
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the quarterly period ended **March 31, 2018**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____

Commission File Number: **001-35020**



INFUSYSTEM HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-3341405
(I.R.S. Employer
Identification No.)

31700 Research Park Drive
Madison Heights, Michigan 48071
(Address of Principal Executive Offices)

(248) 291-1210
(Registrant's Telephone Number, including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act.

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act). Yes No

As of May 4, 2018, 22,762,691 shares of the registrant's common stock, par value \$0.0001 per share, were outstanding.

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	As of	
	March 31, 2018	December 31, 2017
<i>(in thousands, except share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,530	\$ 3,469
Accounts receivable, less allowance for doubtful accounts of \$6,420 and \$6,514 at March 31, 2018 and December 31, 2017, respectively	11,087	11,385
Inventories	2,063	1,764
Other current assets	1,114	1,049
Total current assets	15,794	17,667
Medical equipment held for sale or rental	1,481	1,567
Medical equipment in rental service, net of accumulated depreciation	22,681	23,369
Property & equipment, net of accumulated depreciation	1,546	1,633
Intangible assets, net	23,327	24,514
Other assets	136	131
Total assets	\$ 64,965	\$ 68,881
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,545	\$ 5,516
Capital lease liability, current	389	505
Current portion of long-term debt	3,039	3,039
Other current liabilities	1,935	3,414
Total current liabilities	10,908	12,474
Long-term debt, net of current portion	22,719	25,352
Capital lease liability, long-term	-	33
Deferred income taxes	86	62
Other long-term liabilities	20	7
Total liabilities	33,733	37,928
Stockholders' equity:		
Preferred stock, \$.0001 par value: authorized 1,000,000 shares; none issued	-	-
Common stock, \$.0001 par value: authorized 200,000,000 shares; issued and outstanding 23,003,435 and 22,773,511, respectively, as of March 31, 2018 and 22,978,398 and 22,780,738, respectively, as of December 31, 2017	2	2
Additional paid-in capital	92,659	92,584
Retained deficit	(61,429)	(61,633)
Total stockholders' equity	31,232	30,953
Total liabilities and stockholders' equity	\$ 64,965	\$ 68,881

See accompanying notes to unaudited condensed consolidated financial statements.

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<i>(in thousands, except share and per share data)</i>	Three Months Ended March 31	
	2018	2017
Net revenues:		
Rentals	\$ 14,421	\$ 15,137
Product sales	2,062	2,517
Net revenues	16,483	17,654
Cost of revenues:		
Cost of revenues — Product, service and supply costs	4,479	4,536
Cost of revenues — Pump depreciation and disposals	1,931	2,469
Gross profit	10,073	10,649
Selling, general and administrative expenses:		
Provision for doubtful accounts	-	1,856
Amortization of intangibles	1,187	1,411
Selling and marketing	2,301	2,886
General and administrative	5,997	6,465
Total selling, general and administrative	9,485	12,618
Operating income (loss)	588	(1,969)
Other expense:		
Interest expense	(315)	(328)
Other expense	(11)	(37)
Income (loss) before income taxes	262	(2,334)
(Provision for) benefit from income taxes	(58)	856
Net income (loss)	\$ 204	\$ (1,478)
Net income (loss) per share:		
Basic	\$ 0.01	\$ (0.07)
Diluted	0.01	(0.07)
Weighted average shares outstanding:		
Basic	22,799,221	22,680,562
Diluted	22,857,121	22,680,562

See accompanying notes to unaudited condensed consolidated financial statements.

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(in thousands)</i>	Three Months Ended	
	March 31	
	2018	2017
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 1,025	\$ (1,442)
INVESTING ACTIVITIES		
Purchase of medical equipment and property	(1,213)	(1,015)
Proceeds from sale of medical equipment and property	1,076	1,525
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(137)	510
FINANCING ACTIVITIES		
Principal payments on revolving credit facility, term loans and capital lease obligations	(2,790)	(6,413)
Cash proceeds from revolving credit facility	-	4,099
Debt issuance costs	-	(25)
Common stock repurchased to satisfy statutory withholding on employee stock based compensation plans	-	(20)
Common stock repurchased as part of Repurchase Program	(83)	-
Cash proceeds from stock plans	46	87
NET CASH USED IN FINANCING ACTIVITIES	(2,827)	(2,272)
Net change in cash and cash equivalents	(1,939)	(3,204)
Cash and cash equivalents, beginning of period	3,469	3,398
Cash and cash equivalents, end of period	\$ 1,530	\$ 194

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation, Nature of Operations and Summary of Significant Accounting Policies

The terms “InfuSystem”, the “Company”, “we”, “our” and “us” are used herein to refer to InfuSystem Holdings, Inc. and its subsidiaries. InfuSystem is a leading provider of infusion pumps and related services. The Company services hospitals, oncology practices and other alternative site healthcare providers. Headquartered in Madison Heights, Michigan, the Company delivers local, field-based customer support, and also operates pump repair Centers of Excellence in Michigan, Kansas, California, Georgia and Ontario, Canada.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and notes required by U.S. Generally Accepted Accounting Principles (“GAAP”) for complete financial statements. The accompanying unaudited condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows. The operating results for the interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC.

The unaudited condensed consolidated financial statements are prepared in conformity with GAAP, which requires the use of estimates, judgments and assumptions that affect the amounts of assets and liabilities at the reporting date and the amounts of revenue and expenses in the periods presented. The Company believes that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

2. Revenue Recognition

Adoption of ASC 606

Except for the changes below, we have consistently applied the accounting policies to all periods in these condensed consolidated financial statements.

On January 1, 2018 the Company adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606 - Revenue from Contracts with Customers (“ASC 606”) and concluded that, consistent with prior reporting, the Company has two separate revenue streams: rentals and product sales. The adoption of ASC 606 had no impact upon adoption on the Company’s net income for the first quarter of 2018. However, the adoption of ASC 606 requires certain customer concessions associated with rental revenues reported in accordance with ASC 605 - Revenue Recognition, previously reported in selling, general and administrative expenses as “provisions for doubtful accounts” to now be recorded as a reduction of net rental revenues as they are considered price concessions of the transaction price under the new revenue guidance. As ASC 606 was adopted on a modified retrospective method, prior quarters are not restated.

ASC 606 defines a five-step process to recognize revenues at the time and in an amount that reflects the consideration expected to be received for the performance obligations that have been provided. ASC 606 defines contracts as written, oral and through customary business practice. Under this definition, the Company considers contracts to be created at the time that the rental service is authorized or an order to purchase product is agreed upon regardless of whether or not there is a written contract.

Performance Obligations

The Company has two separate and distinct performance obligations offered to its customers: a rental service performance obligation or a product sale performance obligation. These performance obligations are related to separate revenue streams and at no point are they combined into a single transaction.

The Company generates the majority of its revenue from the rental and servicing of infusion pumps to its customers and a minority of its revenue from product sales. Revenue related to rentals is recognized at the point in time that a patient concludes a treatment and the proper documentation has been received by the Company, or in certain arrangements, based on the number of pumps that a facility has onsite. Revenue related to product sales is recognized at the time that control of the product has been transferred to the customer; either at the time the product is shipped or the time the product has been received by the customer depending on the shipping terms. The Company does not commit to long-term contracts to sell customers a certain minimum quantity of products.

Significant Judgments

The Company employs certain significant judgments to estimate the dollar amount of revenue, and related concessions, allocated to the rental service and sale of products. These judgments include, among others, the estimation of variable consideration. Variable consideration, specifically related to the Company's third-party payor rental revenues, is estimated as a contractual allowance for commercial payors and implied customer concessions, which has been traditionally considered bad debt for self-pay customers. The estimates for variable consideration are based on historical collections with similar payors which provide a reasonable basis for estimating the variable portion of a transaction. The Company uses the "expected value" method to estimate the component of variable consideration, which is consistent with the expectations set forth in ASC 606. The Company doesn't believe that a significant reversal of revenue will occur in future periods because (i) there is no significant uncertainty about the amount of considerations that are expected to be collected based on collection history and (ii) the large number of sufficiently similar contracts allows the Company to adequately estimate the component of variable consideration.

Financial Impact of ASC 606 Adoption

The following table presents the impact of ASC 606 on the Condensed Consolidated Statements of Operations (unaudited) for the three months ended March 31, 2018 (in thousands):

	Three Months Ended March 31, 2018		
	As Reported	Adjustments	Pro-Forma as if Previous Accounting Guidance Was in Effect
Net revenues:			
Rentals	\$ 14,421	\$ 1,904	\$ 16,325
Net revenues	16,483	1,904	18,387
Gross profit	10,073	1,904	11,977
Selling, general and administrative expenses:			
Provision for doubtful accounts	-	1,904	1,904
Total selling, general and administrative	\$ 9,485	\$ 1,904	\$ 11,389

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The following table presents disaggregated revenue by offering type:

	Three Months Ended March 31, 2018
Third-Party Payor Rentals	48.6%
Direct Payor Rentals	38.9%
Product Sales	12.5%
Total - Net revenues	100.0%

3. Medical Equipment

Medical equipment is comprised of the following (in thousands):

	March 31, 2018	December 31, 2017
Medical Equipment held for sale or rental	\$ 1,481	\$ 1,567
Medical Equipment in rental service	58,044	57,928
Medical Equipment in rental service - pump reserve	(462)	(482)
Accumulated depreciation	(34,901)	(34,077)
Medical Equipment in rental service - net	22,681	23,369
Total	\$ 24,162	\$ 24,936

Depreciation expense for medical equipment for the three months ended March 31, 2018 was \$1.5 million, compared to \$1.6 million for the same prior year period, which was recorded in “cost of revenues – pump depreciation and disposals,” for each period.

