.m., local time, at our executive offices located at 1818 Market Street, Philadelphia, PA 19103. At the special meeting, our stockholders will be asked to vote on a proposal to adopt the merger agreement, a nonbinding advisory proposal to approve the golden parachute compensation that may be payable to our named executive officers in connection with the merger and, if necessary or appropriate, to approve one or more adjournments of the special meeting for the purpose of soliciting additional proxies if there are not sufficient votes to approve the proposal to adopt the merger agreement.

Treatment of Options and Other Awards (Page 60)

Stock Options

At the effective time of the merger, all outstanding and unexercised options granted under our employee benefit plans (whether vested or unvested) will be canceled and converted into the right to receive, as soon as reasonably practicable after the effective time of the merger, a cash payment equal to the excess, if any, of the per share merger consideration over the per share exercise price of the option, multiplied by the number of shares covered by the option, less applicable withholding taxes. Options with a per share exercise price that is equal to or greater than the per share merger consideration will be canceled as of the effective time of the merger without any payment. After the effective time of the merger, all options granted under our employee benefit plans will represent only the nontransferable right to receive a cash payment, if any, determined as described above. Notwithstanding the above, the options granted in 2012 to certain of our officers, including all of our named executive officers who were granted equity awards in 2012, will be canceled without payment at the effective time of the merger.

Restricted Shares

At the effective time of the merger, all shares of restricted common stock will vest and become free of their forfeiture restrictions. At the effective time of the merger, the holders of these shares of restricted stock will be entitled to receive an amount in cash equal to the per share merger consideration with respect to each of these shares of restricted stock, less applicable withholding taxes. Notwithstanding the above, at the effective time of the merger, certain of our officers, including all of our named executive officers who were granted equity awards

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in 2012, will forfeit the restricted stock granted to them in 2012. Following the effective time of the merger, no holder of restricted shares will have any rights to acquire capital stock of us, our subsidiaries or the surviving corporation.

Recommendation of Our Board of Directors (Page 31)

After deliberation and consultation with its financial and legal advisors, and acting upon the recommendation of the Special Committee, our board of directors has determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, our stockholders. Our board of directors recommends that our stockholders vote **FOR** the proposal to adopt the merger agreement, **FOR** the nonbinding proposal regarding golden parachute payments to be paid or payable upon the consummation of the merger and **FOR** the adjournment proposal. See Proposal No. 1 The Merger Recommendation of our Board of Directors beginning on page 31 of this proxy statement for a more detailed discussion of the recommendation of our board of directors.

Opinion of the Financial Advisor to Our Board of Directors (Page 35)

J.P. Morgan delivered its written opinion to our board of directors that, as of April 9, 2012, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth therein, the consideration to be paid to the holders of our common stock in the proposed transaction was fair, from a financial point of view, to such holders.

The full text of the written opinion of J.P. Morgan dated April 9, 2012, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations on the review undertaken in connection with its opinion, is attached as Annex B to this proxy statement and is incorporated herein by reference. J.P. Morgan provided its opinion for the information of our board of directors in connection with and for the purposes of its evaluation of the transactions contemplated by the merger agreement. J.P. Morgan s written opinion addresses only the fairness of the consideration to be paid to the holders of our common stock in the proposed transaction and does not address any other matter.

Interests of Directors and Officers in the Merger (Page 47)

In considering the recommendation of our board of directors with respect to the merger agreement, our stockholders should be aware that our directors and executive officers have certain interests in the merger that are different from, or in addition to, the interests of stockholders generally. These interests may create potential conflicts of interest.

Each of our named executive officers (excluding John B. Sory who is no longer employed by us) has an employment agreement with us that will entitle each such officer to receive cash payments and other benefits upon certain qualifying terminations of employment, including a termination without cause within twelve months following the merger or a resignation for good reason within six months following the merger as described in more detail under Employment Agreements with Named Executive Officers below. Pursuant to the merger agreement, Parent has committed to honor employment, severance and certain other arrangements between us and our officers, directors and employees, in each case, to the extent such arrangements are legally binding on us as of the occurrence of the merger.

In addition, certain of our executive officers and directors hold certain stock options and restricted stock awards that, as a result of the merger, will vest immediately prior to the completion of the merger and be converted into a cash payment, as described in more detail under Treatment of Options and Other Awards. Notwithstanding the foregoing, at the effective time of the merger, the equity awards granted in 2012 to our named executive officers who were granted equity awards in 2012 will be canceled or forfeited without payment.

In connection with the execution of the merger agreement, we entered into a consulting agreement with a consulting firm owned by Joel Morganroth, M.D., one of our directors and executive officers, that provides that

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following the merger we will pay the consulting firm $44,000 per month for the services that we expect the consulting firm to provide to us. The consulting agreement also provides that upon the closing of the merger, we will purchase all of the assets of Dr. Morganroth s consulting firm for $875,000. Prior employment and consulting agreements with Dr. Morganroth and the consulting firm, respectively will terminate upon completion of the merger. Under these prior agreements, Dr. Morganroth and the consulting firm received an aggregate of $2,488,618 for the calendar year ended December 31, 2011.

Under the merger agreement, we, as the surviving corporation in the merger, have agreed to indemnify our directors and officers from before the merger to the full extent permitted by law following the merger. We have also agreed to honor our obligations under any indemnification provisions of our certificate of incorporation and bylaws.

We will maintain for a period of six years an insurance policy covering persons who were our directors or officers prior to the merger for the actions taken by such directors and officers in their capacities as our directors and officers prior to the merger on terms with respect to coverage and amount no less favorable than those of such policy currently in effect, *provided, however,* that we will not be required to expend in excess of 200% of the current annual premium paid for such policies currently maintained by us. Alternatively, prior to effectiveness of the merger, we may obtain a six year prepaid tail policy on terms and conditions providing materially equivalent benefits as those provided under the policies of directors and officers liability insurance currently maintained by us with respect to matters arising on or before the completion of the merger.

In addition to the fees and other consideration received for being a member of our board of directors, non-employee directors who are members of the special committee of our board of directors also receive certain fees for their service on such committee.

Our board of directors was aware of and discussed and considered these interests when it approved the merger. These interests may create potential conflicts of interest.

