Averion International Corp.
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**File Number 333-143809**

# AVERION INTERNATIONAL CORP.

## 30,623,995 Shares of Common Stock

This prospectus relates solely to the offer and sale by the selling stockholders identified in this prospectus of up to 30,623,995 shares of our common stock held by the selling stockholders. Of these shares, 27,333,329 are currently issued and outstanding and 3,290,666 are issuable upon exercise of warrants held by selling stockholders. The selling stockholders are offering all of the shares to be sold in the offering, but they are not required to sell any of these shares. We will not receive any of the proceeds from the sale of our common stock by the selling stockholders, although we will receive proceeds from the exercise of warrants to the extent they are exercised for cash. We will bear all expenses (other than selling commissions and fees and expenses of counsel or other advisors to the selling stockholders) relating to this offering.

The selling stockholders may sell these shares from time to time in various types of transactions, including in the principal market on which the stock is traded or listed or in privately negotiated transactions. If any broker-dealers are used by the selling stockholders, any commissions paid to broker-dealers and, if broker-dealers purchase any shares of our common stock as principals, any profits received by such brokers-dealers on the resale of shares of our common stock, may be deemed to be underwriting discounts or commissions under the Securities Act of 1933, as amended, or the Securities Act. In addition, any profits realized by the selling stockholders may be deemed to be underwriting commissions if any such selling stockholder is deemed an underwriter as defined in the Securities Act.

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol AVRO.OB. The average of the high and low bid price per share of our common stock as reported by the Over-the-Counter Bulletin Board on June 12, 2007, was $0.123.

**Investing in our common stock involves significant risks. See Risk Factors beginning on page 6 to read about factors you should consider before buying our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

You should rely only on the information contained in this prospectus. Neither we nor the selling stockholders have authorized anyone to provide you with information different from that contained in this prospectus. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

**Prospectus dated July 24, 2007**

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**PROSPECTUS SUMMARY**

*You should read the following summary together with the more detailed information regarding us, the sale of our common stock in this offering by the selling stockholders, our consolidated financial statements and the notes to those consolidated financial statements that appear elsewhere in this prospectus.*

**Our Business**

We are a contract research organization, or a CRO, focused on providing our clients with services and solutions throughout the drug development process. We operate in two business segments: clinical research and staffing services. We serve a variety of clients in the pharmaceutical, biotechnology and medical device industries.

Our clinical research operation assists our clients with strategic and regulatory planning, clinical trial design and protocol development, investigator qualification and recruitment, site identification and management, clinical trial implementation and management, data management, biometrics and reporting. We have the resources to directly implement or manage Phase I through Phase IV clinical trials and have clinical trial experience across a wide variety of therapeutic areas such as oncology, dermatology, nephrology, critical care, and medical devices. Our staffing services operation assists our clients by providing them the expertise necessary to evaluate, structure, implement and maintain effective quality programs and processes that ensure compliance with the Food and Drug Administration, or FDA, regulations throughout the product development and manufacturing lifecycle.

**Company Information**

We were originally organized under the name Clinical Trials Assistance Corporation, or Clinical Trials, by the filing of Articles of Incorporation with the Secretary of State of the State of Nevada on April 22, 2002. On June 14, 2004, Clinical Trials acquired IT&E International Corporation and amended its Articles of Incorporation to change the corporate name from Clinical Trials to IT&E International Group. In November 2005, we acquired substantially all the assets of Millennix, Inc., or Millennix, a CRO based in the State of New York that provides comprehensive clinical research services for Phase I through Phase IV clinical trials in oncology (see Note 4 to our Consolidated Financial Statements). On March 2, 2006, with the written consent of holders of the majority of our shares of common stock, we reincorporated into Delaware and filed a Certificate of Incorporation to change our corporate name to IT&E International Group, Inc. On July 31, 2006 we acquired Averion Inc. (see Note 5 to our Consolidated Financial Statements), a CRO. In August 2006, we formed Averion Europe GmbH, our European division, or Averion Europe, which will allow us to assist our clients that wish to run clinical trials and gain access to patients internationally (see Note 7 to our Consolidated Financial Statements). On September 21, 2006, we filed an amendment to our Certificate of Incorporation to change our corporate name to Averion International Corp. Our common stock symbol was changed from ITER.OB to AVRO.OB in conjunction with the name change.

Our corporate headquarters are located at 225 Turnpike Road, Southborough, MA 01772. We also have offices in New York, Pennsylvania, and California, as well as in Germany, the United Kingdom and Austria. Our principal executive offices are located at 225 Turnpike Road, Southborough, MA 01772. Our telephone number is (508) 597-6000. The address of our website is www.averionintl.com. Information contained on our website is not a part of this prospectus.

**The Offering**

| | |
|---|---|
| Common stock offered in this offering | 30,623,995 shares |
| Common stock to be outstanding after this offering | 529,128,325(1) |
| Use of proceeds | All of the net proceeds from the sale of our common stock covered by this prospectus will be received by the selling stockholders who offer and sell shares of our common stock. We will not receive any proceeds from the sale of our common stock offered by the selling stockholders, although we will receive proceeds from the exercise of warrants held by selling stockholders to the extent they are exercised for cash (2). The proceeds we would receive if all the warrants were exercised for cash would be approximately $628,280. These proceeds, if any, will be used for general corporate purposes. |
| OTC Bulletin Board symbol | AVRO.OB |

(1) Unless the context indicates otherwise, all share and per-share information in this prospectus is based on 498,504,330 shares of our common stock outstanding as of June 8, 2007. Shares of common stock to be outstanding after this offering assumes that all shares registered under this prospectus are sold by the selling stockholders. Unless the context indicates otherwise, all other share and per-share information in this prospectus assumes no exercise of warrants or other rights to acquire our common stock outstanding as of June 8, 2007.

(2) Please note that one of the warrants described in this registration statement, a warrant to purchase 1,366,666 shares of our common stock, contains a cashless exercise provision whereby the holder, at its option, may exercise the warrant by surrender and cancellation of a portion of the shares of common stock issuable upon the exercise of the warrant based on the then current market price of our common stock. If the holder of the warrant elected to exercise the warrant pursuant to this provision, we would not receive any proceeds from the exercise of the warrant but instead would issue fewer shares of our common stock.

**Summary Financial Information**

In the table below, we provide you with historical summary financial data for the two years ended December 31, 2006 and 2005, derived from our audited consolidated financial statements included elsewhere in this prospectus. We also provide below financial data for, and as of the end of, the three months ended March 31, 2007 and 2006, derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period. When you read this historical summary financial data, it is important that you read along with it the historical consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

| | Year ended December 31, 2006 | 2005 | Three months ended March 31, 2007 (unaudited) | 2006 (unaudited) |
|---|---|---|---|---|
| **Statement of Operations Data:** | | | | |
| Net Service Revenue | $ 25,551,378 | $ 17,798,591 | $ 8,803,675 | $ 4,638,976 |
| Operating Expenses | (32,406,842) | (19,553,978) | (11,187,524) | (5,989,337) |
| Net Income (loss) applicable to common stockholders | (9,195,190) | (10,974,622) | (1,943,730) | (975,957) |
| Net Income (loss) per share basic and fully diluted | (0.07) | (0.41) | (0.00) | (0.02) |

The table below sets forth a summary of our consolidated balance sheet data as of December 31, 2006, derived from our audited consolidated financial statements included elsewhere in this prospectus. We also provide below financial data for, and as of, the end of the three months ended March 31, 2007, derived from our unaudited consolidated financial statements included elsewhere in this prospectus.

| | December 31, 2006 | March 31, 2007 (unaudited) |
|---|---|---|
| **Balance Sheet Data:** | | |
| Cash and cash equivalents | $ 8,097,577 | $ 6,785,475 |
| Working Capital | 6,658,148 | 4,710,268 |
| Total Assets | 44,761,588 | 41,016,373 |
| Total Stockholders Equity | 28,561,902 | 26,692,576 |

**RISK FACTORS**

*Investment in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this prospectus before making an investment decision with respect to our securities. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.*

*In addition, the following risk factors may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are identified by words such as believe, anticipate, expect, intend, plan, will, may, and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We wish to caution readers that these forward-looking statements are only predictions and that our business is subject to the risk factors described below.*

**RISKS RELATED TO OUR BUSINESS**

**We may not be able to attract, retain or integrate key personnel, which may prevent us from successfully operating our business.**

We may not be able to retain our key personnel or attract other qualified personnel in the future. We believe that our continued success will depend to a significant extent upon the efforts and abilities of our senior management team, including Dr. Philip Lavin, our Chief Executive Officer. These individuals possess industry knowledge and have successfully built strong working relationships with our clients. Our failure to retain Dr. Lavin or to attract and retain additional qualified personnel, could adversely affect our operations.

**Our success depends on our ability to attract and retain scientific and technical personnel.**

Our ability to operate successfully and manage our future growth depends in significant part upon the continued service of key scientific and technical personnel, as well as our ability to attract and retain additional highly qualified personnel in these fields. Competition for this personnel is significant, and we may not be able to attract or retain key employees when necessary, which could limit our operations and growth.

**We may bear financial losses because our contracts may be delayed or terminated or reduced in scope for reasons beyond our control.**

Our contracts generally may be terminated or reduced in scope either immediately or upon short notice. Clients may terminate or delay their contracts for a variety of reasons, including, but not limited to, the failure of products to satisfy safety requirements, unexpected or undesired clinical results relating to safety, merger or potential merger-related activities, client budget constraints, the client s decision to terminate the development of a particular product or to end a particular study, insufficient patient enrollment in a study, insufficient investigator recruitment, manufacturing problems resulting in shortages of the product, or our failure to perform our obligations under the contract. This risk of loss or delay of contracts potentially has greater effect as we pursue larger outsourcing arrangements with global pharmaceutical companies. Also, over the past several years we have observed that clients may be more willing to delay, cancel or reduce contracts more rapidly than in the past. If this trend continues, it could become more difficult for us to balance our resources with demands for our services and our financial results could be materially and adversely affected.

In addition, companies may proceed with fewer clinical trials or conduct them without assistance of CROs as a result of changing priorities or other internal considerations. These factors may cause such companies to cancel contracts with CROs.

In general, our contracts entitle us to receive the costs of winding down a terminated project, as well as all fees earned by us up to the time of termination. The loss, reduction in scope or delay of a significant contract or the loss or delay of multiple contracts could materially and adversely affect our business, results of operations

and financial condition. To counter this potential downside, we maintain an aggressive posture in soliciting new opportunities and in generating bids.

**We may pursue strategic acquisitions or investment in new markets and may encounter risks associated with these activities that could harm our business and operating results.**

We may pursue acquisitions of, or investments in, businesses and assets in new markets that we believe will complement or expand our existing business or our client base. Our acquisition strategy involves a number of risks, including:

- difficulty in successfully integrating acquired operations, personnel, technology, clients, partner relationships, services and businesses with our operations;
- loss of key employees of acquired operations or inability to hire key employees necessary for our expansion;
- diversion of our capital and management attention away from other business issues;
- an increase in our expenses and working capital requirements; and
- other financial risks, such as potential liabilities of the businesses we acquire.

Our growth may be limited and our competitive position may be harmed if we are unable to identify, finance and complete future acquisitions. There can be no assurance that we will be able to identify, negotiate or finance future acquisitions successfully. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities, and amortization expense related to intangible assets, a decrease in profitability, or future losses. The incurrence of debt in connection with any future acquisitions could restrict our ability to obtain working capital or other financing necessary to operate our business. Our future acquisitions or investments may not be successful, and if we fail to realize the anticipated benefits of these acquisitions or investments, our business and operating results could be harmed.

**We are significantly influenced by our directors and executive officers.**

Our directors and officers beneficially own a majority of our outstanding common stock. Mr. Falk, one of our directors, is the Managing Partner of ComVest, and as such may be deemed to have indirect beneficial ownership of all shares owned by ComVest. Mr. Falk disclaims any beneficial ownership of such shares owned by ComVest. These stockholders, acting together, would be able to exert significant influence on substantially all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or acquisitions and other business transactions.

**The failure to successfully integrate any business acquired in a future acquisition could harm our business and operating results.**

If we acquire businesses in the future and are unable to integrate successfully these businesses, it could harm our business and operating results. In order to remain competitive or to expand our business, we may find it necessary or desirable to acquire other businesses, products or technologies. We may be unable to identify appropriate acquisition candidates. If we identify an appropriate acquisition candidate, we may not be able to negotiate the terms of the acquisition successfully, to finance the acquisition or to integrate the acquired businesses, products or technologies into our existing business and operations. Further, completing a potential acquisition and integrating an acquired business, including that of Averion Inc., may strain our resources and require significant management time. In addition, we may be required to amortize significant amounts of finite life intangible assets in connection with future acquisitions which would harm our operating results.

**We depend on a finite number of clients for our business, and the loss of one of our significant clients could cause revenues to drop quickly and unexpectedly.**

We provide services to the pharmaceutical, biotechnology and medical device industries and our revenue is highly dependent on expenditures on the services we provide to clients in these industries. Our operations could be materially and adversely affected if:

- our clients reduce their research and development expenditures or reduce the rate of growth in their research and development expenditures;

- consolidation in the pharmaceutical, biotechnology or medical device industries leads to a smaller client base for us;

- one or more significant studies are terminated as a result of the failure of the product to satisfy safety requirements, unexpected or undesired clinical results, or other reasons; or

- our clients businesses experience financial problems or are affected by a general economic downturn.

We expect that a relatively small number of clients will continue to represent a significant percentage of our net service revenue. The contracts with our clients generally can be terminated on short notice. The loss of business from any significant client or our failure to continue to obtain new business would have a material and adverse effect on our business and revenues.

**We may be responsible for maintaining sensitive patient information, and any unauthorized use or disclosure could result in substantial damage and harm to our reputation.**

We collect and utilize data derived from various sources to recruit patients for clinical studies. We may have access to names and addresses of potential patients who may participate in these studies. As a result, we may know what studies are taking place, and who may be participating in these studies. Due to these privacy concerns, we must take steps to ensure patient lists remain confidential. Any unauthorized disclosure or use could result in a claim against us for substantial damages and could harm our reputation.

**If we do not keep pace with rapid technological changes, our products and services may become less competitive or obsolete.**

The biotechnology, pharmaceutical and medical device industries generally, and clinical research specifically, are subject to increasingly rapid technological changes. Our competitors or others might develop technologies, products or services that are more effective or commercially attractive than our current or future technologies, products or services, or render our technologies, products or services less competitive or obsolete. If competitors introduce superior technologies, products or services and we cannot make enhancements to our technologies, products and services necessary to remain competitive, our competitive position will be harmed. If we are unable to compete successfully, we may lose clients or be unable to attract new clients, which could lead to a decrease in revenue.

