

STERICYCLE INC  
Form S-4/A  
October 02, 2007

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As filed with the Securities and Exchange Commission on October 2, 2007

Registration No. 333-144613

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Amendment No. 2 to  
FORM S-4**

**Registration Statement under the Securities Act of 1933  
STERICYCLE, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

4953

**36-3640402**

(State or other jurisdiction  
of incorporation or organization)

(Primary Standard Industrial  
Classification Code Number)

(I.R.S. Employer  
Identification Number)

**28161 North Keith Drive, Lake Forest, Illinois 60045  
(847) 367-5910**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Mark C. Miller**

**President and Chief Executive Officer**

**Stericycle, Inc.**

**28161 North Keith Drive, Lake Forest, Illinois 60045  
(847) 367-5910**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael Bonn  
Craig P. Colmar  
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300 South Wacker Drive, Suite 1000  
Chicago, Illinois 60606  
(312) 922-1980

Steven R. Block  
Christopher M. McNeill  
Block & Garden, LLP  
12750 Merit Drive  
Park Central VII, Suite 770  
Dallas Texas 75251  
(214) 866-0990

**Approximate date of commencement of proposed sale of the securities to the public:** as soon as practicable after this registration statement becomes effective and after the effective time of the merger of TMW Acquisition Corporation, a wholly-owned subsidiary of the registrant, with and into MedSolutions, Inc., pursuant to the Agreement and Plan of Merger dated July 6, 2007 entered into by the registrant, TMW Acquisition Corporation and MedSolutions, Inc.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of**

**1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.**

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The information in this proxy statement/prospectus is not complete and may be changed. Stericycle, Inc. may not issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and Stericycle, Inc. is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

(Subject to completion, dated October 2, 2007)

**Preliminary Prospectus**

**Stericycle, Inc.**  
**\$40,742,903**  
**4.5% Promissory Notes Due 2014 and**  
**3.5% Promissory Notes (Letter of Credit Supported) Due 2014**  
**[MedSolutions letterhead]**

**October 8, 2007**

Dear MedSolutions, Inc. Shareholder:

The Board of Directors of MedSolutions, Inc. ( MedSolutions ) has unanimously approved a merger agreement with Stericycle, Inc. ( Stericycle ). If MedSolutions shareholders approve and adopt the merger agreement and the merger is subsequently completed, MedSolutions will merge with a subsidiary of Stericycle and shareholders of MedSolutions will receive (i) \$0.50 in cash and (ii) a promissory note in the principal amount of \$1.50 for each share of MedSolutions common stock owned.

You will be asked to vote on the merger proposal at a special meeting of MedSolutions shareholders to be held on October 31, 2007, at 10:00 a.m., Dallas, Texas time, at MedSolutions corporate headquarters located at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251. Only holders of record of MedSolutions common stock at the close of business on October 8, 2007, the record date for the special meeting, are entitled to vote at the special meeting.

**After careful consideration, MedSolutions Board of Directors has unanimously determined that the merger is advisable and in the best interests of MedSolutions and its shareholders and unanimously recommends that MedSolutions shareholders vote FOR approval and adoption of the merger agreement.**

**Your vote is very important.** Because approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of MedSolutions common stock entitled to vote at the special meeting, a failure to vote will have the same effect as a vote against approval and adoption of the merger agreement.

**Whether or not you plan to attend the special meeting, please complete, sign, date and return the enclosed proxy card in the enclosed envelope as soon as possible so that your shares are represented at the meeting.** This action will not limit your right to vote in person if you wish to attend the special meeting and vote in person.

This document is a prospectus related to the issuance of the Stericycle promissory notes in connection with the merger and a proxy statement for MedSolutions to use in soliciting proxies for its special meeting of shareholders. Attached to this letter is an important document containing answers to frequently asked questions and a summary description of the merger, followed by more detailed information about MedSolutions, Stericycle, the proposed merger and the merger agreement. We urge you to read this document carefully and in its entirety. **In particular, you should consider the matters discussed under Risk Factors beginning on page 16 of this proxy statement/prospectus.**

**MedSolutions Board of Directors very much appreciates and looks forward to your support.**

Sincerely,

Matthew H. Fleeger

*President and Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated October 8, 2007 and is first being mailed to shareholders of MedSolutions on or about October 8, 2007.



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**REFERENCES TO ADDITIONAL INFORMATION**

As used in this proxy statement/prospectus, Stericycle refers to Stericycle, Inc. and its consolidated subsidiaries and MedSolutions refers to MedSolutions, Inc. and its consolidated subsidiaries, in each case, except where the context otherwise requires or as otherwise indicated. This proxy statement/prospectus incorporates important business and financial information about Stericycle from documents that Stericycle has filed with the Securities and Exchange Commission. Two of these documents have been delivered with this proxy statement/prospectus, but the others have not. For a listing of all documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 215 of this proxy statement/prospectus.

**Stericycle will provide you with copies of the documents incorporated by reference, without charge, if you request copies in writing or by telephone from:**

Stericycle, Inc.  
28161 North Keith Drive  
Lake Forest, Illinois 60045  
Attention: Investor Relations  
(847) 367-5910

You may also request copies by email to [investor@stericycle.com](mailto:investor@stericycle.com).

**In order for you to receive timely delivery of the documents in advance of the MedSolutions special meeting, Stericycle should receive your request no later than October 24, 2007.**

Delivered with this proxy statement/prospectus are (i) Stericycle's annual report on Form 10-K for the year ended December 31, 2006 and (ii) its quarterly report on Form 10-Q for the quarter ended June 30, 2007, each as filed with the Securities and Exchange Commission. For convenience, Stericycle's Form 10-K is referred to in this proxy statement/prospectus as Stericycle's 2006 Form 10-K and its Form 10-Q is referred to as its 2007 Second Quarter Form 10-Q.

Stericycle has supplied all information contained in this proxy statement/prospectus relating to Stericycle, and MedSolutions has supplied all information contained in this proxy statement/prospectus relating to MedSolutions. Stericycle and MedSolutions have both contributed to information relating to the merger.

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**MedSolutions, Inc.**  
**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD OCTOBER 31, 2007**

TO THE SHAREHOLDERS OF MEDSOLUTIONS, INC.:

You are cordially invited to attend the special meeting of shareholders of MedSolutions, Inc., a Texas corporation ( MedSolutions ), to be held on October 31, 2007, at 10:00 a.m., Dallas, Texas time, at MedSolutions corporate headquarters located at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251. As described in this proxy statement/prospectus, the special meeting will be held for the following purposes:

1. to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger dated as of July 6, 2007, by and among Stericycle, Inc., TMW Acquisition Corporation and MedSolutions, Inc.;
2. to consider and vote upon a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the approval and adoption of the merger agreement; and
3. to consider and transact any other business as may properly be brought before the special meeting or any adjournments or postponements thereof.

**THE BOARD OF DIRECTORS OF MEDSOLUTIONS HAS CAREFULLY CONSIDERED THE TERMS OF THE MERGER AGREEMENT AND THE MERGER AND BELIEVES THAT THE MERGER IS ADVISABLE AND FAIR TO, AND IN THE BEST INTERESTS OF MEDSOLUTIONS AND ITS SHAREHOLDERS. THE BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE MERGER AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE MERGER AGREEMENT.**

The Board of Directors of MedSolutions has fixed the close of business on October 8, 2007 as the record date for the determination of shareholders entitled to notice of, and to vote at, the MedSolutions special meeting or any reconvened meeting following an adjournment or postponement thereof. Only shareholders of record at the close of business on such record date are entitled to notice of and to vote at such meeting. A complete list of such shareholders will be available for examination at the MedSolutions special meeting and at MedSolutions offices at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251, during ordinary business hours, after October 8, 2007, for the examination by any such shareholder for any purpose germane to the special meeting.

**It is important that your stock be represented at the special meeting regardless of the number of shares you hold. Please promptly mark, date, sign and return the enclosed proxy in the accompanying envelope, whether or not you intend to be present at the special meeting. See Information About the Special Meeting and Voting beginning on page 32. Your proxy is revocable at any time prior to its use at the special meeting.**

**Please do not send your MedSolutions common stock certificates with the enclosed proxy. If the merger is completed, the payment agent will send you instructions regarding the surrender of your stock certificates.**

By order of the Board of Directors,  
Beverly Fleeger  
*Corporate Secretary*  
October 8, 2007

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**ANNEXES**

Annex A	Agreement and Plan of Merger dated as of July 6, 2007, by and among Stericycle, Inc., TMW Acquisition Corporation, and MedSolutions, Inc.
Annex B	First Amendment to Agreement and Plan of Merger dated as of September 28, 2007, by and among Stericycle, Inc., TMW Acquisition Corporation and MedSolutions, Inc.
Annex C	Opinion of Van Amburgh Valuation Associates, Inc., dated June 30, 2007
Annex D	Appraisal and Dissenters Rights under the Texas Business Corporation Act
Annex E	Indenture dated as of July 12, 2007 between Stericycle, Inc. and LaSalle Bank National Association as trustee in respect of Stericycle s 4.5% Promissory Notes due 2014
Annex F	Indenture dated as of July 12, 2007 between Stericycle, Inc. and LaSalle Bank National Association as trustee in respect of Stericycle s 3.5% Promissory Notes (Letter of Credit Supported) due 2014

**No person is authorized to give any information or to make any representation with respect to the matters described in this proxy statement/prospectus other than those contained herein or in the documents incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been authorized by Stericycle or MedSolutions. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy the securities offered by this proxy statement/prospectus or a solicitation of a proxy in any jurisdiction where, or to any person whom, it is unlawful to make such an offer or solicitation. Neither the delivery hereof nor any distribution of securities made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of Stericycle or MedSolutions since the date hereof or that the information contained or incorporated by reference into this proxy statement/prospectus is correct as of any time subsequent to the date hereof.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

*The following questions and answers briefly address some commonly asked questions about the special meeting and the merger. They may not include all the information that is important to you. We urge you to read carefully this entire proxy statement/prospectus, including the annexes and the other documents we refer to in this proxy statement/prospectus.*

**Frequently Used Terms**

We have generally avoided the use of technical defined terms in this proxy statement/prospectus, but a few frequently used terms may be helpful for you to have in mind at the outset. We refer to:

Stericycle, Inc., a Delaware corporation, as Stericycle ;

MedSolutions, Inc., a Texas corporation, as MedSolutions ;

TMW Acquisition Corporation, a newly-formed Texas corporation and a wholly-owned subsidiary of Stericycle, as Merger Sub ;

the merger of MedSolutions with Merger Sub and the conversion of shares of MedSolutions common stock into the right to receive cash and promissory notes as the merger ;

the promissory notes to be issued by Stericycle to holders of MedSolutions common stock in connection with the merger as the promissory notes ;

the Agreement and Plan of Merger dated as of July 6, 2007 by and among Stericycle, Merger Sub and MedSolutions, as amended by a First Amendment to Agreement and Plan of Merger dated as of September 28, 2007, as the merger agreement ; and

the Texas Business Corporation Act as the TBCA.

In addition, we have already noted that Stericycle's Form 10-K for the year ended December 31, 2006 is referred to in this proxy statement/prospectus as Stericycle's 2006 Form 10-K and its Form 10-Q for the quarter ended March 31, 2007 is referred to as its 2007 Second Quarter Form 10-Q.

**About the Merger**

**Q1: What am I voting on?**

A1: Stericycle is proposing to acquire MedSolutions. You are being asked to vote to approve and adopt the merger agreement. In the merger, MedSolutions will merge with Merger Sub. MedSolutions would be the surviving corporation in the merger and would become a wholly-owned subsidiary of Stericycle.

MedSolutions is also seeking your approval of a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement and any other matters that may come before the special meeting.

**Q2: What will I receive in exchange for my MedSolutions shares?**

A2: Upon completion of the merger, you will receive a combination of \$0.50 in cash, without interest, and a promissory note in the principal amount of \$1.50 for each share of MedSolutions common stock that you own. We refer to the aggregate amount of the cash consideration and note consideration to be received by MedSolutions shareholders pursuant to the merger as the merger

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consideration. The aggregate merger consideration is subject to adjustment after the closing of the merger in certain events. See The Merger Agreement Adjustments to Merger Consideration beginning on page 59 of this proxy statement/prospectus. At the closing of the merger, \$125,000 of the aggregate cash consideration will be placed into an escrow account for use by MedSolutions shareholder representative for the costs and expenses of fulfilling its duties under the merger agreement. See The Merger Agreement Shareholder Representative beginning on page 62 of this proxy statement/prospectus.

The promissory notes will be payable in seven installments of interest only due on each of the first seven anniversaries of the date on which the merger closes and one installment of principal due on the seventh anniversary of such closing date, and will bear interest, at the election of each holder of shares of MedSolutions common stock, at the annual rate of either 3.5% (if such shareholder elects to have such promissory note supported by a master letter of credit) or 4.5% (if such shareholder does not elect such support). See Description of Promissory Notes beginning on page 71 of this proxy statement/prospectus for a full description of the promissory notes. The promissory notes will be subject to offset or reduction in principal amount pursuant to the merger consideration principal adjustment, litigation payment principal reduction and indemnification provisions of the merger agreement or in the event that the expenses of the payment agent and the indenture trustee exceed \$80,000. See The Merger Agreement Payment Procedures, The Merger Agreement Representations and Warranties and Indemnification, and The Merger Agreement Adjustments to Merger Consideration beginning on pages 56, 57 and 59 of this proxy statement/prospectus, respectively.

**Q3: Do I have the option to receive all cash consideration or all note consideration for my MedSolutions shares?**

A3: No. All MedSolutions shareholders will receive the fixed combination of the cash consideration and the note consideration for each share of MedSolutions common stock that they own.

**Q4: What are the tax consequences of the merger to me?**

A4: For a discussion of certain material United States federal income tax consequences of the merger, see Material United States Federal Income Tax Consequences beginning on page 51 of this proxy statement/prospectus.

*Tax matters are very complicated and the consequences of the merger to any particular MedSolutions shareholder will depend on that shareholder's particular facts and circumstances. You are urged to consult your own tax advisor to determine your own tax consequences from the merger.*

**Q5: What is the required vote to approve and adopt the merger agreement?**

A5: Holders representing a majority of the outstanding shares of MedSolutions common stock entitled to vote at the special meeting must vote to approve and adopt the merger agreement to complete the merger. No vote of Stericycle stockholders is required in connection with the merger.

**Q6: What happens if I do not vote?**

A6: Because the required vote of MedSolutions shareholders is based upon the number of outstanding shares of MedSolutions common stock entitled to vote rather than upon the number of shares actually voted, abstentions from voting and broker non-votes will have the same effect as a vote

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AGAINST approval and adoption of the merger agreement. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR approval and adoption of the merger agreement and FOR approval of any proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement.

**Q7: How does the MedSolutions Board of Directors recommend I vote?**

A7: The Board of Directors of MedSolutions unanimously recommends that MedSolutions shareholders vote FOR approval and adoption of the merger agreement. The MedSolutions Board of Directors believes the merger is advisable and in the best interests of MedSolutions and its shareholders.

**Q8: Do I have dissenters or appraisal rights with respect to the merger?**

A8: Yes. Under Texas law, you have the right to dissent from the merger and, in lieu of receiving the merger consideration, obtain payment in cash of the fair value of your shares of MedSolutions common stock as determined by a Texas state court. To exercise appraisal rights, you must strictly follow the procedures prescribed by Article 5.12 of the TBCA. See The Merger Appraisal and Dissenters Rights beginning on page 45 of this proxy statement/prospectus. In addition, the full text of the applicable provisions of Texas law dealing with dissenters rights is included as Annex D to this proxy statement/prospectus.

**Q9: Are there risks associated with the merger that I should consider in deciding how to vote?**

A9: Yes. There are risks associated with all business combinations, including the merger of our two companies. There are a number of risks that are discussed in this document and in other documents incorporated by reference into this document. Please read with particular care the more detailed description of the risks associated with the merger discussed under Risk Factors beginning on page 16 of this proxy statement/prospectus.

**Q10: When do you expect the merger to be completed?**

A10: We are working on completing the merger as quickly as possible. To complete the merger, we must obtain the approval of the MedSolutions shareholders and satisfy or waive all other closing conditions under the merger agreement, which we currently expect should occur in the fourth quarter of 2007. However, we cannot assure you when or if the merger will occur. See The Merger Agreement Conditions Precedent beginning on page 66 of this proxy statement/prospectus. If the merger occurs, we will promptly make a public announcement of this fact.