Financing (Page 42)

The total amount of funds necessary to complete the merger and related transactions is anticipated to be approximately $446 million, consisting of:

- approximately $402 million to pay our stockholders and holders of options and restricted shares the amounts due to them under the merger agreement, assuming a purchase price of $8.00 per share (net of the exercise price for options) and none of our stockholders validly exercises and perfects appraisal rights;
- approximately $21 million to refinance certain existing indebtedness (including prepayment premiums); and
- approximately $23 million to pay related fees and expenses in connection with the merger.

These payments are expected to be funded by a combination of equity contributions by Genstar VI, certain of its affiliates, CDP-Genstar Mezzanine Opportunities, L.P., which we may refer to as CDP, a CDP affiliate called Caisse de dépôt et placement du Québec, and other investors in Parent and/or Merger Sub, debt financing and our existing cash, cash equivalents and marketable securities. Parent has obtained equity and debt financing commitments described below in connection with the transactions contemplated by the merger agreement.

Equity Financing

Parent has received an equity commitment letter from Genstar VI pursuant to which, subject to the conditions contained in it, Genstar VI has agreed to make or secure aggregate equity investments of up to $110.0 million to Parent and/or Merger Sub. Parent also has received a combined debt and equity commitment letter from CDP, pursuant to which, subject to the conditions contained in it, CDP has agreed to make aggregate equity investments of $40.0 million to Parent and/or Merger Sub.

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Debt Financing

Parent has received a debt commitment letter from arrangers and lenders to provide to Merger Sub, subject to the conditions set forth in it, $224.0 million of senior secured credit facilities (which will consist of a six-year senior secured term loan of $174.0 million and a five-year senior secured revolving credit facility of up to $50.0 million). The combined debt and equity commitment letter from CDP provides that, subject to the conditions set forth therein, CDP will purchase up to $97.4 million of unsecured senior subordinated notes, which we may refer to as the subordinated notes, from Merger Sub.

The debt financing, together with the equity financing and our existing cash, cash equivalents and marketable securities, are to be used for the purpose of financing the merger, repaying or refinancing certain of our and our subsidiaries existing indebtedness and paying fees and expenses incurred in connection with the merger.

Parent has agreed to use commercially reasonable efforts to arrange the debt financing on the terms and conditions described in the commitments. The closing of the merger is not conditioned on the receipt of the debt financing. Parent, however, is not required to complete the merger until after the completion of the marketing period described in the merger agreement.

Regulatory Approvals (Page 47)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we may refer to as the HSR Act, and the rules promulgated thereunder by the Federal Trade Commission, which we may refer to as the FTC, the merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice, which we may refer to as the DOJ, and the applicable waiting period has expired. On April 23, 2012, we and Genstar VI made the necessary filings under the HSR Act and on April 30, 2012, we were informed that early termination of the waiting period was granted.

The merger is also subject to review by the governmental authorities of Germany under the antitrust laws of that jurisdiction. Genstar VI made the required notification to the German Federal Cartel Office on May 2, 2012; the initial applicable waiting period is one month.

Material U.S. Federal Income Tax Consequences (Page 56)

Generally, the receipt of cash in exchange for our common stock pursuant to the merger will be a taxable transaction to our stockholders for U.S. federal income tax purposes. A U.S. holder of our common stock receiving cash in the merger generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash received (before reduction for any applicable withholding taxes) and the holder s adjusted tax basis in the shares of our stock surrendered. A non-U.S. holder of our common stock generally will not be subject to U.S. federal income tax on the gain recognized upon the receipt of cash in exchange for our common stock pursuant to the merger unless the gain is effectively connected with the conduct of a trade or business in the United States or the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met.

The tax consequences of the merger to any particular stockholder may vary depending on his, her or its particular circumstances. Due to the individual nature of tax consequences, each stockholder is urged to consult his, her or its own tax advisor as to the specific tax consequences to such stockholder of the merger, including the effects of any applicable U.S. Federal state, local, foreign, estate, gift or other tax laws.

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Conditions to the Merger (Page 69)

Conditions to Each Party s Obligations

Each party s obligation to complete the merger is subject to the satisfaction of the following conditions at or prior to the effective time of the merger, unless waived in writing by all parties:

- the merger agreement will be adopted by the affirmative vote of the holders of a majority of the outstanding shares of our common stock;
- no court of competent jurisdiction or other governmental authority shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits completion of the merger or the transactions contemplated by the merger agreement; and
- any applicable waiting period under the HSR Act and applicable foreign competition laws will have expired or been terminated, or any approvals under foreign competition laws shall have been obtained.

Conditions to Parent s and Merger Sub s Obligations

The obligation of Parent and Merger Sub to complete the merger is subject to the satisfaction or waiver by Parent of the following additional conditions at or prior to the effective time of the merger:

- our representations and warranties:
  - relating to our organization and existence, our power and authority to enter into the merger agreement, the enforceability of the merger agreement against us, the vote required for our stockholders to adopt the merger agreement, capitalization, financial advisory fees and delivery by J.P. Morgan of a fairness opinion, shall in each case be true and correct in all material respects as of the date of the merger agreement and as of the effective time of the merger (except in each case to the extent such representations and warranties speak as of another date, in which case such representations and warranties shall be true and correct as of such other date), in each case determined without giving effect to any materiality or Material Adverse Effect (as defined below in the section entitled The Merger Agreement Representations and Warranties) qualifications contained therein; and
  - in Article 4 of the merger agreement other than those listed above shall be true and correct in all respects as of the date of the merger agreement and as of the effective time of the merger (except in each case to the extent such representations and warranties speak as of another date, in which case such representations and warranties shall be true and correct as of such other date), except where the failure of such representations and warranties to be so true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on us, in each case without giving effect to any materiality or Material Adverse Effect qualifications contained therein;
- we shall have performed in all material respects, all of our obligations and abided in all material respects by all the covenants required to be performed and complied with by us under the merger agreement at or prior to completion of the merger;
- since the date of the merger agreement, there shall not have occurred a Material Adverse Effect on us or any event, change or effect that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on us;

we shall have provided Parent with the following documents:

a certificate, duly executed by one of our executive officers, dated the closing date of the merger, certifying as to the conditions relating to the accuracy of our representations and warranties and our compliance with our covenants and obligations;

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a certificate, duly executed by one of our officers certifying that our stock is not a United States real property interest because we are not and have not been a United States real property holding corporation for purposes of the U.S. Tax Code;

option termination agreements with a limited number of holders of our options, including some of our executive officers, which will not terminate by their own terms upon the closing of the merger;

resignation letters duly executed by the members of our board of directors; and

an executed payoff letter with respect to the repayment of our existing credit facility.