**Our operating results have fluctuated between quarters and years and may continue to fluctuate in the future, which could affect the price of our common stock.**

Our quarterly and annual operating results have varied and will continue to vary in the future as a result of a variety of factors. We incurred net operating losses of $5,151,235 and $1,116,294 for the years ended December 31, 2006 and 2005, respectively. We incurred net operating losses of $1,895,755 and $1,030,609 for the quarters ended March 31, 2007 and 2006, respectively. Factors that can cause these variations in our operating results include:

- the level of new business authorizations in a particular quarter or year;

- the timing of the initiation, progress, or cancellation of significant projects;

- the mix of services offered in a particular quarter or year;
- the timing of the opening of new offices;
- the costs and the related financial impact of acquisitions;
- the timing of internal expansion;
- the timing and amount of costs associated with integrating acquisitions;
- the amount of effort necessary to integrate operations;
- the timing and amount of startup costs incurred in connection with the introduction of new products, services or subsidiaries; and
- the incurrence of debt and certain costs associated with such debt.

Many of these factors, such as the initiation of new projects between quarters or years, are beyond our control.

A significant portion of our operating costs relate to personnel, which accounted for approximately 81% of our total operating costs in fiscal year 2006, versus 85% of our total operating costs in fiscal year 2005. As a result, the effect on our revenues of the timing of the completion, delay or loss of contracts, or the progress of client projects, could cause our operating results to vary substantially between reporting periods. If our operating results do not match the expectations of securities analysts and investors as a result of these factors, the trading price of our common stock will likely decrease.

**Our backlog may not be indicative of future results.**

At March 31, 2007, our backlog was approximately $42.3 million. Backlog represents anticipated net service revenue from uncompleted projects with our clients. We cannot be certain that the backlog we have reported will be indicative of our future results. A number of factors may affect our backlog, including: the ability of clients to reduce or expand the size and duration of the projects (some are performed over several years); the termination or delay of projects; and a change in the scope of work during the course of a project.

Also, if clients delay projects, the projects will remain in backlog, but will not generate net service revenue at the rate originally expected. Accordingly, historical indications of the relationship of backlog to net service revenues may not be indicative of future results.

**If we do not adequately protect the confidential information of clients and other third parties in our possession, our business may suffer.**

In the course of providing our services to the pharmaceutical, biotechnology and medical device industries, we may have access to proprietary and confidential information belonging to our clients. As a result, we must take steps to protect the confidential information of clients and other parties in our possession. We have entered into confidentiality and non-disclosure agreements with many of our clients, employees, contractors, and other parties with whom we conduct business, in order to limit access to and disclosure of proprietary and confidential information in our possession. Any unauthorized or inappropriate disclosure or use of such information could harm our business and reputation and could result in a claim against us for substantial damages.

**If we are unable to attract suitable willing volunteers for the clinical trials of our clients, our results could be materially and adversely affected.**

One of the factors on which we compete is the ability to recruit independent investigators who can identify volunteers for the clinical studies we manage on behalf of our clients. These clinical trials rely upon the ready accessibility and willing participation of volunteer subjects. These subjects generally include volunteers from the communities in which the studies are conducted, which to date have provided an adequate pool of potential subjects for research studies. Some of our contracts include specific milestone payments directly tied to the

recruitment of study subjects. The trials we manage and our operating results could be materially and adversely affected if we are unable to attract suitable and willing volunteers on a consistent basis.

**Our revenues and earnings are exposed to exchange rate fluctuations as well as international economic, political and other risks.**

The percentage of our net service revenues that are derived from contracts denominated in currencies other than U.S. dollars will increase as a result of our expansion into Europe and our stated acquisition strategy. Our financial statements are denominated in U.S. dollars. As a result, factors associated with international operations, including changes in foreign currency exchange rates, could affect our results of operations and financial condition.

We offer many of our services on a worldwide basis and we are therefore subject to risks associated with doing business internationally. We expect that net service revenues from international operations will increase in the future and represent a greater percentage of total net service revenues. As a result, our future results could be negatively affected by a variety of factors, including changes in a specific country s political or economic conditions, potential negative consequences from changes in tax laws, difficulty in staffing and managing widespread operations, and unfavorable labor regulations applicable to our international operations.

**If we are unable to develop and market new services successfully in the United States, Europe and internationally, our results could be materially and adversely affected.**

An element of our growth strategy is the successful development and marketing of new services that complement or expand our existing business. If we are unable to develop new services and create demand for those newly developed services, we may not be able to implement this element of our growth strategy, and our future business, results of operations and financial condition could be materially and adversely affected. In addition, we are considering expanding our international operations through acquisition or by other means, such as commencing business partnerships or clinical studies in countries where we do not have subsidiaries. The profitability of our international subsidiaries and operations depends, in part, on client acceptance and use of our services. There can be no assurance that our international subsidiaries or operations will be profitable in the future or that any revenue resulting from them will be sufficient to recover the investment in them. If our international operations or subsidiaries do not develop as anticipated, our business, financial condition and results of operations may be materially and adversely affected.

**RISKS RELATED TO OUR INDUSTRY**

**We operate in a market that is highly competitive, and if we are unable to compete successfully, our revenue could decline and we may be unable to gain market share.**

The market for clinical research outsourcing is highly competitive. Our future success will depend on our ability to adapt to changing technologies, evolving industry standards, product offerings, evolving demands of the marketplace and to expand our client base through long-term contracts. Some of our competitors have longer operating histories and larger client bases, which means they have more experience in completing clinical trials in order to obtain regulatory approvals. In the staffing services area, we compete against RCM Technologies, Teratec, and Comsys (Venturi Partners). In the clinical research services area, we compete against Quintiles, Covance, Pharmanet Development Group, ICON, Kendle, and Parexel, among others. Our competitors have greater marketing capabilities which have helped them establish stronger name recognition and longer relationships with clients. We may not be able to compete with those companies effectively.

Our competitors may also be better positioned to address technological and market developments or may react more favorably to technological changes. If we fail to gain market share or lose existing market share, our financial condition, operating results and business could be adversely affected and the value of your investment in us could be reduced significantly. We may not have the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully.

**Changes in outsourcing trends in the pharmaceutical and biotechnology industries could materially and adversely affect our operating results and growth rate.**

Industry trends and economic factors that affect our clients in the pharmaceutical, biotechnology and medical device industries also affect our business. Our revenues depend greatly on the expenditures made by the pharmaceutical, biotechnology and medical device industries in research and development. The practice of many companies in these industries has been to hire outside organizations like us to conduct clinical research projects. This practice has grown significantly in the last decade, and we have benefited from this trend. However, if this trend were to change and companies in these industries were to reduce the number of research and development projects they outsource, our business could be materially and adversely affected. For example, over the past year, mergers and other factors in the pharmaceutical industry appear to have slowed decision-making by pharmaceutical companies and delayed drug development projects. The continuation of or increase of these trends could have a negative effect on our business.

Additionally, numerous governments and managed care organizations have undertaken efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with medical care providers and pharmaceutical companies. If future regulatory cost containment efforts limit the profits that can be derived on new drugs, our clients might reduce their research and development spending, which could reduce our business.

**Government regulation could adversely affect our profitability.**

The industry standards for the conduct of clinical research and development studies are embodied in the regulations for Good Clinical Practice, or GCP. The FDA and other regulatory authorities require that results of clinical trials that are submitted to such authorities be based on studies conducted in accordance with GCP. These regulations require that we, among other things, comply with the following specific requirements:

- obtain specific written commitments from the investigators;
- verify that appropriate patient informed consent is obtained;
- monitor the validity and accuracy of data;
- instruct investigators and studies staff to maintain records and reports; and
- permit appropriate governmental authorities access to data for their review.

We must also maintain reports for each study for specified periods for auditing by the study sponsor and by the FDA. We may be liable to our clients for any failure to conduct their studies properly according to the agreed upon protocol and contract. If we fail to conduct a study properly in accordance with the agreed upon procedures, we may have to repeat the study at our expense, reimburse the client for the cost of the study and pay additional damages. Further, if we fail to meet government specifications with regards to record-keeping and protocol development, it could result in a major delay for our client to obtain FDA approval for their pharmaceutical product, and even negate a multi-million dollar client study, requiring the study to be repeated. Compliance with government regulations to develop a proper study protocol and record-keeping methodologies, places a major burden on us. Failure to do so can result in loss of clients, liability to us from these clients, and loss of business.

**In foreign countries, including European countries, we are also subject to government regulation, which could delay or prevent our ability to sell our services in those jurisdictions.**

In order for us to market our services in Europe and some other international jurisdictions, we and our agents must obtain required regulatory registrations or approvals. We must also comply with extensive regulations regarding safety, efficacy and quality in those jurisdictions. We may not be able to obtain the required regulatory registrations or approvals, or we may be required to incur significant costs in obtaining or maintaining any regulatory registrations or approvals we receive. Delays in obtaining any registrations or approvals required

to market our services, failure to receive these registrations or approvals, or future loss of previously obtained registrations or approvals would limit our ability to sell our services internationally.

**RISKS RELATED TO AN INVESTMENT IN OUR SECURITIES**

**Failure to achieve and maintain effective internal controls could have a material adverse effect on our business, operating results and stock price.**

Our management is required to periodically evaluate the design and effectiveness of our disclosure controls and procedures and related internal controls over financial reporting. During the course of its evaluation for the year ended December 31, 2006 and quarter ended March 31, 2007, our management identified certain significant deficiencies in our internal controls over financial reporting, which on an accumulated basis, rose to the level of a material weakness. As a result, our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, concluded that there is more than a remote likelihood that a material misstatement of the annual or interim financial statements would not have been prevented or detected due to the material weakness identified by management. As a result, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2006 or March 31, 2007. If we do not remediate this material weakness, it could result in a material misstatement or omission in our annual or interim financial statements which could, in turn, have a material adverse effect on our business, operating results and stock price.

We intend to remediate this material weakness by (i) more clearly defining the roles and responsibilities throughout our entire accounting and finance department, (ii) obtaining more robust accounting software to enable us to more effectively provide a reliable audit trail, (iii) disseminating critical accounting policies to the accounting staff and senior managers and training such accounting staff and senior managers with respect to these policies, and (iv) hiring additional personnel into the accounting and finance department. Any failure to implement such remedial measures or any failure to maintain such measures could have a material adverse effect on our business, operating results and stock price.

**Issuance of stock to fund our operations may dilute your investment and reduce your equity interest.**

We may need to raise capital in the future or to issue additional equity securities in connection with one or more acquisitions. Any equity financing may have significant dilutive effect to stockholders and a material decrease in our stockholders equity interest in us. We may be required to raise capital, at a time and in an amount, which are uncertain, especially under the current capital market conditions, and on undesirable terms. New sources of capital may not be available to us when we need it or may be available only on terms we would find unacceptable. If such capital is not available on satisfactory terms or is not available at all, we may be unable to continue to fully develop our business, and our operations and financial condition may be materially and adversely affected. In addition, debt financing, if obtained, could increase our expenses and would be required to be repaid regardless of operating results. Equity financing, if obtained, could result in substantial dilution to our existing stockholders. At its sole discretion, our board of directors may issue additional securities without seeking stockholder approval, and we do not know when we will need additional capital or, if we do, whether it will be available to us.

**The actual or anticipated resale by the selling stockholders of shares of our common stock may cause the market price of our common stock to decline.**

The public float of our common stock is small in comparison to our total shares outstanding on a fully diluted basis, which will likely result in a very thin public market for the trading of our shares if such a market develops. Limited trading in our stock will also result in a high degree of volatility in our stock price. Sales of a substantial number of shares of our common stock in the public markets, or the perception that these sales may occur, could cause the market price of our common stock to decline and could materially impair our ability to raise capital through the sale of additional equity securities or to enter into strategic acquisitions with third parties.

Moreover, actual or anticipated downward pressure on the market price of our common stock due to actual or anticipated resales of our common stock could cause some institutions or individuals to engage in short sales of our common stock, which may itself cause the market price of our common stock to decline.

**Our stock price may be volatile and could experience substantial declines.**

The market price of our common stock has experienced historical volatility and might continue to experience volatility in the future in response to quarter-to-quarter variations in operating results, changes in backlog and new business results, the issuance of analysts reports, market conditions in the industry, prospects of health care reform, changes in governmental regulations, and changes in general conditions in the economy or the financial markets.

The general equity markets have also experienced significant fluctuations in value. This volatility and the market variability has affected the market prices of securities issued by many companies, often for reasons unrelated to their operating performance, and may adversely affect the price of our common stock.

**The application of the penny stock rules could adversely affect the market price of our common stock and increase your transaction costs to sell those shares.**

As long as the trading price of our common stock is below $5.00 per share, the open-market trading of our common stock will be subject to the penny stock rules.

The penny stock rules impose additional sales practice requirements on broker-dealers who sell securities to persons other than established clients and accredited investors (generally those with assets in excess of $1 million or annual income exceeding $200,000 or $300,000 together with their spouses). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of securities and have received the purchaser s written consent to the transaction before the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the broker-dealer must deliver, before the transaction, a disclosure schedule prescribed by the Securities and Exchange Commission, or SEC, relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information on the limited market in penny stocks. These additional burdens imposed on broker-dealers may restrict the ability or decrease the willingness of broker-dealers to sell our common stock, and may result in decreased liquidity of our common stock and increased transaction costs for sales and purchases of our common stock as compared to other securities.

**We do not plan on declaring or paying dividends.**

We have never declared or paid a dividend on our capital stock, nor do we have any plans to do so in the future.

**We may seek to effect a reverse stock split and the results of such a reverse stock split on the market price for our common stock are uncertain.**

Our board of directors has approved resolutions authorizing, and our stockholders have approved, a reverse stock split of our common stock. The exact ratio of the reverse stock split will be determined by our board of directors, in its sole discretion. We cannot predict the actual impact of a reverse stock split on the market price for our common stock. The history of similar reverse stock split actions for companies in like circumstances is varied. There is no assurance that the market price per share of our common stock after a reverse stock split will rise in proportion to the reduction in the number of shares of our common stock outstanding before the reverse stock split. A number of companies that have completed reverse stock splits have experienced declines in the price of their stock after the reverse stock split. While a reverse stock split is intended to raise the market price for our common stock to a level that may be more attractive to investors and is not a reflection on our financial position, it is possible that the market price for our common stock will decline after we complete a reverse stock split. The market price of our common stock will also be based on our performance and other factors, some of

which are unrelated to the number of shares outstanding. Additionally, the liquidity of our common stock could be adversely affected by the reduced number of shares that would be outstanding after a reverse stock split.