**Q11: What will happen to my MedSolutions shares after completion of the merger?**

A11: Upon completion of the merger, your shares of MedSolutions common stock will be canceled and will represent only the right to receive your portion of the merger consideration (or the fair value of your MedSolutions common stock if you seek appraisal rights).

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**Q12: Who will represent the interests of MedSolutions shareholders under the merger agreement after the effective time of the merger?**

A12: Pursuant to the merger agreement, at the effective time of the merger Matthew H. Fleeger, MedSolutions President and Chief Executive Officer, and Winship B. Moody, Sr., MedSolutions Chairman of the Board, will be appointed as the joint agents and attorneys-in-fact, for the holders of shares of MedSolutions common stock who have duly surrendered or may duly surrender their stock certificates to the payment agent, to give and receive notices and communications and to take any and all action on behalf of such holders pursuant to the merger agreement and in connection with the promissory notes, including without limitation asserting, prosecuting, or settling any claim against the surviving corporation or Stericycle or defending or settling any claim asserted by the surviving corporation or Stericycle. In this capacity, Mr. Fleeger and Mr. Moody are collectively referred to as the shareholder representative in this proxy statement/prospectus. By voting to approve and adopt the merger agreement each holder of MedSolutions common stock agrees that the shareholder representative will not be liable to such holder or any other person for any action taken, or declined to be taken, in good faith and in the exercise of reasonable judgment.

At the closing of the merger, Stericycle will place \$125,000 of the aggregate cash merger consideration into an escrow account with Park Cities Bank, Dallas, Texas, which amount will be made available for use by the shareholder representative for the costs and expenses incurred by the shareholder representative in fulfilling its duties under the merger agreement. Such costs and expenses will include \$5,000 per year compensation paid to each of Messrs. Fleeger and Moody for their service as shareholder representative. The \$125,000 will be deducted on a pro rata basis from the cash consideration distributable to the holders of shares of MedSolutions common stock and holders of options to purchase shares of MedSolutions common stock in connection with the merger. Any funds remaining in such escrow account on the date of the last payment payable under the promissory notes will be remitted to the surviving corporation to the merger to be applied towards the \$250,000 payment due with respect to the litigation settlement described in The Merger Agreement Litigation Adjustment on page 61 of this proxy statement/prospectus.

See The Merger Agreement Shareholder Representative beginning on page 62 of this proxy statement/prospectus.

**About the Special Meeting**

Q13: When and where is the MedSolutions special shareholder meeting?

A13: The MedSolutions special shareholder meeting will take place on October 31, 2007, at 10:00 a.m., Dallas, Texas time, at MedSolutions corporate headquarters located at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251.

**Q14: What will happen at the special meeting?**

A14: At the MedSolutions special meeting, MedSolutions shareholders will vote on a proposal to adopt the merger agreement and on a proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger proposal. We cannot complete the merger unless, among other things, MedSolutions shareholders vote to adopt the merger agreement.



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**Q15: Who is entitled to vote at the special meeting?**

A15: Only holders of record of MedSolutions common stock at the close of business on October 8, 2007, which is the date MedSolutions Board of Directors has fixed as the record date for the special meeting, are entitled to receive notice of and vote at the special meeting.

**Q16: What is a quorum?**

A16: A quorum is the number of shares that must be present to hold the meeting. The quorum requirement for the MedSolutions special meeting is one-third of the issued and outstanding shares of MedSolutions common stock as of the record date, present in person or represented by proxy and entitled to vote at the special meeting. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by the proxy are not being voted with respect to a particular matter. Proxies that are marked abstain or for which votes have otherwise been withheld and proxies relating to street name shares that are returned to MedSolutions but not voted will be treated as shares present for purposes of determining the presence of a quorum on all matters.

**Q17: How many shares can vote?**

A17: On the record date, MedSolutions had outstanding 26,458,446 shares of common stock, which constitute MedSolutions only outstanding voting securities. Each MedSolutions shareholder is entitled to one vote on each proposal for each share of MedSolutions common stock held as of the record date.

**Q18: What vote is required?**

A18: The affirmative vote of the holders of a majority of the outstanding shares of MedSolutions common stock entitled to vote at the MedSolutions special meeting is required to adopt the merger agreement. The approval of a proposal to adjourn or postpone the special meeting, if necessary, to permit further solicitation of proxies, if there are not sufficient votes at the time of the special meeting to approve the merger agreement, requires the vote of a majority of shares present in person or by proxy at the special meeting and actually voted at that special meeting.

If a quorum is not present at the MedSolutions special meeting, the holders of a majority of the shares entitled to vote who are present in person or by proxy at the meeting may adjourn the meeting.

In conjunction with the execution of the merger agreement, 50 MedSolutions shareholders entered into a voting agreement with Stericycle and Merger Sub which obligates them to vote their shares of common stock **FOR** the merger agreement. As of the record date, the shareholders subject to the voting agreement with Stericycle and Merger Sub were entitled to vote an aggregate of 15,102,594 shares of MedSolutions, which represented approximately 57.1% of the MedSolutions common stock outstanding and entitled to vote as of the record date. Accordingly, the shareholders party to the abovementioned voting agreement may approve the merger on their own vote irrespective of how any other shareholders may vote.

Even if there are sufficient votes to approve the merger at the special meeting, we cannot assure you that the merger will be completed, because the completion of the merger is subject to the satisfaction or waiver of other conditions discussed in this proxy statement/prospectus.



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**Q19: What do I need to do now?**

A19: After carefully reading and considering the information contained and referred to in this proxy statement/prospectus, including its annexes, please authorize your shares of MedSolutions common stock to be voted by returning your completed, dated and signed proxy card in the enclosed return envelope as soon as possible. To be sure that your vote is counted, please submit your proxy as instructed on your proxy card even if you plan to attend the special meeting in person. DO NOT enclose or return your stock certificate(s) with your proxy card. If you hold shares registered in the name of a broker, bank or other nominee, that broker, bank or other nominee will provide a voting instruction card for use in directing your broker, bank or other nominee how to vote those shares.

**Q20: May I vote in person?**

A20: Yes. You may attend the special meeting of MedSolutions shareholders and vote your shares in person rather than by signing and returning your proxy card. If you wish to vote in person and your shares are held by a broker, bank or other nominee, you need to obtain a proxy from the broker, bank or nominee authorizing you to vote your shares held in the broker's, bank's or nominee's name.

**Q21: If my shares are held in street name, will my broker, bank or other nominee vote my shares for me?**

A21: Yes, but your broker, bank or other nominee may vote your shares of MedSolutions common stock only if you instruct your broker, bank or other nominee how to vote. If you do not provide your broker, bank or other nominee with instructions on how to vote your street name shares, your broker, bank or other nominee will not be permitted to vote them on the merger agreement. You should follow the directions your broker, bank or other nominee provides to ensure your shares are voted at the special meeting.

**Q22: May I change my vote?**

A22: Yes. You may change your vote at any time before your proxy is voted at the special meeting. If your shares of MedSolutions common stock are registered in your own name, you can do this in one of three ways: First, you can deliver to MedSolutions, prior to the special meeting, a written notice stating that you want to revoke your proxy. The notice should be sent to the attention of Ms. Beverly Fleeger, Corporate Secretary, MedSolutions, Inc., 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251, to arrive by the close of business on October 30, 2007.

Second, prior to the special meeting, you can complete and deliver a new proxy card. The proxy card should be sent to Ms. Beverly Fleeger, Corporate Secretary, MedSolutions, Inc., 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251 to arrive by the close of business on October 30, 2007. The latest dated and signed proxy actually received by this addressee before the special meeting will be counted, and any earlier proxies will be considered revoked.

Third, you can attend the MedSolutions special meeting and vote in person. Any earlier proxy will thereby be revoked automatically. Simply attending the special meeting, however, will not revoke your proxy, as you must vote at the special meeting to revoke a prior proxy.

If you have instructed a broker to vote your shares, you must follow directions you receive from your broker to change or revoke your vote.



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If you are a street-name shareholder and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

**Q23: How will the proxies vote on any other business brought up at the special meetings?**

A23: By submitting your proxy, you authorize the persons named on the proxy card to use their judgment to determine how to vote on any other matter properly brought before the special meeting. The proxies will vote your shares in accordance with your instructions. If you sign, date and return your proxy without giving specific voting instructions, the proxies will vote your shares FOR approval and adoption of the merger agreement and FOR approval of any proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of approval and adoption of the merger agreement. If you do not return your proxy, or if your shares are held in street name and you do not instruct your bank, broker or nominee on how to vote, your shares will not be voted at the special meeting.

The Board of Directors of MedSolutions does not intend to bring any other business before the meeting, and it is not aware that anyone else intends to do so. If any other business properly comes before the meeting, it is the intention of the persons named on the proxy cards to vote as proxies in accordance with their best judgment.

**Q24: What is a broker non-vote?**

A24: A broker non-vote occurs when a bank, broker or other nominee submits a proxy that indicates that the broker does not vote for some or all of the proposals, because the broker has not received instructions from the beneficial owners on how to vote on these proposals and does not have discretionary authority to vote in the absence of instructions.

**Q25: Will broker non-votes or abstentions affect the results?**

A25: If you are a MedSolutions shareholder, broker non-votes and abstentions will have the same effect as a vote against the proposal to adopt the merger agreement, but will have no effect on the outcome of the proposal relating to adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies. If your shares are held in street name, we urge you to instruct your bank, broker or nominee on how to vote your shares.

**Q26: What happens if I choose not to submit a proxy or to vote?**

A26: If a MedSolutions shareholder does not submit a proxy or vote at the MedSolutions special meeting, it will have the same effect as a vote against the proposal to adopt the merger agreement, but will have no effect on the outcome of a proposal to adjourn or postpone the special meeting, if necessary, to permit further solicitation of proxies.

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**Q27: Why is it important for me to vote?**

A27: We cannot complete the merger without holders of a majority of the outstanding shares of MedSolutions common stock entitled to vote voting in favor of the approval and adoption of the merger agreement.

**Q28: What happens if I sell my shares of MedSolutions common stock before the special meeting?**

A28: The record date for the special meeting is October 8, 2007, which is earlier than the date of the special meeting. If you hold your shares of MedSolutions common stock on the record date you will retain your right to vote at the special meeting. If you transfer your shares of MedSolutions common stock after the record date but prior to the date on which the merger is completed, you will lose the right to receive the merger consideration for shares of MedSolutions common stock. The right to receive the merger consideration will pass to the person who owns your shares of MedSolutions common stock when the merger is completed.

**General**

**Q29: Should I send in my MedSolutions stock certificates now?**

A29: No. PLEASE DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY CARD. After the merger is completed, you will receive written instructions informing you how to send in your stock certificates to receive the merger consideration.

**Q30: What does it mean if I get more than one proxy card?**

A30: Your shares are probably registered in more than one account. You should vote each proxy card you receive.

**Q31: Where can I find more information about the special meeting, the merger, MedSolutions or Stericycle?**

A31: You can find more information about MedSolutions or Stericycle in each of the companies' respective filings with the Securities and Exchange Commission and, with respect to Stericycle, with the Nasdaq National Market. Information about Stericycle is also available on its website, [www.stericycle.com](http://www.stericycle.com), where many of its filings with the Securities and Exchange Commission can be viewed and downloaded. If you have any questions about the special meeting, the merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact MedSolutions at the address or phone number below. If your broker holds your shares, you can also call your broker for additional information.

MedSolutions, Inc.  
12750 Merit Drive  
Park Central VII, Suite 770  
Dallas, Texas 75251  
Attn: Ms. Beverly Fleeger  
(972) 931-2374

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**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus, including material terms of the merger, and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this entire document, including its Annexes, and the documents to which we refer you. See *Where You Can Find More Information* beginning on page 215 of this proxy statement/prospectus.*

**The Companies (page 76 for Stericycle and page 78 for MedSolutions)**

**Stericycle, Inc.**

28161 North Keith Drive  
Lake Forest, Illinois 60045  
(847) 367-5910

Stericycle, Inc., headquartered in Lake Forest, Illinois, is in the business of managing regulated medical waste and providing an array of related services. Stericycle operates in the United States, Canada, Mexico, the United Kingdom, Ireland and Argentina.

**MedSolutions, Inc.**

12750 Merit Drive  
Park Central VII, Suite 770  
Dallas, Texas 75251  
(972) 931-2374

MedSolutions, Inc., headquartered in Dallas, Texas, is a diversified holding company that provides complete and effective regulated medical waste management outsource solutions, concentrating in the southern and northeastern portions of the United States.

**The Merger (page 36)**

***General***

On July 6, 2007, the companies agreed to the merger between MedSolutions and Merger Sub under the terms of the merger agreement described in this proxy statement/prospectus and attached as Annex A as amended by an amendment on September 28, 2007 attached to this proxy statement/prospectus as Annex B. As amended, the merger agreement is the legal document that governs the merger, and we urge you to read that agreement.

At the effective time of the merger, Merger Sub will merge with and into MedSolutions. MedSolutions will be the surviving corporation in the merger and will become a wholly-owned subsidiary of Stericycle. The separate corporate existence of Merger Sub will cease at the effective time of the merger.

***Exchange of MedSolutions Shares (page 55)***

At the effective time of the merger, each outstanding share of MedSolutions common stock (other than any shares owned directly or indirectly by MedSolutions, Stericycle, or Merger Sub and those shares held by dissenting shareholders) will be converted into the right to receive a combination of \$0.50 in cash and a promissory note in the principal amount of \$1.50. The promissory notes will be payable with interest only for six years, with a final payment of all principal and accrued and unpaid interest thereon due on the seventh anniversary of the issuance of the promissory notes. The promissory notes will bear interest at the election of each MedSolutions shareholder at the rate per annum of 3.5% or 4.5%. The promissory notes bearing interest at 3.5% will be letter of credit supported and the promissory notes bearing interest at 4.5% will be unsecured. Otherwise, the promissory notes are identical. Pursuant to the merger agreement, Stericycle will pay \$13,580,968 in cash and \$40,742,903 in principal amount of either 3.5% or 4.5% promissory notes, or an aggregate of \$54,323,871 to be paid to the MedSolutions shareholders and optionholders in consideration of the merger. As already noted, we refer to the aggregate

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amount of the cash consideration and the note consideration to be received by MedSolutions shareholders pursuant to the merger as the merger consideration. The merger consideration is subject to a downward adjustment by adjusting the aggregate amount that may ultimately be paid under the promissory notes. The aggregate principal amount of the promissory notes ultimately to be paid by Stericycle is subject to offset or reduction pursuant to the merger consideration principal adjustment (see discussion beginning on page 59 of this proxy statement/prospectus), litigation payment principal reduction (see discussion beginning on page 61 of this proxy statement/prospectus) and indemnification provisions (see discussion beginning on page 57 of this proxy statement/prospectus) of the merger agreement or in the event that the expenses of the payment agent and the indenture trustee exceed \$80,000. Management of MedSolutions does not believe that there will be any meaningful adjustment to the merger consideration.

***Treatment of MedSolutions Stock Options (page 55)***

All MedSolutions stock options have vested. At the effective time of the merger, the MedSolutions stock options will be canceled and converted to a right to receive the merger consideration for each deemed outstanding MedSolutions option share. The number of deemed outstanding MedSolutions option shares attributable to each MedSolutions stock option will be equal to the net number of shares of MedSolutions common stock (rounded down to the next whole share) that would have been issued upon a cashless exercise of that MedSolutions stock option immediately before the effective time of the merger. That net number of shares will be computed by deducting from the shares of MedSolutions common stock that would be issued to the option holder a number of deemed surrendered shares of MedSolutions common stock which is equal to the fair value of (i) the exercise price of a MedSolutions stock option to be paid by the option holder and (ii) all amounts required to be withheld and paid by MedSolutions for federal taxes and other payroll withholding obligations as a result of such exercise (using an assumed tax rate of 35%). The fair value of each deemed surrendered share of MedSolutions common stock, for purposes of determining the net number of shares, will be equal to \$2.00.

**Material United States Federal Income Tax Consequences of the Merger to MedSolutions Shareholders (page 51)**

For a discussion of the United States federal income tax consequences of the merger, see *Material United States Federal Income Tax Consequences* beginning on page 51 of this proxy statement/prospectus). Note in particular that the merger is structured as a taxable transaction for United States federal income tax purposes and may result in a taxable transaction under applicable state, local and other income tax laws. Assuming the MedSolutions shares have been held as a capital asset, the gain or loss recognized by a MedSolutions shareholder exchanging MedSolutions shares for merger consideration would generally be treated as capital gain or loss, subject to the limitations and further discussion set forth in *Material United States Federal Income Tax Consequences*. As further discussed therein, installment sale treatment may be available. Backup withholding may apply in the event requisite documentation of identity (on a substitute Form W9) is not provided.