Conditions to Our Obligations

Our obligation to complete the merger is subject to the satisfaction or waiver of the following further conditions at or prior to the effective time of the merger:

the representations and warranties of Parent and Merger Sub in the merger agreement shall be true and correct in all respects as of the date of the merger agreement and as of the effective time of the merger (except, in each case, to the extent such representations and warranties speak as of another date, in which case such representations and warranties shall be true and correct as of such other date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, would not reasonably be expected to prevent or materially delay completion of the merger;

each of Parent and Merger Sub shall have performed, in all material respects, all of its obligations and abided in all material respects by all the covenants required to be performed and complied with by it under the merger agreement at or prior to completion of the merger; and

we shall have received a certificate of an executive officer of Parent certifying that the above two conditions have been fulfilled.

Restrictions on Solicitations of Other Offers (Page 70)

The merger agreement provides that, subject to certain exceptions, until the effective time of the merger (or, if earlier, the termination of the merger agreement), we must not, and must cause our subsidiaries and representatives not to:

solicit, initiate, seek or knowingly encourage (including by way of furnishing non-public information regarding us or any of our subsidiaries) or facilitate, any inquiries, proposals or offers from any person, entity or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, which we may refer to as the Exchange Act) (other than Parent and its subsidiaries) that constitute, or could reasonably be expected to result in an acquisition proposal (as defined below in the section entitled The Merger Agreement Restrictions on Solicitations of Other Offers);

participate in any discussions or negotiations (including by way of furnishing nonpublic information about us) with any third party (other than Parent, Merger Sub, their representatives and our representatives) relating to, or which could reasonably be expected to lead to an acquisition proposal; or

approve or recommend, or publicly propose to approve or recommend, an acquisition proposal, enter into any contract or agreement in principle relating to an acquisition proposal or enter into any contract or agreement in principle requiring us to abandon, terminate or fail to complete the transactions contemplated by the merger agreement or breach our obligations under the merger agreement or

propose or agree to do any of the foregoing.

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Notwithstanding these restrictions, under certain circumstances, our board of directors may respond to a bona fide unsolicited written proposal for an alternative acquisition or terminate the merger agreement and enter into an acquisition agreement with respect to a superior proposal (as defined below in the section entitled The Merger Agreement Restrictions on Solicitations of Other Offers), so long as we comply with certain terms of the merger agreement described under The Merger Agreement Recommendation Withdrawal/Termination in Connection with a Superior Proposal, including providing Parent the opportunity to amend its proposal to acquire us prior to termination and, if required, paying a termination fee.

Termination of the Merger Agreement (Page 73)

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after stockholder approval has been obtained:

by mutual written consent of us, Parent and Merger Sub.

by either us or Parent if:

at any time after October 5, 2012, the effective time of the merger shall not have occurred on or before the close of business on such date;

there is any applicable law or order that shall have become final and non-appealable that makes completion of the merger illegal or otherwise prohibited, or enjoins us or Parent from completing the merger; or

our stockholders, at the special meeting or at any adjournment or postponement thereof at which the merger agreement was voted on, fail to adopt the merger agreement.

by us if:

subject to complying with the terms of the merger agreement, our board of directors authorizes us to enter into a binding definitive agreement in respect of a superior proposal and we substantially concurrently enter into the binding definitive agreement;

we are not in material breach of the merger agreement, either of Parent or Merger Sub is in material breach of its covenants or obligations under the merger agreement or any of their representations and warranties are untrue (without regard to materiality qualifiers), which breach or failure to be true would give rise to the failure of a condition to our obligation to complete the merger and is either incurable or not cured by Parent within 30 days after written notice (or, if earlier, October 5, 2012); or

we are not then in breach of any representation, warranty, covenant or agreement under the merger agreement that would result in the debt financing being unavailable, and:

the mutual and other conditions to Parent s obligation to complete the merger are satisfied (except those to be satisfied at completion of the merger, all of which shall be capable of being satisfied);

all of the conditions to our obligation to complete the merger have been satisfied (except those to be satisfied at completion, which shall be capable of being satisfied) or we have confirmed our willingness to waive them and have irrevocably confirmed to Parent that we are ready, willing and able to complete the merger; and

Parent and Merger Sub fail to complete the merger by the end of the third business day after October 5, 2012, and we stand ready, willing and able to complete the merger through the end of such three business day period.

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by Parent if:

- either an adverse recommendation change (as described below under The Merger Agreement Recommendation Withdrawal/Termination in Connection with a Superior Proposal) has occurred, our board of directors has failed to publicly confirm its recommendation of the merger within four business days of a written request by Parent to do so, or we have failed to include in this proxy statement the recommendation of our board of directors or a statement to the effect that our board has determined and believes that the merger is in the best interests of our stockholders;

- Parent is not in material breach of the merger agreement, we are in material breach of our covenants or obligations under the merger agreement or any of our representations and warranties is untrue (without regard to materiality qualifiers), which breach or failure to be true would give rise to the failure of a condition to Parent s obligation to complete the merger and is either incurable, or not cured by us within 30 days after written notice (or, if earlier, October 5, 2012); or

- a Material Adverse Effect on us has occurred and is continuing and, if curable, it has not been cured by us within 30 days after written notice of it.

Termination Fees and Expenses (Page 74)

Payable by Us

We have agreed to reimburse Parent s out-of-pocket fees and expenses incurred in connection with the merger agreement, up to $2.9 million, if either we or Parent terminate the merger agreement because of the failure to receive our stockholder approval at the special meeting or any adjournment or postponement thereof at which the merger agreement was voted on, or if Parent terminates the merger agreement due to a breach of our obligations under the merger agreement relating to promptly calling the stockholder meeting to approve the merger and preparing and mailing this proxy statement. We do not have to reimburse Parent s fees and expenses if they become due after, or concurrently with, our payment of the $11 million termination fee described below.