**FORWARD-LOOKING STATEMENTS`**

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are identified by words such as believe, anticipate, expect, intend, plan, will, may, estimate, and o expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

We wish to caution readers that these forward-looking statements are only predictions and that our business is subject to significant risks. The factors discussed herein, and other important factors, in some cases have affected, and in the future could affect, our actual results and could cause our future operating results and financial position, to differ materially from those expressed in any forward-looking statements made by us or on our behalf. Such risks and uncertainties include, without limitation:

- our ability to complete acquisitions and integrate acquired companies;
- our ability to attract and retain key personnel;
- general economic and business conditions;
- our success in attracting new business and retaining existing clients and projects;
- outsourcing trends in the pharmaceutical, biotechnology and medical device industries;
- the size, timing, and duration of clinical trials;
- the impact of technological developments and competition;
- the potential of awarded contracts to be terminated early due to lack of safety or efficacy;
- the potential of awarded studies to be delayed due to product development or the FDA;
- our expectations and estimates concerning future financial performance and financing plans;
- our ability to raise capital to finance our growth; and
- the impact of current, pending or future legislation and regulation on the pharmaceutical industry and other risks detailed from time to time in our filings with the SEC.

You should read this prospectus and the registration statement of which this prospectus is a part completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this prospectus by these cautionary statements.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information provided by this prospectus is accurate as of any date other than the date on the front of this prospectus.

**USE OF PROCEEDS**

The selling stockholders will receive all of the net proceeds from the sale of our common stock offered by this prospectus. Accordingly, we will not receive any proceeds from the sale of the common stock. We will, however, receive proceeds from the exercise of warrants to purchase 3,290,666 shares held by selling stockholders to the extent they are exercised for cash. If the warrants are exercised for cash, we would receive approximately $628,280. We will use the proceeds from the exercise of the warrants, if any, for general corporate purposes. The warrant issued to Commonwealth Associates, L.P., for the right to purchase 1,366,666 shares of our common stock, contains a cashless exercise provision that allows the holder, at its option, to exercise the warrant for a portion of the shares of our common stock issuable upon the exercise of the warrant based on the then current market price of our common stock. If the holder of the warrant were to elect to exercise the warrant pursuant to this provision, we would not receive any cash from the exercise of the warrant but instead would issue fewer shares of our common stock.

**MARKET FOR COMMON STOCK AND RELATED STOCKHOLDER MATTERS**

Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol AVRO.OB.

The following table sets forth the high and the low bid price per share quoted on the Over-the-Counter Bulletin Board for the periods indicated:

| | High | Low |
|---|---|---|
| **Fiscal 2007** | | |
| Quarter ended March 31, 2007 | $ 0.21 | $ 0.12 |
| **Fiscal 2006** | | |
| Quarter ended December 31, 2006 | $ 0.20 | $ 0.11 |
| Quarter ended September 30, 2006 | $ 0.20 | $ 0.11 |
| Quarter ended June 30, 2006 | $ 0.17 | $ 0.08 |
| Quarter ended March 31, 2006 | $ 0.24 | $ 0.11 |
| **Fiscal 2005** | | |
| Quarter ended December 31, 2005 | $ 0.35 | $ 0.14 |
| Quarter ended September 30, 2005 | $ 0.28 | $ 0.15 |
| Quarter ended June 30, 2005 | $ 0.49 | $ 0.20 |
| Quarter ended March 31, 2005 | $ 0.51 | $ 0.33 |

These quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not represent actual transactions.

As of June 8, 2007, the last reported sales price for our common stock was $0.13.

As of June 8, 2007, there were approximately 41 stockholders of record of our common stock. In addition, there are beneficial owners of our common stock whose shares are held in street name and, consequently, we are unable to determine the actual number of beneficial holders of our common stock.

**Dividend Policy**

To date, we have not paid any dividends on our common stock and do not expect to declare or pay any dividends on such common stock in the foreseeable future. Payment of any dividends will be dependent upon future earnings, if any, our financial condition, and other factors as deemed relevant by our board of directors.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth information as of December 31, 2006 related to our equity compensation plans in effect as of that date.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity Compensation Plans approved by security holders | 29,209,128 | $ 0.17 | 70,790,872 |
| Equity Compensation Plans not approved by security holders | | | |
| Total | 29,209,128 | $ 0.17 | 70,790,872 |

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**SELLING STOCKHOLDERS**

**Background**

*The Laurus Warrant*

On October 18, 2004, we entered into that certain Securities Purchase Agreement with Laurus Master Fund, Ltd., or Laurus. Pursuant to the Securities Purchase Agreement, we sold to Laurus a Secured Convertible Term Note, or the Note, in an aggregate principal amount of $5,000,000 and issued a warrant, or the Laurus Warrant, to purchase up to 1,924,000 shares of the our common stock.

The Laurus Warrant is fully vested and exercisable at any time until October 18, 2011. The original exercise price for the first 962,000 shares was $0.94 per share and the original exercise price for the second 962,000 shares was $1.12 per share, subject to certain adjustments.

Pursuant to the terms of that certain Registration Rights Agreement dated October 18, 2004, entered into in connection with the Securities Purchase Agreement by and between us and Laurus, or the Laurus Registration Rights Agreement, we were obligated to file with the SEC a registration statement to register for resale the shares of common stock issued upon conversion of the Note and exercise of the Laurus Warrant no later than November 17, 2004. In addition, the Laurus Registration Rights Agreement provides for certain piggyback registration rights.

On July 29, 2005, the Laurus Registration Rights Agreement was amended to change the date by which a registration statement registering the shares underlying the Note and Laurus Warrant had to be declared effective by the SEC to August 31, 2005.

On October 6, 2005, the Laurus Registration Rights Agreement was further amended to: (i) extend the date by which a registration statement registering the shares underlying the Note and Laurus Warrant had to be declared effective by the SEC to January 31, 2006; and (ii) change the date by which such registration statement had to be filed by to November 30, 2005.

On November 9, 2005, the Laurus Warrant was amended to reduce the exercise price for all the shares underlying the Laurus Warrant to $0.22 per share. On November 9, 2005, the Laurus Registration Rights Agreement was further amended to extend the date by which a registration statement registering the shares underlying the Laurus Warrant had to be filed with the SEC to December 31, 2005.

*The Financing Transaction*

In connection with the private placement of shares of our common stock, or the Financing Transaction, to certain investors on November 28, 2006, we entered into the following agreements: (i) a Placement Agency Agreement with our placement agent dated October 17, 2006, as amended on November 8, 2006, January 31, 2007, and February 15, 2007; (ii) Subscription Agreements with the investors to collectively purchase 27,333,329 shares of our common stock for aggregate gross proceeds to us of $4,100,000, each dated November 28, 2006; (iii) a warrant issued to the placement agent to purchase 1,366,666 shares of our common stock dated November 28, 2006; and (iv) lock-up agreements with our officers, directors and certain principal stockholders, each dated November 13, 2006.

Pursuant to the terms of the Placement Agency Agreement, the minimum investment amount necessary in order to conduct a first closing was $4,000,000, or the Minimum Investment Amount. On November 28, 2006, the first closing occurred upon receipt of subscriptions from the investors in the aggregate amount of $4,100,000, at which time we issued, in the aggregate, to the investors 27,333,329 shares of our common stock at a purchase price per share of $0.15 per share. We did not conduct any subsequent closings.

In connection with the closing, pursuant to the terms of the Placement Agency Agreement, we: (i) paid the placement agent a placement agent fee equal to 7.5% of the gross proceeds received in the closing, or $307,500; and (ii) issued to the placement agent a warrant to purchase that number of shares of our common stock equal to 5% of the common stock sold in the closing at an exercise price equal to $0.15 per share, or a warrant to purchase 1,366,666 shares of our common stock.

Pursuant to the Subscription Agreements, on November 28, 2006, we agreed to sell, and the investors agreed to purchase, 27,333,329 shares of our common stock for an aggregate purchase price of $4,100,000, at a purchase price per share of $0.15 per share.

Pursuant to the Subscription Agreements, we granted the investors (i) automatic registration rights, and (ii) piggyback registration rights, in each case related to the shares of common stock purchased in the Financing Transaction.

Pursuant to the automatic registration rights, we agreed that no later than three (3) months following the termination of the offering, or the Filing Date, we would prepare and file a registration statement under the Securities Act with the SEC covering the resale of the shares, and that we would use our best efforts to cause the registration statement to become effective within six (6) months after the termination of the offering, or the Effectiveness Date. In the event that the registration statement has not been filed by the Filing Date or has not been declared effective by the Effectiveness Date, we are obligated to pay to each holder of shares an amount in cash, as liquidated damages and not as a penalty, equal to one percent (1%) of the aggregate purchase price paid by each such holder for the shares that are then held by each such holder for each thirty (30) day period until such time as the registration statement is filed or declared effective, as the case may be.

In addition, in connection with the Financing Transaction, on November 13, 2006, we entered into Lock-Up Agreements with each of the following individuals: Dr. Philip Lavin, Michael Falk, Fred Sancilio, Cecilio Rodriguez, Robert Tucker, Alastair McEwan, Scott Millman, Dr. Gene Resnick, Anthony Allocca, David Schoenfeld, Ellen Schoenfeld Beeks and ComVest Investment Partners II, LLC, or ComVest, each, a Securityholder. In general, the Lock-Up Agreements preclude each of the foregoing individuals from directly or indirectly offering, selling, pledging, contracting to sell (including any short sale), granting any option to purchase, entering into any contract to sell or otherwise disposing of or transferring any shares of our common stock or our other equity securities or any rights, warrants, options or other securities that are convertible into, or exercisable or exchangeable for, our common stock, until the earlier of: (i) the date on which a registration statement covering the shares and the warrant issued to the placement agent is declared effective by the SEC; and (ii) the date on which all of the shares and shares of common stock underlying the warrant issued to the placement agent may be sold in the public market without an effective registration statement under Rule 144(k) of the Securities Act.

On November 20, 2006, we entered into a letter agreement with the placement agent that supplements all of the Lock-Up Agreements by providing that in the event that the placement agent releases ComVest or an affiliate, from its Lock-Up Agreement to sell any of our securities at any time or from time to time, then the placement agent shall immediately release each Securityholder who has entered into a Lock-Up Agreement with the placement agent such that each such Securityholder shall immediately be entitled to sell the same proportion of shares sold by ComVest irrespective of the lock-up provisions contained in Section 1 of each Lock-Up Agreement.

**Selling Stockholder Table**

The following table provides information regarding the beneficial ownership of the outstanding shares of our common stock by the selling stockholders. The table assumes the issuance of all shares of our common stock being registered hereunder held by the selling stockholders and that each selling stockholder is not part of a group for which ownership amounts should be aggregated. Percentage of beneficial ownership after the offering is based on 498,504,330 shares of our common stock outstanding as of June 8, 2007. The selling stockholders may offer the shares for sale from time to time in whole or in part. Except where otherwise noted, the selling stockholders named in the following table have, to our knowledge, sole voting and investment power with respect to the shares beneficially owned by them.

To our knowledge, none of the selling stockholders is a registered broker-dealer, except for Commonwealth Associates, L.P., which has represented to us that it is a registered broker-dealer. Also, to our knowledge, none of the remaining selling stockholders is an affiliate of a broker-dealer. Additionally, unless otherwise described below, to our knowledge, no selling stockholder nor any of its affiliates has held any position or office with, or

been employed by or otherwise has had any material relationship with us or our affiliates during the three years prior to the date of this prospectus. The table assumes that the selling stockholders will sell all of the shares offered by them in this offering. However, we are unable to determine the exact number of shares that will actually be sold or when or if these sales will occur. We will not receive any of the proceeds from the sale of the shares offered under this prospectus.

| | Beneficial Ownership Before Offering | | Beneficial Ownership After Offering(2) | |
|---|---|---|---|---|
| Name | Number of Shares | Number of Shares Being Registered(1) | Number of Shares | Percent |
| Leeward Ventures Sicar S.C.A. (3) (4) | 6,666,666 | 6,666,666 | | |
| Echo Capital Growth Corporation (3) (5) | 1,666,666 | 1,666,666 | | |
| Harvard Investments, Inc. (3) (6) | 3,000,000 | 3,000,000 | | |
| CLK, Inc. (3) (7) | 333,333 | 333,333 | | |
| Harvard Developments, Inc. (3) (8) | 1,666,666 | 1,666,666 | | |
| MicroCapital Fund, Ltd. (3) (9) | 833,333 | 833,333 | | |
| MicroCapital Fund, LP (3) (10) | 2,500,000 | 2,500,000 | | |
| Societe Bancaire Privee SA LLC (3) (11) | 1,333,333 | 1,333,333 | | |
| E&M RP Trust (3) (12) | 6,666,666 | 6,666,666 | | |
| Gerald B. Cramer Revocable Trust (3) (13) | 2,000,000 | 2,000,000 | | |
| MIN Capital Corp. Retirement Trust (3) (14) | 666,666 | 666,666 | | |
| Commonwealth Associates, L.P. (3) (15) | 1,366,666 | 1,366,666 | | |
| Laurus Master Fund, Ltd. (16) (17) | 1,924,000 | 1,924,000 | | |

(1) Represents the number of shares we are required to register pursuant to registration rights of the selling stockholders.

(2) Assumes all of the shares being offered under this prospectus will be sold by the selling stockholders.

(3) The shares being offered for sale by this stockholder in this prospectus were acquired in the Financing Transaction described above.

(4) Consists of 6,666,666 shares of our common stock held in the name of Leeward Ventures Sicar S.C.A. Henri Grisius and Peter Vanderbruggen are the Directors of Leeward Ventures Sicar S.C.A. and as such have the power to direct the vote and disposition of these shares. Messrs. Grisius and Vanderbruggen disclaim beneficial ownership of these shares.

(5) Consists of 1,666,666 shares of our common stock held in the name of Echo Capital Growth Corporation. Paul J. Hill is the President of Echo Capital Growth Corporation and as such has the power to direct the vote and disposition of these shares. Mr. Hill disclaims beneficial ownership of these shares.

(6) Consists of 3,000,000 shares of our common stock held in the name of Harvard Investments, Inc. Craig L. Krumwiede is the President of Harvard Investments, Inc. and as such has the power to direct the vote and disposition of these shares. Mr. Krumwiede disclaims beneficial ownership of these shares.

(7) Consists of 333,333 shares of our common stock held in the name of CLK, Inc. Craig L. Krumwiede is the President of CLK, Inc. and as such has the power to direct the vote and disposition of these shares. Mr. Krumwiede disclaims beneficial ownership of these shares.

(8) Consists of 1,666,666 shares of our common stock held in the name of Harvard Developments, Inc. Paul J. Hill is the President of Harvard Developments, Inc. and as such has the power to direct the vote and disposition of these shares. Mr. Hill disclaims beneficial ownership of these shares.