4. Property and Equipment

Property and equipment is comprised of the following (in thousands):

	March 31, 2018			December 31, 2017		
	Gross Assets	Accumulated Depreciation	Total	Gross Assets	Accumulated Depreciation	Total
Furniture, fixtures, and equipment	\$ 3,845	\$ (3,340)	\$ 505	\$ 3,824	\$ (3,277)	\$ 547
Automobiles	118	(88)	30	118	(85)	33
Leasehold improvements	2,187	(1,176)	1,011	2,187	(1,134)	1,053
Total	\$ 6,150	\$ (4,604)	\$ 1,546	\$ 6,129	\$ (4,496)	\$ 1,633

Depreciation expense for property and equipment for the three months ended March 31, 2018 and 2017 was \$0.1 million. This expense was recorded in general and administrative expenses.

5. Intangible Assets

The carrying amount and accumulated amortization of intangible assets is comprised of the following (in thousands):

	March 31, 2018			December 31, 2017		
	Gross Assets	Accumulated Amortization	Net	Gross Assets	Accumulated Amortization	Net
Nonamortizable intangible assets:						
Trade names	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Amortizable intangible assets:						
Trade names	23	(23)	-	23	(23)	-
Physician and customer relationships	36,534	(22,394)	14,140	36,534	(21,801)	14,733
Non-competition agreements	1,136	(1,131)	5	1,136	(1,125)	11
Software	11,230	(4,048)	7,182	11,230	(3,460)	7,770
Total nonamortizable and amortizable intangible assets	\$ 50,923	\$ (27,596)	\$ 23,327	\$ 50,923	\$ (26,409)	\$ 24,514

Amortization expense for the three months ended March 31, 2018 was \$1.2 million compared to \$1.4 million for the three months ended March 31, 2017. Expected annual amortization expense for intangible assets recorded as of March 31, 2017 is as follows (in thousands):

	4/1-12/31/2018	2019	2020	2021	2022	2023 and thereafter	Total
Amortization expense	\$ 3,462	\$ 4,402	\$ 4,285	\$ 3,930	\$ 2,051	\$ 3,197	\$ 21,327

6. Debt

As of March 31, 2018, the Company's term loan under its credit facility had a balance of \$25.9 million. The net availability under the revolving credit line under the credit facility is based upon our eligible accounts receivable and inventory and is computed as follows (in thousands):

	March 31, 2018	December 31, 2017
Revolver:		
Gross availability	\$ 10,000	\$ 10,000
Outstanding draws	-	-
Letter of credit	(750)	(750)
Landlord reserves	(68)	(45)
Net availability	<u>\$ 9,182</u>	<u>\$ 9,205</u>

The Company had future maturities of its term loan as of March 31, 2018 as follows (in thousands):

	2018	2019	2020	2021	Total
Term Loan	\$ 2,300	\$ 3,067	\$ 3,067	\$ 17,436	\$ 25,870
Unamortized value of the debt issuance costs	(22)	(30)	(30)	(30)	(112)
Total	<u>\$ 2,278</u>	<u>\$ 3,037</u>	<u>\$ 3,037</u>	<u>\$ 17,406</u>	<u>\$ 25,758</u>

The following is a breakdown of the Company's current and long-term debt as follows (in thousands):

	March 31, 2018			December 31, 2017		
	Current Portion of Long-Term Debt	Long-Term Debt	Total	Current Portion of Long-Term Debt	Long-Term Debt	Total
Term Loan	\$ 3,067	\$ 22,803	\$ 25,870	\$ 3,067	\$ 25,444	\$ 28,511
Unamortized value of the debt issuance costs	(28)	(84)	(112)	(28)	(92)	(120)
Total	<u>\$ 3,039</u>	<u>\$ 22,719</u>	<u>\$ 25,758</u>	<u>\$ 3,039</u>	<u>\$ 25,352</u>	<u>\$ 28,391</u>

As of March 31, 2018, interest on the credit facility is payable at our option as a (i) Eurodollar Loan, which bears interest at a per annum rate equal to the applicable 30-day London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging from 2.00% to 3.00% or (ii) CB Floating Rate ("CBFR") Loan, which bears interest at a per annum rate equal to the greater of (a) the lender's prime rate or (b) LIBOR plus 2.50%, in each case, plus a margin ranging from -1.00% to 0.25%. The actual rate at March 31, 2018 was 4.63% (LIBOR of 1.88% plus 2.75%).

As of March 31, 2018, we were in compliance with all debt related covenants under the credit facility.

7. Income Taxes

During the three months ended March 31, 2018, the Company recorded expense provision for income taxes of \$0.1 million. The income tax provision relates principally to the Company's state and local taxes and foreign operations in Canada. The Company recorded a benefit from income taxes of \$0.9 million for the same prior year period.

The Company's realization of its deferred tax assets is dependent upon many factors, including, but not limited to, the Company's ability to generate sufficient taxable income. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. The Company's management has determined that it is more likely than not that the Company will not recognize the benefits of its federal and state deferred tax assets. Accordingly, the Company had a full valuation allowance for all deferred tax assets at March 31, 2018 and December 31, 2017.

In December 2017, the Tax Cuts and Jobs Act (the "2017 Tax Act") was enacted. The 2017 Tax Act includes many changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. The 2017 Tax Act also provides for a one-time transition tax on certain foreign earnings and the acceleration of depreciation for certain assets placed into service after September 27, 2017 as well as prospective changes beginning in 2018, including repeal of the domestic manufacturing deduction, acceleration of tax revenue recognition, capitalization of research and development expenditures, additional limitations on executive compensation and limitations on the deductibility of interest.

The Company recognized the income tax effects of the 2017 Tax Act in its 2017 financial statements in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of ASC Topic 740 - Income Taxes (“ASC 740”), in the reporting period in which the 2017 Tax Act was signed into law. As such, the Company’s financial results reflect the income tax effects of the 2017 Tax Act for which the accounting under ASC 740 is complete and provisional amounts for those specific income tax effects of the 2017 Tax Act for which the accounting under ASC 740 is incomplete but a reasonable estimate could be determined. The ultimate impact of the 2017 Tax Act on our financial statements and related disclosures for 2018 and beyond may differ from our current provisional amounts, possibly materially, due to, among other things, changes in interpretations and assumptions we have made, guidance that may be issued and other actions we may take as a result of the 2017 Tax Act that differ from those presently contemplated.

As of March 31, 2018, the Company had not yet completed its accounting for all of the tax effects of the enactment of the 2017 Tax Act; however, the Company has made a reasonable estimate of the effects on its existing deferred tax balances. The Company will continue to refine its calculations as additional analysis is completed. The Company expects that any additional changes will be offset by a corresponding increase or decrease in the Company’s valuation allowance.

8. Commitments, Contingencies and Litigation

From time to time in the ordinary course of its business, the Company may be involved in legal proceedings, the outcomes of which may not be determinable. The results of litigation are inherently unpredictable. Any claims against the Company, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time and result in diversion of significant resources. The Company is not able to estimate an aggregate amount or range of reasonably possible losses for those legal matters for which losses are not probable and estimable, primarily for the following reasons: (i) many of the relevant legal proceedings are in preliminary stages and, until such proceedings develop further, there is often uncertainty regarding the relevant facts and circumstances at issue and potential liability; and (ii) many of these proceedings involve matters of which the outcomes are inherently difficult to predict. The Company has insurance policies covering potential losses where such coverage is cost effective.

On January 29, 2018, the Company received notice that the U.S. District Court for the Central District of California (the “Court”) (Case No. 2:16-cv-08295-ODW) issued an order dismissing, with prejudice, a putative class-active lawsuit against the Company. The dismissal relates to an action brought on November 8, 2016 by a purported shareholder of the Company against the Company and two individual defendants: Eric Steen, the Company’s former Chief Executive Officer, President and Director; and Jonathan Foster, the Company’s former Chief Financial Officer. The complaint asserted claims against all defendants under the antifraud provisions of the federal securities laws and against Messrs. Steen and Foster as control persons. On June 19, 2017, the Company and all defendants filed a Motion to Dismiss the amended complaint. On December 15, 2017, the Court dismissed the plaintiffs’ first amendment to the class action complaint (“FAC”), with leave to amend. On December 20, 2017, the parties stipulated, and the Court extended, the plaintiffs time to amend the FAC up to January 19, 2018. As of January 19, 2018, the plaintiff never filed an amended complaint and the Court dismissed the lawsuit with prejudice on January 29, 2018. On February 28, 2018, the plaintiff filed a notice of appeal, on the motion to dismiss, to the 9th Circuit Court of Appeals.