**Tax matters can be complicated and the tax consequences of the merger to MedSolutions shareholders will depend on each shareholder's particular tax situation. You should consult your tax advisors to understand fully the tax consequences of the merger to you. Statements in this proxy statement/prospectus of the tax consequences or tax risks of the merger to U.S. holders of MedSolutions common stock are not intended nor written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed on such person. Such statements were prepared to support the marketing of the transaction(s) or matter(s) addressed by such written discussion, and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.**

**MedSolutions Board of Directors Recommendation to Shareholders (page 35)**

The MedSolutions Board of Directors has unanimously determined that the merger is advisable and in your best interests and unanimously recommends that you vote FOR the approval and adoption of the merger agreement and any adjournment or postponement of the special meeting. The merger has many advantages for MedSolutions shareholders and no significant disadvantages. By allowing MedSolutions shareholders to liquidate their investment in MedSolutions, management of MedSolutions believes they will have better investment opportunities than retaining their interests in MedSolutions. To be sure, MedSolutions shareholders can find much less risky investments with



equal or better profit potential than if MedSolutions remained an independent company and its shareholders maintained their ownership in MedSolutions. The only disadvantage of the merger is that MedSolutions shareholders may find it difficult to invest in another company in MedSolutions' industry other than Stericycle.

**Opinion of MedSolutions' Valuation Advisor (page 41)**

In connection with the proposed merger, MedSolutions' valuation advisor, Van Amburgh Valuation Associates, Inc. ( Van Amburgh ), delivered to MedSolutions' Board of Directors a written opinion, dated June 30, 2007, as to the fairness, from a financial point of view, to the holders of MedSolutions common stock of the merger consideration. Van Amburgh's opinion concluded that the merger is fair, from a financial point of view, to MedSolutions shareholders. The full text of Van Amburgh's written opinion is attached to this proxy statement/prospectus as Annex C. We encourage you to read that opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken by Van Amburgh in rendering its opinion. **Van Amburgh's opinion was provided to MedSolutions' Board of Directors in connection with its evaluation of the merger and does not constitute a recommendation to any shareholder as to how he, she or it should vote on the merger or any matter relevant to the merger agreement.**

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**Stericycle's Reasons for the Merger (page 11)**

Stericycle anticipates that the acquisition of MedSolutions will increase Stericycle's revenues and improve its operating profits through the integration of MedSolutions' operations with those of Stericycle. The addition of MedSolutions' customers will improve route densities, and the addition of MedSolutions' facilities will shorten travel distances, thereby reducing overall transportation costs. Stericycle also anticipates a reduction in overhead costs as a result of the integration.

These anticipated benefits depend on several factors and on other uncertainties. See **Risk Factors** beginning on page 16.

**Board of Directors and Executive Officers of Stericycle and the Surviving Corporation Following the Merger (page 57)**

Stericycle's directors and executive officers will not change by reason of the merger. The officers and directors of Merger Sub immediately prior to the effective time will become the directors and officers of the surviving corporation following the merger.

**Interests of Certain MedSolutions Officers and Directors in the Merger (page 49)**

When you consider the MedSolutions Board of Director's recommendation that MedSolutions shareholders vote in favor of the merger agreement and any adjournment or postponement of the special meeting, you should be aware that some MedSolutions officers and directors may have interests in the merger that may be different from, or in addition to, the interests of other MedSolutions shareholders generally. For instance, several of MedSolutions' directors have made loans to MedSolutions which will be repaid in full as a result of the merger. Mr. Fleeger, MedSolutions President and Chief Executive Officer and a director, will be retained for six months as a consultant to Stericycle at the same rate of pay as his current employment agreement with MedSolutions. Finally, the directors and executive officers of MedSolutions are required to execute a noncompetition agreement with Stericycle. The MedSolutions Board of Directors was aware of these interests and considered them, among other matters, in unanimously approving and adopting the merger agreement and unanimously recommending that MedSolutions shareholders vote to approve and adopt the merger agreement. In addition, two non-officer directors who were disinterested directors, namely Mr. David Mack and Mr. Steven Block, voted to approve the merger. At the close of business on the record date for the MedSolutions special meeting, directors and executive officers of MedSolutions and their affiliates beneficially owned approximately 13.6% of the shares of MedSolutions common stock outstanding on that date.

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**Conditions to Completion of the Merger (page 66)**

Completion of the merger depends on a number of conditions being satisfied or waived. These conditions include the following:

adoption of the merger agreement by the holders of at least a majority of the outstanding MedSolutions shares entitled to vote at the MedSolutions special meeting;

continued effectiveness of the registration statement of which this proxy statement/prospectus is a part, the absence of a stop order by the Securities and Exchange Commission suspending the effectiveness of the registration statement and the absence of any continuing action, suit, proceeding or investigation by the SEC to suspend such effectiveness;

absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court or other governmental authority making the merger illegal or otherwise prohibiting the consummation of the merger;

absence of MedSolutions shareholders exercising their appraisal and dissenters rights with respect to greater than 7.5% of the outstanding shares of MedSolutions common stock immediately prior to the effective time of the merger;

entry by Stericycle into consulting agreements and/or noncompetition agreements with certain of the officers, directors, employees and shareholders of MedSolutions;

accuracy as of the closing of the merger of the representations and warranties made by each of MedSolutions, Stericycle and Merger Sub to the extent specified in the merger agreement; and

MedSolutions, Stericycle and Merger Sub's performance in all material respects of their respective obligations, agreements and conditions under the merger agreement.

**Termination of the Merger Agreement (page 67)**

Before the effective time of the merger, the merger agreement may be terminated:

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by mutual written consent of Stericycle, Merger Sub and MedSolutions;

by either Stericycle or MedSolutions, if:

adoption of the merger agreement and approval of the merger by the MedSolutions shareholders is not obtained;

the parties fail to consummate the merger on or before November 30, 2007, unless the failure is the result of a breach of the merger agreement by the party seeking the termination; or

any governmental authority has issued a final and nonappealable order, decree or ruling or has taken any other final and nonappealable action that restrains, enjoins or otherwise prohibits the merger, unless the party seeking the termination has not used its reasonable best efforts to oppose such order or decision or to have such order or decision vacated or made inapplicable to the merger;

by Stericycle, if:

MedSolutions materially breaches any of its representations, warranties, covenants or agreements set forth in the merger agreement, and MedSolutions has not cured such breach within 15 business days of receiving written notice from Stericycle of such breach;

one or more of Stericycle's conditions precedent to closing the merger are not satisfied or capable of being satisfied on or before November 30, 2007 as a result of MedSolutions' failure to comply with its obligations under the merger agreement;

MedSolutions' Board of Directors withdraws or materially and adversely to Stericycle modifies its approval of the merger agreement and the merger, other than (i) as a result of a material breach by Stericycle or Merger Sub of a representation, warranty or covenant under the merger agreement which remains uncured for a period of two business days after receipt of notice from MedSolutions of such breach, or (ii) as a result of the failure of any of MedSolutions' conditions precedent to closing the merger not being met; or

MedSolutions enters into a definitive agreement (other than the merger agreement) to implement:

an investment in MedSolutions representing (on a post-investment basis) more than 25% of MedSolutions capital stock or a purchase from MedSolutions of more than 25% of the shares of its capital stock or any debt securities convertible into or exchangeable for more than 25% of the shares of its capital stock;

a merger, consolidation, share exchange, recapitalization, business combination or other similar transaction involving all of MedSolutions' equity interests or all shares of the MedSolutions common stock;

the sale, lease, exchange, mortgage, pledge, transfer or other disposition of all or substantially all of MedSolutions' assets in a single transaction or a series of related transactions;

a tender offer or exchange offer for 25% or more of the outstanding shares of MedSolutions' capital stock or the filing of a registration statement under the Securities Act of 1933, as amended, in connection with such a tender offer or exchange offer; or

any public announcement of a proposal, plan or intention to do so, or any agreement to engage in, any of the matters described immediately above;

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adoption of the merger agreement and approval of the merger by the MedSolutions shareholders is not obtained by reason of the violation of the voting agreement by one or more of MedSolutions shareholders who are party to the voting agreement;

by MedSolutions, if:

either Stericycle or Merger Sub materially breaches any of its representations, warranties, covenants or agreements set forth in the merger agreement, and Stericycle or Merger Sub, as the case may be, has not cured such breach within 15 business days of receiving written notice from MedSolutions of such breach;

one or more of MedSolutions conditions precedent to closing the merger are not satisfied or capable of being satisfied on or before November 30, 2007 as a result of either Stericycle's or Merger Sub's failure to comply with its obligations under the merger agreement; or

MedSolutions enters into a definitive agreement providing for the implementation of a superior proposal, which is defined as the acquisition by a third party of more than 50% of the voting power of MedSolutions equity securities or more than 50% of MedSolutions assets, pursuant to a tender or exchange offer, merger, consolidation, liquidation or dissolution, recapitalization, sale of assets or otherwise, if MedSolutions Board of Directors has determined in its good faith judgment, after consultation with MedSolutions valuation advisor and after considering the likelihood and timing of the consummation of such third party transaction and any amendments or modifications to the merger agreement that Stericycle has offered or proposed within five days of learning of such proposed transaction, that such transaction is more favorable from a financial point of view to MedSolutions shareholders than the merger with Stericycle.

If the merger agreement is validly terminated, the merger agreement will become void without any liability on the part of any party unless that party is in breach. However, certain provisions of the merger agreement, including, among others, those provisions relating to expenses and termination fees, will continue in effect notwithstanding termination of the merger agreement.

**Fees and Expenses (page 69)**

MedSolutions must pay to Stericycle a termination fee of \$2,500,000 in the following circumstances:

if MedSolutions terminates the merger agreement because MedSolutions enters into a definitive agreement providing for the implementation of a superior proposal, which is defined as the acquisition by a third party of more than 50% of the voting power of MedSolutions equity securities or more than 50% of MedSolutions assets, pursuant to a tender or exchange offer, merger, consolidation, liquidation or dissolution, recapitalization, sale of assets or otherwise, if MedSolutions Board of Directors has determined in its good faith judgment, after consultation with MedSolutions valuation advisor and after considering the likelihood and timing of the consummation of such third party transaction and any amendments or modifications to the merger agreement that Stericycle has offered or proposed within five days of learning of such proposed transaction, that such transaction is more favorable from a financial point of view to MedSolutions shareholders than the merger with Stericycle; or

if Stericycle terminates the merger agreement because:

MedSolutions Board of Directors withdraws or materially and adversely to Stericycle modifies its approval of the merger agreement and the merger, other than (i) as a result of a material breach by Stericycle or Merger Sub of a representation, warranty or covenant under

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the merger agreement which remains uncured for a period of two business days after receipt of notice from MedSolutions of such breach, or (ii) as a result of the failure of any of MedSolutions' conditions precedent to closing the merger not being met;

MedSolutions enters into a definitive agreement (other than the merger agreement) to implement:  
an investment in MedSolutions representing (on a post-investment basis) more than 25% of MedSolutions' capital stock or a purchase from MedSolutions of more than 25% of the shares of its capital stock or any debt securities convertible into or exchangeable for more than 25% of the shares of its capital stock;

a merger, consolidation, share exchange, recapitalization, business combination or other similar transaction involving all of MedSolutions' equity interests or all shares of the MedSolutions common stock;

the sale, lease, exchange, mortgage, pledge, transfer or other disposition of all or substantially all of MedSolutions' assets in a single transaction or a series of related transactions;

a tender offer or exchange offer for 25% or more of the outstanding shares of MedSolutions' capital stock or the filing of a registration statement under the Securities Act of 1933, as amended, in connection with such a tender offer or exchange offer; or

any public announcement of a proposal, plan or intention to do so, or any agreement to engage in, any of the matters described immediately above; or

adoption of the merger agreement and approval of the merger by the MedSolutions shareholders is not obtained by reason of the violation of the voting agreement by one or more of MedSolutions' shareholders who are party to the voting agreement.

In general, each of Stericycle, Merger Sub and MedSolutions will bear its own expenses in connection with the merger agreement and the related transactions. If the merger is consummated, the surviving corporation to the merger will pay MedSolutions' transaction expenses up to \$100,000. If the merger is not consummated, all expenses incurred in connection with the merger agreement and the related transactions will be paid by the party incurring them. If the merger is consummated, Stericycle will pay the fees and expenses of the payment agent selected to distribute the merger consideration and the fees and expenses of the indenture trustee in respect of the promissory notes, up to \$80,000 in the aggregate. Any reasonable fees and expenses of the payment agent and indenture trustee in excess of \$80,000 in the aggregate will be paid by Stericycle and reimbursed by reducing the principal amount of the promissory notes by the amount of such expenses.

**No Solicitation by MedSolutions (page 64)**

The merger agreement restricts the ability of MedSolutions to solicit or engage in discussions or negotiations with a third party regarding a proposal to merge with or acquire a significant interest in MedSolutions. However, if MedSolutions receives an acquisition proposal from a third party that is more favorable to MedSolutions shareholders than the terms of the merger agreement and MedSolutions complies with specified procedures contained in the merger agreement, MedSolutions may furnish nonpublic information to that third party and engage in negotiations regarding an acquisition proposal with that third party, subject to specified conditions.

**Accounting Treatment (page 45)**

Stericycle will account for the merger using the purchase method of accounting.

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 26, you should carefully read and consider the following risk factors in evaluating the proposals to be voted on at the special meeting of MedSolutions shareholders and in determining whether to vote for approval and adoption of the merger agreement. Please also refer to the additional risk factors identified in the periodic reports and other documents incorporated by reference into this proxy statement/prospectus and see **Where You Can Find More Information** beginning on page 215.*

**Risks Relating to the Merger**

**The merger is subject to certain conditions to closing that, if not satisfied or waived, will result in the merger not being completed.**

The merger is subject to customary conditions to closing, as set forth in the merger agreement. The conditions to the merger include, among others, the receipt of the required approval of MedSolutions shareholders. If any of the conditions to the merger are not satisfied or, if waiver is permissible, not waived, the merger will not be completed. In addition, under circumstances specified in the merger agreement, Stericycle or MedSolutions may terminate the merger agreement. As a result, we cannot assure you that we will complete the merger. See **The Merger Agreement Conditions Precedent** beginning on page 66 for a discussion of the conditions to the completion of the merger.

**Certain directors and executive officers of MedSolutions have interests and arrangements that are different from, or in addition to, those of MedSolutions shareholders and that may influence or have influenced their decision to support or approve the merger.**

When considering the recommendation of MedSolutions Board of Directors with respect to the merger, holders of MedSolutions common stock should be aware that certain of MedSolutions directors and executive officers have interests in the merger that are different from, or in addition to, their interests as MedSolutions shareholders and the interests of MedSolutions shareholders generally. These interests include, among other things, the following:

One or more officers of MedSolutions will enter into consulting agreements with Stericycle upon effectiveness of the merger;

pursuant to the merger agreement, all employment agreements entered into between MedSolutions and its officers will be terminated at or prior to closing, and such officers will be paid all severance benefits payable in connection with such terminations;

the merger agreement provides for the cashless exercise of all MedSolutions stock options held by directors and officers as of the effective time of the merger;

all debt owed by MedSolutions to its officers and directors will be paid in full within 30 days of the effective time of the merger; and

certain officers and directors of MedSolutions will be indemnified by Stericycle as of the effective time of the merger and released from their personal guarantees of MedSolutions debt no later than 30 days after the effective time.

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As a result, these directors and executive officers may be more likely to support and to vote to approve the merger than if they did not have these interests. Holders of MedSolutions common stock should consider whether these interests may have influenced these directors and officers to support or recommend approval of the merger. As of the close of business on the record date for the MedSolutions special meeting, these directors and executive officers and their affiliates beneficially owned approximately 13.6% of the shares of MedSolutions common stock outstanding on that date. These and additional interests of certain directors and executive officers of MedSolutions are more fully described in the sections entitled Interests of MedSolutions Directors and Executive Officers in the Merger beginning on page 49 of this proxy statement/prospectus.