(9) Consists of 833,333 shares of our common stock held in the name of MicroCapital Fund, Ltd. Ian P. Ellis is the Director of MicroCapital Fund, Ltd. and as such has the power to direct the vote and disposition of these shares. Mr. Ellis disclaims beneficial ownership of these shares.

(10) Consists of 2,500,000 shares of our common stock held in the name of MicroCapital Fund, LP Ian P. Ellis is the President and Portfolio Manager of MicroCapital Fund, LP and as such has the power to direct the vote and disposition of these shares. Mr. Ellis disclaims beneficial ownership of these shares.

(11) Consists of 1,333,333 shares of our common stock held in the name of Societe Bancaire Privee SA LLC. Christophe Pelé is the Director of Societe Bancaire Privee SA LLC and as such has the power to direct the vote and disposition of these shares. Mr. Pelé disclaims beneficial ownership of these shares.

(12) Consists of 6,666,666 shares of our common stock held in the name of E&M RP Trust. Edmund H. Shea, Jr. is the trustee of the E&M RP Trust and as such has the power to direct the vote and disposition of these shares. Mr. Shea disclaims beneficial ownership of these shares.

(13) Consists of 2,000,000 shares of our common stock held in the name of the Gerald B. Cramer Revocable Trust. Gerald B. Cramer is the trustee of the Gerald B. Cramer Revocable Trust and as such has the power to direct the vote and disposition of these shares. Mr. Cramer disclaims beneficial ownership of these shares.

(14) Consists of 666,666 shares of our common stock held in the name of MIN Capital Corp. Retirement Trust. Robert Friedman is the trustee of MIN Capital Corp. Retirement Trust and as such has the power to direct the vote and disposition of these shares. Mr. Friedman disclaims beneficial ownership of these shares.

(15) Consists of a warrant to purchase up to 1,366,666 shares of our common stock granted to Commonwealth Associates, L.P. for its services as placement agent in connection with the Financing Transaction. Robert A. O Sullivan is the Chief Executive Officer and President of Commonwealth Associates, L.P. and as such has the power to direct the vote and disposition of these shares. Mr. O Sullivan disclaims beneficial ownership of these shares.

(16) The shares being offered for sale by this stockholder in this prospectus were acquired pursuant to the Securities Purchase Agreement between the Company and Laurus described above.

(17) Consists of a warrant to purchase up to 1,924,000 shares of our common stock granted in connection with the Securities Purchase Agreement entered into between us and Laurus. Eugene Grin and David Grin are the sole members of Laurus Capital Management L.L.C., the manager of Laurus Master Fund, Ltd., and consequently have voting and investment control over the securities held by Laurus Master Fund, Ltd. As of the date hereof, the selling stockholder has not exercised the warrant. Under the terms of the warrant, the selling stockholder may not exercise the warrant if the number of shares issued upon such exercise would cause the selling stockholder to beneficially own more than 4.99% of our issued and outstanding shares of common stock without 75 days prior notice.

**PLAN OF DISTRIBUTION**

We are registering an aggregate of 30,623,995 shares of common stock covered by this prospectus on behalf of the selling stockholders. The selling stockholders may offer and sell the shares covered by this prospectus at various times. As used in this prospectus, the term selling stockholders includes donees, pledgees, transferees or other successors-in-interest selling shares received from a named selling stockholder as a gift, partnership distribution, or other non-sale-related transfer after the date of this prospectus. The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. The shares may be sold by or for the account of the selling stockholders in transactions on the Over-the-Counter Bulletin Board or otherwise. These sales may be made at fixed prices, at market prices prevailing at the time of sale, at prices related to prevailing market prices, or at negotiated prices. The shares may be sold by means of one or more of the following methods:

- a block trade in which the broker-dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as a principal to facilitate the transaction;

- purchases by a broker-dealer as principal and resale by that broker-dealer for its account pursuant to this prospectus;

- ordinary brokerage transactions in which the broker solicits purchasers;

- in connection with the loan or pledge of shares registered hereunder to a broker-dealer, and the sale of the shares so loaned or the sale of the shares so pledged upon a default;

- in connection with the writing of non-traded and exchange-traded call options, in hedge transactions and in settlement of other transactions in standardized or over-the-counter options;

- privately negotiated transactions; or

- in a combination of any of the above methods.

If required, we will file a post-effective amendment to the registration statement to include any additional or changed material information regarding the plan of distribution and to reflect any fundamental change in the information in the registration statement.

The selling stockholders may sell the shares described in this prospectus directly to purchasers or to or through broker-dealers, which may act as agents or principals. In effecting sales, broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in resales. Broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders or from the purchasers of the shares or from both. This compensation may exceed customary commissions. The selling stockholders may also transfer, devise or gift these shares by other means not described in this prospectus.

The selling stockholders also may resell all or a portion of the shares covered by this prospectus that qualify for sale under Rule 144 of the Securities Act and any applicable state securities laws in open market transactions in reliance upon Rule 144 under the Securities Act and such state securities laws. No selling stockholders have advised us of any specific plans for the distribution of the shares covered by this prospectus. When and if we are notified by the selling stockholders that any material arrangement has been entered into with a broker-dealer or underwriter for the sale of a material portion of the shares covered by this prospectus, we will file a prospectus supplement or post-effective amendment to the registration statement with the SEC. This supplement or amendment will include the following information:

- the name of the participating broker-dealer(s) or underwriters;

- the number of shares involved;

- the price(s) at which the shares were sold;

- the commissions paid or discounts or concessions allowed by the selling stockholder to the broker-dealers or underwriters, if any; and

- other information material to the transaction.

The selling stockholders and any broker-dealers, agents or underwriters that participate with the selling stockholders in the distribution of the shares may be deemed to be underwriters within the meaning of the Securities Act. Any commissions paid or any discounts or concessions allowed to any of those persons, and any profits received on the resale of the shares purchased by them, may be deemed to be underwriting commissions or discounts under the Securities Act. The selling stockholders will be subject to the prospectus delivery requirements of the Securities Act. We have advised the selling stockholders that the anti-manipulation rules promulgated under the Exchange Act, including Regulation M, may apply to sales of the shares offered by the selling stockholders.

The selling stockholders may agree to indemnify any agent, broker or dealer that participates in sales of common stock against liabilities arising under the Securities Act from sales of common stock.

We will not receive any proceeds from the sale of the shares by the selling stockholder.

We have agreed to bear all expenses of registration of the shares, including fees and expenses, if any, except for the fees of any counsel to the selling stockholders. Any commissions, discounts, concessions or other fees, if any, payable to broker-dealers in connection with any sale of the shares will be borne by the selling stockholders selling those shares.

There can be no assurances that the selling stockholders will sell all or any of the shares of common stock offered under this prospectus.

This registration statement to which this prospectus relates is being filed pursuant to the subscription agreements dated November 28, 2006 between us and the investors named therein. Subject to the terms and conditions of the subscription agreements, we agreed to keep this registration statement effective until the earlier of:

- the date as of which all shares of our common stock registered under this registration statement have been sold;

- the time that all of the shares of our common stock are eligible for immediate resale pursuant to Rule 144(k); or

- the date that is two (2) years after the final closing.

This registration statement to which this prospectus relates is also being filed pursuant to the Laurus Registration Rights Agreement, as amended. Subject to the terms and conditions of the Laurus Registration Rights Agreement, we agreed to keep this registration statement effective until the earlier of:

- the date as of which all shares of our common stock registered under this registration statement have been sold; or

- the date as of which the selling stockholder may sell all of its shares of our common stock registered under this registration statement during any 90 day period pursuant to Rule 144 of the Securities Act and are registered or qualified or exempt from registration or qualification under the registration, permit or qualification of all applicable state securities laws.

**BUSINESS**

**Overview**

***General***

Averion International Corp. and its consolidated subsidiaries are referred to throughout this report as we, us, our, and the Company.

We are a CRO focused on providing our clients with services and solutions throughout the drug development process. We operate in two business segments: clinical research and staffing services. We serve a variety of clients in the pharmaceutical, biotechnology and medical device industries.

Our clinical research operation assists our clients with strategic and regulatory planning, clinical trial design and protocol development, investigator qualification and recruitment, site identification and management, clinical trial implementation and management, data management, biometrics and reporting. We have the resources to directly implement or manage Phase I through Phase IV clinical trials and have clinical trial experience across a wide variety of therapeutic areas such as oncology, dermatology, nephrology, critical care, and medical devices. Our staffing services operation assists our clients by providing them the expertise necessary to evaluate structure, implement and maintain effective quality programs and processes that ensure compliance with FDA regulations throughout the product development and manufacturing lifecycle.

We were originally organized under the name Clinical Trials Assistance Corporation, or Clinical Trials, by the filing of Articles of Incorporation with the Secretary of State of the State of Nevada on April 22, 2002. On June 14, 2004, Clinical Trials acquired IT&E International Corporation and amended its Articles of Incorporation to change the corporate name from Clinical Trials to IT&E International Group. In November 2005, we acquired substantially all the assets of Millennix, a CRO based in the State of New York that provides comprehensive clinical research services for Phase I through Phase IV clinical trials in oncology (see Note 4 to our Consolidated Financial Statements). On March 2, 2006, with the written consent of holders of the majority of our shares of common stock, we reincorporated into Delaware and filed a Certificate of Incorporation to change our corporate name to IT&E International Group, Inc. On July 31, 2006 we acquired Averion Inc. (see Note 5 to our Consolidated Financial Statements), CRO. In August 2006, we formed Averion Europe GmbH, our European division, which will allow us to assist our clients that wish to run clinical trials and gain access to patients internationally (see Note 7 to our Consolidated Financial Statements). On September 21, 2006, we filed an amendment to our Certificate of Incorporation to change our corporate name to Averion International Corp. Our common stock symbol was changed from ITER.OB to AVRO.OB in conjunction with the name change.

The Company s corporate headquarters is located in Southborough, MA. We also have offices in New York, Pennsylvania, and California, as well as in Germany, the United Kingdom and Austria.

***Strategy***

To grow our business, we have pursued, and will continue to pursue, an acquisition strategy. We believe the expansion of our business through the acquisition of established CROs enables us to more effectively provide a multitude of services than if we were to build such services internally. The acquisition of Millennix in November 2005 has provided us access to elite researchers and high profile cancer studies. On July 31, 2006, we expanded our CRO operation through the acquisition of Averion Inc. (formerly, Boston Biostatistics, Inc), a CRO located in the Commonwealth of Massachusetts, which provides comprehensive clinical research services for Phase I through Phase IV clinical trials, with a focus on oncology, dermatology, nephrology, critical care and medical devices. The acquisition of Averion Inc. has enabled us to diversify our portfolio of clinical trial support services and expertise and deepen our relationship with existing clients. The newly acquired CRO businesses have supported approximately 50 FDA approvals during their collective histories.

To finance our acquisitions, we have conducted three private placements. On November 9, 2005, we issued and sold convertible promissory notes in the aggregate principal amount of $7,000,000 to ComVest and certain other investors. On December 22, 2005, we issued and sold additional convertible promissory notes to ComVest

in the aggregate principal amount of $4,500,000. These two private placements enabled us to acquire the assets of Millennix and to repay all of our existing debt to Laurus Master Fund, Ltd. The entire principal amount under these notes was subsequently converted into 11,500 shares of our Series D Convertible Preferred Stock. On July 31, 2006, to fund the acquisition of Averion Inc., ComVest purchased an additional 5,000 shares of our Series D Convertible Preferred Stock for a purchase price of $5,000,000.

In addition, in connection with our acquisition of Averion Inc., we issued 8,300 shares of Series E Convertible Preferred Stock.

In addition, on November 28, 2006, we collectively issued and sold 27,333,329 shares of our common stock to certain investors for aggregate gross proceeds to us of $4,100,000.

All of our Series D Convertible Preferred Stock was converted into 235,714,214 shares of our common stock and all of our Series E Convertible Preferred Stock was converted into 75,454,551 shares of our common stock as a condition precedent to the November 28, 2006 financing transaction. The proceeds from the November 28, 2006 financing transaction are intended to be used to fund future acquisitions and current operations.

***Principal Services***

Our clinical research segment provides a broad range of services to the pharmaceutical, biotechnology and medical device industries. We primarily provide our clients with solutions to the complex needs of managing the drug development process. We offer a suite of comprehensive clinical trial support services for Phase I through Phase IV clinical trials. Our services include patient and investigator recruitment, clinical monitoring, medical monitoring, safety surveillance, medical writing, biostatistical analysis, statistical programming, data management, data entry and verification, quality assurance, and regulatory affairs services. In addition, we assist our clients with case report form design, database design, external data verification, protocol development, full tracking and audit trail documentation, adverse event reporting and FDA submissions. Our biostatistical analysis group also provides statistical design, exploratory analyses, meta analysis, representation at FDA and other regulatory meetings, publication support, and additional specialized biostatistical analysis.

Our staffing services segment provides management and regulatory compliance services to pharmaceutical, biotechnology, healthcare and other life science companies by providing to them the expertise to evaluate structure, implement and maintain effective quality programs and processes that ensure compliance with applicable FDA regulations. We offer a diverse solution for the validation and compliance of quality systems, laboratory and manufacturing processes, clinical data systems, laboratory automation, content management, electronic document management, and a solution for facilities, utilities and equipment validation and compliance.

**Clinical Research**

*Our Services.* We provide clinical research solutions to the pharmaceutical, biotechnology and medical device industries through a unique focus on specialty clinical studies in oncology, dermatology, nephrology, critical care, and medical devices.

Through our clinical research operations, we provide:

- high-quality, professional clinical research services to our pharmaceutical, biotechnology, medical device and academic sponsor clients in focused, complex and challenging clinical development areas;

- strategic planning to assist clients in formulating the most efficient product development programs leading to maximized chances for regulatory approval;

- methods for using changing patterns of health care delivery systems to maximize access to clinical studies by providers and patients and effectively manage drug development programs within both traditional and managed care settings;

- a professional relationship with investigative sites, sponsor clients and employees which respects their respective contributions, skills and achievements; and

- medical monitoring and pharmacovigilance services with specialty expertise in targeted therapy areas and data coding algorithms focused on drug safety events, trends and reporting.

In addition, we are able to manage the subtleties and special requirements of all phases of clinical research, such as:

- Phase I first-time-in-man or safety studies which require meticulous safety reporting and rapid communication between sponsor and sites;

- Phase II clinical studies which emphasize the most ideal patient populations, most relevant study endpoints, best dosing strategy, and optimum follow-up interval;

- Phase III clinical studies which require accelerated investigator and patient accrual, patient retention and timely reporting of study status through centralized project management reporting tools; and

- Phase IV clinical studies which include on-going safety studies, publication support, third party databases, disease management protocols, and patient education/intervention strategies.

We have approximately 55 employees providing such services. Our employees have supported numerous IND, NDA, FDA and PLA applications, and registrations in the U.S., with similar regulatory filing experience brought by our Averion Europe employees.