The Company is not involved in any legal proceedings that the Company believes could have a material effect on the Company’s financial condition, results of operations or cash flows at this time.

9. Earnings (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share assumes the issuance of potentially dilutive shares of common stock during the period. The following table reconciles the numerators and denominators of the basic and diluted income (loss) per share computations:

	Three Months Ended	
	March 31	
	2018	2017
Numerator:		
Net income (loss) (in thousands)	\$ 204	\$ (1,478)
Denominator:		
Weighted average common shares outstanding:		
Basic	22,799,221	22,680,562
Dilutive effect of non-vested awards	57,900	-
Diluted	22,857,121	22,680,562
Net income (loss) per share:		
Basic	\$ 0.01	\$ (0.07)
Diluted	\$ 0.01	\$ (0.07)

For the three months ended March 31, 2018, 0.3 million of stock options were not included in the calculation because they would have an anti-dilutive effect. For the three months ended March 31, 2017, 0.6 million of stock options were not included in the calculation because they would have an anti-dilutive effect.

10. Leases

The Company leases office space, service facility centers and equipment under non-cancelable capital and operating lease arrangements. The Company periodically enters into capital leases to finance the purchase of ambulatory infusion pumps (“Pump Assets”). The Pump Assets are capitalized into medical equipment in rental service at their fair market value, which equals the value of the future minimum lease payments and are depreciated over the useful life of the pumps. The weighted average interest rate under capital leases was 3.7% as of March 31, 2018. The leases for office space and service facility centers used in the Company’s logistics operations are operating leases. In most cases, the Company expects its facility leases will be renewed or replaced by other leases in the ordinary course of business.

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Future minimum rental payments pursuant to leases that have an initial or remaining non-cancelable lease term in excess of one year as of March 31, 2018 are as follows (in thousands):

	Capital Leases	Operating Leases	Total
2018	\$ 361	\$ 1,019	\$ 1,380
2019	33	1,263	1,296
2020	-	733	733
2021	-	219	219
2022	-	229	229
Thereafter	-	841	841
Total required payments	394	\$ 4,304	\$ 4,698
Less amounts representing interest (3.5%)	(5)		
Present value of minimum lease payments	389		
Less current maturities	(389)		
Long-term capital lease liability	\$ -		

At March 31, 2018 and December 31, 2017, Pump Assets obtained under capital leases, had a cost of approximately \$14.0 million for both periods and accumulated depreciation of \$6.6 million and \$6.1 million, respectively.

The Company had minimum future operating lease commitments, mainly related to its leased facilities. Related rental expense for facilities and other equipment from third parties under operating leases for the three months ended March 31, 2018 and 2017 was \$0.3 million and \$0.2 million, respectively.

11. Recent Accounting Pronouncements and Developments

In January 2017, the FASB issued Accounting Standards Update (“ASU”) No. 2017-04, “Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment”, which changes the subsequent measurement of goodwill impairment by eliminating Step 2 from the impairment test. Under the new guidance, an entity will measure impairment using the difference between the carrying amount and the fair value of the reporting unit. The new standard is effective for fiscal years beginning after December 15, 2019 (i.e. a January 1, 2020 effective date), with early adoption permitted for goodwill impairment tests with measurement dates after January 1, 2017. The Company believes the adoption will not have a material impact on its consolidated financial position, results of operations, cash flows and/or disclosures.

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). Under ASU 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. For public companies, ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact of the pending adoption of the new standard on our consolidated financial position and/or disclosures. The Company believes the adoption of ASU 2016-02 will result in the Company recording right-of-use assets and liabilities on the consolidated balance sheets for leases currently classified as operating leases.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments (Topic 326) Credit Losses” (“ASU 2016-13”). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. Under the new standard, entities holding financial assets and net investment in leases that are not accounted for at fair value through net income are to be presented at the net amount expected to be collected. An allowance for credit losses will be a valuation account that will be deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. ASU 2016-13 is effective as of January 1, 2020. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2016-13 on its consolidated financial position, results of operations, cash flows and/or disclosures.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The terms “InfuSystem”, the “Company”, “we”, “our” and “us” used herein refer to InfuSystem Holdings, Inc. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this quarterly report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “strategy,” “future,” “likely,” variations of such words and other similar expressions, as they relate to the Company, are intended to identify forward-looking statements. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, potential changes in overall healthcare reimbursement, including the Centers for Medicare and Medicaid Services (“CMS”) competitive bidding and fee schedule reductions, sequestration, concentration of customers, increased focus on early detection of cancer, competitive treatments, dependency on Medicare Supplier Number, availability of chemotherapy drugs, global financial conditions, changes and enforcement of state and federal laws, natural forces, competition, dependency on suppliers, risks in acquisitions & joint ventures, U.S. Healthcare Reform, relationships with healthcare professionals and organizations, technological changes related to infusion therapy, the Company’s ability to implement information technology improvements and to respond to technological changes, the ability of the Company to successfully integrate acquired businesses, dependency on key personnel, dependency on banking relations and the ability to comply with our credit facility covenants, and other risks associated with our common stock, as well as any litigation to which the Company may be involved in from time to time; and other risk factors as discussed in the Company’s annual report on Form 10-K for the year ended December 31, 2017 and in other filings made by the Company from time to time with the Securities and Exchange Commission (“SEC”). Our annual report on Form 10-K is available on the SEC’s EDGAR website at www.sec.gov, and a copy may also be obtained by contacting the Company. All forward-looking statements made in this Form 10-Q speak only as of the date of this report. We do not intend, and do not undertake any obligation, to update any forward-looking statements to reflect future events or circumstances after the date of such statements, except as required by law.

Overview

We are a leading provider of infusion pumps and related products and services for patients in the home, oncology clinics, ambulatory surgery centers and other sites of care from five locations in the United States and Canada. We provide our products and services to hospitals, oncology practices and facilities and other alternate site health care providers. Headquartered in Madison Heights, Michigan, we deliver local, field-based customer support and also operate pump service and repair Centers of Excellence in Michigan, Kansas, California, Georgia and Ontario, Canada. InfuSystem, Inc., a wholly-owned subsidiary of the Company, is accredited by the Community Health Accreditation Program while First Biomedical, Inc., a wholly-owned subsidiary of the Company, is ISO certified.

Our core service is to supply electronic ambulatory infusion pumps and associated disposable supply kits to oncology clinics, infusion clinics and hospital outpatient chemotherapy clinics to be utilized in the treatment of a variety of cancers including colorectal cancer and other disease states. Colorectal cancer is the third most prevalent form of cancer in the United States, according to the American Cancer Society, and the standard of care for the treatment of colorectal cancer relies upon continuous chemotherapy infusions delivered via ambulatory infusion pumps.

In addition, we sell or rent new and pre-owned pole mounted and ambulatory infusion pumps to, and provide biomedical recertification, maintenance and repair services for, oncology practices as well as other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others. We also provide these products and services to customers in the small-hospital market.

We purchase new and pre-owned pole mounted and ambulatory infusion pumps from a variety of sources on a non-exclusive basis. We repair, refurbish and provide biomedical certification for the devices as needed. The pumps are then available for sale, rental or to be used within our ambulatory infusion pump management service.

We view our payor environment as changing. Management is intent on extending its considerable breadth of payor contracts as patients move into different insurance coverages, including Medicaid and Insurance Marketplace products. In some cases, this may slightly reduce our aggregate billed revenues payment rate but result in an overall increase in collected revenues, effectively lessening bad debt expense on a micro level, but due to the mix of all payors may not have an impact on overall bad debt expense. Consequently, we are increasingly focused on net collected revenues less bad debt.

In the midst of changes in the healthcare arena, we believe that we will support our overall business strategy discussed above by (i) focusing on supporting recurring revenues by increasing our pump fleet; (ii) improving liquidity and strengthening the balance sheet by keeping debt levels comparable to our operations; (iii) improving internal operational efficiencies; (iv) increasing our product and services offerings; (v) enhancing our technology offerings to the patients and providers of care; and (vi) investigating synergistic acquisitions.

Recent Developments

Management Changes

Gregory Schulte was appointed as the Company's Chief Financial Officer, effective May 7, 2018. Trent Smith, the Company's Executive Vice President, Chief Accounting Officer and Controller, relinquished his interim Chief Financial Officer duties at the time Mr. Schulte began his service.

Jan Skonieczny, the Company's former Chief Operating Officer, retired from the Company, effective April 28, 2018.