We must pay a termination fee of $11 million to Parent in connection with termination of the merger agreement under the following circumstances:

- if Parent terminates the merger agreement as a result of an adverse recommendation change, the failure of our board of directors to publicly confirm its recommendation of the merger, or our failure to include in this proxy statement the recommendation of our board of directors or a statement to the effect that our board has determined and believes that the merger is in the best interests of our stockholders;

- if we terminate the merger agreement in connection with the authorization by our board of directors for us to enter into a binding definitive agreement in respect of a superior proposal; or

- if all of the following events occur:

  - an acquisition proposal has been publicly announced or disclosed and not terminated or withdrawn prior to termination of the merger agreement (or, in the event of termination following failure to obtain stockholder approval, not terminated or withdrawn at least five business days prior to the stockholder meeting);

  - either party terminates the merger agreement as a result of the merger not having been completed on or prior to October 5, 2012 or our stockholders having failed to adopt the merger agreement at a duly called stockholders meeting, or Parent

terminates the merger agreement as a result of our failure to comply with our covenants and obligations; and

within 12 months after termination, we enter into a contract providing for the implementation of an acquisition proposal or complete an acquisition proposal.

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As used above, acquisition proposal has the same meaning set forth in The Merger Agreement Restrictions on Solicitation and Other Offers, except that references to 20% will be deemed references to 50%.

Payable by Parent

Parent must pay us a breakup fee of $20 million if we terminate the merger agreement under either of the following circumstances:

where both of the following have occurred:

Parent has failed to perform its obligations to obtain debt and equity financing, or its representations and warranties relating to financing are or become untrue, in each case under circumstances which give us the right to terminate the merger agreement; and

at the time we terminate the merger agreement, there are no facts or circumstances that would reasonably be expected to cause the mutual conditions to closing not to be satisfied, or the conditions to Parent s obligation to close relating to performance of our covenants and obligations, the truthfulness of our representations and warranties or the absence of a Material Adverse Effect on us not to be satisfied, in each case by October 5, 2012; or

the conditions to Parent s obligation to complete the merger have been satisfied (except those to be satisfied at completion, which shall be capable of being satisfied), the conditions to our obligation to complete the merger have been satisfied or waived, Parent and Merger Sub fail to complete the merger by the end of the third business day after October 5, 2012, and we stand ready, willing and able to complete the merger through the end of such three business day period.

Liability Limitation (Page 76)

In no event will we be entitled to aggregate monetary damages from Parent and Merger Sub in excess of $20 million for all losses and damages arising from or in connection with breaches by Parent and Merger Sub of their obligations under the merger agreement or arising from any other claim or cause of action under the merger agreement.

Specific Performance (Page 77)

Parent and Merger Sub are generally entitled to seek specific performance of the terms of the merger agreement, however, we are only entitled to seek specific performance to require Parent and Merger Sub to fund the merger consideration or complete the merger if:

the marketing period has ended and all mutual and other conditions to Parent s obligation to complete the merger have been satisfied (except those to be satisfied at completion of the merger, all of which shall be capable of being satisfied) at the time provided for the closing in the merger agreement;

the debt financing has been funded or will be funded upon completion of the merger; and

we have irrevocably confirmed that if specific performance is granted and the debt financing is funded, then we will take such actions required of us under the merger agreement to cause the merger to be completed.

Limited Guaranty (Page 47)

In connection with the merger agreement, Genstar VI has agreed to guaranty the due and punctual performance and discharge of certain of the payment obligations of Parent under the merger agreement, up to a maximum amount of $20 million. The guaranty, which we may refer to as the Limited Guaranty, will remain in

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full force and effect until the earliest to occur of (i) the effective time of the merger, (ii) the termination of the merger agreement in accordance with its terms by mutual consent of the parties thereto or in circumstances where the Parent termination fee is finally determined not to be payable and there are no unpaid guaranteed obligations, and (iii) January 5, 2013 (unless, in the case of (ii) and (iii), we have commenced litigation against Genstar VI under and pursuant to the Limited Guaranty prior to such termination, in which case the Limited Guaranty will terminate upon the final non-appealable resolutions of such action and satisfaction by Genstar VI of any obligations finally determined or agreed to be owed by it, consistent with the terms of the Limited Guaranty). The Limited Guaranty is our sole recourse against Genstar VI; however the Limited Guaranty does not limit our rights against Parent and Merger Sub described under The Merger Agreement Specific Performance.

Appraisal Rights (Page 53)

If the merger is completed, under Delaware law, holders of common stock who do not vote in favor of adopting the merger agreement will have the right to seek appraisal of the fair value of their shares of common stock as determined by the Court of Chancery of the State of Delaware, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement. This appraisal amount could be more than, the same as or less than the merger consideration. Any holder of common stock intending to exercise such holder s appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption of the merger agreement and must not vote or otherwise submit a proxy in favor of adoption of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights.

Litigation Related to the Merger (Page 52)

On April 11, 2012, a purported class action complaint was filed in the Court of Chancery of the State of Delaware, naming the Company, the members of our board of directors, Genstar, Parent and Merger Sub as defendants. Two similar complaints were filed in that Court on April 13, 2012, and the Court consolidated those three cases on April 16, 2012. A fourth complaint was filed on April 17, 2012 and the Court consolidated that case with the three previously-filed cases on May 18, 2012. The operative complaint in the consolidated action generally alleges that, in connection with approving the merger, our directors breached their fiduciary duties owed to our stockholders, and that Genstar, Parent and Merger Sub knowingly aided and abetted our directors breaches of their fiduciary duties. The operative complaint in the consolidated action seeks, among other things, certification of the case as a class action, an injunction against the consummation of the transaction, a judgment against the defendants for damages, and an award of fees, expenses and costs to plaintiffs and their attorneys. Two other similar actions were filed in the Court of Common Pleas of Philadelphia in the First Judicial District of the Commonwealth of Pennsylvania on April 13, 2012 and May 9, 2012 respectively, making similar claims and seeking similar relief. On May 8, 2012, the defendants in the first action currently pending in the Court of Common Pleas of Philadelphia, filed a motion seeking to stay the action in favor of the materially identical, previously-filed and consolidated actions pending in the Court of Chancery of the State of Delaware. It is unclear at this time when and how the Court of Common Pleas of Philadelphia will rule on this motion.

We believe these lawsuits are without merit and intend to defend against them vigorously.