Our clinical research associates, or CRAs, are the eyes and ears of the project team in the field. In accordance with good clinical practices and a sponsor-approved study monitoring plan, each CRA will visit applicable sites at pre-determined intervals. Our CRAs are specially trained and typically have a minimum of three years experience in the applicable disease specialty (i.e. oncology, dermatology, nephrology, and medical devices). Through documented training on our standard operating procedures, or SOPs, study-specific guidelines, the applicable study protocol, case report form, or CRF, completion, and the therapeutic indication under study, each CRA: (i) closely monitors each site for compliance with the protocol and applicable regulations; (ii) assures accurate data capture; and (iii) provides on-site study support as a key part of his or her function. This level of direct oversight and support fosters increased site compliance, cooperation and commitment. Each of our project teams, including the assigned CRAs, work to identify site-specific issues and initiate solutions proactively.

We maintain an internal, integrated quality assurance, or QA, process. Our clinical operation procedures, staff and field functions and data management are all developed according to Good Clinical Practice standards and designed to meet audit standards. Independent auditors/reviewers submit reports to the project team for corrective actions. In addition, our SOPs have had successful FDA and numerous sponsor audits. Our SOPs also serve as a regulatory interface for numerous sponsors.

*Our Data Management and Analysis Systems*

Our data management systems are SAS and Oracle based, utilizing ClinAccess® PowerServer and DM Build as our clinical database management systems, or CDMS. Within ClinAccess®, CRFs are imaged during the process, allowing data operators to enter data directly from the electronic image. Queries that are generated can be compared with the imaged CRF adding accuracy and speed to the data review process and minimizing paper handling. Images are available for storage, transfer and regulatory filing. Our integrated data management systems function in global programs, while U.S./EU systems provide data management services for programs within a focused region. In addition our systems are 21 Code of Federal Regulations, or CFR, Part 11 and ICH GCP compliant. Our DM Build system is a proprietary CDMS, designed, developed and validated by Averion, and built on an Oracle platform. Project databases are developed and tested based on Averion SOPs. Data is tracked, entered twice by separate individuals, and medically encoded. The system discrepancy management and query processing modules are also integrated and managed with DM Build. The core meta data stored within DM

Build is incorporated into our Central Data Warehouse where it can be leveraged in a variety of metric reports run from the Averion Metrics Suite.

We have the flexibility to adapt and use existing sponsor methodology, when required, for clinical study programs. We can also provide the methodology, tools and superior competencies for critical drug development activities. Both of our data management systems have demonstrated success with both large and small programs, across many different studies and therapeutic areas for both large and small sponsors.

We can also provide real-time tracking techniques for assessing site-specific patient enrollment and follow-up. Through the Averion Metrics Suite and the interface with the central randomization function, or through study-specific fax-based enrollment tracking, we can rapidly gather, collate and report enrollment and follow-up information. We view the transfer of timely, accurate information to the sponsor as critical to identifying important trends in study progress and to alert the sponsor to study progress or difficulties. Central randomization via telephone, fax or our interactive voice response system, or IVRS, or site randomization via random code generation is also provided for appropriate study design and development.

Our data management tools include fax-based data and safety reporting to facilitate study completion. Our data fax system based on RightFax Server software, allows for rapid collection of CRFs completed at the investigator site. Faxed CRFs are then indexed and imaged to our CDMS database for immediate data entry and query processing in either clean or de-coupled data capture mode. We also offer electronic data collection, or EDC, for appropriate studies, allowing remote data entry at investigative sites, with immediate edit checking and query generation. Since implementation at sites is critical, we offer electronic and hands-on training to assure site compliance. The EDC system incorporates database structure, auto-coding and validation, with SAS export, on-going site support and help desk functions.

Database design, development and testing occur early in the study process, prior to availability of study data. Every clinical study database is extensively tested using test data prior to receiving live data. Data screens and programmed edit checks are routinely provided and are tested and validated prior to implementation. All functions require sponsor review and approval prior to finalization. Data queries are resolved through CRF review and/or data retrieval from the study sites. Adverse events and concomitant medications are coded using MedDRA and WHO Drug or custom dictionaries at the request of the sponsor.

Statistical services include study design, sample size estimation, creation of randomization schedules, development of statistical analysis plans, evaluability determinations, development of complex models, and production of analysis tables, listings and figures. Statistical programming is SAS based and includes the development of analysis datasets for maximum programming efficiency. A comprehensive review process is followed in order to maintain the quality and integrity of the statistical analysis. Depending on client needs, a statistical report may be provided with the tables, listings and figures, and statisticians work to provide our medical writers with technical assistance in the generation of clinical study reports. Our biostatisticians also provide advice in the planning of a study. Database transfers at study conclusion, or at any interval during the conduct of a study, are accomplished in SAS datasets, or other formats, following any possible sponsor platform.

*Clinical Programming*

We provide programming to support regulatory submissions and clinical study reports. Through our clinical programming services, we are able to optimize the flow of valuable scientific and operational data thereby assisting our clients to get their products to market faster.

*Biostatistics*

Our biostatisticians focus on the delivery of study design consulting and statistical analyses for clients engaged in complex clinical studies for regulatory approval or health care management. This team delivers results for targeted summaries of key findings within the regulatory finding and reimbursement processes, as well as producing creative scientific presentations. Some of the areas of expertise are as follows:

- Regulatory requirements understanding;

- Study-specific and regulatory issues negotiation with the FDA;
- Clinical study design choice;
- Sample size estimation;
- Trial duration consideration;
- Treatment comparison optimization;
- Key endpoints selection and definition;
- Number, timing, and type of interim analyses;
- Complex model development to test for efficacy and safety;
- Identification and management of biases;
- Mega and meta analyses;
- Interpretations of results;
- Data displays including analyses, tables, figures, and listings;
- Clinical development programs;
- ISS/ISE preparation;
- Integrated clinical/statistical report preparation;
- Analysis planning and preparation;
- Selection and explanation of statistical methodologies; and
- Preparation of support submissions to regulatory agencies (FDA).

*Clinical Validation (GCP)*

Our clinical validation practice complements our compliance practices. Our regulatory and safety services support our clients drug development process from beginning to end. We offer an understanding of the regulatory environment and current FDA regulations to optimize the product development cycle. We have designed our own clinical validation methodology to satisfy regulated business practices and procedures that involve multiple groups within the organization (users, systems, database administrators, and other support staff).

Typically, our validation plans describe the system and scope, outline the schedule and resources (GANTT chart), define the testing strategy (and SOPs), and describe the deliverables that will document the validation process. The steps are as follows:

- Validation Plan preparation;
- System inventory preparation;

- Work plan preparation using the 5C s: System Classification, Complexity, Control, Compliance, Criticality;
- Individual System Profiles and Gap Analysis preparation;
- Global Technological and Procedural Gap Matrix preparation;
- Validation Protocols preparation, monitoring, and execution including Design Qualifications (DQ), Installation Qualifications (IQ), Operational Qualifications, (OQ), Performance Qualifications (PQ), Equipment Qualifications (EQ); and

- Risk Analysis Matrix preparation based on a determination of risk and after addressing the 5 C s to ascertain what level of design documentation is sufficient for a specified system.

**Our Technologies and Systems**

We have a dedicated group focused on providing technology solutions across the company for clinical trial and corporate management. This is done as follows:

- through the assessment, qualification and management of third party technology vendors that we have formed partnerships with;

- through the evaluation, purchase and implementation of off the shelf industry specific technology products that are managed in-house; or

- through the in-house design and development of proprietary web based applications that our applications developers build, validate and customize around our internal processes.

All of these approaches support our commitment to deliver automated and efficient process management to our staff and clients.

We have a dedicated e-Solutions steering committee responsible for assessing, screening and qualifying all technology vendors and their products across the industry. This committee is comprised of representatives from across the organization including, information technology (to assess things from an implementation perspective) and compliance and validation (to conduct vendor audits and ensure the necessary validation steps are in place for each product) and helps ensure that the right systems are adopted within the Company. Included in our technology portfolio are both proprietary and industry known systems such as CTMS, IVRS, safety systems, EDC, scanning and imaging systems, document management systems, web portals and a metrics suite containing reports for tracking study, staff and process efficiencies. Examples of some of these systems include:

*Protocol Manager: Clinical Trial Management System (CTMS)*

Our CTMS application was purchased through Winchester Business Systems as a secure web based application for project teams, clients and investigative sites to access and manage all clinical trial processes. Through this system, investigative sites enter vital patient enrollment data that can be accessed in real time by both the project team and sponsor. The project team members are able to input and maintain all contact information of site personnel, secure project team assignments, schedule monitoring visits and make appointments with sites that link directly to an individual s calendar. Clinical research associates, or CRAs, can easily submit their monitoring visit reports via the web as well as track all regulatory documents expected from the sites which are automatically monitored to see if they are up to date, about to expire or outstanding. Investigator payments are also tracked through this system. With this data residing in the CTMS, our clinical staff can run reports that track study status, study issues and action items. These reports are available to both the sponsor and project team in real time. The CTMS system can also be linked to our scanning and imaging system so that actual scanned images of the regulatory documents can be viewed when needed. All data from the CTMS are stored and accessible through our central data warehouse for metrics reporting purposes.

*Interactive Voice Response System (IVRS)*

We have multiple solutions for Interactive Voice Response, or IVR, activities. An IVRS provides an automated way for sites to randomize patients and provide vital site information, via the telephone. We have established several relationships with third party IVRS providers. We are also able to offer an internally designed, built and validated IVR platform. Our system, much like other industry IVR platforms, is a secure telephone-based system that manages randomization in an automated and centralized manner, ensuring institutional balancing. The system is able to fax and/or email confirmations to the sites. The system also can be used for inventory management of orders and shipment confirmations, collection of follow up information, and collectivity of patient reported outcome data, or PRO. It also has a patient alert feature that calls and notifies the

patient when they fall outside of any window of adherence for providing data as specified by the study protocol. This system has been successfully deployed on several studies and is supported by a live integrated support team. The system has gone through extensive system development life cycle procedures to ensure proper testing, validation and change control of all programming and has a user manual or online training tutorial for sites to access. The system allows us to offer stand-alone IVRS services to our clients in addition to traditional CRO capabilities. All data from the IVR system is stored and accessible through our central data warehouse for metrics reporting purposes.

*ARISg Safety System*

We use ARISg , a software product purchased from Aris Global, for comprehensive adverse event tracking and reporting. It allows users to record details related to adverse events caused by drugs, biologics, medical devices or vaccines and tracks all aspects of adverse events by cycling cases through a workflow using the approval concept. The system can be easily configured around a clinical trial s specific logistics by establishing business rules which meet a sponsors business needs. It assures secure and restricted access to the safety data by the sponsor or project team with a comprehensive audit trail facility and generates regulatory, safety and management reports for analysis. It will meet a sponsor s requirements to collect, track, analyze and report on adverse event data generated by our pharmacovigilance personnel.

*Document Management System (Parafile)*

Our document management system, or Parafile, is a software product purchased from Winchester Business Systems for electronically managing and maintaining documents both in terms of secured accessibility and document sharing as well as managing document life cycle and version control. This system allows documents to be created in both standardized and customized templates with controlled authoring, reviewing, revision, retiring and electronic sign off of responsible parties. This is particularly important for managing our SOPs and other formal documents and guidelines. With this application, users are able to access and view these documents from their desktops or remotely with the assurance that the document is the most recent, up to date and approved version. Creation and/or release of any document is securely managed through an automated and defined workflow and approval process.

*Scanning and Imaging Technologies (Docstar) and Desktop Faxing (RightFax)*

Our imaging system, or Docstar, was purchased to accommodate all of our scanning and imaging requirements. The more essential applications to this capability lie with linking the tracking and management of regulatory documents in our CTMS, to the scanned images of the actual regulatory documents themselves which is particularly beneficial when conducting international trials (where in some countries such as Poland, documents cannot be taken outside of the country) or deploying the scanning and imaging of all CRFs in a clinical trial for data management activities. We also utilize RightFax for automated faxing and emailing of documents and images directly from a desktop.

*Electronic Data Capture (EDC) Capabilities*

Our e-Solutions steering committee has screened over 30 EDC platforms (as well as other technologies) and established a familiarity with each of these systems. We continually monitor these systems as they evolve. We have conducted trials with several EDC vendors including Clickfind, Datatrak, DSG and eTrials, and have established firm relationships with others. While we have our own qualification process and our own list of preferred vendors to advise clients where necessary, we are able and willing to work with any EDC platform that the client chooses. Our staff is experienced in EDC and eCRF design and development. Averion is comfortable working with both EDC systems or paper based trials and is able to advise clients when to choose EDC vs. paper.

*Central Data Warehouse/ Metrics Consulting*

Because we have a multitude of applications and systems built from different platforms, some of which do not interface or communicate easily with each other, we have developed our own internal central data warehouse to integrate data sources. The benefit of having a centralized data repository is that we can report data from all systems collectively without having to manage the data in a fragmented, restrictive environment. This ensures that data from multiple sources can be linked so metrics reports can pull information across multiple platforms into one report. The result is a metrics suite that contains a growing library of over 200 reports which are accessible to all employees via their desktops to assist in managing their study, staff, or department. These metrics provide information to help measure and track study status, staff performance and process turnaround and benchmarking.

*Web based Portals*

*We have explored and adopted various technologies around information sharing and data accessibility via secure web based portal access. Through our web based portals, we are able to share and view data internally across multiple offices and to offer clients an array of solutions for accessing their clinical trial data, above and beyond the web based accessibility already offered through CTMS or EDC.*

*Information Management System*

We also provide centralized document access through our Information Management System, an Internet-based communication tool that provides secure, password-protected access. Through the study/sponsor specific tool, clinical sites, sponsors and staff can easily transfer documents, download study forms, provide reports of patient enrollment and adverse events or order drug supplies. The system provides audit and archive functions, time/date stamping and online electronic distribution. These services have accelerated clinical study initiation and communication of key study information. The web portal system can be customized with a specific study or client look as necessary.

*Transitional Research Group*

Our transitional research group, or TRG, assists in the design of clinical development programs for therapeutics emerging from preclinical research over a broad range of therapeutic classes, including small molecular entities, biotechnology derived products, vaccines and medical devices. The TRG focuses on products in early clinical development for which there is no existing comprehensive development plan or for products that have completed the discovery of safety issues. We assist our clients with a development plan, taking into consideration the unique properties of the product to optimize the pre-clinical program, while meeting all regulatory requirements.

The mission of our TRG is to provide the following services:

- Develop the most efficient study design and clinical development pathway;
- Design, write, compile and review the pre-clinical data for regulatory submission packages including pre-meeting packages, IND submissions and investor presentations;
- Meet and interact with regulatory agencies;
- Write expert safety reports;
- Conduct literature reviews; and
- Minimize total costs and timelines for regulatory approval.