InfuSystem Holdings, Inc. Results of Operations for the Three Months Ended March 31, 2018 Compared to the Three Months Ended March 31, 2017

Net Revenues

Effective January 1, 2018, InfuSystem adopted, on a modified retrospective approach, Accounting Standards Codification ("ASC") Topic 606: *Revenue from Contracts with Customers* ("ASC 606"). The effect of this change resulted in recording the provision for doubtful accounts as part of net revenues during the quarter ended March 31, 2018 and future periods. See Note 2 to the accompanying unaudited condensed consolidated financial statements for further details.

Our net revenues for the quarter ended March 31, 2018 were \$16.5 million, a decrease of \$1.2 million, or 7%, compared to \$17.7 million for the quarter ended March 31, 2017. Net revenues for the quarter ended March 31, 2018 were impacted by a \$1.9 million change in recording bad debt as part of net revenue from rentals related to the implementation of ASC 606. Absent the implementation of ASC 606, total net revenues would have been \$18.4 million, an increase of \$0.7 million, or 4%, compared to \$17.7 million in the same prior year period.

During the quarter ended March 31, 2018, net revenues from rentals decreased \$0.7 million, or 5%, compared to the same prior year period. Absent the implementation of ASC 606, net revenues from rentals would have increased \$1.2 million, or 8%, compared to the same prior year period. Net revenues from product sales for the first quarter of 2018 were \$2.1 million, a decrease of \$0.5 million, or 18%, compared to the same period of 2017.

Gross Profit

Gross profit for the quarter ended March 31, 2018 was \$10.1 million, a decrease of \$0.6 million, or 5%, compared to the quarter ended March 31, 2017. As a percentage of revenues, gross profit for the quarter ended March 31, 2018 was 61%, up from the same prior year period of 60%. Gross profit for the quarter ended March 31, 2018 was impacted by a \$1.9 million change in recording bad debt as part of net revenue related to the implementation of ASC 606. Absent the implementation of ASC 606, gross profit would have been \$12.0 million, an increase of \$1.4 million, or 12%, compared to \$10.6 million in the same prior year period. Absent the implementation of ASC 606, gross profit, as a percentage of revenues, for the quarter ended March 31, 2018 would have been 65%, up from the same prior year period of 60% due to a decrease of \$0.4 million in the costs of pumps sold, a decrease of \$0.2 million in product and supply costs and \$0.1 million in pump depreciation expense.

Provision for Doubtful Accounts

Due to the implementation of ASC 606, provision for doubtful accounts ("Bad Debt") for the quarter ended March 31, 2018 was \$0, a decrease of \$1.9 million, or 100%, compared to \$1.9 million for the first quarter of 2017. Absent the implementation of ASC 606, bad debt would have been \$1.9 million for both the quarter ended March 31, 2018 and same prior year period.

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Amortization of Intangible Assets

Amortization of intangible assets for the quarter ended March 31, 2018 was \$1.2 million, a decrease of \$0.2 million compared to the same prior year period. This decrease is attributable to the asset impairment of some internally developed, internal-use software projects that was recorded in the fourth quarter of 2017, thus, the related amortization of those projects no longer existed in the first quarter of 2018.

Selling and Marketing Expenses

Selling and marketing expenses for the quarter ended March 31, 2018 were \$2.3 million, a decrease of \$0.6 million, or 20%, compared to \$2.9 million for the quarter ended March 31, 2017. This decrease was largely attributable to a decrease in salaries and related expenses of \$0.6 million. Selling and marketing expenses during these periods consisted of sales personnel salaries, commissions and associated fringe benefit and payroll-related items, marketing, share-based compensation, travel and entertainment and other miscellaneous expenses.

General and Administrative Expenses

During the quarter ended March 31, 2018, General and Administrative (“G&A”) expenses were \$6.0 million, a decrease of \$0.5 million, or 7%, from \$6.5 million for the quarter ended March 31, 2017. The decrease in G&A expenses versus the comparable prior year period was primarily due to decreases in outside services expense of \$0.3 million, legal fees of \$0.1 million and salaries and related expenses of \$0.1 million.

Other Income and Expenses

During the quarter ended March 31, 2018, we recorded interest expense of \$0.3 million, which was consistent with the amount recorded for the comparable prior year period.

Income Taxes

During the three months ended March 31, 2018, the Company recorded expense provision for income taxes of \$0.1 million. The provision for income taxes relates principally to the Company’s state and local taxes and foreign operations in Canada. The Company recorded an income tax benefit of \$0.9 million for the same prior year period.

The Company’s realization of its deferred tax assets is dependent upon many factors, including, but not limited to, the Company’s ability to generate sufficient taxable income. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. Accordingly, at March 31, 2018 and December 31, 2017, the Company had a full valuation allowance for all deferred tax assets, as management determined that it is more likely than not the Company will not recognize the benefits of its federal and state deferred tax assets.

In December 2017, the Tax Cuts and Jobs Act (the “2017 Tax Act”) was enacted. The 2017 Tax Act includes many changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. The 2017 Tax Act also provides for a one-time transition tax on certain foreign earnings and the acceleration of depreciation for certain assets placed into service after September 27, 2017 as well as prospective changes beginning in 2018, including repeal of the domestic manufacturing deduction, acceleration of tax revenue recognition, capitalization of research and development expenditures, additional limitations on executive compensation and limitations on the deductibility of interest.

The Company recognized the income tax effects of the 2017 Tax Act in its 2017 consolidated financial statements in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of ASC Topic 740, Income Taxes, in the reporting period in which the 2017 Tax Act was signed into law. As such, the Company’s financial results reflect the income tax effects of the 2017 Tax Act for which the accounting under ASC Topic 740 is complete and provisional amounts for those specific income tax effects of the 2017 Tax Act for which the accounting under ASC Topic 740 is incomplete but a reasonable estimate could be determined. The ultimate impact of the 2017 Tax Act on our financial statements and related disclosures for 2018 and beyond may differ from our current provisional amounts, possibly materially, due to, among other things, changes in interpretations and assumptions we have made, guidance that may be issued, and other actions we may take as a result of the 2017 Tax Act that differ from those presently contemplated.

As of March 31, 2018, the Company had not yet completed its accounting for all of the tax effects of the enactment of the 2017 Tax Act; however, the Company has made a reasonable estimate of the effects on its existing deferred tax balances. The Company will continue to refine its calculations as additional analysis is completed. The Company expects that any additional changes will be offset by an increase or decrease in the Company’s valuation allowance.

Liquidity and Capital Resources

Overview:

We finance our operations and capital expenditures with internally generated cash from operations. During the three months ended March 31, 2018, we generated positive cash flow to enable us to reduce our debt by \$2.8 million. As of March 31, 2018, we had cash and cash equivalents of \$1.5 million and \$9.2 million of availability on our revolving credit facility compared to \$3.5 million of cash and cash equivalents and \$9.2 million of availability on our revolving credit facility at December 31, 2017. Our liquidity and borrowing plans are established to align with our financial and strategic planning processes and ensure we have the necessary funding to meet our operating commitments, which primarily include the purchase of pumps, inventory, payroll and general expenses. We also take into consideration our overall capital allocation strategy which includes investment for future growth, potential acquisitions and share repurchases. We believe we have adequate sources of liquidity and funding available for at least the next year, however, there are a number of factors that may negatively impact our available sources of funds. The amount of cash generated from operations will be dependent upon factors such as the successful execution of our business plan and general economic conditions.

Long-Term Debt Activities:

As of March 31, 2018, our term loan under the credit facility had a balance of \$25.9 million. The net availability under the revolving credit line under the credit facility is based upon our eligible accounts receivable and inventory and is computed as follows (in thousands):

	March 31, 2018	December 31, 2017
Revolver:		
Gross availability	\$ 10,000	\$ 10,000
Outstanding draws	-	-
Letter of credit	(750)	(750)
Landlord reserves	(68)	(45)
Net availability	<u>\$ 9,182</u>	<u>\$ 9,205</u>

As of March 31, 2018, interest on the credit facility is payable at our option as a (i) Eurodollar Loan, which bears interest at a per annum rate equal to the applicable 30-day London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging from 2.00% to 3.00% or (ii) CB Floating Rate ("CBFR") Loan, which bears interest at a per annum rate equal to the greater of (a) the lender's prime rate or (b) LIBOR plus 2.50%, in each case, plus a margin ranging from -1.00% to 0.25%. The actual rate at March 31, 2018 was 4.63% (LIBOR of 1.88% plus 2.75%).

As of March 31, 2018, we were in compliance with all debt related covenants under the credit facility.

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Share Repurchase Program

On March 12, 2018, our Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 1 million shares of the Company's outstanding stock. The repurchase program will be subject to market conditions, the periodic capital needs of the Company's operating activities, and the continued satisfaction of all covenants under the Company's existing credit agreement. As of March 31, 2018, we had availability of \$9.2 million under our credit facility, of which \$2.4 million could be used to fund stock repurchases, subject to the restrictions and limitations of our credit agreement. The repurchase program does not obligate the Company to repurchase shares and may be suspended, terminated, or modified at any time. Repurchases under the program may take place in the open market or in privately negotiated transactions, and may be made under a Rule 10b5-1 plan.