Approval of Golden Parachute Compensation (Page 81)

In accordance with Section 14A of the Exchange Act, we are providing our stockholders with the opportunity to cast a nonbinding advisory vote on the compensation that may be payable to our named executive officers in connection with the merger, as reported on the Golden Parachute Compensation Table on page 49 of

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this proxy statement. Our board of directors recommends that you vote **FOR** the proposal to approve on an advisory basis the golden parachute compensation payable in connection with the merger.

Adoption on an advisory basis of the golden parachute compensation to be paid or payable in connection with the merger requires the approval of a majority of the votes represented by the shares of our outstanding common stock present and entitled to vote thereon. Approval of the golden parachute compensation is not a condition to completion of the merger, and the vote related thereto is advisory only and will not be binding on us. Therefore, if the merger is approved by the holders of our common stock and is completed but a majority of stockholders do not approve the golden parachute compensation, we will note the outcome of the vote but nonetheless will be contractually bound to pay the golden parachute compensation to our named executive officers.

Market Price of Common Stock (Page 78)

The closing price of our common stock on the Global Select Market of The NASDAQ Stock Market, LLC, which we may refer to as the NASDAQ Global Select Market, on April 9, 2012, the last trading day prior to the public announcement of the merger agreement, was $7.84. The $8.00 that will be paid to holders of our common stock in exchange for each share of our common stock they hold represents a premium of approximately 38% to the average closing share price of our common stock for the 90 days ended on April 9, 2012 and a premium of approximately 42% to the average price of our common stock during the 52 weeks prior to April 9, 2012.

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QUESTIONS & ANSWERS ABOUT THE MERGER AND RELATED MATTERS

The following questions and answers are intended to address briefly some commonly asked questions about the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that are important to you as a stockholder of eResearchTechnology, Inc. Please refer to the Summary Term Sheet and the more detailed information contained elsewhere in this proxy statement, including in its annexes, all of which you should read carefully. See also Where You Can Find More Information beginning on page 84.

Q: Why am I receiving this proxy statement?

A: We have agreed to merge under the terms of a merger agreement that is described in this proxy statement. A copy of the merger agreement is attached to this proxy statement as Annex A. You should carefully read this proxy statement in its entirety.

In order for the merger to be completed, our stockholders holding a majority of the outstanding shares of our common stock must vote to adopt the merger agreement. You are receiving this proxy statement and proxy card or voting instruction form because you own shares of our common stock. This proxy statement describes matters on which we urge you to vote and is intended to assist you in deciding how to vote your shares of common stock with respect to such matters.

We will hold a special meeting of stockholders in order to seek approval of the proposal to adopt the merger agreement and other related matters on which we urge you to vote. This proxy statement contains important information about these matters as well as the special meeting of stockholders. The enclosed voting materials allow you to vote your shares of our common stock without attending the special meeting of stockholders.

Your vote is important. We encourage you to vote your shares of common stock as soon as possible.

Q: What is the purpose of the special meeting?

A: At the special meeting, the holders of our common stock will act upon the matters outlined in this proxy statement, including a proposal to adopt the merger agreement, a nonbinding advisory vote to approve golden parachute compensation payable under existing agreements that our named executive officers may receive in connection with the merger, a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement, and in the discretion of the proxy holders, on any other proposals to be voted on at the special meeting.

For specific information regarding the merger agreement, golden parachute compensation and adjournment, see Proposal No. 1 The Merger beginning on page 24, Proposal No. 2 Advisory Vote on Golden Parachute Compensation on page 81 and Proposal No. 3 Adjournment of the Special Meeting on page 82, respectively.

Q: Where and when is the special meeting?

A: The special meeting of our stockholders will be held on June 22, 2012, at 10:00 a.m., local time, at our executive offices located at 1818 Market Street, Philadelphia, PA 19103.

Q: Why is the Company merging?

A: After deliberation and consultation with its financial and legal advisors as well as a special committee of independent members of the board of directors, which committee was formed for the purpose of evaluating the possible sale of the Company, our board of directors has determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, our stockholders.

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Q: How does the board of directors recommend that I vote?

A: Our board of directors recommends that our stockholders vote **FOR** the proposal to adopt the merger agreement; **FOR** the proposal to approve, on a nonbinding advisory basis, the golden parachute compensation received by our named executive officers in connection with the merger; and **FOR** the proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement. See Proposal No. 1 The Merger Recommendations of our Board of Directors beginning on page 31 of this proxy statement for a more detailed discussion of the recommendation of our board of directors;

Q: What will happen if the merger is not completed?

A: If the merger agreement is not adopted by our stockholders or if the merger is not completed for any other reason, our stockholders will not receive any payment for their shares of our common stock in connection with the merger. Instead, we will remain an independent public company, our common stock will continue to be listed and traded on the NASDAQ Global Select Market and registered under the Exchange Act, and we will continue to file periodic reports with the Securities and Exchange Commission, which we may refer to as the SEC, on account of our common stock. Under specified circumstances, we may be required to pay to Parent, or may be entitled to receive from Parent, a fee with respect to the termination of the merger agreement, as described under The Merger Agreement Termination Fees and Expenses beginning on page 74.

Q: What will happen in the merger?

A: We and our businesses will be acquired by Parent in a cash merger transaction. At the completion of the merger, we will become a wholly-owned subsidiary of Parent, an affiliate of Genstar. As a result, shares of our common stock will no longer be listed on any stock exchange, including the NASDAQ Global Select Market, or quotation system, and will be deregistered under the Exchange Act.

Q: What will a stockholder of the Company receive if the merger is completed?

A: In exchange for each share of our common stock owned and outstanding at the effective time of the merger, each stockholder will receive a cash payment per share of $8.00 unless such stockholder properly exercises and does not withdraw its appraisal rights under the Delaware General Corporation Law, which we may refer to as the DGCL, with respect to such shares (as described below). For example, if a stockholder owns 100 shares of common stock, such stockholder will receive $800.00 in cash in exchange for the shares of common stock. You will not own any shares of the capital stock in the Company following completion of the merger.

Q: What will a holder of the Company s stock options receive if the merger is completed?