**Staffing Services**

We offer a broad range of validation and compliance services, from management consulting and computer systems validation, or CSV, to clinical staff augmentation, through our staffing services operations. We are dedicated to designing, developing and implementing practices that protect the integrity of the computerized systems and equipment used in health product research and manufacturing processes. We ensure that these systems are maintained in a validated state throughout their entire lifecycle by following documented protocols and standardized procedures. We have the ability to deliver regulatory compliance services in the following fields:

- Guidelines Interpretation we provide services related to the interpretation of FDA validation and compliance criteria. We then provide consulting teams to assist the client in implementing such compliance strategies.

- Planning and Strategy we assist clients in developing an overall FDA validation and compliance strategy and developing methods and procedures for staying in compliance.

- Corporate policies and procedures we work with our clients in designing overall quality assurance, quality control and FDA regulatory compliance policies and procedures. In addition, part of our service is to then implement these procedures throughout an organization.

- Independent Vendor Audits and Assessments we work with a client to assess its vendors to ensure they are in compliance with FDA regulations and are operating in a validated state.

- SOP Generation and Revision we provide services to clients to prepare SOPs in the area of FDA Regulatory compliance, and to establish ongoing SOPs to keep a client in compliance with FDA regulations.

- Gap Analysis we will work with a client in preparing a SWAT (software analysis testing) analysis to identify gaps in their compliance and validations procedures. We then will work with a client in closing those gaps in their procedures in their laboratory, clinical and manufacturing environments.

- Risk Analysis Business and Regulatory we will work with a client in assessing FDA Regulatory exposures in their cGxP (current good manufacturing, lab and clinical practices) environments.

- Remediation we will perform project based remediation (corrective action) projects in support of FDA 483 letters, warning letters, and other regulatory processes.

- Training end users and program managers.

We also provide services in the CSV, CFR Part 11, CFR Part 210/211, CFR Part 58, Part 320, Part 820/QSR, GAMP4 (Good Automated Manufacturing Practices version 4.0) as well as European and Asian standards. Our validation and compliance team designs, develops and implements practices that protect the integrity of the computerized systems, equipment and facilities used in health product research and manufacturing processes. Further, we ensure that these systems are maintained in a validated state throughout their entire lifecycle by following documented protocols and standardized procedures. By analyzing market trends, continually reengineering our best practices, utilizing leading technology and keeping abreast of changes from the regulatory bodies, we strive to ensure a high degree of quality standards are being met.

In addition, we specialize in quality procedures, programs and management consulting in FDA regulated areas within the pharmaceutical and biotechnology industries including: audits, remediation, quality systems, validation and qualification of processes, cleaning, environment, and computerized systems. We have developed and implemented several plant-wide systems in the pharmaceutical and biotechnology industries. We have developed an extensive database which includes formats and templates to get FDA Validation and Compliance projects off and running quicker and maximize the efficiency in development and the ensuing validation and compliance processes. We provide services focused around GxP compliance, validation and regulatory affairs for the life sciences industry, including the following:

- Computer Systems Validation;
- 21 CFR Part 210/211 Good Manufacturing Practices;
- 21 CFR Part 11 Electronic Signatures and Electronic Records of several other FDA and EMEA regulated areas;
- Cleaning Validation;
- Facility, equipment and Utility Validation;
- Sterilization and Sanitization Validation; and
- Process Validation.

**Backlog**

Our clinical research backlog consists of anticipated net service revenue from uncompleted projects which have been authorized by the client, through a written contract or letter of intent. Many of our studies and projects are performed over an extended period of time, which may be several years. Amounts included in backlog have not yet been recognized as net service revenue in our consolidated statements of operations. Once contracted work begins, net service revenue is recognized over the life of the contract on a fee for service or percentage completion basis. The recognition of net service revenue reduces our backlog while the awarding of new business increases our backlog. Our backlog for clinical research services was approximately $42.3 million at March 31, 2007.

We believe that our backlog as of any date may not necessarily be a meaningful predictor of future results because backlog can be affected by a number of factors including the size and duration of contracts, many of which are performed over several years. Additionally, contracts may be delayed or cancelled during the course of a study. For these reasons, we might not be able to fully realize our entire backlog as net service revenue.

**Competition**

The CRO industry is highly fragmented and consists of several hundred small, limited-service providers and approximately a dozen mid-sized and large CROs with global capabilities. The industry continues to experience consolidation and, in recent years, a group of large, full-service competitors has emerged. This trend of industry consolidation appears to have created greater competition among the larger companies for clients and acquisition candidates.

In addition to competing with a number of global, full-service companies, we also compete with some small to medium-sized companies, in-house research and development departments of pharmaceutical and biotechnology companies, as well as universities and teaching hospitals. The industry has few barriers to entry. Newer, smaller entities with specialty focuses, such as those aligned to a specific disease or therapeutic area compete aggressively against larger companies for clients. Increased competition may lead to price and other forms of competition that may adversely affect our operating results.

We compete on the basis of a number of factors, including reputation for on-time quality performance, expertise in specific therapeutic areas, FDA reputation, scope of service offerings, price, technological expertise

and systems, data management capabilities, data integrity, ability to acquire, process, analyze and report data in a time-saving accurate manner, ability to manage clinical trials both domestically and internationally, and expertise in reimbursement.

In specialty areas such as laboratory and manufacturing validation, medical communications, and protocol development, our staffing services operation competes in a market that has a myriad of niche providers. For the most part, these providers offer specialty services and products with a focus on a specific global region, a particular service or function and/or a specific stage or phase of drug development. By contrast, we provide our services on a global basis across functional areas. We compete principally on the basis of reputation, scientific and technical expertise, experience and qualifications of professional staff, quality of services, and ability to deliver quality products to the client s specifications. The outsourced preclinical research industry consists of a number of large providers and numerous smaller niche companies. As such, there is significant competition for these opportunities, and our success will depend on our ability to identify and competitively bid for risk-sharing programs that are likely to be productive.

**Dependence on One or a Few Major Customers**

Our industry continues to be dependent on the research and development efforts of pharmaceutical, biotechnology, and medical device companies as major clients. A relatively small number of clients represent, and we expect will continue to represent, a significant percentage of our net service revenue. For the period ended December 31, 2006, 31% of our total net service revenues were from two (2) clients, representing 17% and 14% of total net service revenues, respectively. For the three months ended March 31, 2007, 39% of our total net service revenues were from three (3) clients, representing 20%, 11% and 8% of total net service revenues, respectively. The contracts with our clients generally can be terminated on short notice. The loss of business from any significant client or our failure to continue to obtain new business would have a material and adverse effect on our business and revenues.

**Government Regulation**

Our clients are subject to extensive regulations by government agencies. Consequently, the services we provide for these clients must comply with relevant laws and regulations, and we believe we are, and have been, compliant with such laws and regulations.

Prior to commencing human clinical trials in the United States, a company developing a new drug must file an Investigational New Drug application, or IND, with the FDA. For medical devices, an Investigational Device Exemption, or IDE, needs to be filed. The IND must include information about animal toxicity and distribution studies, manufacturing and control data, stability data and a detailed plan, or study protocol, for the proposed clinical trial of the drug or biologic in humans. If the FDA does not object within 30 days after the IND is filed, human clinical trials may begin. A similar process applies for the IDE. The study protocol will also be reviewed and approved by the institutional review board, or IRB, in each institution in which a study is conducted, and the IRB may impose additional requirements on the way in which the study is conducted in its institution.

Human trials usually start on a small scale to assess safety and then expand to larger trials to test efficacy along with safety in the target population. The trials are generally conducted in three phases, which sometimes overlap, although the FDA may require a fourth phase as a condition of approval. After the successful completion of the first three clinical phases, a company requests approval for marketing its product by submitting a new drug application, or NDA. The NDA is a comprehensive, multi-volume filing that includes, among other things, the results of all pre-clinical and clinical studies, information about how the product will be manufactured and tested, additional stability data and proposed labeling. The FDA s review can last from six months to many years, with the average review lasting 18 months. Once the NDA is approved, the product may be marketed in the United States subject to any conditions imposed by the FDA. The Centers for Medicare & Medicaid Services, or CMS, must approve the product for the client to get reimbursed from third party payers. There is no guarantee that an FDA approved product will be approved for reimbursement by CMS or other reimbursement agencies.

We must conform to the GCP and ICH regulatory requirements that are designed to ensure the quality and integrity of the clinical studies used to support the submission. To help ensure compliance with these regulations, we have established quality assurance at our facilities to monitor ongoing compliance by auditing test data and conducting regular inspections of testing procedures and our facilities.

**Employees**

At June 1, 2007, we had a total of 197 employees; 160 and 37 in the clinical research and staffing services operations, respectively. Additionally, we utilize the services of outside consultants who work as independent contractors to supplement our employee base on an as needed basis. At June 1, 2007 our staffing services operations utilized the services of 13 outside consultants while our clinical research operations utilized the services of 28 outside consultants. None of our employees are subject to a collective bargaining agreement. We believe that our relations with our employees are good.

**Legal Proceedings**

***Daniel C. Rhodes and Michael Ruchman v. IT&E International Group, Inc., Kelly Alberts, and Does 1 through 10.*** On or about July 26, 2006, Daniel Rhodes and Michael Ruchman filed the action styled *Daniel C. Rhodes and Michael Ruchman v. IT&E International Group, Inc., Kelly Alberts, and Does 1 through 10*, Case No. 869780 in the Superior Court of the State of California, County of San Diego. The plaintiffs claimed they were the assignees of a company, RCA, that had a contract with IT&E to provide and cultivate client and consulting leads for a fee of $2,900 per week. The plaintiffs claimed that RCA also had an oral contract from Mr. Alberts to pay a 3% finders fee for identifying acquisition candidates, and that as a result of the merger of IT&E with Averion Inc., in excess of $750,000 was due to RCA under this oral contract. The lawsuit also alleged fraud. On March 14, 2007, the plaintiffs dismissed the entire lawsuit with prejudice and the parties entered into a general release of claims. In addition, the Company and Mr. Alberts agreed to waive any right to recover costs.

We are involved in various other legal actions arising in the normal course of our business. We believe that the outcome of these matters will not have a material adverse effect on our financial position or results of operation.

**Properties**

We do not own any real estate properties. Our executive offices are located in Southborough, MA. We lease approximately 63,900 square feet at a base rent of $85,168 per month, commencing January 2007 through June 2010. The rent increases to $95,714 per month for the remainder of the lease through December 2012.

We also lease facilities in several other locations including 15,900 square feet in Ryebrook, NY at a base rent of $34,400 per month, 3,500 square feet in Solana Beach, CA, at a base rent of $7,000 per month, 2,000 square feet in Pottsgrove, PA at a base rent of $2,650 per month, 1,100 square feet in San Jose, CA at a base rent of $1,500 per month and 4,200 square feet in Neu-Isenburg, Germany at a base rent of $8,300 per month. These leases all expire at various dates through 2011.

Management believes that these facilities are adequate for our current and anticipated needs.

**MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the notes to those statements included elsewhere in this prospectus. This discussion may contain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under Risk Factors and elsewhere in this prospectus.*

**Company Overview**

**Company Overview**

We are a CRO focused on providing our clients with services and solutions throughout the drug development process. We operate in two business segments: clinical research and staffing services. We serve a variety of clients in the pharmaceutical, biotechnology and medical device industries.

We are in the process of seeking other businesses to acquire so that we can expand our geographic presence and capabilities. In November 2005, we acquired substantially all of the assets of Millennix (see Note 4 to the Consolidated Financial Statements), a CRO based in the State of New York, and on July 31, 2006, we acquired Averion Inc. (see Note 5 to the Consolidated Financial Statements), a CRO located in the Commonwealth of Massachusetts. In addition, we expanded our operations into Europe in August 2006, when we opened our European CRO operation with the acquisition of Pengetank 253 (see Note 7 to the Consolidated Financial Statements). We believe the CRO industry, both internationally and domestically, offers many opportunities to integrate our regulatory compliance and validation expertise into clients that use outsourced services performed by CROs. We believe the opportunity to build our business through the acquisition of established CROs will allow us to more efficiently provide a multitude of services than would be possible if we were to build such services internally. We intend to continue to move ahead on the execution of our strategy to enable us to obtain and maintain a strong market position within the CRO industry. Our therapeutic areas of specialization are oncology, dermatology, nephrology, critical care and medical devices.

Future acquisitions could result in us needing to incur additional debt or sell or issue additional equity to fund the transactions. Analysis of new business opportunities and evaluation of new business strategies will be undertaken by or under the supervision of our board of directors. In analyzing prospective acquisition opportunities, management will consider, to the extent applicable, the available technical, financial and managerial resources of any given business venture. We will also consider the nature of present and expected competition, potential advances in research and development or exploration, the potential for growth and expansion, the likelihood of sustaining a profit within given time frames, the perceived public recognition or acceptance of products, services, trade or service marks, name identification, and other relevant factors.

We will analyze all relevant factors and make a determination based on a composite of available information, without reliance on any single factor. The period within which we will decide to participate in a given business venture cannot be predicted and will depend on certain factors, including the time involved in identifying businesses, the time required for us to complete our analysis of such businesses, the time required to raise the funds required for the transaction, if necessary, the time required to prepare appropriate documentation and other circumstances.

Our industry continues to be dependent on the research and development efforts of pharmaceutical and biotechnology companies as major clients, and we believe this dependence will continue. Our client list includes some of the top-tier pharmaceutical and biotechnology companies. With the strategic acquisition of Averion Inc., we have expanded our customer base, which has diluted some of the financial impact of having the significant portion of our revenues concentrated solely in a few key clients. For the period ended December 31, 2006, 31% of our total net service revenues were from two (2) clients, representing 17% and 14% of total net service revenues, respectively. For the period ended December 31, 2005, 50% of our total net service revenues were from

three (3) clients, representing 23%, 14%, and 13% of total net services revenues, respectively. For the three months ended March 31, 2007, 39% of our total net service revenues were from three (3) clients, representing 20%, 11% and 8% of total net service revenues, respectively. For the three month period ended March 31, 2006, 44% of our total net service revenues were from three (3) clients, representing 24%, 11%, and 9% of total net services revenues, respectively. Although the expansion of our client base through the acquisitions of Millennix and Averion Inc. has increased our revenues, the loss of business from any of our major clients could have a material adverse effect on us.

Our results of operations are subject to volatility due to a variety of factors. The cancellation or delay of contracts and cost overruns could have short-term adverse affects on our business and financial statements. Fluctuations in the ability to maintain large client contracts or to enter into new contracts could hinder our long-term growth. In addition, our aggregate backlog, consisting of signed contracts and letters of intent, is not necessarily a meaningful indicator of future results. Accordingly, no assurance can be given that we will be able to realize the net service revenues included in our backlog.