Cash Flows:

Operating Cash Flow. Net cash provided by operating activities for the three months ended March 31, 2018 was \$1.0 million compared to cash used in operating activities of \$1.4 million for the three months ended March 31, 2017. This increase was primarily attributable to the cash flow effect of the operating improvement from a net loss in the first quarter of 2017 to net income in the first quarter of 2018 and the impact of non-cash transactions, including deferred income taxes.

Investing Cash Flow. Net cash used in investing activities was \$0.1 million for the three months ended March 31, 2018 compared to cash provided by investing activities of \$0.5 million for the three months ended March 31, 2017. The decrease was due to a \$0.4 million decrease in cash proceeds from the sales of medical equipment and a \$0.3 million increase in cash used to purchase medical equipment, which was partially offset by a decrease in cash used to purchase non-pump assets of \$0.1 million.

Financing Cash Flow. Net cash used in financing activities for the three months ended March 31, 2018 was \$2.8 million compared to cash used of \$2.3 million for the three months ended March 31, 2017. The increase in net cash used was primarily attributable to our decision to pay down our term loan debt in the first quarter of 2018 compared with our cash proceeds from borrowings under our revolving credit facility in the first quarter of 2017.

Critical Accounting Policies and Estimates

The unaudited condensed consolidated financial statements are prepared in conformity with U.S. GAAP, which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses in the periods presented. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, due to inherent uncertainties in making estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods. The critical accounting estimates that affect the unaudited condensed consolidated financial statements and the judgments and assumptions used are consistent with those described in the notes to the audited consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2017, with the exception of our adoption of ASC 606 and Staff Accounting Bulletin No. 118. See Note 2 and Note 7 to the accompanying unaudited condensed consolidated financial statements, respectively, for further details.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures and Changes in Internal Control over Financial Reporting

We maintain a set of disclosure controls and procedures designed to ensure that material information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that material information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Our CEO and CFO have evaluated these disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q and have determined that such disclosure controls and procedures were effective.

There has been no change in our internal control over financial reporting during our most recent calendar quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time in the ordinary course of our business, we may be involved in legal proceedings, the outcomes of which may not be determinable. The results of litigation are inherently unpredictable. Any claims against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time and result in diversion of significant resources. We are not able to estimate an aggregate amount or range of reasonably possible losses for those legal matters for which losses are not probable and estimable, primarily for the following reasons: (i) many of the relevant legal proceedings are in preliminary stages and until such proceedings develop further, there is often uncertainty regarding the relevant facts and circumstances at issue and potential liability; and (ii) many of these proceedings involve matters of which the outcomes are inherently difficult to predict. We have insurance policies covering potential losses where such coverage is cost effective.

On January 29, 2018, we received notice that the U.S. District Court for the Central District of California (the “Court”) (Case No. 2:16-cv-08295-ODW) issued an order dismissing, with prejudice, a putative class-active lawsuit against the Company. The dismissal relates to an action brought on November 8, 2016 by a purported shareholder of the Company against the Company and two individual defendants: Eric Steen, the Company’s former Chief Executive Officer, President and Director; and Jonathan Foster, the Company’s former Chief Financial Officer. The complaint asserted claims against all defendants under the antifraud provisions of the federal securities laws and against Messrs. Steen and Foster as control persons. On June 19, 2017, the Company and all defendants filed a Motion to Dismiss the amended complaint. On December 15, 2017, the Court dismissed the plaintiffs’ first amendment to the class action complaint (“FAC”), with leave to amend. On December 20, 2017, the parties stipulated, and the Court extended, the plaintiffs time to amend the FAC up to January 19, 2018. As of January 19, 2018, the plaintiff never filed an amended complaint and the Court dismissed the lawsuit with prejudice on January 29, 2018. On February 28, 2018, the plaintiff filed a notice of appeal, on the motion to dismiss, to the 9th Circuit Court of Appeals.

We are not at this time involved in any legal proceedings that we believe could have a material effect on our business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition and liquidity, refer to the section entitled “Risk Factors” in Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below provides information with respect to common stock purchases by the Company during the quarter ended March 31, 2018:

<u>Period</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)</u>	<u>Average Price Paid per Share</u>	<u>Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (a)</u>
March 12, 2018 - March 31, 2018	32,264	\$ 2.57	\$ 2,417,012
Total	32,264	\$ 2.57	

- (a) On March 12, 2018, our Board of Directors authorized a share repurchase program that allows the Company to repurchase up to the lesser of 1,000,000 shares or \$2,500,000 of our common stock through December 31, 2018. The repurchases are to be effectuated in the open market or in privately negotiated transactions, and may be made under a Rule 10b5-1 plan. During the three months ended March 31, 2018, we repurchased 32,264 shares for a total consideration of \$82,988 under the program. At March 31, 2018, \$2,417,012 remains available for repurchase under the program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On May 11, 2018, the Company and Christopher Downs, the Company’s former Chief Financial Officer, entered into an Equity Settlement Agreement pursuant to which Mr. Downs’ stock options were cancelled in exchange for a cash payment of \$28,883 to Mr. Downs and Mr. Downs’ release of claims against the Company relating to such awards.

The foregoing description of the Equity Settlement Agreement is not complete and is qualified in its entirety by the full text of the Equity Settlement Agreement, a copy of which is filed with this quarterly report on Form 10-Q as Exhibit 10.2 and incorporate by

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Item 6. Exhibits

Exhibits

- 10.1* [Employment Agreement by and between InfuSystem Holdings, Inc. and Gregory Schulte, effective May 7, 2018](#)
- 10.2* [Equity Settlement Agreement by and between InfuSystem Holdings, Inc. and Christopher Downs, effective May 11, 2018](#)
- 10.3* [Inducement Stock Option Award Agreement by and between InfuSystem Holdings, Inc. and Gregory Schulte, effective May 7, 2018.](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1* [Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**](#)
- 32.2* [Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**](#)

- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema Document
- 101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Pursuant to Item 601(b)(32) of Regulation S-K, this Exhibit is furnished rather than filed with the Form 10-Q.

SIGNATURES

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

INFUSYSTEM HOLDINGS, INC.

Date: May 14, 2018

/s/ Richard DiIorio

Richard DiIorio
Chief Executive Officer, President and Director
(Principal Executive Officer)

Date: May 14, 2018

/s/ Gregory Schulte

Gregory Schulte
Chief Financial Officer
(Principal Financial Officer)

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made as of the Effective Date between **InfuSystem Holdings, Inc.**, a Delaware corporation with offices at 31700 Research Park Drive, Madison Heights, Michigan 48071-4627 (the "**Company**"), and **Gregory Schulte**, an individual ("**Employee**").

WHEREAS, the Company wishes to retain Employee's services to work for the Company as its Chief Financial Officer (the "**Position**") upon the terms and condition hereinafter set forth; and

WHEREAS, Employee wishes to serve in the Position upon the terms of this Agreement.

NOW, THEREFORE, for such consideration as set forth herein, the sufficiency of which is acknowledged by the Company and Employee, the Company and Employee hereby agree as follows:

1. **Defined Terms.**

"**Affiliates**" means all persons and entities directly or indirectly controlling, controlled by or under common control with the entity specified, where control may be by management authority, contract or equity interest.

"**Board**" means the Board of Directors of the Company.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Effective Date**" means May 7, 2018.

"**Employment Period**" means the period of Employee's employment with the Company governed by the terms and provisions of this Agreement.

"**Involuntary Termination**" means the termination of the Employee's employment with the Company:

(i) involuntarily upon Employee's discharge or dismissal; or

(ii) voluntarily or involuntarily, provided such termination occurs in connection with one of the following events without Employee's written concurrence: (a) a change in Employee's position with the Company or any successor which materially reduces Employee's level of responsibility; (b) a material reduction in Employee's level of compensation (including base salary, fringe benefits and any non-discretionary bonuses or other incentive payments earned pursuant to objective standards or criteria); (c) a material breach by the Company of this Agreement that is not remedied within 15 days of written notice from Employee specifying the details thereof

"**Termination for Cause**" means an involuntary termination of Employee's employment for (i) Employee's willful misconduct or gross negligence which, in the good faith judgment of the Board, has a material adverse impact on the Company (either economically or on its reputation); (ii) Employee's conviction of, or pleading of guilty or *nolo contendere* to, a felony or any crime involving fraud; (iii) Employee's breach of his fiduciary duties to the Company; (iv) Employee's failure to attempt in good faith to perform his duties or to follow the written legal direction of the CEO, which failure, if susceptible of cure, is not remedied within 15 days of written notice from the Board specifying the details thereof; and (v) any other material breach by Employee of this Agreement, the Company's written code of conduct, written code of ethics or other written policy that is not remedied within 15 days of written notice from the CEO specifying the details thereof.

2. Terms of Employment. The Company hereby employs the Employee, and the Employee hereby accepts employment by the Company, upon the terms and conditions set forth in this Agreement.