**We may face difficulties in achieving the expected benefits of the merger.**

Stericycle and MedSolutions currently operate as separate companies. Stericycle's management has no experience running the combined business, and Stericycle may not be able to realize the operating efficiencies, synergies, cost savings or other benefits expected from the merger. In addition, the costs Stericycle incurs in implementing synergies, including its ability to amend, renegotiate or terminate prior contractual commitments of MedSolutions, may be greater than expected. Stericycle also may suffer a loss of customers or suppliers, a loss of revenues, or an increase in operating or other costs or other difficulties relating to the merger.

**MedSolutions will be subject to business uncertainties and contractual restrictions while the merger is pending.**

Uncertainty about the effect of the merger on employees, suppliers, partners, regulators and customers may have an adverse effect on MedSolutions and potentially on Stericycle. These uncertainties may impair MedSolutions' ability to attract, retain and motivate key personnel until the merger is consummated, and could cause suppliers, customers and others that deal with MedSolutions to defer purchases or other decisions concerning MedSolutions, or to seek to change existing business relationships with MedSolutions. Employee retention may be particularly challenging during the pendency of the merger, as employees may experience uncertainty about their future roles with Stericycle. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Stericycle, Stericycle's business following the merger could be harmed. In addition, the merger agreement restricts MedSolutions from making certain acquisitions and taking other specified actions until the merger occurs. These restrictions may prevent MedSolutions from pursuing attractive business opportunities that may arise prior to the completion of the merger. See The Merger Agreement - Covenants and Agreements beginning on page 63 for a description of the restrictive covenants applicable to MedSolutions.

**The merger agreement limits MedSolutions' ability to pursue alternatives to the merger.**

The merger agreement contains provisions that could adversely impact competing proposals to acquire MedSolutions. These provisions include the prohibition on MedSolutions generally from soliciting any acquisition proposal or offer for a competing transaction and the requirement that MedSolutions pay to Stericycle \$2.5 million if the merger agreement is terminated in specified circumstances in connection with an alternative transaction. In addition, even if the Board of Directors of MedSolutions determines that a competing proposal to acquire MedSolutions is superior, MedSolutions may not exercise its right to terminate the merger agreement unless it notifies Stericycle of its intention to do so and gives Stericycle at least five days to propose revisions to the terms of the merger agreement or to make another proposal in response to the competing proposal. See The Merger Agreement - Covenants and Agreements beginning on page 63 and The Merger Agreement - Termination beginning on page 67.



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Stericycle required MedSolutions to agree to these provisions as a condition to Stericycle's willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all or a significant part of MedSolutions from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher value than the current proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquirer proposing to pay a lower per share price to acquire MedSolutions than it might otherwise have proposed to pay.

**Failure to complete the merger could negatively impact the stock value and the future business and financial results of MedSolutions.**

Although MedSolutions has agreed that its Board of Directors will, subject to fiduciary exceptions, recommend that its shareholders approve and adopt the merger agreement, there is no assurance that the merger agreement and the merger will be approved, and there is no assurance that the other conditions to the completion of the merger will be satisfied. If the merger is not completed, MedSolutions will be subject to several risks, including the following:

MedSolutions may be required to pay Stericycle \$2.5 million if the merger agreement is terminated under certain circumstances and MedSolutions enters into or completes an alternative transaction;

Certain costs relating to the merger (such as legal, accounting and valuation advisory fees) are payable by MedSolutions whether or not the merger is completed;

There may be substantial disruption to the business of MedSolutions and a distraction of its management and employees from day-to-day operations, because matters related to the merger may require substantial commitments of time and resources, which could otherwise have been devoted to other opportunities that could have been beneficial to MedSolutions;

MedSolutions' business could be adversely affected if it is unable to retain key employees or attract qualified replacements; and

MedSolutions would continue to face the risks that it currently faces, as described below in the section entitled Information About MedSolutions beginning on page 78 of this proxy statement/prospectus.

In addition, MedSolutions would not realize any of the expected benefits of having completed the merger. If the merger is not completed, these risks may materialize and materially adversely affect MedSolutions' business, financial results, financial condition and stock value.

**The opinion obtained by MedSolutions from its valuation advisor does not reflect changes in circumstances between signing the merger agreement and the completion of the merger.**

Van Amburgh, MedSolutions' valuation advisor, delivered a fairness opinion to the MedSolutions Board of Directors. The opinion states that, as of June 30, 2007, the consideration to be received by MedSolutions shareholders pursuant to the merger agreement was fair from a financial point of view to MedSolutions shareholders. The opinion does not reflect changes that may have occurred after March 31, 2007, including changes to the operations and prospects of MedSolutions and Stericycle, changes in general market and economic conditions, or other factors; however, the opinion did take into account the potentially adverse effect of the verdict rendered against EMSI as described in the section entitled The Merger Agreement Adjustments to Merger Consideration Litigation Adjustment on page 61 of this proxy statement/prospectus. Any such changes, or other factors on which the opinion is based, may significantly alter the value of MedSolutions or Stericycle by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. For a description of the opinion that MedSolutions received

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from its valuation advisor, see *The Merger Opinion of MedSolutions Valuation Advisor* beginning on page 41. For a description of the other factors considered by MedSolutions Board of Directors in determining to approve the merger, see *The Merger MedSolutions Reasons for the Merger* beginning on page 39 and *The Merger Recommendation of the MedSolutions Board of Directors* beginning on page 40.

**Risks Relating to the Promissory Notes**

**The promissory notes are not secured obligations of Stericycle. The 3.5% notes are supported by a letter of credit, however.**

The promissory notes are not secured by any assets of Stericycle and thus are general unsecured obligations. They do not have priority over any of Stericycle's other indebtedness, and in the event of any bankruptcy proceedings, holders of the promissory notes would be in the same position as all of Stericycle's other unsecured creditors. As of June 30, 2007, Stericycle's long-term indebtedness, net of the current portion, was \$508.7 million. None of Stericycle's debt is senior to the promissory notes.

Stericycle's obligations under the 3.5% notes are supported by a letter of credit to the indenture trustee. In the event of any default by Stericycle in payment of the 3.5% notes, the indenture trustee, either on the trustee's own initiative or at the direction of the shareholder representative, may declare all of the indebtedness represented by the 3.5% notes to be due and draw on the letter of credit for full payment of the amount owed. Accordingly, payment of the 3.5% notes is not ultimately dependent on Stericycle's ability to make the payments due on the promissory notes.

**Stericycle may not be able to generate sufficient cash to make the payments due on the promissory notes and its other indebtedness.**

Stericycle's ability to make the payments due on the promissory notes depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond Stericycle's control. Stericycle cannot assure you that its cash flows from operations and other sources of liquidity will be sufficient to permit it to make the payments due on the promissory notes and the payments due on its other indebtedness.

**Stericycle may incur substantial additional debt, which could increase its difficulty in making the payments due on the promissory notes.**

The promissory notes and the indentures under which they will be issued do not contain any restrictions preventing Stericycle from incurring additional debt. To the extent that Stericycle does so, Stericycle may find it more difficult, and may be unable, to make the payments due on the promissory notes and the payments due on its other indebtedness.

**You may find it difficult to sell your promissory notes, on favorable terms or at all.**

There will be no public market for the promissory notes, and thus you may be unable to sell your promissory notes.

If you are able to sell your promissory notes in a privately negotiated transaction, the purchaser may be expected to require a discount from the face amount of the promissory notes. This discount is likely to be very substantial because of:

the interest rate on the promissory notes, which may be less than prevailing market rates;

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the maturity date of the promissory notes, which is not for seven years after the closing of the merger;

the potential reduction in the principal of the promissory notes, in one case retroactive to the date of issuance, by reason of a merger consideration principal reduction or litigation payment principal reduction; or

the potential reduction in the interest payments on the promissory notes (and possibly even the principal of the promissory notes), by reason of an indemnification claim payment reduction.

See *Merger Agreement Adjustments to Merger Consideration* beginning on page 59 of this proxy statement/prospectus.

**Payments under the promissory notes are subject to reduction**

Payments under the promissory notes are subject to reduction by reason of an indemnification claim payment reduction. This reduction is in the nature of a dollar-for-dollar offset. See *The Merger Agreement Representations and Warranties and Indemnification* on page 57 of this proxy statement/prospectus.

**The principal amount of the promissory notes is subject to reduction**

The principal amount of the promissory notes is subject to reduction, retroactive to the date of issuance of the promissory notes, by reason of a merger consideration principal reduction. The principal amount of the promissory notes is also subject to reduction, effective as of the date of payment, by reason of a litigation payment principal reduction and by an expense payment principal reduction.

*Closing Balance Sheet Adjustment.* The aggregate principal amount of the promissory notes will be reduced on a dollar-for-dollar basis to the extent that MedSolutions' adjusted liabilities exceed its adjusted current assets as of the closing date of the merger by more than \$4,340,000. For example, if MedSolutions' adjusted liabilities exceed its adjusted current assets by \$4,500,000 as of the closing date, \$160,000 would be offset from the aggregate principal amount of the promissory notes. To the extent that the difference between MedSolutions' adjusted liabilities and its adjusted current assets is determined to be less than \$4,340,000 as of the closing date, the amount by which such difference is less than \$4,340,000 will either be used to reduce any offset on account of the revenue adjustment described below or deposited with the payment agent within three days of the date of such determination for distribution to the MedSolutions' shareholders as additional cash merger consideration.

*Revenue Adjustment.* The aggregate principal amount of the promissory notes will be reduced to the extent that MedSolutions' measured revenues, which include the annualized gross revenues received by the surviving corporation during the first three full calendar months after the closing from certain of MedSolutions' existing customers, are less than \$16,000,000. To the extent that such measured revenues are less than \$16,000,000, the aggregate principal amount of the notes will be reduced (subject to any credit on account of the closing balance sheet adjustment described above) by an amount equal to the product of (i) the difference between \$16,000,000 and the amount of measured revenues multiplied by (ii) 3.375. For example, if the measured revenues are \$15,900,000, \$337,500 would be offset from the aggregate principal amount of the promissory notes. The merger agreement stipulates that MedSolutions has already achieved \$15,655,352 in annualized gross revenues for purposes of the revenue adjustment. Accordingly, the maximum amount by which the aggregate principal amount of the promissory notes could be reduced on account of the revenue adjustment is \$1,163,187.

*Litigation Payment and Expense Payment Adjustments.* The aggregate principal amount of the promissory notes will be reduced effective as of the date on which the final payments of principal and interests are due to MedSolutions shareholders (the seventh anniversary of the date of the merger) by an amount equal to the difference between \$250,000 and the amount remaining in the shareholder representative escrow account on such date. The aggregate principal amount of the promissory notes will also be reduced in the event that the expenses of the payment agent and the indenture trustee exceed \$80,000.

See *The Merger Agreement Adjustments to Merger Consideration*, *The Merger Agreement Payment Procedures*, *Adjustments to Merger Consideration Application of Closing Balance Sheet and Revenue Adjustments* and *Litigation Adjustment* on pages 59, 56, 60 and 61 of this proxy statement/prospectus.

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**Risks Relating to MedSolutions in the Event the Merger Does Not Occur**

**MedSolutions has historically had a history of losses.**

MedSolutions' expenses have historically exceeded its revenues and MedSolutions has had losses in all previous fiscal years of operation except for 2005. MedSolutions has been a developing company concentrating on the development of its products and business plan. In the event that the merger does not occur, MedSolutions' management believes that MedSolutions can be profitable and that its business plan will be successful; however, there is no assurance that MedSolutions will be successful in implementing its business plan or that it will be profitable now or in the future.

**Future governmental actions, including the issuance of new regulations, could significantly affect MedSolutions business.**

Governmental authorities may take future actions that could pose obstacles in the waste disposal industry and require methods or technology different from the methods currently developed or utilized by MedSolutions. MedSolutions is not able to predict the outcome of any such actions, controls, regulations or laws on its operations and any significant reduction in revenues due to such changes could result in operating income becoming insufficient to cover operating expenses.

**MedSolutions faces significant competition in its industry.**

The medical/special waste disposal, document destruction, reusable sharps management and OSHA compliance services industries are extremely competitive. MedSolutions competes with a number of competitors offering similar technologies or services for the treatment of medical waste as well as those using similar or dissimilar technologies or products. Some of these competitors have significantly greater financial, advertising and marketing resources than MedSolutions.

**The development of new technologies may make MedSolutions' current waste treatment technologies obsolete.**

Development of new, improved waste destruction devices or methods may make MedSolutions' devices and/or methods obsolete, less competitive or require substantial capital outlays by MedSolutions to purchase or license such new technologies, if available.

**MedSolutions' business is subject to significant uninsured business and environmental risks.**

MedSolutions' business plan is to engage in business opportunities that involve the handling of infectious medical and related waste. As insurance is available and within the financial means of MedSolutions, MedSolutions intends to insure itself from risks related to its business. However, if insurance is not available, is available and beyond the financial means of MedSolutions, or insurance is purchased but loss limits are not adequate to cover all liabilities, then MedSolutions would not be financially capable of paying a substantial judgment or claim against MedSolutions, thereby placing MedSolutions in a financially adverse position or forcing its closure.

**MedSolutions' business is dependent upon the effectiveness of governmental permits.**

MedSolutions is subject to extensive and frequently changing federal, state and local laws and regulations. This statutory and regulatory framework imposes compliance burdens and risks on MedSolutions, including requirements to obtain and maintain government permits. These permits grant MedSolutions the authority, among other things, to construct and operate treatment and transfer facilities, transport medical waste within and between relevant jurisdictions, and to handle particular regulated substances. MedSolutions' permits must be periodically renewed and are subject to modification or revocation by the regulatory authorities. The loss of any of these permits could have a material adverse effect on MedSolutions' operations.

**If MedSolutions continues to generate negative operating cash flows and is unable to secure adequate funding sources, it may be unable to meet its long-term liquidity needs in the future.**

MedSolutions' working capital deficit at June 30, 2007 was \$1,527,059, and MedSolutions did not generate positive operating cash flows during the six months ended June 30, 2007. While MedSolutions anticipates that its operating cash flow will increase over the next 12 months, such additional operating cash flow may not be sufficient, by itself, to meet MedSolutions' long-term liquidity needs. MedSolutions has historically funded its long-term liquidity needs through the sale of equity securities and by obtaining loans from shareholders as well as traditional bank financing. In March 2007, MedSolutions obtained a \$1,500,000 working capital line of credit that it expects will satisfy its

short-term liquidity needs. However, in the event that MedSolutions continues to generate negative operating cash flows in the future and is unable to secure adequate additional debt or equity financing, MedSolutions may be unable to meet its long-term debt and other obligations in the future.

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**Risks Relating to Stericycle**

**Stericycle is subject to extensive governmental regulation, which is frequently difficult, expensive and time-consuming to comply with.**

The regulated waste management industry is subject to extensive federal, state and local laws and regulations relating to the collection, transportation, packaging, labeling, handling, documentation, reporting, treatment and disposal of regulated waste. Stericycle's business requires it to obtain many permits, authorizations, approvals, certificates or other types of governmental permission from every jurisdiction where it operates. Stericycle believes that it currently complies in all material respects with all applicable permitting requirements. State and local regulations change often, however, and new regulations are frequently adopted. Changes in the regulations could require Stericycle to obtain new permits or to change the way in which it operates under existing permits. Stericycle might be unable to obtain the new permits that it requires, and the cost of compliance with new or changed regulations could be significant.

Many of the permits that Stericycle requires, especially those to build and operate processing plants and transfer facilities, are difficult and time-consuming to obtain. They may also contain conditions or restrictions that limit Stericycle's ability to operate efficiently, and they may not be issued as quickly as Stericycle needs them (or at all). If Stericycle cannot obtain the permits that it needs when it needs them, or if they contain unfavorable conditions, it could substantially impair Stericycle's operations and reduce its revenues.

**The handling and treatment of regulated waste carries with it the risk of personal injury to employees and others.**

Stericycle's business requires it to handle materials that may be infectious or hazardous to life and property. While Stericycle tries to handle such materials with care and in accordance with accepted and safe methods, the possibility of accidents, leaks, spills, and acts of God always exists. Examples of possible exposure to such materials include:

truck accidents;

damaged or leaking containers;

improper storage of regulated waste by customers;

improper placement by customers of materials into the waste stream that Stericycle is not authorized or able to process, such as certain body parts and tissues; or

malfunctioning treatment plant equipment.

Human beings, animals or property could be injured, sickened or damaged by exposure to regulated waste. This in turn could result in lawsuits in which Stericycle is found liable for such injuries, and substantial damages could be awarded against Stericycle.