**Results of Operations**

***Three months ended March 31, 2007 and 2006***

Net service revenue for the three months ending March 31, 2007 increased $4.2 million to $8.8 million as compared to $4.6 million for the three months ending March 31, 2006, an increase of 91%. The increase in net service revenues was primarily related to a $5.7 million increase in our clinical research operation net services revenues, offset partially by a $1.5 million decrease in staffing services net service revenues.

Clinical research net service revenue for the three months ending March 31, 2007 increased to $6.7 million from $1.0 million for the three months ending March 31, 2006. The increase in clinical research operations net service revenue was primarily due to the acquisition of Averion Inc. Averion Europe contributed $0.1 million in clinical research net service revenue during the three months ending March 31, 2007.

Staffing services net service revenue for the three months ending March 31, 2007 decreased to $2.1 million from $3.6 million for the three months ending March 31, 2006, a decrease of 42%. We have experienced significant turnover of our sales and marketing staff in this business segment. For this reason, service renewals and new business awards have declined which has resulted in a reduction in net staffing service revenues. Management is currently seeking to increase the sales and marketing function in this business segment and, as a result of these efforts, anticipates our net staffing service revenue to increase in the latter half of 2007, although there is no assurance that we will be able to successfully hire qualified sales and marketing personnel or obtain new business.

Direct expenses consist primarily of compensation, related payroll taxes and fringe benefits for our project-related staff and contracted personnel, and other expenses directly related to specific contracts. Direct expenses increased by $2.4 million to $5.9 million for the three months ended March 31, 2007 from $3.5 million for the three months ended March 31, 2006. The increase in direct expenses in 2007 was comprised of a $4.1 million increase in clinical research direct expenses and a $1.7 million decrease in staffing services direct expenses.

Clinical research direct expenses increased to $4.4 million for the three months ended March 31, 2007 from $0.3 million for the three months ended March 31, 2006. The increase in clinical research direct expenses was primarily due to the acquisition of Averion Inc. in 2006. Averion Europe incurred $0.2 million in direct expenses during the three months ending March 31, 2007.

Staffing services direct expenses decreased to $1.5 million for the three months ended March 31, 2007 from $3.2 million for the three months ended March 31, 2006. Fluctuations in client requests for services impact our staffing services direct expenses. The majority of our staffing services direct expense represents the cost for contractors who are typically compensated by the hour. Therefore, direct expenses fluctuate in direct proportion to net service revenues.

Selling, general and administrative expenses included the salaries, wages, and benefits of all administrative, financial and business development personnel and all support and overhead expenses not directly related to specific contracts. Selling, general and administrative expenses for the three months ended March 31, 2007 were $3.6 million or 41% of net service revenue, as compared to $2.1 million or 44% of net service revenue for the three month period ended March 31, 2006. The increase in expenses of $1.5 million was the result of the increased cost structure associated with the Averion Inc. acquisition and expenses associated with supporting a larger organization. Additionally, Averion Europe incurred $0.2 million in selling, general and administrative expenses during the three months ending March 31, 2007.

We have implemented plans to reduce our workforce in order to improve operating efficiencies and reduce costs across our business. These changes will allow us to better compete in the marketplace. Under such plans, our active clinical research employee base declined by approximately 13%. Additionally, we reduced our active staffing services employee base. The reduction of our workforce was completed during the three months ending March 31, 2007. We incurred $0.8 million of restructuring charges for associated pay and benefits for effected personnel in the quarter ended March 31, 2007. During the quarter we made associated payments of $0.3 million and had payment obligations of $0.5 million as of March 31, 2007. We expect to make the remainder of the associated payments over the next 10 months. Through these reductions, we expect to generate savings in annualized operating expenses of approximately $2.5 million.

Depreciation expense increased to $179,000 for the three months ended March 31, 2007 as compared to $31,000 for the three months ended March 31, 2006. This increase was primarily the result of the additional depreciation associated with the fixed assets acquired in the Averion Inc. merger.

Amortization expense increased to $200,000 for the three months ended March 31, 2007 as compared to $79,000 for the three months ended March 31, 2006, primarily due to the values assigned to finite life intangibles in connection with the Averion Inc. merger.

Interest expense increased to $147,000 for the three months ended March 31, 2007 as compared to $9,000 for the same period in 2006, due to the increase in the principal amount outstanding as a result of the notes issued in connection with the recent merger and acquisition activity.

The net loss for the three months ended March 31, 2007 increased to $1.9 million or $0.00 per basic and fully diluted share, as compared to a net loss of $1.0 million, or $0.02 per basic and fully diluted share, for the three months ended March 31, 2006. The increase in weighted average number of basic and fully diluted common shares outstanding was the primary reason for the decrease in net loss per share.

***Year Ended December 31, 2006 Compared with Year Ended December 31, 2005***

Net service revenue for 2006 increased $7.8 million to $25.6 million as compared to $17.8 million for 2005 an increase of 44%. The increase in net service revenues in 2006 was primarily related to a $12.8 million increase in our clinical research operation net services revenues, offset partially by a $5.0 million decrease in staffing services net service revenues.

Clinical research net service revenue for 2006 increased to $13.3 million from $0.5 million for 2005. The increase in clinical research operations net service revenue was due to (i) the inclusion of a full year of Millennix results, an additional ten months of activity representing $4.4 million in net service revenues over 2005 and, (ii) the acquisition of Averion Inc., which contributed net service revenue of $8.4 million for the five months ending December 31, 2006.

Staffing services net service revenue for 2006 decreased to $12.3 million from $17.3 million for 2005, a decrease of 29%. Late in the fourth quarter of 2005, our staffing services operations began to encounter larger than normal client fluctuations. Several large clients did not renew services for additional work. The Company was unable to replace the majority of this work in 2006. Additionally, we experienced significant turnover of our sales and marketing staff during 2006. For these reasons, service renewals declined in 2006 which resulted in a reduction in net service revenues. This trend has caused management to re-evaluate how we are staffing the

current work, and how best to utilize our full-time contractors. We anticipate our net service revenue returning to a portion of previous levels in 2007 although there is no assurance that we will be able to obtain new business.

We incur out-of-pocket costs on behalf of our clients. These out-of-pocket costs are generally reimbursable by our clients. We include out-of-pocket costs as reimbursement revenues and reimbursable out-of-pocket expenses in the consolidated statements of operations. Reimbursements are made at cost, without mark-up or profit and therefore have no impact on net income. The timing of these revenues and costs vary throughout the year depending on the projects being serviced. Reimbursement revenue and out-of-pocket expenses were $204,000 for the year ended December 31, 2006 and $107,000 for the year ended December 31, 2005.

Direct expenses consist primarily of compensation, related payroll taxes and fringe benefits for our project-related staff, and contracted personnel, and other expenses directly related to specific contracts. Direct costs increased by $4.3 million to $16.8 million for the year ended December 31, 2006 from $12.5 million for the year ended December 31, 2005. The increase in direct expenses in 2006 was comprised of a $7.9 million increase in clinical research direct expenses and a $3.4 million decrease in staffing services direct expenses.

Clinical research direct expenses increased $7.8 million for the year ended December 31, 2006 to $8.2 million from $0.4 million for the year ended December 31, 2005. The increase in clinical research direct expenses was primarily due to (i) the inclusion of a full year of Millennix results, an additional ten months of activity representing $3.6 million in direct expenses over 2005 and, (ii) the acquisition of Averion Inc. which contributed an additional $4.0 million in direct expenses.

Staffing services direct expenses decreased to $8.6 million for the year ended December 31, 2006 from $12.0 million for the year ended December 31, 2005. Fluctuations in client requests for services impact our direct expenses. The majority of our staffing services direct expense represents the cost for contractors which are typically compensated by the hour. Therefore, direct expenses fluctuate in direct proportion to net service revenues. We also have a group of contractors that we have chosen to compensate regardless of whether they are assigned to a specific contract due to their technical expertise. During 2006, these contractors were not fully utilized by our clients, which directly impacted our profit margins since costs were incurred without corresponding revenue.

Selling, general and administrative expenses included the salaries, wages, and benefits of all administrative, financial and business development personnel and all support and overhead expenses not directly related to specific contracts. Selling, general and administrative expenses for the year ended December 31, 2006 were $12.9 million or 51% of net service revenue, as compared to $6.3 million or 35% of net service revenue for the year ended December 31, 2005. The increase in expenses of $6.6 million primarily reflected (i) the increased cost structure associated with the Millennix and Averion Inc. acquisitions and (ii) an increase in costs associated with being a public company.

We have implemented plans to reduce our workforce in order to improve operating efficiencies and reduce costs across our business. These changes will allow us to better compete in the marketplace. Under such plans, our active clinical research employee base declined by approximately 13%. The reduction of our workforce was completed on February 15, 2007.

Through these reductions, we expect to generate savings in annualized operating expenses of approximately $2.5 million. As a result of these plans, we expect to incur restructuring charges in the quarter ending March 31, 2007 related to one-time employee related costs of approximately $700,000. The $700,000 cost will result in future cash expenditures as follows: we estimate that $200,000 will be paid by March 31, 2007 and that the remaining $500,000 will result in payments to be made over the next 13 months.

Management is integrating the newly acquired companies of Millennix and Averion Inc., in an effort to improve efficiencies by sharing resources, evaluating cross-marketing opportunities and streamlining costs.

Depreciation expense increased to $381,000 for the year ended December 31, 2006 as compared to $101,000 for the year ended December 31, 2005. This increase was primarily the result of the additional depreciation associated with the fixed assets acquired in the Millennix and Averion Inc. acquisitions.

Amortization expense increased to $530,000 for the year ended December 31, 2006 as compared to $40,000 for the year ended December 31, 2005, primarily due to the values assigned to finite life intangibles in connection with the Millennix and Averion Inc. mergers.

We earned $314,000 of interest income during the year ended December 31, 2006 as compared to $78,000 during the year ended December 31, 2005. The increase in interest income was due to a higher average cash balance during the year, resulting from the 2005 Private Placement and the Financing Transaction.

Interest expense decreased to $289,000 for the year ended December 31, 2006 compared to $425,000 for the same period in 2005, due to the repayment of the Laurus Note in November 2005. We expect interest expense to increase in 2007, due to the increase in notes payable to the Averion Inc. and Millennix shareholders issued in connection with the acquisition of Millennix and Averion Inc.

We had no loan fee amortization costs for the year ended December 31, 2006 as compared to loan fee amortization costs of $240,938 for the same period in 2005 due to the payment of the promissory note held by Laurus Master Fund Ltd. in November 2005.

We had no fees on long-term debt or non-cash financing costs for the year ended December 31, 2006 as compared to long-term debt fees of $214,000 for the year ended December 31, 2005, which resulted from the Company not meeting certain registration deadlines related to the registration statement covering the shares of its common stock underlying the Laurus Note and Laurus Warrant. Upon paying off the loan in November 2005, we were assessed a prepayment fee of $650,000 and non-cash financing costs of $62,500 from the issuance of 83,330 shares of our common stock to SBI USA as payment for investment banking consulting services for the year ended December 31, 2005.

In accordance with Emerging Issues Task Force No. 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments,* our Series D Preferred Stock included a beneficial conversion feature. The embedded financial conversion feature was computed at approximately $8,106,000 to the preferred stockholders, as the conversion feature was immediately exercisable, and was treated as a dividend to the preferred stockholders. The dividend resulted in an increase to the loss applicable to common stockholders for earnings per share purposes for the year ended December 31, 2005. The embedded financial conversion feature was computed at approximately $4,069,000 to the preferred stockholders, as the conversion feature was immediately exercisable, and was treated as a dividend to the preferred stockholders. The dividend resulted in an increase to the loss available to common stockholders for earnings per share purposes for the year ended December 31, 2006.

The net loss applicable to common stockholders for the year ended December 31, 2006 decreased to $9,195,190, or $0.07 per basic and fully diluted share, as compared to a net loss applicable to common stockholders of $10,974,622, or $0.41 per basic and fully diluted share, for the year ended December 31, 2005. The lower net loss and increase in weighted average number of basic and fully diluted common shares outstanding resulted in the decrease in net loss per share.

**Liquidity and Capital Resources**

***Three Months Ended March 31, 2007***

Our primary cash needs are for the payment of salaries and fringe benefits, hiring and recruiting expenses, business development costs, acquisition and transaction related costs, capital expenditures, and facilities-related expenses. Our principal source of cash is from contracts with clients. If we are unable to generate new contracts with existing and new clients and/or if the level of contract cancellations increases, revenues and cash flow will be adversely affected. Absent a material adverse change in the level of our new business bookings or contract cancellations, we believe that our existing capital resources together with cash flow from operations will be sufficient to meet our foreseeable cash needs for the next twelve months. However, if we significantly expand our business through acquisitions and/or continue to incur a loss from operations, we may need to raise additional funds through the sale of debt or equity securities.

Our net cash used by operating activities was $1.0 million for the three months ended March 31, 2007, compared with net cash provided by operating activities of $0.3 million for the three months ended March 31, 2006. The primary factor contributing to the increase in the use of cash was an increased net loss of $1.9 million. During the three months ended March 31, 2007, approximately $0.6 million in cash was used to fund the cash requirements of Averion Europe GmbH.

Net cash used by investing activities was $0.2 million for the three months ended March 31, 2007, compared with net cash used by investing activities of $0.0 million for the three months ended March 31, 2006.

Net cash used by financing activities was $0.2 million for the three months ended March 31, 2007, compared with net cash used by financing activities of $0.0 million for the three months ended March 31, 2006. The increase in cash used by financing activities was the result of an increase in payments on notes payable.

As a result of these cash flows, our cash and cash equivalents balance at March 31, 2007 was $6.8 million as compared to $8.1 million at December 31, 2006.

We intend to use our cash for general working capital purposes, improvements to our technical infrastructure, and to support our acquisition strategy. As we search for additional acquisition opportunities to enhance the services we provide, we will be utilizing both cash and stock to fund the acquisitions. We may also seek to obtain additional debt or equity financing in order to support the growth and increase the value of our business.

***Year Ended December 31, 2006***

Our net cash used by operating activities was $0.9 million for the year ended December 31, 2006, compared with net cash used by operating activities of $1.2 million for the year ended December 31, 2005. The primary factors contributing to the use of cash were, (i) a decrease in costs and estimated earnings in excess of billings on uncompleted contracts of $1.0 million, (ii) an increase in accrued payroll and employee benefits of $0.6 million, (iii) an increase in customer advances of $1.0 million, (iv) an increase in billings in excess of costs and estimated earnings on uncompleted contracts of $0.5 million, and (v) the net loss of $5.1 million, which was reduced by non-cash changes of $1.4 million.