3. Employment and Duties. During the Employment Period (as defined below), Employee will serve as the Chief Financial Officer of the Company and will report to the Chief Executive Officer. Employee will have such duties and responsibilities that are commensurate with such position and such other duties and responsibilities commensurate with such position as are from time to time assigned to Employee by the Chief Executive Officer. During the Employment Period, Employee shall diligently and conscientiously devote his full business time, attention and energies to the performance of his duties and responsibilities hereunder. Employee shall not engage in any other employment or business activity without the express prior written consent of the Chief Executive Officer and the Board. Employee shall not, directly or indirectly, engage or participate in any activities at any time during the term of this Agreement which conflict with the best interests of the Company. Employee shall work at such times and at such places as required by the Company. Employee shall, at all times during the Employment Period, discharge his duties herein described in consultation with and under the direction, approval and control of the Chief Executive Officer. Notwithstanding any other provision of this Agreement, the Chief Executive Officer reserves the absolute right, in its sole and absolute discretion, to make any and all decisions with respect to actions to be taken by Employee in connection with the rendering of his duties in accordance with professional standards.

5. Term. Employee's employment hereunder will be considered "at will". Accordingly, this Agreement and Employee's employment hereunder may be terminated at any time by either party.

6. Compensation; Performance Bonus.

A. Employee's base salary will be paid at the rate of \$240,000 per annum.

B. Employee's base salary will be paid at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. Except as otherwise provided in this Agreement, Employee shall be paid a pro rata share of his base salary in accordance with the Company's normal payroll practices for salaried employees should his employment be terminated before the end of any given pay period. Employee's base salary may be reevaluated on a yearly basis and shall not be decreased below the amount set forth in Section 6.A., but there is no guarantee that such compensation shall be increased, and the decision as to an increase therein remains at the discretion of the Chief Executive Officer and Compensation Committee of the Board.

C. Employee will be eligible for an annual incentive compensation bonus of up to forty percent (40%) of Employee's then-current base salary based upon satisfaction of certain performance objectives. The 2018 bonus will be prorated to 75% of potential bonus payout based on May 7, 2018 start date. These performance objectives will be developed annually by the Chief Executive Officer, and will relate to, among other things, the Company's Annual Operating Plan. All bonuses payable to Employee hereunder will be paid within sixty (60) days after the end of the calendar year for which the incentive compensation was earned; provided, however, that if it is administratively impracticable to make the payment by such date, the payment shall be made as soon as reasonably practicable thereafter, but in any event by the fifteenth (15th) day of the third (3rd) month following the calendar year for which the incentive compensation was earned. All bonuses pursuant to this paragraph, including Employee's satisfaction of the performance objective applicable to any such bonus, are subject to approval of the Compensation Committee, in its sole discretion.

D. Employee may also be eligible for additional discretionary bonuses based on the achievement of certain specified goals established by the Compensation Committee. All bonuses pursuant to this paragraph are subject to approval by the Compensation Committee, in its sole discretion.

E. On the Effective Date, the Company will grant Employee stock options to purchase a total of one hundred twenty-five thousand (125,000) shares of Common Stock in the Company (the "**Options**") at an exercise price equal to the closing public market price on the New York Stock Exchange for such shares on the Effective Date. The vesting of the Options may be accelerated by the Compensation Committee, in its sole discretion; otherwise, the sole conditions of vesting of the Options are as provided in this Section 6.E. The Options will vest monthly over a four (4) year period, with 12/48 vesting on the one-year anniversary of the Effective Date, and thereafter 1/48 vesting on each monthly anniversary of the Effective Date, provided Employee remains employed by the Company through such vesting dates. The Options shall expire on, and shall not be exercised after, the fifth (5th) anniversary of the Effective Date (the "**Final Exercise Date**"). The Options will otherwise be subject to the terms and conditions contained in the Stock Option Agreement dated the date hereof between Employee and the Company (the "**Stock Option Agreement**").

F. The Company will deduct and withhold, from the compensation payable to Employee hereunder, any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statute or regulation.

G. To the extent that any compensation paid or payable pursuant to this Agreement is considered "incentive-based compensation" within the meaning and subject to the requirements of Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), such compensation shall be subject to potential forfeiture or recovery by the Company in accordance with any compensation recovery policy adopted by the Board or any committee thereof in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's common stock is then listed. This Agreement may be unilaterally amended by the Company to comply with any such compensation recovery policy. In addition, cash amounts paid and Company securities issued pursuant to this Agreement as "incentive-based compensation" are subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of Employee's conviction of, or pleading guilty or *nolo contendere* to, fraud; willful misconduct; uncured, material breach of the agreements to which Employee is currently or hereafter becomes a party; or other conduct by Employee that the Board determines is detrimental to the business or reputation of the Company and its subsidiaries, including facts and circumstances discovered after termination of employment.

7. Expense Reimbursement; Fringe Benefits.

A. Employee will be entitled to reimbursement from the Company for customary, ordinary and necessary business expenses incurred by Employee in the performance of Employee's duties hereunder, in accordance with the terms of the Company's expense guidelines provided on the Company's internal website, provided that Employee's entitlement to such reimbursements shall be conditioned upon Employee's provision to the Company of vouchers, receipts and other substantiation of such expenses in accordance with Company policies. Any reimbursement to which the Employee is entitled pursuant to this Section 7.A that would constitute nonqualified deferred compensation subject to Section 409A of the Code shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect the Employee's right to reimbursement of any other such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

B. During the Employment Period, Employee will be eligible to participate in any group life insurance plan, group medical and/or dental insurance plan, accidental death and dismemberment plan, short-term disability program, long term disability program and other employee benefit plans, including profit sharing plans, cafeteria benefit programs and stock purchase and option plans, which are made available to executives and for which Employee qualifies under the terms of such plan or plans. Employee will not be entitled to any fringe benefits not provided in this Section 7 or the Company's Employee Handbook, which handbook Employee acknowledges that the Company can amend at any time, in its sole discretion.

C. Any time between date of hire and 16 months from date of hire Company will reimburse employee up to \$50,000 for relocation expenses to Michigan

8. Employee Covenants.

A. Non-Disclosure of Confidential Information. Employee acknowledges that, in and as a result of Employee's performing the duties hereunder, Employee will be making use of, acquiring, creating and/or adding to confidential and proprietary information of a special and unique nature and value relating to the customers, potential customers, customer lists, suppliers, vendors and agents of the Company and its Affiliates, the contracts, pricing lists, marketing plans, business records, accounting records, sales reports, billing systems, inventory systems, financing and loan documents, bank records, financial records and statements, tax filings and records, account lists, territory reports, quotation forms, advertising and marketing methods and techniques, systems, methodologies, facts, data, patent and license information of the Company, the computer systems, computer programs, software, web portal solutions, customer sales portal design, development, and programming of the Company, the employee payroll information and records, employee medical records, information contained in employee personnel files or other employee files of the Company, and all other information concerning the business and/or affairs of the Company (hereinafter "**Confidential Information**"). Notwithstanding anything herein to the contrary, the term "Confidential Information" does not include any data or information that has been voluntarily disclosed to the public by the Company or that enters the public domain through lawful means and not otherwise in breach of this Agreement.

i. As an inducement for the Company to enter into this Agreement, Employee agrees that he will not, at any time, either during the term of this Agreement or thereafter, divulge, review or communicate to any person, firm, corporation or entity whatsoever, directly or indirectly, or use for his own benefit or the benefit of others, any Confidential Information which may be in his possession or to which he has access. Employee further acknowledges that all records and lists of the customers and prospective customers of the Company, and all matters affecting or relating to the business and financial operation of the Company, are the property of the Company and are considered Confidential Information and greatly affect the effective and successful conduct of the business of the Company and the goodwill of the Company. Employee hereby agrees that he shall never divulge, disclose or communicate any Confidential Information to any person, firm, corporation or other entity during the term of this Agreement or thereafter, so long as such information remains Confidential Information.

ii. Employee agrees that any books, manuals, price lists, customer lists, supplier and/or distributor lists, plans, samples or other written or electronic evidence and/or forms of Confidential Information, including, but not limited to emails, computer files and all other electronic media, shall only be used by Employee during the term of this Agreement and constitute the property of the Company. Employee is only authorized to use these materials while undertaking his responsibilities under this Agreement. All of these materials must be returned to the Company or destroyed by Employee upon his separation from the Company for any reason whatsoever.

iii. The confidentiality obligations herein shall not prohibit Employee from divulging confidential information or trade secrets by order of court or agency of competent jurisdiction or as required by law.