A: At the effective time of the merger, all outstanding and unexercised options granted under our employee benefit plans (whether vested or unvested) will be canceled and converted into the right to receive, as soon as reasonably practicable after the effective time of the merger, a cash payment equal to the excess, if any, of the per share merger consideration over the per share exercise price of the option, multiplied by the number of shares covered by the option, less applicable withholding taxes. Options with a per share exercise price that is equal to or greater than the per share merger consideration will be canceled as of the effective time of the merger without any payment. After the effective time of the merger, all options granted under our employee benefit plans will represent only the nontransferable right to receive a cash payment, if any, determined as described above. Notwithstanding the above, the options granted in 2012 to certain of our officers, including all of our named executive officers will be canceled without payment at the effective time of the merger.

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Q: What will a holder of the Company s restricted stock awards receive if the merger is completed?

A: At the effective time of the merger, all shares of restricted common stock will vest and become free of their forfeiture restrictions. At the effective time of the merger, the holders of these restricted shares will be entitled to receive an amount in cash equal to the per share merger consideration with respect to each of these shares of restricted stock, less applicable withholding taxes. Notwithstanding the above, at the effective time of the merger, certain of our officers, including all of our named executive officers who were granted equity awards in 2012, will forfeit the stock granted to them in 2012. Following the effective time of the merger, no holder of restricted shares will have any rights to acquire capital stock of us, our subsidiaries or the surviving corporation.

Q: Will I have appraisal rights if I dissent from the merger?

A: Yes. Under the DGCL, you have the right to seek appraisal of the fair value of your shares of our common stock, as determined by the Court of Chancery of the State of Delaware, if the merger is completed, but only if (a) you do not vote in favor of adoption of the merger agreement, (b) you deliver a written demand before the vote (as described elsewhere in this proxy statement), (c) you continuously hold through the effective time of the merger the shares for which you demand appraisal and (d) meet the other requirements of the DGCL. See Proposal No. 1. The Merger Appraisal Rights beginning on page 53 of this proxy statement for a more detailed discussion of appraisal rights and the text of DGCL Section 262 attached as Annex C to this proxy statement. Failure to follow the procedures set forth in Section 262 of the DGCL will result in the loss of appraisal rights.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed you will receive written instructions from the exchange agent on how to exchange your stock certificates for the cash merger consideration. **Please do not send in your stock certificates with your proxy.**

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as practicable after the special meeting of stockholders and currently anticipate that the merger will be completed during the second or third calendar quarter of 2012. However, there can be no assurances that the merger will be completed at all, or if completed, that it will be completed during the second or third calendar quarter of 2012.

Q: Who is entitled to vote at the special meeting?

A: Our board of directors has fixed the close of business on May 18, 2012 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of our common stock at the close of business on the record date are entitled to vote at the special meeting.

Q: What is a quorum for the special meeting?

A: There must be a quorum for the special meeting of stockholders to be held. The holders of a majority of the issued and outstanding shares of our common stock entitled to vote, present in person or represented by a properly executed and delivered proxy, will constitute a quorum for the purpose of transacting business at the special meeting of stockholders. Only holders of record of our common stock on the record date will be entitled to vote at the special meeting of stockholders. All shares of our common stock represented at the special meeting of stockholders, but not voting, including abstentions, will be counted as present for determining the presence or absence of a

quorum. On the record date, there were 49,390,241 shares of common stock outstanding and entitled to vote. Thus, 24,695,121 shares of common stock must be represented by proxy or by stockholders present and entitled to vote at the special meeting to have a quorum.

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Q: What vote of the Company s stockholders is required to adopt the merger agreement?

A: Approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the shares of our common stock outstanding as of the record date.

Q: Why am I being asked to cast a nonbinding advisory vote to approve golden parachute compensation that our named executive officers will receive in connection with the merger?

A: Certain rules of the Securities and Exchange Commission, which we may refer to as the SEC, require us to seek a nonbinding advisory vote with respect to certain payments that will be made to our named executive officers in connection with the merger, which we may refer to as golden parachute compensation.

Q: What will happen if stockholders do not approve the golden parachute compensation at the special meeting?

A: Approval of golden parachute compensation payable under existing agreements that our named executive officers may receive in connection with the merger is not a condition to completion of the merger. The vote with respect to golden parachute compensation is an advisory vote and will not be binding on the Company. Therefore, if the merger is approved by our stockholders and completed, we will note the outcome of the vote on the golden parachute compensation, but nonetheless will be contractually bound to pay the golden parachute compensation to our named executive officers.

Q: What vote of the Company s stockholders is required to adopt the proposal regarding golden parachute compensation and the proposal to adjourn the special meeting, if necessary or appropriate to solicit additional proxies to approve the proposal to adopt the merger agreement?

A: Approval of the proposals regarding golden parachute compensation and adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement require the approval of a majority of the votes represented by the shares of our common stock present and entitled to vote thereon.

Q: What do I need to do now?

A: We urge you to read this proxy statement carefully, including its annexes, and consider how the merger will affect you. If you are a stockholder of record, you can ensure your shares are voted at the special meeting by completing, dating, signing and returning the enclosed proxy card in the enclosed prepaid envelope or by voting through the Internet or by telephone. If you hold your shares in street name, you can ensure that your shares are voted at the special meeting by instructing your broker, bank or other nominee how to vote, as discussed below. **Please do not send in your stock certificates with your proxy**.

Q: How do I cast my vote?

A: If you are the record owner of your shares, you may vote by:

Internet using the Internet voting instructions printed on your proxy card;

telephone using the telephone number printed on your proxy card;

signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope; or

attending the special meeting and voting in person, as more fully described below.

If you hold your shares in street name, you should follow the procedures provided by your broker, bank or other nominee.

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If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted **FOR** the adoption of the merger agreement, **FOR** the proposal to approve, on a nonbinding advisory basis, the golden parachute payments to be paid in connection with the merger and **FOR** the proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement.

Q: If my broker holds my shares in street name, will my broker vote my shares?

A: Yes, but only if you instruct your broker, bank or other nominee how to vote your shares. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not provide instruction on how to vote your shares, your shares will not be voted on the merger proposal or the proposal regarding golden parachute compensation and the effect will be the same as a vote by you against the adoption of the merger agreement, but will not have an effect on the proposal regarding golden parachute compensation payable to our named executive officers. We urge you to contact your broker, bank or other nominee promptly to ensure that your vote is counted.

Q: May I attend the special meeting and vote in person?