While Stericycle carries liability insurance intended to cover these contingencies, particular instances may occur that are not insured against or that are inadequately insured against. An uninsured or underinsured loss could be substantial and could impair Stericycle's profitability and reduce Stericycle's liquidity.

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**The handling of regulated waste exposes Stericycle to the risk of environmental liabilities, which may not be covered by insurance.**

As a company engaged in regulated waste management, Stericycle faces risks of liability for environmental contamination. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, and similar state laws impose strict liability on current or former owners and operators of facilities that release hazardous substances into the environment as well as on the businesses that generate those substances and the businesses that transport them to the facilities. Responsible parties may be liable for substantial investigation and clean-up costs even if they operated their businesses properly and complied with applicable federal and state laws and regulations. Liability under CERCLA may be joint and several, which means that if Stericycle were found to be a business with responsibility for a particular CERCLA site, Stericycle could be required to pay the entire cost of the investigation and clean-up even though Stericycle was not the party responsible for the release of the hazardous substance and even though other companies might also be liable.

Stericycle's pollution liability insurance excludes liabilities under CERCLA. Thus, if Stericycle were to incur liability under CERCLA and if it could not identify other parties responsible under the law whom it is able to compel to contribute to its expenses, the cost to Stericycle could be substantial and could impair its profitability and reduce its liquidity. Stericycle's customer service agreements make clear that the customer is responsible for making sure that only appropriate materials are disposed of. However, if there were a claim against Stericycle that a customer might be legally liable for, Stericycle might not be successful in recovering our damages from the customer.

**The level of governmental enforcement of environmental regulations has an uncertain effect on Stericycle's business and could reduce the demand for its services.**

Stericycle believes that the government's strict enforcement of laws and regulations relating to regulated waste collection and treatment has been good for its business. These laws and regulations increase the demand for Stericycle's services. A relaxation of standards or other changes in governmental regulation of regulated waste could increase the number of competitors or reduce the need for Stericycle's services.

**If Stericycle is unable to acquire other regulated waste businesses, its revenue and profit growth may be slowed.**

Historically Stericycle's growth strategy has been based in substantial part on its ability to acquire other regulated waste businesses. Stericycle does not know whether in the future it will be able to:

identify suitable businesses to buy;

complete the purchase of those businesses on terms acceptable to Stericycle;

improve the operations of the businesses that Stericycle does buy and successfully integrate their operations into Stericycle's; or

avoid or overcome any concerns expressed by regulators.

Stericycle competes with other potential buyers for the acquisition of other regulated waste companies. This competition may result in fewer opportunities to purchase companies that are for sale. It may also result in higher purchase prices for the businesses that Stericycle wants to purchase.

Stericycle also does not know whether its growth strategy will continue to be effective. Stericycle's business is significantly larger than before, and new acquisitions may not have the desired benefits that it has obtained in the past.

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**The implementation of Stericycle's acquisition strategy could be affected in certain instances by the concerns of state regulators, which could result in Stericycle's not being able to realize the full synergies or profitability of particular acquisitions.**

Stericycle may become subject to inquiries and investigations by state antitrust regulators from time to time in the course of completing acquisitions of other regulated waste businesses. In order to obtain regulatory clearance for a particular acquisition, Stericycle could be required to modify certain operating practices of the acquired business or to divest itself of one or more assets of the acquired business. Changes in the terms of Stericycle's acquisitions required by regulators or agreed to by Stericycle in order to settle regulatory investigations could impede its acquisition strategy or reduce the anticipated synergies or profitability of its acquisitions. The likelihood and outcome of inquiries and investigations from state regulators in the course of completing acquisitions cannot be predicted.

**Aggressive pricing by existing competitors and the entrance of new competitors could drive down Stericycle's profits and slow its growth.**

The regulated waste industry is very competitive because of low barriers to entry, among other reasons. This competition has required Stericycle in the past to reduce its prices, especially to large account customers, and may require it to reduce its prices in the future. Substantial price reductions could significantly reduce its earnings.

Stericycle faces direct competition from a large number of small, local competitors. Because it requires very little money or technical know-how to compete with Stericycle in the collection and transportation of regulated waste, there are many regional and local companies in the industry. Stericycle faces competition from these businesses, and competition from them is likely to exist in the new locations to which it may expand in the future. In addition, large national companies with substantial resources may decide to enter the regulated waste industry. For example, Waste Management, Inc., a major solid waste treatment company, announced in February 2005 that it intended to begin offering regulated waste management services to hospitals and possibly other large quantity generators of regulated waste.

Stericycle's competitors could take actions that would hurt its growth strategy, including the support of regulations that could delay or prevent it from obtaining or keeping permits. They might also give financial support to citizens groups that oppose Stericycle's plans to locate a treatment or transfer facility at a particular location.

**Restrictions in Stericycle's senior unsecured credit facility may limit its ability to pay dividends, incur additional debt, make acquisitions and make other investments.**

Stericycle's senior unsecured credit facility contains covenants that restrict its ability to make distributions to stockholders or other payments unless it satisfies certain financial tests and complies with various financial ratios.

It also contains covenants that limit Stericycle's ability to incur additional indebtedness, acquire other businesses and make capital expenditures, and imposes various other restrictions. These covenants could affect Stericycle's ability to operate its business and may limit its ability to take advantage of potential business opportunities as they arise.



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**The loss of Stericycle's senior executives could affect its ability to manage its business profitably.**

Stericycle depends on a small number of senior executives. Its future success will depend upon, among other things, its ability to keep these executives and to hire other highly qualified employees at all levels. Stericycle competes with other potential employers for employees, and it may not be successful in hiring and keeping the executives and other employees that it needs. Stericycle does not have written employment agreements with any of its executive officers, and officers and other key employees could leave Stericycle with little or no prior notice, either individually or as part of a group. Stericycle's loss of or inability to hire key employees could impair its ability to manage its business and direct its growth.

**Stericycle's expansion into foreign countries exposes it to unfamiliar regulations and may expose it to new obstacles to growth.**

Stericycle plans to grow both in the United States and in foreign countries. It has established substantial operations in Canada, Mexico, the United Kingdom, Ireland and Argentina. Foreign operations carry special risks. Although Stericycle's business in foreign countries has not yet been affected, its business in the countries in which it currently operates and those in which it may operate in the future could be limited or disrupted by:

government controls;

import and export license requirements;

political or economic insecurity;

trade restrictions;

changes in tariffs and taxes;

exchange rate fluctuations;

Stericycle's unfamiliarity with local laws, regulations, practices and customs;

restrictions on repatriating foreign profits back to the United States; or

difficulties in staffing and managing international operations.

Foreign governments and agencies often establish permit and regulatory standards different from those in the United States. If Stericycle cannot obtain foreign regulatory approvals, or if it cannot obtain them when it expects, its growth and profitability from international operations could be limited. Fluctuations in currency exchange could have similar effects.

**Stericycle's earnings could decline if it writes off intangible assets, such as goodwill.**

As a result of purchase accounting for its various acquisitions, Stericycle's balance sheet at December 31, 2006 contains goodwill of \$814.0 million and other intangible assets, net of accumulated amortization, of \$115.9 million (including indefinite lived intangibles of \$32.2 million). In accordance with Statement of Financial Accounting Standards No.142 "Goodwill and Other Intangible Assets", Stericycle evaluates on an ongoing basis, using the fair value of reporting units, whether facts and circumstances indicate any impairment of the value of indefinite-lived intangible assets such as goodwill. As circumstances after an acquisition can change, Stericycle may not realize the value of these intangible assets. If Stericycle were to determine that a significant impairment has occurred, it would be required to incur non-cash write-offs of the impaired portion of goodwill and other unamortized intangible assets, which could have a material adverse effect on its results of operations in the period in which the write-off occurs.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus, including the documents incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are generally accompanied by words such as anticipate, expect, intend, plan, believe, seek, could, should, will, project, estimate, look for, and other expressions which convey uncertainty of future events or outcomes.

The expectations set forth in this proxy statement/prospectus and the documents incorporated by reference regarding, among other things, accretion, returns on invested capital, achievement of annual savings and synergies, achievement of strong cash flow, sufficiency of cash flow to fund capital expenditures and achievement of debt reduction targets are only the parties' expectations regarding these matters. Actual results could differ materially from these expectations depending on factors such as:

the factors described under "Risk Factors" beginning on page 16 of this proxy statement/prospectus;

the factors that generally affect Stericycle's and MedSolutions' businesses as further outlined in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this proxy statement/prospectus with respect to MedSolutions and included in Stericycle's 2006 Form 10-K and 2007 Second Quarter Form 10-Q in respect of Stericycle, including the performance of contracts by suppliers, customers and partners; employee management issues; and complexities of global political and economic developments; and

the fact that, following the merger, the actual results of the combined company could differ materially from the expectations set forth in this proxy statement/prospectus and the documents incorporated by reference depending on additional factors such as:

the combined company's cost of capital;

the ability of the combined company to identify and implement cost savings, synergies and efficiencies in the time frame needed to achieve these expectations;

the combined company's actual capital needs, the absence of any material incident of property damage or other hazard that could affect the need to effect capital expenditures and any currently unforeseen merger or acquisition opportunities that could affect capital needs; and

the costs incurred in implementing synergies including, but not limited to, our ability to terminate, amend or renegotiate prior contractual commitments of MedSolutions.

Actual actions that the combined company may take may differ from time to time as the combined company may deem necessary or advisable in the best interest of the combined company and its shareholders to attempt to achieve the successful integration of the companies, the synergies needed to make the transaction a financial success and to react to the economy and the combined company's customer market.

**Table of Contents****STATEMENT REGARDING RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows the ratio of Stericycle's earnings to fixed charges for the periods shown.

		<b>Year Ended December 31,</b>					<b>Six Months Ended June 30,</b>
	2006	2005	2004	2003	2002	2007	
Ratio of earnings to fixed charges <sup>(1)</sup>	6.57	8.40	10.64	8.60	4.33	6.81	

(1) For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of (i) interest on all indebtedness (including capital leases) and amortization of debt discount and deferred financing fees, (ii) the interest factor attributable to rentals and (iii) interest on liabilities associated with Financial Accounting Standards Board Interpretation No. 48 ( FIN 48 ), Accounting for Uncertainty in Income Taxes.

**Table of Contents****SELECTED HISTORICAL FINANCIAL INFORMATION****Selected Stericycle Historical Financial Data**

Stericycle derived the following historical information from its audited consolidated financial statements for the years ended December 31, 2002, 2003, 2004, 2005 and 2006, and from its unaudited condensed consolidated financial statements for the six months ended June 30, 2007 and 2006. The unaudited condensed consolidated financial statements have been prepared by Stericycle on a basis consistent with the audited financial statements and include, in the opinion of Stericycle's management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the information. Operating results for the six months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2007. You should read this information in conjunction with (i) Stericycle's Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and accompanying notes included in its 2006 Form 10-K and (ii) Stericycle's Management's Discussion and Analysis of Financial Condition and Results of Operations and the unaudited condensed consolidated financial statements and accompanying notes included in its 2007 Second Quarter Form 10-Q. Both Stericycle's 2006 Form 10-K and its 2007 Second Quarter Form 10-Q are incorporated by reference in this proxy statement/prospectus.

	<b>Year Ended December 31,</b>					<b>Six Months Ended</b>	
	<b>2006(3)</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2007</b>	<b>2006</b>
	(In thousands except per share data)					Unaudited	
<b>Statements of Income Data(1)</b>							
Revenues	\$ 789,637	\$ 609,457	\$ 516,228	\$ 453,225	\$ 401,519	\$ 443,894	\$ 377,673
Income from operations	201,762	166,532	145,655	126,397	100,832	115,447	94,707
Net income	105,270	67,154	78,178	65,781	45,724	61,385	48,693
Net income applicable to common stock	105,270	67,154	78,178	65,781	45,037	61,385	48,693
Diluted net income per share of common stock(2)(5)	1.17	0.74	0.85	0.72	0.51	0.68	0.54
Depreciation and amortization	27,036	21,431	21,803	17,255	14,981	14,846	13,008
<b>Other Data</b>							
Cash provided by operating activities	\$ 160,162	\$ 94,327	\$ 114,611	\$ 123,887	\$ 98,731	\$ 70,471	\$ 64,349
Cash used in investing activities	(201,425)	(156,001)	(105,093)	(57,635)	(49,470)	(46,035)	(143,560)
Cash (used in) provided by financing activities	52,547	59,500	(6,941)	(66,820)	(53,705)	(30,799)	77,691
<b>Balance Sheet Data(1)(4)</b>							
Cash, cash equivalents and short-term investments	\$ 16,040	\$ 8,545	\$ 7,949	\$ 7,881	\$ 8,887	\$ 2,307	\$ 7,292
Total assets	1,327,906	1,047,660	834,141	707,462	667,095	1,415,180	1,235,405
Long-term debt, net of current maturities	443,115	348,841	190,431	163,016	224,124	508,746	456,825
Convertible redeemable preferred stock				20,944	28,049		
Shareholders' equity	\$ 625,081	\$ 521,634	\$ 495,372	\$ 407,820	\$ 326,729	\$ 649,274	\$ 574,408

(1) See Note 4 to Stericycle's consolidated

financial  
statements  
included in its  
2006 Form 10-K  
for information  
concerning  
Stericycle's  
acquisitions during  
the three years  
ended  
December 31,  
2006.

- (2) See Note 10 to  
Stericycle's  
consolidated  
financial  
statements  
included in its  
2006 Form 10-K  
for information  
concerning the  
computation of net  
income per  
common share. In  
2006, net income  
includes costs (net  
of tax) related to a  
fixed asset  
write-down of  
equipment of \$0.2  
million, a  
write-down of an  
investment in  
securities of  
\$0.6 million and  
acquisition-related

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costs of  
\$2.1 million,  
partially offset by  
income recorded  
from insurance  
proceeds related to  
the settlement of  
the 3CI Complete  
Compliance  
Corporation class  
action litigation  
( 3CI litigation ) of  
\$0.6 million,  
which negatively  
impacted earnings  
per share ( EPS ) by  
\$0.09 per share. Of  
the total of  
\$8.8 million of  
such items,  
\$7.3 million were  
non-cash items. In  
2005, net income  
includes costs (net  
of tax) related to  
the preliminary  
settlement of the  
3CI litigation of  
\$23.4 million, a  
write-down of a  
note receivable of  
\$1.5 million, fixed  
asset impairments  
of \$0.5 million,  
acquisition-related  
costs of  
\$0.5 million,  
settlement of  
licensing litigation  
of \$1.1 million and  
items related to  
debt restructuring  
of \$0.3 million,  
which negatively  
impacted EPS by  
\$0.30 per share. Of  
the total of  
\$27.3 million of  
such items, \$3.4

million were non-cash items. In 2004, net income includes acquisition-related costs of \$0.5 million, fixed asset write-offs of \$0.7 million and items related to debt restructuring and redemption of senior subordinated debt of \$2.8 million, which negatively impacted EPS by \$0.05 per share. Of the total of \$4.0 million of such items, \$1.4 million were non-cash items. In 2003, net income includes acquisition-related costs (net of tax) of \$0.4 million and items related to debt restructuring and subordinated debt repurchases of \$2.0 million, which negatively impacted EPS by \$0.02 per share. Of the total of \$2.4 million of such items, \$0.5 million were non-cash items. In 2002, net income includes acquisition-related costs (net of tax) of \$0.2 million, fixed asset write-offs of \$1.8 million and items related to debt restructuring and subordinated

debt repurchases of \$1.4 million, which negatively impacted EPS by \$0.04 per share. Of the total of \$3.4 million of such items, \$2.0 million were non-cash items.

- (3) On January 1, 2006, Stericycle adopted the provisions of Statement of Financial Accounting Standards No. 123R, Share-Based Payment ( SFAS No. 123R ) using the modified prospective method to account for stock compensation costs. SFAS No. 123R requires the measurement and recognition of compensation expense for all stock-based payment awards made to Stericycle s employees and directors. During the year ended December 31, 2006, Stericycle recognized stock compensation expense of \$6.5 million, net of tax. See Note 11 to Stericycle s consolidated financial



statements  
included in its  
2006 Form 10-K  
for additional  
information related  
to its stock  
compensation  
expense.

- (4) Balance sheet data  
is as of  
December 31 of  
the year in  
question or as of  
June 30 for the six  
months ended  
June 30, 2007 and  
2006.
- (5) Per share data  
adjusted to reflect  
a 2-for-1 stock  
split effective May  
31, 2007.