B. Covenants Against Competition. Employee acknowledges that his duties as herein described are of a special and unusual character which have a unique value to the Company, the loss of which could not be adequately compensated by damages in an action at law. In view of the unique value to the Company of the Employee's duties for which the Company has contracted hereunder, because of the Confidential Information to be retained by or disclosed to Employee as set forth above and as a material inducement to the Company to enter into this Agreement, Employee covenants and agrees that, unless the Company and its successors and assigns shall cease to engage in business:

i. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, solicit the customers of the Company or its Affiliates or divert the customers of the Company from doing business with the Company, and further, shall not induce any individual or entity to refrain from referring customers or work to the Company. For purposes of this Section 8.B.i., the customers of the Company shall include:

1. any individual, business or governmental entity which purchased goods or services from the Company during the term of the Agreement or while Employee was otherwise employed by the Company or any of its Affiliates, or about which Employee learned or had access to Confidential Information;

2. any individual, business or governmental entity whose name appears on a list of prospective customers maintained by the Company to which Employee had access;

3. any suppliers, distributors, vendors or other entities which provided goods or services to the Company during the term of the Agreement or while Employee was otherwise employed by the Company or any of its Affiliates, or about which Employees learned or had access to Confidential Information; and

4. any non-profit organizations, large customer facilities or referral sources which did any business with, or referred any customers to, the Company during the term of the Agreement or while Employee was otherwise employed by the Company or any of its Affiliates, or about which Employees learned or had access to Confidential Information.

ii. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, own, manage, operate, join, control, accept employment with, or participate in the ownership, management, operation or control of, or act as an employee, agent or consultant to, or be connected in any manner with, any business which is competitive with the Company in any states, territories or provinces of the United States, Canada, Mexico or any other countries in which the Company has conducted business at any time prior to Employee's separation from the Company, or such states, territories or provinces as to which the Company has future plans to expand its business into, for any reason whatsoever.

iii. During the term of this Agreement and for a period of three (3) years thereafter, regardless of the reason for Employee's separation of employment from the Company, Employee shall not, directly or indirectly, solicit for employment or employ any employees, agents or independent contractors of the Company or their assigns, unless previously agreed to in writing by the Company or its assigns.

C. Employee's Review of Sections 8.A and 8.B.

i. Employee has carefully read and considered the provisions of Sections 8.A and 8.B hereof and, having done so, agrees that the restrictions set forth in such Sections are fair and reasonable and are reasonably required for the protection of the interests of the Company, its officers, directors and other employees. Employee acknowledges that the restrictions set forth in Sections 8.A and 8.B hereof will not unreasonably restrict or interfere with Employee's ability to obtain future employment.

ii. It is the belief of the parties that the best protection which can be given to the Company which does not in any manner infringe on the rights of Employee to conduct any unrelated business, is to provide for the restrictions described above. In the event any of said restrictions shall be held unenforceable by any court of competent jurisdiction, the parties hereto agree that it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of any limitation deemed unenforceable and, as so modified, the covenant shall be as fully enforceable as if it had been set forth herein by the parties. In determining this limitation, it is the intent of the parties that the court recognize that the parties hereto desire that this covenant not to compete be imposed and maintained to the greatest extent possible.

iii. In the event of a breach of Sections 8.A and 8.B, the Company, in addition to and not in limitation of any other rights, remedies or damages available to the Company at law or in equity, shall be entitled to a permanent injunction, in order to prevent or restrain any such breach by Employee, or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee

D. No Disparagement. Employee shall not make any public statements or disclosures regarding the terms of Employee's employment with the Company, this Agreement or the termination of Employee's employment (for any reason whatsoever) which are not pre-approved in writing by the Company. Further, Employee shall not make, at any time, any public statement that would libel, slander, disparage, denigrate or criticize the Company, its parent company, subsidiaries and affiliates or any of their respective past or present officers, directors, employees or agents, and the Company, along with any parent company, subsidiaries and affiliates or any of their respective past or present officers, directors, employees or agents, shall not make, at any time, any public statement that would libel, slander, disparage, denigrate or criticize Employee. Notwithstanding this Section 8.D, nothing contained herein shall limit or impair the ability of any party to provide truthful testimony in response to any validly issued subpoena.

E. Protection of Company Intellectual Property.

i. Employee hereby assigns to the Company all rights, title and interest in and to all creations which are or may become legally protectable or recognized as forms of intellectual property rights, including all works, whether registerable or not, in which copyright, design right or any form of intellectual property rights may subsist, including, but not limited to all innovations, inventions, improvements, marks, grants, designs, processes, methods, formulas, techniques, videotapes, audiotapes and computer programs, (all referred to as "**Intellectual Property**"), which Employee, either solely or jointly, conceives, makes or reduces to practice during the time that this Agreement is in effect, which relate to or touch upon Employee's services to the Company, or any aspect of the Company's business, including but not limited to anything related to Confidential Information. All such Intellectual Property shall be the absolute property of the Company. Employee shall make and maintain written records of and promptly and fully disclose to the Company all such Intellectual Property.

ii. During and after termination the Employment Period, Employee shall perform all useful or necessary acts to assist the Company, as it may elect, to file patent, design, mark and copyright applications in the United States and foreign countries to protect or maintain rights in the Intellectual Property, and also perform all useful or necessary acts to assist the Company in any related proceedings or litigation as to such Intellectual Property.

F. Rules and Regulations. Employee agrees to comply with all rules and regulations of the Company as established from time to time, including, but not limited to, the Employee Handbook and InfuSystem Expense Guidelines.

G. Transition and Other Assistance. During the 30 days following the termination of the Employment Period, Employee will take all actions the Company may reasonably request to maintain the Company's business, goodwill and business relationships and to assist with transition matters, all at the Company's expense. In addition, upon the receipt of notice from the Company (including outside counsel), during the Employment Period and for a reasonable amount of time thereafter, Employee will respond and provide information with regard to matters in which he has knowledge as a result of his employment with the Company, and will provide assistance to the Company and its representatives in the defense or prosecution of any claims that may be made by or against the Company, to the extent that such claims may relate to the period of Employee's employment with the Company, all at Company expense.

H. Restrictive Covenant. During the Employment Period, Employee will not directly or indirectly, whether for Employee's own account or as an employee, director, consultant or advisor, provide services to any business enterprise other than the Company or its Affiliates, unless otherwise authorized by the Board in writing.

I. Survival of Provisions. The obligations contained in this Section 8 will survive the termination of Employee's employment with the Company and will be fully enforceable thereafter.

J. Clawback. During the Employment Period and thereafter to the extent required by applicable law, Employee hereby covenants and agrees to abide by the terms of the Company's "Policy on Clawback" once final rules are issued by the U.S. Securities and Exchange Commission, listing standards are adopted by the New York Stock Exchange and such policy is then adopted by the Board.

9. **Termination of Employment**. Employee expressly acknowledges that this Agreement is terminable at will by Employee or the Company, with or with cause, and without payment, penalty or further obligation except as follows:

A. Death and Permanent Disability. Upon Employee's death or permanent disability during the Employment Period, the employment relationship created pursuant to this Agreement will immediately terminate and no further compensation will become payable to Employee pursuant to Section 6 or Section 7. Should Employee's employment with the Company terminate by reason of Employee's death or permanent disability during the Employment Period, (i) the unpaid base salary earned by Employee pursuant to Section 6.A for services rendered through the date of Employee's death or permanent disability, as applicable, (ii) any accrued but unpaid compensation pursuant to Section 6.C determined by the Compensation Committee, in its sole direction, to have been earned in respect of the immediately preceding calendar year ("**Bonus Amount**") as of the date of death or permanent disability, (iii) any accrued but unpaid paid time off ("**PTO**"), if any, (iv) unreimbursed amounts under Section 7.A, and (v) the limited death, disability, and/or income continuation benefits provided under Section 7.B, if any, will be payable within thirty (30) days of the death or permanent disability, excluding any Bonus Amount, which will be paid in accordance with Section 6.C. For purposes of this Agreement, Employee will be deemed "**permanently disabled**" if Employee is so characterized pursuant to the terms of the Company's disability policies or programs applicable to Employee from time to time, or if no such policy is applicable, if Employee is unable to perform his duties or responsibilities to the Company as a result of physical or mental ailment or incapacity for an aggregate period of one hundred and eighty (180) calendar days (whether or not consecutive).