A: Yes. All stockholders as of the record date may attend the special meeting and holders of our common stock may vote in person. If your shares of our common stock are held in street name, you must obtain a legal proxy from your broker, bank or other nominee and bring your statement evidencing your beneficial ownership of our common stock in order to attend the special meeting and vote in person.
Whether or not you plan to attend the special meeting, and unless you hold your shares in street name, please submit your proxy through the Internet or by telephone or complete, date, sign and return, as promptly as possible, the enclosed proxy card in the enclosed prepaid envelope.

Q: Can I change my vote after I have delivered my proxy?

A: If you submit your proxy through the Internet or by telephone or mail, you may revoke your proxy at any time before the vote is taken at the special meeting in any of the following ways:

granting a proxy through the Internet or by telephone after the date of your original proxy and before the deadlines for voting included on your proxy card;

submitting a later-dated proxy by mail to our secretary at 1818 Market Street, Philadelphia, PA 19103, that is actually received before your earlier-dated proxy is voted at the special meeting;

giving written notice of the revocation of your proxy to our secretary at 1818 Market Street, Philadelphia, PA 19103, that is actually received by our secretary prior to the special meeting; or

voting in person at the special meeting.

If you have instructed your broker, bank or other nominee to vote your shares, the above-described options for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank or other nominee to change your vote.

Your attendance at the special meeting alone does not automatically revoke your proxy.

Q: What do I do if I receive more than one proxy or set of voting instructions?

A: If you hold shares of our common stock in street name and also directly as a record holder or otherwise, you may receive more than one proxy and/or set of voting instructions relating to the special meeting. Each of these should be voted and returned separately in accordance with the instructions provided in this proxy statement in order to ensure that all of your shares of our common stock are voted.

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Q: What happens if I sell my shares of the Company s common stock before the special meeting?

A: The record date for stockholders entitled to vote at the special meeting is earlier than both the date of the special meeting and the consummation of the proposed merger. If you transfer your shares of our common stock after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you transfer your shares and each of you notifies us in writing of such special arrangements, you will retain your right to vote such shares at the special meeting but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares.

Q: Will a proxy solicitor be used?

A: This solicitation is made on behalf of our board of directors. We have retained Georgeson Inc., which we may refer to as Georgeson, to assist our officers, directors and employees in the solicitation of proxies for the special meeting of stockholders. We estimate that we will pay Georgeson a fee of approximately $8,500. We have also agreed to reimburse Georgeson for reasonable administrative and out-of-pocket expenses incurred in connection with the proxy solicitation and to indemnify Georgeson against certain losses, costs and expenses.

Q: Who can help answer my questions?

A: If you have additional questions about the matters described in this proxy statement or how to submit your proxy, or if you need additional copies of this proxy statement, you should contact:

eResearchTechnology, Inc.

1818 Market Street, Philadelphia, PA 19103

Attention: *Secretary*

Telephone: (215) 972-0420

You may also obtain additional information about us from documents filed with the SEC by following the instructions in the section entitled Where You Can Find More Information on page 84 of this proxy statement.

Neither the SEC nor any state securities regulatory commission has approved or disapproved of the merger, passed upon the merits or fairness of the merger agreement or the transactions contemplated thereby, including the proposed merger, or passed upon the adequacy or accuracy of the information contained in this proxy statement. Any representation to the contrary is a criminal offense.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, contain forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, that reflect our current views as to future events and financial performance with respect to our operations, the expected completion and timing of the merger and other information relating to the merger. These statements can be identified by the fact that they do not relate strictly to historical or current facts. There are forward-looking statements throughout this proxy statement, including, among others, under the headings Summary Term Sheet, Questions & Answers About the Merger and Related Matters, Proposal No. 1 The Merger, Proposal No. 1 The Merger Opinion of the Financial Advisor to our board of directors and in statements containing words such as anticipate, estimate, expect, will be, will continue, likely to become, intend, plan, belie similar expressions. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on our business or operations or on the merger and related transactions. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events or otherwise, except as required by law. In addition to other factors and matters contained in or incorporated by reference in this proxy statement, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the outcome of any litigation and judicial actions that have been or may be instituted against the Company and others relating to the merger agreement and the merger;
- Parent s failure to obtain the necessary equity and debt financing set forth in the commitment letters received in connection with the merger, or alternative financing, or the failure of any such financing to be sufficient to complete the merger and the transactions contemplated thereby;
- the inability to complete the merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions to consummation of the merger;
- the failure of the merger to close for any other reason;
- the effect of the announcement of the merger on our client and customer relationships, operating results and business generally;
- the risk that the proposed merger disrupts current plans and operations and our inability to respond effectively to competitive pressures, industry developments and future opportunities;
- diversion of management s attention from ongoing business concerns;
- the amount of the costs, fees, expenses and charges related to the merger; and

other risks detailed in our filings with the SEC, including our most recent filings on Forms 10-K, 10-Q and 8-K. You can obtain copies of our Forms 10-K, 10-Q and 8-K and other filings for free at the SEC website at *www.sec.gov* or from commercial document retrieval services. See Where You Can Find More Information on page 84 of this proxy statement.

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SPECIAL MEETING OF STOCKHOLDERS OF ERESEARCHTECHNOLOGY, INC.

Date, Time and Place of Meeting

The accompanying proxy is solicited by our board of directors for use at the special meeting of stockholders to be held on June 22, 2012, at 10:00 a.m., local time, at our executive offices located at 1818 Market Street, Philadelphia, PA 19103.

These proxy solicitation materials were mailed on or about May 23, 2012 to all stockholders entitled to vote at the meeting.

Record Date; Shares Entitled to Vote; Outstanding Shares

Our board of directors has fixed the close of business on May 18, 2012 as the record date for determining the holders of our common stock entitled to notice of, and to vote at, the special meeting of stockholders or any adjournment or postponement thereof. Only holders of record of our common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting of stockholders or any adjournments or postponements thereof. Our common stockholders will have one vote for each share of our common stock that they owned on the record date.

At the close of business on the record date, there were 49,390,241 shares of our common stock issued and outstanding and entitled to vote at the special meeting of our stockholders.

Purpose of the Special Meeting of Stockholders

At the special meeting of stockholders, holders of our common stock will be asked to:

1. *Merger Proposal.* Consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of April 9, 2012, by and among eResearchTechnology, Inc., Explorer Holdings, Inc. (or Parent) and Explorer Acquisition Corp., a wholly-owned subsidiary of Parent, pursuant to which each share of our common stock outstanding at the effective time of the merger will be converted into the right to receive $8.00 in cash and we will become a wholly-owned subsidiary of Parent.