**Table of Contents****COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE INFORMATION**

The following table sets forth selected historical per share data for Stericycle, selected historical data for MedSolutions, and pro forma combined data giving effect to the merger, as if the merger had taken place on January 1, 2006 and as if the merger had taken place on January 1, 2007.

The data presented below should be read in conjunction with the historical financial statements and related notes of Stericycle and MedSolutions that have been included in this proxy statement/prospectus or incorporated by reference. The pro forma combined data below is for illustrative purposes only. The pro forma combined per share data may not be indicative of the operating results or financial position that would have occurred if the merger had been consummated at the beginning of the periods indicated, and may not be indicative of future operating results or financial position.

	Six Months Ended June 30, 2007 (in thousands except share and per share data)				Year Ended December 31, 2006 (in thousands except share and per share data)			
	Stericycle historical	MedSolutions historical	Pro Forma Adjustments	Pro Forma <sup>(4)</sup>	Stericycle historical	MedSolutions historical	Pro Forma Adjustments	Pro Forma
<b>Income</b>	\$ 61,385	\$ 191	\$ 0	\$ 61,576	\$ 105,270	\$ (807)	\$ 36	\$ 104,499
<b>Weighted Average Number of Common Shares Outstanding:</b>								
End of period	87,957,649	24,943,950	(24,943,950)(5)	87,957,649	88,150,072	22,875,017	(22,875,017)(5)	88,150,072
Beginning of period	90,203,819	25,196,904	(25,196,904)(5)	90,203,819	90,213,080	22,875,017	(22,875,017)(5)	90,213,080
<b>Earnings Per Share:</b>								
Basic	\$ 0.70	\$ 0.00		\$ 0.70	\$ 1.19	\$ (0.04)		\$ 1.15
Diluted	\$ 0.68	\$ 0.00		\$ 0.68	\$ 1.17	\$ (0.04)		\$ 1.13
<b>Assets</b>	\$ 1,415,180	\$ 10,593	\$ 36,005(6)	\$ 1,461,796	\$ 1,327,906	\$ 10,837	\$ 36,005(6)	\$ 1,338,748
<b>Debt</b>	522,965	4,221	40,743(7)	567,947	465,796	4,738	40,743(7)	470,531
<b>Shareholders' Equity Book Value</b>	649,274	\$ 4,738		654,012	\$ 625,081	3,311		628,392
<b>Common Share</b>	\$ 7.42	\$ 0.18		\$ 7.47	\$ 7.06	\$ 0.14		\$ 7.10
<b>Common Share Cash Dividends Paid</b>	\$	\$		\$	\$	\$		\$

Preferred stock cash dividends paid (3)	\$	\$	\$	\$	\$	\$	35.50	(35.50)(3)	\$
Dividends paid per share	\$	\$	\$	\$	\$	\$	0.37		\$
Common Shares Outstanding	87,534,190	26,164,715	(26,164,715)(5)	87,534,190	88,503,930	23,780,785	(23,780,785)(5)		88,503,930
Preferred Shares Outstanding	0	0	0	0	0	0	96,667	(96,667)(3)	

Note (1): Shares adjusted to reflect a Stericycle 2-for-1 stock split effective May 31, 2007.

Note (2): Net income less preferred stock dividends paid of \$35,500 as those shares would be canceled.

Note (3): Pro forma assumption that preferred stock would be canceled and no dividends would be declared consistent with Stericycle history.

Note (4): Pro forma calculation includes consideration for MedSolutions in the form of cash and a promissory note of \$0.50 and \$1.50, respectively, per outstanding share,

including  
in-the-money options  
and convertible debt.

Note (5): Stericycle  
share data used.

Note (6): Assets  
reduced by cash  
consideration of  
\$(13.6) million and  
increased by  
intangible assets  
received of \$49.6  
million plus or minus  
any equally  
offsetting fair value  
adjustments made.

Note (7): Debt  
increased by note  
consideration of  
\$40.7 million.

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**COMPARATIVE MARKET VALUE INFORMATION**

**Stericycle**

As of July 6, 2007, Stericycle had approximately 180 stockholders of record. Its common stock trades on the NASDAQ National Market under the ticker symbol SRCL. The closing price of a share of Stericycle common stock on July 5, 2007, the day prior to the date that the merger agreement was signed, was \$44.93.

**MedSolutions**

There were approximately 750 holders of MedSolutions common stock on October 8, 2007. There is no established trading market for MedSolutions common stock. In the opinion of MedSolutions, due to the lack of an active market for the MedSolutions common stock, transactions in the MedSolutions common stock of which MedSolutions is aware are not significant enough to produce representative prices.

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**INFORMATION ABOUT THE SPECIAL MEETING AND VOTING**

This proxy statement/prospectus is being furnished to MedSolutions shareholders by MedSolutions Board of Directors in connection with the solicitation of proxies from the holders of MedSolutions common stock for use at the special meeting of MedSolutions shareholders and any adjournments or postponements of the special meeting. This proxy statement/prospectus also is being furnished to MedSolutions shareholders as a prospectus from Stericycle in connection with its issuance of the promissory notes to MedSolutions shareholders in connection with the merger.

**Date, Time and Place**

The special meeting of shareholders of MedSolutions will be held on October 31, 2007 at 10:00 a.m., Dallas, Texas time, at MedSolutions corporate headquarters located at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251.

**Matters to Be Considered**

At the special meeting, MedSolutions shareholders will be asked:

to consider and vote upon a proposal to approve and adopt the merger agreement;

to consider and vote upon a proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies in favor of the approval and adoption of the merger agreement; and

to consider and transact any other business as may properly be brought before the special meeting or any adjournments or postponements thereof.

At this time, the MedSolutions Board of Directors is unaware of any matters, other than those set forth in the preceding sentence, that may properly come before the special meeting.

**Shareholders Entitled to Vote**

The close of business on October 8, 2007 has been fixed by MedSolutions board as the record date for the determination of those holders of MedSolutions common stock who are entitled to notice of, and to vote at, the special meeting and at any adjournments or postponements thereof.

At the close of business on the record date, there were 26,458,446 shares of MedSolutions common stock outstanding and entitled to vote, held by approximately 750 holders of record. A list of the shareholders of record entitled to vote at the special meeting will be available for examination by MedSolutions shareholders for any purpose germane to the meeting. The list will be available at the meeting and for 10 days prior to the meeting during ordinary business hours by contacting MedSolutions Corporate Secretary at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251.

**Quorum and Required Vote**

Each holder of record of shares of MedSolutions common stock as of the record date is entitled to cast one vote per share at the special meeting on each proposal. The presence, in person or by proxy, of the holders of one-third of the issued and outstanding shares of MedSolutions common stock outstanding as of the record date constitutes a quorum for the transaction of business at the special meeting. The affirmative vote of the holders of a majority of the shares of MedSolutions common stock entitled to vote at the special meeting is required to approve and adopt the merger agreement.

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In conjunction with the execution of the merger agreement, 50 MedSolutions shareholders entered into a voting agreement with Stericycle and Merger Sub which obligates them to vote their shares of common stock **FOR** the merger agreement. As of the record date, the shareholders subject to the voting agreement with Stericycle and Merger Sub were entitled to vote an aggregate of 15,102,594 shares of MedSolutions, which represented approximately 57.1% of the MedSolutions common stock outstanding and entitled to vote as of the record date.

As of the record date for the special meeting, directors and executive officers of MedSolutions and their affiliates beneficially owned an aggregate of 3,718,662 shares of MedSolutions common stock entitled to vote at the special meeting. These shares represent approximately 13.6% of the MedSolutions common stock outstanding and entitled to vote as of the record date. Certain of the directors and executive officers of MedSolutions are party to the voting agreement with Stericycle and Merger Sub pursuant to which they have agreed to vote in favor of the approval and adoption of the merger agreement. Although the remaining directors and executive officers of MedSolutions are not party to any such voting agreements with Stericycle or Merger Sub and do not have any obligations to vote in favor of the approval and adoption of the merger agreement, they have indicated their intention to vote their outstanding shares of MedSolutions common stock in favor of the approval and adoption of the merger agreement.

As of October 8, 2007, Stericycle and its directors, executive officers and their affiliates did not own any of the outstanding shares of MedSolutions common stock.

**How Shares Will Be Voted at the Special Meeting**

All shares of MedSolutions common stock represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the approval and adoption of the merger agreement and any adjournment or postponement of the special meeting.

A properly executed proxy marked Abstain with respect to any proposal will be counted as present for purposes of determining whether there is a quorum at the special meeting. However, because the approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares entitled to vote at the special meeting, an abstention will have the same effect as a vote AGAINST approval and adoption of the merger agreement.

If you hold shares of MedSolutions common stock in street name through a bank, broker or other nominee, the bank, broker or nominee may vote your shares only in accordance with your instructions. If you do not give specific instructions to your bank, broker or nominee as to how you want your shares voted, your bank, broker or nominee will indicate that it does not have authority to vote on the proposal, which will result in what is called a broker non-vote. Broker non-votes will be counted for purposes of determining whether there is a quorum present at the special meeting, but because approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares entitled to vote at the special meeting, broker non-votes will have the same effect as a vote AGAINST the merger agreement.

If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

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**How To Vote Your Shares**

You may vote in person at the special meeting or by proxy. We recommend you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

You may vote by proxy card by completing and mailing the enclosed proxy card. If you properly submit your proxy card in time to vote, one of the individuals named as your proxy will vote your shares of common stock as you have directed. You may vote for or against the proposals submitted at the special meeting or you may abstain from voting.

If you hold shares of MedSolutions common stock through a broker or other custodian, please follow the voting instructions provided by that firm. If you do not return your proxy card, or if your shares are held in a stock brokerage account or held by a bank, broker or nominee, or, in other words, in street name and you do not instruct your bank, broker or nominee on how to vote those shares, those shares will not be voted at the special meeting.

If you submit your proxy but do not make specific choices, your proxy will be voted FOR each of the proposals presented.

**How To Change Your Vote**

If you are a registered shareholder, you may revoke your proxy at any time before the shares are voted at the special meeting by:

completing, signing and timely submitting a new proxy to Ms. Beverly Fleegeer, Corporate Secretary, at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251 to arrive by the close of business on October 30, 2007; the latest dated and signed proxy actually received by such addressee before the special meeting will be counted, and any earlier proxies will be considered revoked;

notifying MedSolutions Corporate Secretary, at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251, in writing, by the close of business on October 30, 2007, that you have revoked your earlier proxy; or

voting in person at the special meeting.

Merely attending the special meeting will not revoke any prior votes or proxies; you must vote at the special meeting to revoke a prior proxy.

If you hold shares of MedSolutions common stock through a broker or other custodian and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

**Solicitation of Proxies**

In addition to solicitation by mail, directors, officers and employees of MedSolutions may solicit proxies for the special meeting from MedSolutions shareholders personally or by telephone, facsimile and other electronic means without compensation other than reimbursement for their actual expenses.

The expenses incurred in connection with the filing of this document will be paid for by Stericycle. The expenses incurred in connection with the printing and mailing this proxy statement/prospectus will be paid for by MedSolutions. Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares of



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MedSolutions stock held of record by those persons, and MedSolutions will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in so doing.

**Recommendation of the MedSolutions Board of Directors**

The MedSolutions Board of Directors has unanimously approved the merger agreement and the transactions it contemplates, including the merger. The MedSolutions Board of Directors determined that the merger is advisable and in the best interests of MedSolutions and its shareholders and unanimously recommends that you vote FOR approval and adoption of the merger agreement. See *The Merger MedSolutions Reasons for the Merger* beginning on page 39 and *The Merger Recommendation of the MedSolutions Board of Directors* beginning on page 40 for a more detailed discussion of the MedSolutions Board of Directors recommendation.

**Special Meeting Admission**

If you wish to attend the special meeting in person, you must present either an admission ticket or appropriate proof of ownership of MedSolutions stock, as well as a form of personal identification. If you are a registered shareholder and plan to attend the meeting in person, please mark the attendance box on your proxy card and bring the tear-off admission ticket with you to the meeting. If you are a beneficial owner of MedSolutions common stock that is held by a bank, broker or other nominee, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from your bank or broker are examples of proof of ownership.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting.

**PLEASE DO NOT SEND IN ANY MEDSOLUTIONS STOCK CERTIFICATES WITH YOUR PROXY CARD. After the merger is completed, you will receive written instructions from the payment agent informing you how to surrender your stock certificates to receive the merger consideration.**

**Adjournment and Postponements**

The special meeting may be adjourned from time to time, to reconvene at the same or some other place, by approval of the holders of common stock representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting, so long as the new time and place for the special meeting are announced at that time. If the adjournment is for more than 30 days, or if after the adjournment a new record date is determined for the adjourned special meeting, a notice of the adjourned special meeting must be given to each shareholder of record entitled to vote at the special meeting. If a quorum is not present at the MedSolutions special meeting, holders of MedSolutions common stock may be asked to vote on a proposal to adjourn or postpone the MedSolutions special meeting to solicit additional proxies. If a quorum is not present at the MedSolutions special meeting, the holders of a majority of the shares entitled to vote who are present in person or by proxy may adjourn the meeting. If a quorum is present at the MedSolutions special meeting but there are not sufficient votes at the time of the special meeting to approve the merger agreement, holders of MedSolutions common stock may also be asked to vote on a proposal to approve the adjournment or postponement of the special meeting to permit further solicitation of proxies.

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**THE MERGER**

**General**

MedSolutions Board of Directors is using this document to solicit proxies from the holders of MedSolutions common stock for use at the MedSolutions special meeting, at which holders of MedSolutions common stock will be asked to vote upon approval and adoption of the merger agreement. In addition, Stericycle is sending this document to MedSolutions shareholders as a prospectus in connection with its issuance of the promissory notes in exchange for shares of MedSolutions common stock in the merger.

The respective Boards of Directors of MedSolutions and Stericycle have unanimously approved the merger agreement providing for the merger of Merger Sub into MedSolutions. MedSolutions will be the surviving corporation in the merger, and upon completion of the merger, the separate corporate existence of Merger Sub will terminate. We expect to complete the merger in the fourth quarter of 2007.

Stericycle intends to finance the cash portion of the merger consideration through cash on hand and borrowings under its revolving credit facility.

**Background of the Merger**

During the month of March 2006, Mr. Jim Karls, Stericycle's Vice President Corporate Mergers & Acquisitions, contacted Mr. Matthew H. Fleeger, MedSolutions' President and Chief Executive Officer, by telephone to arrange a meeting at the Waste Expo conference to be held in Las Vegas, Nevada in April 2006. Mr. Fleeger agreed to meet with Stericycle's representatives at such conference.

On April 6, 2006, Mr. Fleeger met with Mr. Frank J.M. ten Brink, Stericycle's Executive Vice President and Chief Financial Officer, Mr. Karls and two additional Stericycle representatives at the Waste Expo conference in Las Vegas, Nevada to discuss the possibility of a business combination between MedSolutions and Stericycle. Mr. Fleeger informed Stericycle that MedSolutions was not currently for sale but that he would be amenable to further discussions in the future.

On May 1, 2006, Mr. ten Brink sent a letter to Mr. Fleeger reaffirming Stericycle's interest in pursuing a potential business combination between MedSolutions and Stericycle. MedSolutions did not respond to Mr. ten Brink at such time because MedSolutions was exploring alternative transactions, including a going-private transaction, the sale of a division or selected assets of MedSolutions, or a purchase or consolidation of other companies in MedSolutions industry. In October 2006, the MedSolutions Board of Directors decided to explore all options available to MedSolutions and directed Mr. Fleeger to contact Stericycle.

Prior to traveling to Chicago, Illinois on other business in October 2006, Mr. Fleeger contacted Mr. ten Brink to arrange a meeting to further discuss the possibility of a business combination between MedSolutions and Stericycle. Mr. Fleeger and Mr. ten Brink agreed to meet at Stericycle's offices in Lake Forest, Illinois on October 4, 2006. Mr. ten Brink stated that, to formulate a proposal, Stericycle needed to review and evaluate certain non-public MedSolutions operational and financial data, and requested that Mr. Fleeger provide such information at the October 4<sup>th</sup> meeting. Mr. Fleeger stated that he would provide such information if Stericycle entered into a confidentiality agreement with MedSolutions.