Net cash used by investing activities was $5.4 million for the year ended December 31, 2006, compared with net cash used by investing activities of $1.0 million for the year ended December 31, 2005. On July 31, 2006, the Company paid $5.1 million in cash, net of cash acquired, and other consideration for Averion Inc.

Net cash provided by financing activities was $8.0 million for the year ended December 31, 2006, compared with net cash provided by financing activities of $8.3 million for the year ended December 31, 2005. On July 31, 2006, we received aggregate gross proceeds of $5.0 million from the sale of 5,000 shares of Series D Convertible Preferred Stock to ComVest. The proceeds were used to acquire Averion Inc. Additionally, on November 28, 2006, the Company received $3.6 million in aggregate proceeds from the sale of 27,333,329 shares of our common stock at a purchase price of $0.15 per share, in conjunction with the Financing Transaction. Pursuant to the terms of the Placement Agency Agreement, we paid a cash fee equal to 7.5% of the aggregate gross proceeds or $307,500 to the Placement Agent and additional transaction costs of $179,000.

As a result of these cash flows, our cash and cash equivalents balance at December 31, 2006 was $8.1 million as compared to $6.4 million at December 31, 2005, an increase of $1.7 million.

**Recent Events**

During 2005 and 2006, we entered into a series of transactions related to business acquisitions and the private placement of our senior notes and common stock. Summaries of these transactions are as follows:

*The 2005 Private Placement*

On November 9, 2005, in connection with the private placement of our senior notes to certain investors, or the 2005 Private Placement, we entered into a Securities Purchase Agreement that obligated the Company to

issue senior secured convertible notes in the aggregate principal amount of up to $11,500,000, or the Senior Notes, and warrants to purchase an additional 82,142,832 shares of common stock of the registrant.

At the initial closing, we issued senior notes in the aggregate principal amount of $7,000,000 and warrants to purchase an additional 49,999,985 shares of our common stock at an exercise price of $0.10 per share. Of this amount, a Senior Note in the principal amount of $5,800,000 was issued to ComVest.

On December 22, 2005, in connection with the second closing of the 2005 Private Placement, we issued a Senior Note in the aggregate principal amount of $4,500,000 to ComVest along with a warrant to purchase up to an additional 32,142,847 shares of our common stock at an exercise price of $0.10 per share.

The 2005 Private Placement transactions were recorded as equity since the number of shares to be issued was fixed and determinable, the conversion of the senior notes was an event certain to occur since our board of directors and stockholders had previously approved the creation and issuance of the Series D Convertible Preferred Stock for this purpose and the conversion of the Senior Note into equity was subject only to the expiration of the waiting period associated with the definitive Schedule 14C Information Statement describing the actions taken in connection with the 2005 Private Placement as prescribed by Rule 14c-2 of the Exchange Act. On March 2, 2006, upon expiration of the waiting period, we issued 11,500 shares of our Series D Convertible Preferred Stock upon the automatic conversion of outstanding promissory notes in the principal amount of $11,500,000.

In addition, in accordance with Emerging Issues Task Force No. 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments,* because the Senior Notes were convertible into equity at beneficial conversion rates, an embedded beneficial conversion feature was computed at approximately $8.1 million and was treated as a dividend to the preferred stockholders. This resulted in an increase in the loss available to common stockholders for earnings per share purposes.

Pursuant to the Securities Purchase Agreement, we also gave ComVest the right to purchase additional shares of Series D Preferred Stock at a purchase price of up to $5,000,000 and warrants to purchase up to an additional 35,714,275 shares of common stock for a period of six (6) months after November 9, 2005, or the ComVest Option.

Based on review of the transaction and a report prepared by an independent valuation specialist, it was determined that $8,105,938, $3,108,943 and $285,118 in value should be allocated to Series D Convertible Preferred Stock, Warrants and the ComVest Option, respectively.

On May 2, 2006, the ComVest Option was extended to November 9, 2006. In exchange for such extension of the expiration date, the number of warrants to purchase our common stock that ComVest was entitled to acquire pursuant to the ComVest Option was reduced to up to 32,149,829 shares. In connection with this transaction the call option was reduced and the offset was recorded to additional paid-in-capital.

We entered into a Financial Advisory Agreement with ComVest Advisors, LLC, an affiliate of ComVest, to assist us with matters related to our operations and our future strategies. During 2006 and 2005, ComVest was paid $106,000 and $38,867 for these services, respectively. The agreement was terminated in July 2006.

*The Millennix Acquisition*

On November 9, 2005, we acquired substantially all of the assets of Millennix. Millennix is a contract research organization located in the State of New York. The purchase price paid for the Millennix assets was $1,100,000 in cash, 10,416,667 shares of our common stock priced at $0.18 per share for a value of $1,875,000, transaction costs of approximately $276,000, and the assumption of certain liabilities in the aggregate amount of approximately $2,400,000, including the amounts outstanding under certain promissory notes to employees in the aggregate principal amount of approximately $780,000 and an assumption of approximately $78,000 of principal and accrued but unpaid interest owed by Millennix to the Bank of New York.

On September 6, 2006, the Asset Purchase Agreement for the purchase of substantially all of the assets of Millennix, entered into by and among the Company, Millennix and Gene Resnick, M.D. on November 9, 2005,

was amended to eliminate the payment of $1,400,000 contingent on the achievement of certain earn-out milestones as set forth in the agreement. The remaining amount of the purchase price as specified in the Asset Purchase Agreement, as amended, is to be paid out in three installments as follows: (i) $300,000 in cash to Millennix on January 1, 2007, which was paid in December 2006; (ii) the issuance of a subordinated promissory note in the principal amount of $300,000 accruing simple interest at 8.25% per annum, with such interest being paid monthly in arrears and the principal amount payable in full on January 1, 2008, subject to the terms and conditions of the note, and (iii) the issuance of 4,285,714 shares of common stock at an average price of $0.20 per share to Millennix (subject to adjustments for stock splits, reverse stock splits, recapitalization and the like) on January 1, 2009. The Company s obligation, including, without limitation, the obligation to make payments, issue the promissory note, make payments under the promissory note or issue stock, are conditioned upon and subject to Dr. Resnick remaining an employee of the Company through each applicable payment or issuance date. If at anytime, Dr. Resnick is not an employee of the Company prior to the date on which a payment or issuance is called for under the Asset Purchase Agreement, as amended, then the Company s obligation ceases to exist, provided, however, that Dr. Resnick s employment was not terminated due to reason of: (a) his death; (b) his resignation for Good Reason as that term is defined in his employment agreement with the Company, dated November 9, 2005, as amended, or (c) his termination by the Company without Cause as that term is defined in his employment agreement with the Company, dated November 9, 2005, as amended. The Company recorded the stock commitment as Common Stock to Be Issued shown on the face of its Consolidated Balance Sheet as of December 31, 2006.

Additionally, in connection with the acquisition of the Millennix assets, we also issued fully vested options to purchase an aggregate of 3,472,223 shares of our common stock to certain Millennix employees. A portion of the proceeds from the 2005 Private Placement (see Note 3 to the Consolidated Financial Statements) was used to fund the cash portion of the consideration paid for the Millennix assets.

*The Reincorporation and Conversion of the Senior Secured Promissory Notes into Series D Convertible Preferred Stock*

On March 2, 2006, we effected our reincorporation from the State of Nevada into the State of Delaware, or the Reincorporation. In addition, in connection with the Reincorporation, we filed a Certificate of Designation thereby duly authorizing and creating our Series D Convertible Preferred Stock, at which time the Senior Secured Convertible Promissory Notes we issued to certain investors in the 2005 Private Placement were automatically converted into 11,500 shares of such Series D Convertible Preferred Stock.

*The Extension and Exercise of ComVest Option*

ComVest, in connection with the 2005 Private Placement of our Senior Notes and warrants to purchase our common stock, acquired a right to purchase additional shares of our Series D Convertible Preferred Stock at a purchase price of up to $5,000,000 and received warrants to purchase up to an additional 35,714,275 shares of common stock that expired on May 9, 2006, or the ComVest Option. On May 8, 2006, the expiration date of the ComVest Option was extended to November 9, 2006. In exchange for such extension of the expiration date, the number of warrants to purchase our common stock that ComVest was entitled to acquire pursuant to the ComVest Option was reduced to up to 32,149,829 shares. In connection with this transaction the call option was reduced and the offset was recorded to additional paid in capital. On July 31, 2006, ComVest exercised the ComVest Option in full. On July 31, 2006, in connection with the exercise of the ComVest option, pursuant to the terms of the Purchase Agreement, we paid ComVest a closing fee equal to two and a half percent (2.5%) of the gross proceeds received by us upon exercise of the ComVest Option, or $125,000.

*The Series E Convertible Preferred Stock*

On June 28, 2006, our board of directors approved the creation of the Series E Convertible Preferred Stock. Our board of directors authorized up to 8,300 shares of Series E Convertible Preferred Stock. A Certificate of Designation setting forth the rights, preferences and privileges of the Series E Convertible Preferred Stock was filed with the Secretary of State of the State of Delaware on July 28, 2006, or the Certificate of Designation. The

Series E Convertible Preferred Stock was senior in rights, preferences and privileges to the shares of our common stock and *pari passu* with our Series D Convertible Preferred Stock, except that the Series E Convertible Preferred Stock did not have: (i) protective voting provisions; (ii) anti-dilution rights; or (iii) the right to vote as a separate class to elect members to our board of directors.

The holders of Series E Convertible Preferred Stock were entitled to receive the stated value of $1,000 for each share of Series E Convertible Preferred Stock, subject to standard and customary anti-dilution adjustments, in a liquidation event as defined in the Certificate of Designation. Each share of Series E Convertible Preferred Stock was convertible at the option of the holder into 9,090.91 shares of our common stock, subject to standard and customary anti-dilution adjustments. The holders of Series E Convertible Preferred Stock were entitled to vote on all matters presented to the holders of common stock on an as-if-converted to common stock basis. As part of the consideration paid in conjunction with the completion of the Averion Merger, all 8,300 shares of Series E Convertible Preferred Stock were issued (see Note 5 to the Consolidated Financial Statements).

*Completion of the Averion Merger*

On July 31, 2006, through our wholly-owned subsidiaries IT&E Merger Sub, Inc., a Massachusetts corporation, or Merger Sub, and IT&E Acquisition Co., Inc., a Delaware corporation, or Acquisition Sub, we consummated the merger with Averion Inc., or the Averion Merger, pursuant to the terms of the Agreement and Plan of Merger dated June 30, 2006, by and among us, Merger Sub and Acquisition Sub, on the one hand, and Averion Inc. and Averion Inc. s shareholders, or the Averion Shareholders, on the other hand, or the Merger Agreement. At the closing of the Averion Merger, Merger Sub merged with and into Averion Inc., known as the Reverse Merger. As a result of the Reverse Merger, Averion Inc. was the surviving corporation and became our wholly-owned subsidiary. Immediately following the closing of the Reverse Merger, a forward merger occurred whereby Averion Inc. was merged with and into Acquisition Sub, known as the Forward Merger. The Forward Merger together with the Reverse Merger constitutes the Averion Merger. As a result of the Forward Merger, Acquisition Sub is the surviving corporation and our wholly-owned operating subsidiary.

On July 31, 2006, in connection with the closing of the Averion Merger, pursuant to a letter agreement dated May 31, 2006 between us and ComVest, we paid ComVest an advisory fee of $250,000.

On July 31, 2006, in connection with the closing of the Averion Merger, we purchased all of the outstanding capital stock of Averion Inc. Averion Inc. is a CRO located in the Commonwealth of Massachusetts. The purchase price paid for the Averion Inc. outstanding capital stock was $25,955,000. In exchange for all such outstanding capital stock of Averion Inc., Averion Inc. s shareholders received from us, in the aggregate: (i) $5,650,000 in cash; (ii) two-year, 8.25% (per annum) promissory notes in the aggregate principal amount of $700,000; (iii) five-year, 8.25% (per annum) promissory notes in the aggregate principal amount of $5,700,000; (iv) 45,245,455 shares of our common stock priced at $0.11 per share for a value of $4,977,000; and (v) 8,300 shares of our Series E Convertible Preferred Stock, stated value $1,000 per share ($8,300,000). In addition, the Company paid transaction costs of $628,000, including the advisory fee paid to ComVest, and assumed certain liabilities in the aggregate amount of $3,973,890.

*The Financing Transaction*

In connection with the private placement of shares of our common stock, or the Financing Transaction, to certain investors on November 28, 2006, we entered into the following agreements: (i) a Placement Agency Agreement with our placement agent dated October 17, 2006, as amended on November 8, 2006, January 31, 2007, and February 15, 2007; (ii) Subscription Agreements with the investors to collectively purchase 27,333,329 shares of our common stock for aggregate gross proceeds to us of $4,100,000, each dated November 28, 2006; (iii) a warrant issued to the placement agent to purchase 1,366,666 shares of our common stock dated November 28, 2006; and (iv) lock-up agreements with our officers, directors and certain principal stockholders, each dated November 13, 2006.

Pursuant to the terms of the Placement Agency Agreement, the minimum investment amount necessary in order to conduct a first closing was $4,000,000, or the Minimum Investment Amount. On November 28, 2006,

the first closing occurred upon receipt of subscriptions from the investors in the aggregate amount of $4,100,000, at which time we issued, in the aggregate, to the investors 27,333,329 shares of our common stock at a purchase price per share of $0.15 per share. We did not conduct any subsequent closings.

In connection with the closing, pursuant to the terms of the Placement Agency Agreement, we: (i) paid the placement agent a placement agent fee equal to 7.5% of the gross proceeds received in the closing, or $307,500; and (ii) issued to the placement agent a warrant to purchase that number of shares of our common stock equal to 5% of the common stock sold in the closing at an exercise price equal to $0.15 per share, or a warrant to purchase 1,366,666 shares of our common stock.

Pursuant to the Subscription Agreements, on November 28, 2006, we agreed to sell, and the investors agreed to purchase, 27,333,329 shares of our common stock for an aggregate purchase price of $4,100,000, at a purchase price per share of $0.15 per share.

Pursuant to the Subscription Agreements, we granted the investors (i) automatic registration rights, and (ii) piggyback registration rights, in each case related to the shares of common stock purchased in the Financing Transaction.

Pursuant to the automatic registration rights, we agreed that no later than three (3) months following the termination of the offering, or the Filing Date, we would prepare and file a registration statement under the Securities Act with the SEC covering the resale of the shares, and that we would use our best efforts to cause the registration statement to become effective within six (6) months after the termination of the offering, or the Effectiveness Date. In the event that the registration statement has not been filed by the Filing Date or has not been declared effective by the Effectiveness Date, we are obligated to pay to each holder of shares an amount in cash