2. *Advisory Vote on Golden Parachute Compensation.* Consider and cast a nonbinding advisory vote on the golden parachute compensation that may be payable to our named executive officers in connection with the merger as reported on the Golden Parachute Compensation table on page 49.

3. *Adjournment Proposal*. Consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement.

4. *Other Business*. To transact any other business that may properly come before the special meeting, or any adjournment or postponement of the special meeting, by or at the direction of our board of directors.

Quorum; Abstentions; Broker Non-Votes

There must be a quorum for the special meeting of stockholders to be held. The holders of a majority of our issued and outstanding common stock entitled to vote, present in person or represented by a properly executed and delivered proxy, will constitute a quorum for the purpose of transacting business at the special meeting of stockholders.

Only holders of record of our common stock on the record date will be entitled to vote at the special meeting of stockholders. All shares of our common stock represented at the special meeting of stockholders, but not

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voting, including abstentions, will be counted as present for determining the presence or absence of a quorum. Consequently, if you abstain from voting, it will have the same effect as a vote against the merger proposal, the proposal regarding golden parachute compensation payable to our named executive officers and the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement.

Broker non-votes result from shares held of record by brokers, banks or nominees that are present in person or represented at the meeting, but are not voted due to the failure of the beneficial owners of those shares to provide voting instructions as to certain non-routine matters, such as a merger proposal or proposals relating to compensation matters, as to which such brokers, banks or nominees may not vote on a discretionary basis. Broker non-votes will have the same effect as a vote against the merger proposal but will not have any effect on the proposal regarding golden parachute compensation payable to our named executive officers.

Votes Required

Approval of the proposal for adoption of the merger agreement requires the affirmative vote of a majority of the outstanding shares of our common stock. **The merger will not be completed unless holders of a majority of the outstanding shares of our common stock approve the proposal to adopt the merger agreement.** Our board of directors has unanimously adopted and approved the merger agreement and unanimously recommends that our stockholders vote **FOR** the adoption of the merger agreement.

Approval of the nonbinding proposal regarding golden parachute compensation that may be payable to our named executive officers in connection with the merger requires the approval of a majority of the votes represented by the shares of our common stock present and entitled to vote thereon. Our board of directors recommends that our stockholders vote **FOR** the approval of the golden parachute compensation payable to our named executive officers in connection with the merger.

The approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement, requires the approval of a majority of the votes represented by the shares of our common stock present and entitled to vote thereon. Our board of directors recommends that our stockholders vote **FOR** this proposal.

Solicitation of Proxies

This solicitation is made on behalf of our board of directors, and we will pay the costs of soliciting and obtaining the proxies, including the cost of reimbursing banks, brokers and other custodians, nominees and fiduciaries, for forwarding proxy materials to their principals. Our stockholders may be solicited, without extra compensation, by our officers, directors and employees by mail, telephone, fax, personal interviews or other methods of communication.

In addition to solicitation by our officers, directors and employees, we have retained Georgeson to assist in the solicitation of proxies. We estimate we that will pay Georgeson approximately $8,500. We have also agreed to reimburse Georgeson for reasonable administrative and out-of-pocket expenses incurred in connection with the proxy solicitation and to indemnify Georgeson against certain losses, costs and expenses in connection with the solicitation of proxies for us.

Voting; Proxies and Revocation

You may vote in person or by proxy at the special meeting. If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that, if your shares are held in street name, which means your shares are held of record by a broker, bank or other nominee, and you wish to vote in person at the special meeting, you must bring to the special meeting (a) a legal proxy from the record holder of the shares (your broker, bank or nominee) authorizing you to vote at the special meeting and

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(b) your statement evidencing your beneficial ownership of our common stock. Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the enclosed prepaid envelope, or submit your proxy through the Internet or by telephone, or return the enclosed voting instruction form, if applicable, in accordance with the instructions contained thereon.

If you do not wish to attend the special meeting and you are a record holder, you may submit your proxy by completing, dating, signing and returning the enclosed proxy card in the enclosed postage-paid envelope or otherwise mail it to us. In addition, you may submit your proxy by telephone by calling 1-800-PROXIES (international dialers use (718) 921-8500) or through the Internet at www.voteproxy.com. You must have the enclosed proxy card available, and follow the instructions on the proxy card in order to submit a proxy by the Internet or telephone. If you submit a proxy through the Internet, by telephone or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate on your proxy card or by such other method. If you sign your proxy card without indicating your vote, your shares will be voted **FOR** the adoption of the merger agreement, **FOR** the golden parachute compensation to be paid or payable in connection with the consummation of the merger and **FOR** the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to adopt the merger agreement.

If you do not wish to attend the special meeting and your shares are held in street name, you should instruct your broker, bank or other nominee how to vote your shares using the voting instruction form furnished by your broker, bank or other nominee. The merger proposal and the proposal regarding golden parachute compensation to be presented at the special meeting are considered non-routine matters. Therefore, if your shares are held in street name by a broker, your broker cannot vote your shares on these proposals unless it receives specific voting instructions from you.

Proxies received at any time before the special meeting and not revoked or superseded before being voted will be voted at the special meeting. **Your attendance at the special meeting does not alone automatically revoke your proxy.** If you submit your proxy through the Internet, by telephone or by mail, you may revoke your proxy at any time before the vote is taken at the special meeting in any of the following ways:

granting a proxy through the Internet or by telephone after the date of your original proxy and before the deadlines for voting included on your proxy card;

submitting a later-dated proxy by mail to our secretary at 1818 Market Street, Philadelphia, PA 19103, that is actually received before your earlier-dated proxy is voted at the special meeting;

giving written notice of the revocation of your proxy to our Corporate Secretary at secretary at 1818 Market Street, Philadelphia, PA 19103, that is actually received by our secretary prior to the special meeting; or

voting in person at the special meeting.

If you have instructed your broker, bank or other nominee how to vote your shares, the above-described options for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank or other nominee to change your vote.

If other matters do properly come before the special meeting, or at any adjournment or postponement thereof, we intend that shares of our common stock represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card. In addition,