On October 4, 2006, Mr. ten Brink and Mr. Karls met with Mr. Fleeger and Mr. Alan Larosee, MedSolutions' Vice President, Operations, at Stericycle's office in Lake Forest, Illinois. Stericycle and MedSolutions entered into a confidentiality agreement at this meeting, and Mr. Fleeger provided to Mr. ten Brink the information regarding MedSolutions that had been requested. During the meeting, Mr. ten Brink expressed an interest in a business combination between MedSolutions and Stericycle. Mr. ten Brink suggested that Stericycle would be willing to pay a yet-to-be determined premium for the common stock of MedSolutions. Mr. Fleeger responded that he would discuss with the MedSolutions Board of Directors Stericycle's indication of interest.

On or about October 19, 2006, the Board of Directors of MedSolutions met by telephonic conference and Mr. Fleeger reported to the directors the discussions with Mr. ten Brink at the October 4, 2006

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meeting. Following a discussion of the matter, the MedSolutions Board of Directors authorized MedSolutions to conduct exploratory communications with Stericycle's management regarding a possible business combination.

On October 12, 2006, Mr. Fleeger and Mr. J. Steven Evans, MedSolutions' Vice President Finance, received a letter from Mr. Karls requesting additional information regarding MedSolutions. MedSolutions subsequently provided additional information responsive to Mr. Karl's request to Stericycle.

On December 18, 2006, Mr. ten Brink sent proposed terms for a business combination between Stericycle and MedSolutions to Mr. Fleeger by facsimile. The proposed terms provided for a price per share of approximately \$1.56, to be paid approximately 50% in cash and 50% in promissory notes.

On December 19, 2006, a regularly scheduled meeting of the Board of Directors of MedSolutions was held, during which Mr. Fleeger updated the directors on the conversations to date with Stericycle. The directors discussed the Stericycle level of interest and concluded that the tentative indication of value at approximately \$1.56 per share of MedSolutions common stock warranted continued dialogue with Stericycle. Upon deliberation, the MedSolutions Board of Directors determined that MedSolutions' management should continue discussions with Stericycle and that MedSolutions and its advisors should seek an increase in the consideration to be paid by Stericycle. The MedSolutions Board of Directors also authorized MedSolutions' management to conduct discussions with a third party that had expressed interest in a potential business combination with MedSolutions. On December 23, 2006, Mr. Fleeger communicated to Mr. ten Brink that MedSolutions' Board of Directors had reviewed Stericycle's tentative proposal but had not reached a conclusion on it.

During January 2007, MedSolutions' management conducted negotiations with a third party that had expressed an interest in either acquiring MedSolutions by way of merger or purchasing substantially all of the assets and assuming certain of the liabilities of MedSolutions. The third party's management initially proposed to pay approximately \$45,000,000 (approximately \$1.66 per share of MedSolutions common stock) in either a merger transaction or an asset transaction, approximately 70% of which would be in the form of cash and 30% of which would be in the form of notes payable over five years. However, after failing to obtain the approval of its board of directors for the proposed transaction terms, the third party's management lowered its proposed purchase price for MedSolutions. After consultation with MedSolutions' Board of Directors, MedSolutions' management informed the third party that the newly proposed terms were unacceptable and terminated negotiations with such third party.

On February 19, 2007, Mr. ten Brink sent revised proposed terms for a business combination between Stericycle and MedSolutions to Mr. Fleeger by email. The proposed terms provided for a price per share of approximately \$2.00, to be paid 25% in cash and 75% in promissory notes. Stericycle's and MedSolutions' agreement to use promissory notes as part of the merger consideration is a result of Stericycle's objectives of conserving its cash, avoiding additional borrowings under its revolving credit facility, and paying less than \$2.00 per share for MedSolutions common stock on a present value basis using any discount rate greater than 4.5%. After receipt of such proposal, the Board of Directors of MedSolutions met by telephonic conference in order to consider Stericycle's revised proposal. After deliberation, the MedSolutions Board of Directors directed Mr. Fleeger to continue to negotiate the terms for a proposed business combination with Stericycle.

Several drafts of the proposed terms for the business combination were negotiated and revised by Stericycle, MedSolutions and their respective legal counsel between February 19 and March 7, 2007. In a telephone conversation regarding such revised drafts, Mr. ten Brink requested that Stericycle and MedSolutions enter into an additional confidentiality agreement permitting Stericycle to conduct additional due diligence, and an exclusivity agreement providing for an exclusivity period of 75 days during which MedSolutions would not seek or consider alternative business combination transactions. Stericycle's legal counsel provided drafts of the proposed confidentiality agreement and exclusivity agreement to legal counsel for MedSolutions on March 7, 2007. Additional revisions were made by legal

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counsel for each of Stericycle and MedSolutions to the proposed terms for the business combination, the confidentiality agreement and the exclusivity agreement on March 7 and March 8, 2007.

On March 7, 2007, the MedSolutions Board of Directors met by telephonic conference to discuss the proposed terms for the business combination, the confidentiality agreement and the exclusivity agreement. After deliberation, the MedSolutions Board of Directors authorized Mr. Fleeger to execute the confidentiality agreement and the exclusivity agreement on behalf of MedSolutions, subject to review of the definitive confidentiality agreement and exclusivity agreement by outside legal counsel to MedSolutions.

During the week of March 12, 2007, Mr. Karls and a team of Stericycle representatives met with Mr. Fleeger, Mr. Evans, Mr. Larosee and other MedSolutions representatives at MedSolutions' offices in Dallas, Texas to conduct due diligence on MedSolutions and further discuss the prospect of a merger between the companies. During March and April 2007, Stericycle completed its due diligence of MedSolutions.

On April 16, 2007, MedSolutions engaged Van Amburgh to render a written opinion to the Board of Directors of MedSolutions regarding the fairness of the merger consideration to be received in connection with the merger by the holders of MedSolutions common stock from a financial point of view.

On April 4, 2007, Stericycle distributed a draft merger agreement and a draft voting agreement prepared by Johnson and Colmar, Stericycle's outside legal counsel, to MedSolutions and its outside legal counsel at that time, Fish & Richardson P.C. Over the following three months, the managements of MedSolutions and Stericycle and their respective financial advisors and outside legal counsel engaged in negotiations with respect to the merger agreement. The merger consideration was basically agreed to in the early drafts of the merger agreement. The most contentious points left to be resolved involved set offs to the merger consideration based on Stericycle's due diligence investigation of MedSolutions and the ability to adjust the merger consideration downward after closing the transaction. As a result of Stericycle's due diligence regarding trends in MedSolutions' revenues and earnings, the parties agreed to extend the maturity date of the promissory notes from five years to seven years to avoid any downward adjustment in the original principal amount of the promissory notes. The right to reduce the principal amount of the promissory notes after the merger is consummated was also significantly negotiated. Because a large verdict was rendered against MedSolutions during these negotiations, Stericycle insisted on adjusting the merger consideration to the extent the judgment is not paid-in-full by MedSolutions' insurance carrier. A cap on the liabilities Stericycle will assume was negotiated and any excess liabilities on MedSolutions' books at the closing would adjust downward the merger consideration. Adjusting the merger consideration for a breach of MedSolutions' representations and warranties was not subject to meaningful negotiation, but the length of time those representations and warranties stay in effect was negotiated. Finally, the potential downward adjustment to the merger consideration based on the gross revenues realized from certain customers of MedSolutions for the three months following closing was the subject of a good deal of negotiation in terms of selecting those customers and the measurement period of their revenue recognition.

MedSolutions' Board of Directors held a telephonic meeting on July 5, 2007 to review the proposed transaction. MedSolutions' valuation advisor and Block & Garden, LLP, MedSolutions' new outside legal counsel, also attended the meeting. At the meeting, MedSolutions' Board of Directors discussed various aspects of the proposed transaction, including the proposed merger consideration, the terms of the merger agreement, and the written fairness opinion rendered by Van Amburgh that, as of the date of the opinion and based on and subject to the matters described in the opinion, the merger consideration to be received in the merger by the holders of MedSolutions common stock was fair, from a financial point of view, to such holders. MedSolutions' outside legal counsel presented a summary of the terms of the merger agreement and discussed various legal issues with MedSolutions' directors, including without limitation their fiduciary duties to MedSolutions' shareholders. After further discussion on certain aspects of the proposed transaction, MedSolutions' Board of Directors unanimously approved the merger, the terms of the merger agreement and the transactions contemplated by the merger agreement, and determined to recommend adoption of the merger agreement to the shareholders of MedSolutions.

The MedSolutions Board of Directors considered appointing a special committee of outside directors to review the proposed merger with Stericycle, but having only five members, one of which is the President and Chief Executive Officer of MedSolutions, one of which is legal counsel to MedSolutions in connection with the merger, and two of which are creditors of MedSolutions, that would leave only one director, who was placed on the MedSolutions Board

of Directors as the representative of MedSolutions largest shareholder, Tate Investments, LLC. The MedSolutions Board of Directors believed that the indebtedness owing to two directors would not factor into their decision on examining the merger as MedSolutions was in a much improved financial condition at the time of the proposed merger than when the loans were initially made. The MedSolutions Board of Directors also believed that its legal counsel would not be influenced by his relationship with MedSolutions in reviewing the merits of the proposed merger. Accordingly, the MedSolutions Board of Directors believed that the interests of the MedSolutions shareholders would be best served by the group acting in concert as opposed to one individual director making such an important decision.

The Board of Directors of Stericycle approved the merger agreement in its then current form and the transaction contemplated by the merger agreement by the directors unanimous written consent as of June 14, 2007. The directors consent authorized Stericycle s executive officers to enter into a merger agreement in a form and on terms substantially consistent with the form and terms approved by the directors.

On July 6, 2007, following the approval by the boards of directors of both companies, Stericycle and MedSolutions executed the merger agreement. On July 6, 2007, MedSolutions publicly announced the execution of the merger agreement.

Prior to the MedSolutions Board of Directors approval of entering into the confidentiality agreement and the exclusivity agreement with Stericycle mentioned above, management of MedSolutions actively solicited interest in a business combination or outright sale of MedSolutions with several companies in its industry as well as several private equity firms. At best, only a passing interest was expressed by the industry companies, and the private equity firms indicated that the financial terms of any transaction would be lower than those initially proposed by Stericycle in December 2006.

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**MedSolutions Reasons for the Merger**

The MedSolutions Board of Directors, at a special meeting held on July 5, 2007, unanimously determined that the merger and the merger agreement are advisable, fair to and in the best interests of MedSolutions and its shareholders. The MedSolutions Board of Directors has approved the merger agreement and unanimously recommends MedSolutions shareholders vote FOR approval and adoption of the merger agreement and the merger.

In reaching its decision, the MedSolutions Board of Directors consulted with MedSolutions management and its valuation and legal advisors in this transaction. In concluding that the merger is in the best interests of MedSolutions and its shareholders, the MedSolutions Board of Directors considered a variety of factors, including the following:

the financial presentation of Van Amburgh, including its opinion dated June 30, 2007, to the MedSolutions Board of Directors as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration, as more fully described below under Opinion of MedSolutions Valuation Advisor ;

the MedSolutions Board of Directors familiarity with, and understanding of, MedSolutions business, financial condition, results of operations, current business strategy, earnings and prospects, and its understanding of Stericycle s business, financial condition, results of operations, business strategy and earnings;

the possible alternatives to the merger, including:

other acquisition or combination possibilities for MedSolutions; and

the possibility of continuing to operate as an independent regulated medical waste management company under its current model focused in the southern and northeastern United States;

the range of possible benefits to MedSolutions shareholders of those alternatives and the timing and likelihood of accomplishing the goal of any of those alternatives, and the Board s assessment that the merger with Stericycle presents an opportunity superior to those alternatives;

the fact that MedSolutions shareholders will receive substantial and adequate total consideration for their shares;

the MedSolutions Board of Directors understanding, following its review together with MedSolutions management and valuation advisors, of overall market conditions, and the Board s determination that, in light of these factors, the timing of a potential transaction was favorable to MedSolutions and its shareholders; and

the consideration by the MedSolutions Board of Directors, with the assistance of its advisors, of the general terms and conditions of the merger agreement, including the parties representations, warranties and covenants, the conditions to their respective obligations as well as the likelihood of consummation of the merger, the proposed transaction structure, the termination provisions of the agreement and the MedSolutions Board of Directors evaluation of the likely time period necessary to close the transaction.

The MedSolutions Board of Directors viewed all of the foregoing bullet points as favorably disposed to the merger. The valuation opinion reflected that MedSolutions shareholders were receiving fair value for their common stock. Another acquisition or merger party was remote, and continuing to operate independently, with the risks inherent therein, was not nearly attractive as the assuredness of receiving the merger consideration offered in the merger. Finally, the terms and conditions of the merger agreement, including the representations, warranties, covenants and indemnities MedSolutions was required to give, were fair to MedSolutions and did not pose undue risk that the merger consideration would be materially negatively adjusted as a result thereof.

The MedSolutions Board of Directors also considered potential risks associated with the merger in connection with its evaluation of the proposed transaction, including:

the risks of the type and nature described under Risk Factors beginning on page 16;



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the risk, which is common in transactions of this type, that the terms of the merger agreement, including provisions relating to Stericycle's right to obtain information with respect to any alternative proposals and to a five-day negotiating period after receipt by MedSolutions of a superior proposal and MedSolutions' payment of a termination fee under specified circumstances, might discourage other parties that could otherwise have an interest in a business combination with, or an acquisition of, MedSolutions from proposing such a transaction;

the interests of certain of MedSolutions' executive officers and directors described under "Interests of MedSolutions Directors and Executive Officers in the Merger" beginning on page 49;

the restrictions on the conduct of MedSolutions' business prior to the consummation of the merger, requiring MedSolutions to conduct its business in the ordinary course consistent with past practices subject to specific limitations, which may delay or prevent MedSolutions from undertaking business opportunities that may arise pending completion of the merger; and

the risks and contingencies related to the announcement and pendency of the merger, the possibility that the merger will not be consummated and the potential negative effect of public announcement of the merger on MedSolutions' business and relations with customers and service providers, and operating results and MedSolutions' ability to retain key management and personnel.

The MedSolutions Board of Directors believed that the risk factors mentioned above were either not relevant, such as in the case with respect to the risk factor that MedSolutions may not be permitted to negotiate an alternative proposal to the merger (that prohibition lapsed prior to executing the merger agreement), or were neutral, such as the risk factors requiring MedSolutions to conduct its business in the ordinary course and the potential negative impact of not closing the merger once the proposed transaction was publicly announced.

The MedSolutions Board of Directors discussed the loss of its shareholders' ongoing investment in MedSolutions, but concluded that, in light of the risks of continued ownership and the great uncertainty of the value of an investment in MedSolutions, such continued ownership was not in the best interests of MedSolutions' shareholders at the present time compared to the merger and the merger consideration to be paid to such shareholders, notwithstanding that the merger consideration is subject to downward adjustment. The adjustments, if any, would be losses realized by MedSolutions if it remained independent, other than any adjustments as a result of a breach of a representation and warranty by MedSolutions which the MedSolutions Board of Directors believes to be of very modest risk. For example, a downward adjustment to the merger consideration as a result of increased liabilities, loss of revenues, or payment of a litigation judgment would all equally negatively affect the value of a shareholder's interest in MedSolutions.

The MedSolutions Board of Directors did not consider the fact that financial data for the period after March 31, 2007 was not provided to Van Amburgh to be material to its review of the fairness opinion as the financial condition of MedSolutions between March 31, 2007 and June 30, 2007 did not materially change. No significant events affecting MedSolutions' business or operations occurred between March 31, 2007 and June 30, 2007 other than the verdict rendered against EMSI as described in the section entitled "The Merger Agreement-Adjustments to Merger Consideration-Litigation Adjustment" on page 61 of the proxy statement/prospectus.

The foregoing discussion of the information and factors discussed by the MedSolutions Board of Directors is not exhaustive but does include material factors considered by the MedSolutions Board of Directors. The MedSolutions Board of Directors did not quantify or assign any relative or specific weight to the various factors that it considered. Rather, the MedSolutions Board of Directors based its recommendation on the totality of the information presented to and considered by it. In addition, individual members of the MedSolutions Board of Directors may have given different weight to different factors.

**Recommendation of the MedSolutions Board of Directors**

After careful consideration of the matters discussed above, the MedSolutions Board of Directors concluded that the proposed merger is in the best interest of the shareholders of MedSolutions.



**FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS OF MEDSOLUTIONS HAS UNANIMOUSLY ADOPTED THE MERGER AGREEMENT AS IN THE BEST INTERESTS OF MEDSOLUTIONS AND ITS SHAREHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT MEDSOLUTIONS SHAREHOLDERS VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.**

**Stericycle's Reasons for the Merger**

Stericycle anticipates that the acquisition of MedSolutions will increase Stericycle's revenues and improve its operating margins by increasing route densities and expanding the geographic areas that it is able to serve efficiently. Because Stericycle uses a hub and spoke configuration of treatment facilities and transfer stations, the addition of MedSolutions' customers and facilities will increase the number of customers that can be served by Stericycle's existing routes or by new routes resulting from a realignment as appropriate of Stericycle's and MedSolutions' routes, thereby reducing per-stop collection costs, and the addition of MedSolutions' facilities will shorten travel distances, thereby reducing overall transportation costs.

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**Opinion of MedSolutions Valuation Advisor**

Van Amburgh has rendered its written opinion, dated June 30, 2007, to the Board of Directors of MedSolutions to the effect that, as of that date and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the merger consideration to be received in connection with the merger by the holders of MedSolutions common stock was fair, from a financial point of view, to such holders.

**The full text of Van Amburgh's written opinion to MedSolutions Board of Directors, which sets forth the procedures followed, the assumptions made, qualifications and limitations on the review undertaken and other matters, is attached to this proxy statement/prospectus as Annex C. The summary of Van Amburgh's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion, which is incorporated by reference into this proxy statement/prospectus. Holders of MedSolutions common stock are encouraged to read the opinion in its entirety.**

**The opinion of Van Amburgh does not constitute a recommendation as to how any shareholder should vote on the merger or any matter relevant to the merger agreement.**

***General***

Van Amburgh was selected by MedSolutions Board of Directors based on Van Amburgh's qualifications, expertise and reputation. Van Amburgh is a nationally recognized valuation firm, and is regularly engaged in the evaluation of capital structures, valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, financial restructurings and other financial services.

In the past, Van Amburgh and its affiliates have provided financial advisory services to MedSolutions unrelated to the merger for which they have received compensation. MedSolutions retained Van Amburgh in 2006 to provide financial advisory services in connection with its acquisition of SteriLogic Waste Systems, Inc. Van Amburgh or its affiliates may, in the future, provide investment banking and financial advisory services to Stericycle for which they would expect to receive compensation.

Pursuant to an engagement letter between MedSolutions and Van Amburgh dated April 16, 2007, Van Amburgh was retained to render a written opinion to the Board of Directors of MedSolutions regarding the fairness of the merger consideration to be received, as subject to adjustment as set forth in the merger agreement, in connection with the merger by the holders of MedSolutions common stock from a financial point of view. On June 30, 2007, Van Amburgh rendered its written opinion to the Board of Directors of MedSolutions that, as of that date and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the merger consideration to be received in connection with the merger by the holders of MedSolutions common stock was fair, from a financial point of view, to such holders. Van Amburgh received a fee of \$17,500 for rendering such opinion, which was not contingent upon the completion of the merger. MedSolutions and Van Amburgh mutually determined the amount of the fee payable to Van Amburgh for rendering such opinion.

The opinion of Van Amburgh was one of many factors taken into consideration by MedSolutions Board of Directors in making its determination to approve the merger and should not be considered determinative of the views of MedSolutions Board of Directors or management with respect to the merger or the merger consideration.

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Van Amburgh did not establish the amount of cash or the principal amount of the promissory note that will be received in exchange for each share of MedSolutions common stock as consideration for the merger. These amounts were determined pursuant to negotiations between MedSolutions and Stericycle and were approved by the Board of Directors of MedSolutions.

***Procedures Followed***

In connection with rendering its opinion, Van Amburgh has, among other things:

reviewed a draft of the merger agreement and discussed with the officers of MedSolutions the course of other negotiations with Stericycle;

reviewed certain financial and other information about MedSolutions that was publicly available and that Van Amburgh deemed relevant;

reviewed certain internal financial and operating information, including financial projections relating to MedSolutions that were provided to Van Amburgh by MedSolutions, taking into account (a) the growth prospects of MedSolutions, (b) MedSolutions' historical and current fiscal year financial performance and track record of meeting its forecasts, and (c) MedSolutions' forecasts going forward and its ability to meet them;

met with MedSolutions' management regarding the business prospects, financial outlook and operating plans of MedSolutions, and held discussions concerning the impact on MedSolutions and its prospects of the economy and the conditions in MedSolutions' industry;

compared the valuation in the public market of companies Van Amburgh deemed similar to that of MedSolutions in market, services offered, and size;

reviewed public information concerning the financial terms of certain recent transactions that Van Amburgh deemed comparable to the merger; and

performed a discounted cash flow analysis to analyze the present value of the future cash flow streams that MedSolutions has indicated it expects to generate.

In addition, Van Amburgh conducted such other studies, analyses and investigations and considered such other financial, economic and market factors and criteria as they considered appropriate in arriving at their opinion. Van Amburgh's analyses must be considered as a whole. Considering any portion of such analyses or factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusions expressed in the opinion delivered by Van Amburgh.

***Assumptions Made and Qualifications and Limitations on Review Undertaken***

In rendering its opinion, Van Amburgh assumed and relied upon the accuracy and completeness of all of the financial information, forecasts and other information provided to or otherwise made available to Van Amburgh by MedSolutions or that was publicly available to Van Amburgh, and did not attempt, or assume any responsibility, to independently verify any of such information. The opinion of Van Amburgh is expressly conditioned upon such information, whether written or oral, being complete and accurate. In addition, in rendering its opinion, Van Amburgh assumed that the forecasts provided by MedSolutions had been reasonably prepared on bases reflecting the best currently available information, estimates and judgments of MedSolutions' management as to the future financial performances of MedSolutions. The forecasts projected that MedSolutions would have gross revenues of \$16,061,448 and net income of \$1,096,816 in fiscal year 2007. The forecasts provided by MedSolutions were reviewed by Van Amburgh in comparison to MedSolutions' historical financial results. Based upon such review, Van Amburgh deemed the forecasts to be reasonable in terms of achievability.

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Van Amburgh assumed that the merger will be consummated in accordance with the merger agreement. In addition, Van Amburgh's opinion noted that:

they have not conducted a physical inspection of MedSolutions' properties and facilities;

they have not made nor obtained any evaluations or appraisals of the assets or liabilities (including without limitation any potential environmental liabilities) of MedSolutions;

their opinion is based upon market, economic and other conditions as they exist on, and can be evaluated as of, the date of the opinion;

they assumed that there were no significant events impacting MedSolutions' historical profitability between March 31, 2007 and June 30, 2007; and

their opinion does not address the relative merits of the merger as compared to other transactions or business strategies that might be available to MedSolutions, nor does it address MedSolutions' underlying business decision to proceed with the merger.

***Summary of Financial and Other Analyses***

The following is a summary of the material financial and other analyses presented by Van Amburgh to MedSolutions' Board of Directors in connection with Van Amburgh's opinion dated June 30, 2007. The financial and other analyses summarized below include information presented in tabular format. In order to fully understand Van Amburgh's analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the financial and other analyses, including the methodologies underlying and the assumptions, qualifications and limitations affecting each analysis, could create a misleading or incomplete view of Van Amburgh's analyses.

*Overview*

Van Amburgh analyzed the value of MedSolutions in accordance with the following methodologies, each of which is described in more detail below:

Discounted Cash Flow Analysis;

Guideline Company Analysis; and

Adjusted Book Value Analysis.

These methodologies were used to determine an implied price range per share of MedSolutions common stock, which was then compared to the merger consideration. The following table summarizes the results of the analyses and should be read together with the more detailed descriptions set forth below:

<b>Methodology</b>	<b>Fair Market Value Estimate Range</b>
Discounted Debt-Free Net Cash Flow (Income) Approach to Value	\$ 37,100,000 to \$45,400,000
Guideline Company (Market) Approach to Value	\$ 38,600,000 to \$41,700,000
Adjusted Book Value (Cost) Approach to Value	N/A
Total Range	\$ 37,100,000 to \$45,400,000

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*Discounted Cash Flow Analysis*

Van Amburgh's first valuation analysis was based upon the Discounted Debt-Free Net Cash Flow (Income) Approach to Value. This approach involved a projection of future revenues and expenses based upon present operations and expectations. The calculated earnings stream was discounted back to present value at discount rates ranging from 14% to 16%, a weighted average cost of capital (discount rate) range believed by Van Amburgh to balance the potential risks with the potential rewards as viewed by an objective investor. Values in a range from \$37,100,000 (using a 16% discount rate) to \$45,400,000 (using a 14% discount rate) were determined using this approach.

*Guideline Company Analysis*

Van Amburgh's second analysis was based upon the Guideline Company (Market) Approach to Value. Values determined from recent minority public guideline company trades, private sale transactions, possible transaction indicators, planned trades, and/or trades of equivalent assets were considered under this approach. Fair market value estimates in a range from \$38,600,000 to \$41,700,000 were determined using this approach.

The selected companies used by Van Amburgh in the Guideline Company Analysis were:

Donno Compant;

SteriLogic Waste Systems, Inc.;

Miners Group;

A&J Cartage, Inc.;

Waste Stream Environmental, Inc.;

Romic Environmental Technologies Corporation;

Bonham Management Group, Inc.;

Liberty Disposal, Inc.;

Incendere, Inc.;

7-7, Inc.;

Stericycle, Inc.;

American Ecology Corporation;

Microtek Medical Holdings, Inc.; and

Steris Corporation.

The comparable guideline companies included in the Guideline Company Analysis were all operating within Standard Industrial Classification ( SIC ) code number 4953, *Refuse Systems*. The private company sales transactions (10 transactions) were selected from a comparable company search of SIC code number 4953 transactions using the *Pratt's Stats* computer database of private sales transactions. The only companies excluded were companies that operated landfills, trash hauling operations, container manufacturers, and other sectors that bore no relation to medical waste or hazardous waste processing. The public company guideline transactions consisted of five publicly-traded guideline companies. The selection process involved both an SIC code number 4953 search and text searches ( medical waste, hazardous waste, refuse systems, waste removal, and waste disposal ). The SIC code number 4953 and text

searches were performed using the *10-K Wizard* database, which accesses the SEC's EDGAR database. Additional financial information and stock price information was secured from *Yahoo Finance*. No companies were excluded from Van Amburgh's public company analysis.

*Adjusted Book Value Analysis*

Van Amburgh's third analysis was based upon the Adjusted Book Value (Cost) Approach to Value. This analysis required adjusting each asset and each actual and potential liability of MedSolutions to present fair market value in order to establish the present estimated cost of duplicating the assets and liabilities of its business. The value indicated by this analysis often understates the fair market value of the subject company because it does not consider goodwill and other elements of intangible value. Due to the earnings potential of MedSolutions and the presence of significant intangible asset value, the Adjusted Book Value (Cost) Approach to Value was calculated more for informational purposes than for value

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indication purposes. The book value of MedSolutions' shareholders' equity was \$4,606,561 as of the date of Van Amburgh's opinion. Van Amburgh disregarded this valuation method because it did not believe it accurately reflected MedSolutions' value.

After these three approaches to value were considered, the applicability and practical application of each were examined by Van Amburgh and other relevant factors were weighted. Based upon Van Amburgh's personnel's experience in valuing closely-held companies, the most representative value of 100% of MedSolutions' common stock, as of the date of their opinion, was in a range from \$37,100,000 to \$45,400,000. The total amount to be paid by Stericycle to MedSolutions shareholders pursuant to the merger agreement is \$54,323,871.

***Conclusion***

Van Amburgh determined and issued its written opinion to the Board of Directors of MedSolutions to the effect that as of June 30, 2007, and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the merger consideration to be received in connection with the merger by the holders of MedSolutions common stock was fair, from a financial point of view, to such holders.

**Accounting Treatment**

Stericycle will account for the merger using the purchase method of accounting.

**Regulatory Matters**

Other than as we describe in this document, the merger does not require the approval of any other U.S. federal or state or foreign agency.

**Appraisal and Dissenters' Rights**

Under the Texas Business Corporation Act (the "TBCA"), you have the right to demand appraisal in connection with the merger and to receive, in lieu of the merger consideration, payment in cash, without interest, for the fair value of your shares of MedSolutions common stock as determined by an appraiser selected in a Texas state court proceeding. Holders of MedSolutions common stock electing to exercise appraisal rights must comply with the provisions of Article 5.12 of the TBCA in order to perfect their rights. MedSolutions will require strict compliance with the statutory procedures.

The following is intended as a summary of the material provisions of the Texas statutory procedures required to be followed by a MedSolutions shareholder in order to demand and perfect appraisal rights. Shareholders who desire more information than provided in the following summary should review Article 5.12 of the TBCA, the full text of which appears in Annex D to this proxy statement/prospectus.

This proxy statement/prospectus constitutes MedSolutions' notice to its shareholders of the availability of appraisal rights in connection with the merger in compliance with the requirements of Article 5.12 of the TBCA. If you wish to consider exercising your appraisal rights, you should carefully review the text of Article 5.12 contained in Annex D since failure to timely and properly comply with the requirements of Article 5.12 will result in the loss of your appraisal rights under Texas law.

If you elect to demand appraisal of your shares of MedSolutions common stock, you must satisfy each of the following conditions:

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prior to the special meeting you must deliver to MedSolutions a written objection to the merger and your intention to exercise your right to dissent in the event that the merger is effected and setting forth the address at which notice shall be delivered in that event;

this written objection must be in addition to and separate from any proxy or vote abstaining from or voting against the adoption of the merger agreement. Voting against or failing to vote for the adoption of the merger agreement by itself does not constitute a demand for appraisal within the meaning of Article 5.12;

you must not vote in favor of the adoption of the merger agreement. A vote in favor of the adoption of the merger agreement, by proxy or in person, will constitute a waiver of your appraisal rights in respect of the shares so voted and will nullify any previously filed written demands for appraisal. Failing to vote against adoption of the merger agreement will not constitute a waiver of your appraisal rights;

you must continuously hold your shares through the effective time of the merger.

If you fail to comply with any of these conditions and the merger is completed, you will be entitled to receive the fixed combination of the cash consideration and the note consideration for each share of MedSolutions common stock as provided for in the merger agreement if you are the holder of record at the effective time of the merger, but you will have no appraisal rights with respect to your shares of MedSolutions common stock. A proxy card which is signed and does not contain voting instructions will, unless revoked, be voted FOR the adoption of the merger agreement and will constitute a waiver of your right of appraisal and will nullify any previous written demand for appraisal.

All written objections should be addressed to MedSolutions Secretary at 12750 Merit Drive, Park Central VII, Suite 770, Dallas, Texas 75251, and should be executed by, or on behalf of, the record holder of the shares in respect of which appraisal is being demanded. The written objection must reasonably inform MedSolutions of the identity of the shareholder and the intention of the shareholder to demand appraisal of his, her or its shares.

To be effective, a written objection by a holder of MedSolutions common stock must be made by or on behalf of the shareholder of record. The written objection should set forth, fully and correctly, the shareholder of record's name as it appears on his or her stock certificate(s) and should specify the holder's mailing address and the number of shares registered in the holder's name. The written objection must state that the person intends to exercise his, her or its right to dissent under Texas law in connection with the merger. Beneficial owners who do not also hold the shares of record may not directly make appraisal demands to MedSolutions. The beneficial holder must, in such cases, have the record owner submit the required demand in respect of those shares. If shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a written objection should be made in that capacity; and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the written objection should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the written objection for appraisal for a shareholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the written objection, he or she is acting as agent for the record owner. A record owner, such as a broker, who holds shares as a nominee for others, may exercise his or her right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written objection should state the number of shares as to which appraisal is sought. Where no number of shares is expressly mentioned, the written objection will be presumed to cover all shares held in the name of the record owner.



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If you hold your shares of MedSolutions common stock in a brokerage account or in other nominee form and you wish to exercise appraisal rights, you should consult with your broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

Within 10 days after the effective time of the merger, the surviving corporation to the merger must give written notice that the merger has become effective to each MedSolutions shareholder who has properly filed a written objection and who did not vote in favor of the merger agreement. Each shareholder who has properly filed a written objection has 10 days from the delivery or mailing of the notice to make written demand for payment of the fair value for the shareholder's shares. The written demand must state the number of shares owned by the shareholder and the fair value of the shares as estimated by the shareholder. Any shareholder who fails to make written demand within 10 days of the delivery or mailing of the notice from the surviving corporation that the merger has become effective will not be entitled to any appraisal rights. Any shareholder making a written demand for payment must submit to the surviving corporation for notatio