B. Involuntary Termination. Upon termination of Employee's employment by reason of Involuntary Termination (other than a Termination for Cause), the employment relationship created pursuant to this Agreement will terminate and no further compensation will become payable to Employee pursuant to Section 6 or Section 7 upon the effectiveness of such Involuntary Termination. Upon Employee's Involuntary Termination (other than a Termination for Cause), Employee will be entitled to receive only the amounts provided in this Section 9.B: (i) the unpaid base salary earned by Employee pursuant to Section 6.A for services rendered through the date of such termination, (ii) any accrued and unpaid Bonus Amount, (iii) any accrued but unpaid PTO, if any, (iv) unreimbursed amounts under Section 7.A, (v) a lump sum severance payment in an aggregate amount equal to three (3) months of the Employee's then current base salary, and (vi) three (3) months of COBRA coverage under the Company's medical, dental and vision plans, as then in effect, at the cost paid by active employees of the Company, if and to the extent the Employee and his eligible dependents (a) are participating in such plans on his effective date of termination and (b) timely enroll for COBRA coverage thereunder. The severance pay and benefits in respect of clauses (v) and (vi) shall be contingent upon Employee's execution and delivery to the Company an unconditional general release, in form satisfactory to the Company, of all claims against the Company and its Affiliates and their respective directors, officers, employees and representatives, arising from or in connection with this Agreement or Employee's employment with the Company, subject to applicable law. Further, the severance pay and benefits set forth in clauses (v) and (vi) shall be contingent upon Employee's continued performance of his obligations under Sections 8.A, 8.B, 8.D, 8.E and 8.G. Any payments in respect of clauses (i), (iii), or (iv) shall be made within thirty (30) days of such Involuntary Termination; any Bonus Amount in respect of clause (ii) shall be paid in accordance with Section 6.C; and any severance amount in respect of clause (v) shall be paid as soon as administratively feasible after the Employee's execution and delivery to the Company an unconditional general release, as described in this Section 9.B.

C. Termination for Cause. The Company may at any time, upon written notice, terminate Employee's employment hereunder for any act qualifying as a Termination for Cause. Such termination will be effective immediately upon such notice. Upon such Termination for Cause, the Company will only be required to pay Employee (i) any unpaid compensation earned by Employee pursuant to Section 6.A, (ii) any accrued and unpaid Bonus Amount, (iii) any accrued but unpaid PTO, if any, and (iv) unreimbursed amounts under Section 7.A; no termination or severance benefits will be payable to Employee under Section 9.B. Any payments in respect of clauses (i), (iii), or (iv) shall be made within thirty (30) days of such Involuntary Termination; and any Bonus Amount shall be paid in accordance with Section 6.C.

D. Resignations. Upon any termination of Employee's employment, Employee will immediately resign from (1) all officer or other positions of the Company and its Affiliates and (2) all fiduciary positions (including as trustee) Employee then holds with respect to any pension plans or trusts established by the Company.

E. Options. Except as otherwise provided in this Section 9, upon any of Employee's employment, that portion of the Options that have become exercisable prior to the date of such termination, will remain exercisable for three months. Any portion of the Options that are not then exercisable will immediately expire; provided, that any portion of the Options held by Employee immediately prior to Employee's death or permanent disability, to the extent then exercisable, will remain exercisable for one year following Employee's death or permanent disability. Notwithstanding anything to the contrary in this Agreement, in the event that Employee experiences a Termination for Cause, all Options, whether or not then vested, shall immediately expire upon such event, and no portion thereof shall remain exercisable. In no event shall any portion of the Options be exercisable after the Final Exercise Date.

10. **Indemnification; Liability Insurance.**

A. The Company hereby agrees to indemnify Employee and hold him harmless to the fullest extent permitted under the by-laws of the Company in effect on the date of this Agreement against and in respect to any actual or threatened actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages (collectively, "**Claims**") resulting from the good faith performance of his assigned duties and responsibilities with the Company and any affiliates or subsidiaries of the Company. In furtherance of the Company's obligation to advance expenses under the by-laws of the Company in effect on the date of this Agreement, the Company, within 10 days of presentation of invoices, will advance to Employee reimbursement of all legal fees and disbursements Employee actually incurs in connection with any potentially indemnifiable matter provided that Employee, to the extent required by applicable law, undertake to repay such amount in the event that it is ultimately determined that Employee is not entitled to be indemnified. In addition, the Company will cover Employee under directors and officer's liability insurance both during and, while potential liability exists, after the termination of Employee's employment in the same amount and to the same extent as the Company covers its other officers and directors. To the extent permitted by applicable law and the Company's by-laws in effect on the date of this Agreement, Employee will not be liable to the Company or any of its affiliates or subsidiaries for his acts or omissions, except to the extent that such acts or omissions were not made in the good faith performance of his assigned duties and responsibilities. The obligations and limits contained in this Section 10 will survive the termination of Employee's employment with the Company.

B. Employee hereby agrees to indemnify the Company, its Affiliates, and their respective successors, assigns, directors, officers, employees and representatives and hold them harmless to the fullest extent permitted under the law against and in respect of any actual or threatened Claims resulting from or attributable to any and all willful, criminal or grossly negligent acts of Employee in connection with Employee's actions under this Agreement; provided, however, that to the extent any such liabilities, costs, damages, expenses and attorney's fees are compensated for by insurance purchased by the Company and/or Employee, Employee shall not be required to reimburse the Company for the same.

11. **Section 409A.** This Agreement shall be interpreted and applied in all circumstances in a manner that is consistent with the intent of the parties that, to the extent applicable, amounts earned and payable pursuant to this Agreement shall constitute short-term deferrals exempt from the application of Section 409A and, if not exempt, that amounts earned and payable pursuant to this Agreement shall not be subject to the premature income recognition or adverse tax provisions of Section 409A. Any payments to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A. Notwithstanding anything in the Agreement to the contrary, if the Employee is determined to be a "specified employee" (as defined in Section 409A) for the year in which Employee incurs a separation from service, any payment due under the Agreement that is not permitted to be paid on the date of such separation without the imposition of additional taxes, interest and penalties under Section 409A shall be paid on the first business day following the six-month anniversary of the Employee's date of separation or, if earlier, Employee's death. If the period for considering and revoking the release described in Section 9.B. spans two taxable years, payments will not commence until the second taxable year. Any payments in respect of clauses (v) or (vi) of Section 9.B. shall be made upon the expiration of the maximum period to review and revoke the release referenced in Section 9.B.

12. **Choice of Law.** This Agreement is being executed and delivered in the State of Michigan. The provisions of this Agreement will be construed and interpreted under the laws of the State of Michigan, excluding such jurisdiction's conflict of laws principles. The parties expressly agree that the Oakland County Circuit Court shall have exclusive jurisdiction over any disputes arising out of this Agreement and that venue is only appropriate in such circuit court.

13. **Entire Agreement; Severability; Amendments.** This Agreement, along with the other agreements referred to herein, contain the entire agreement of the parties relating to the subject matter hereof and supersede any and all negotiations, discussions, proposed drafts and previous employment and compensation agreements. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The provisions of this Agreement shall be deemed severable and, if any provision is found to be illegal, invalid or unenforceable for any reason, (a) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (b) the illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of the other provisions hereof. No amendments, alterations or modifications of this Agreement will be valid unless made in writing and signed by Employee and a duly authorized officer or director of the Company.

14. **Assignment.** Notwithstanding anything else herein, this Agreement is personal to Employee and neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by Employee. Notwithstanding anything to the contrary, in the event of Employee's death, any amounts owing to Employee as compensation shall be payable to a beneficiary designated in writing by Employee, or if no such designation was made, to Employee's estate. The Company may assign this Agreement to an Affiliate or to any acquirer of all or substantially all of the business, stock and/or assets of the Company, in which case the term "Company" will mean such affiliate or acquirer. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties.

15. **Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

16. **Counterparts, Signatures.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. To the maximum extent permitted by applicable law, this Agreement may be executed via facsimile or scanned electronic mail transmission.

17. **Binding Agreement.** This Agreement shall become effective only upon execution by both parties. The submission of this Agreement for review to Employee shall not be construed to be a binding offer of employment.

18. **Notices.** Any notice required to be given under this Agreement shall be deemed sufficient, if in writing, and sent by certified mail, return receipt requested, via overnight courier, or hand delivered to the Company at Office of the Corporate Secretary, 31700 Research Park Drive, Madison Heights, Michigan 48071-4627 and to Employee at the most recent address reflected in the Company's permanent records.

19. **Headings.** The section headings as herein used are for convenience of reference only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

20. **Construction.** The parties acknowledge that they jointly drafted this Agreement, that no party can be properly referred to as the drafter of same and that none of the language contained here can be properly construed against either party as the drafter of same.

[Signatures follow]

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement as of April 19, 2018.

INFUSYSTEM HOLDINGS, INC.

By: /s/ Richard DiIorio
Name: Richard DiIorio
Title: Chief Executive Officer

/s/ Gregory Schulte
Gregory Schulte

EQUITY SETTLEMENT AGREEMENT

This Equity Settlement Agreement (“Agreement”) is made and entered into on May 11, 2018, between InfuSystem Holdings, Inc. (“Company”) and Christopher Downs (“Employee”), collectively, “the Parties.”

WHEREAS, Employee and Company are parties to one or more equity incentive agreements (the “Equity Agreement(s)"); and

WHEREAS, Employee and Company now desire to terminate the Equity Agreement(s) under the terms provided herein;

NOW THEREFORE, in consideration of the mutual promises, agreements, and releases contained in this Agreement, the Parties agree as follows:

1. Separation
 - a. Employee’s last day of employment with Company was March 31, 2018 (“Termination Date”).
 - b. Employee’s vesting under the Equity Agreement(s) terminated as of the Termination Date.
2. Cancellation and Payment
 - a. Employee hereby surrenders, cancels, and foregoes all rights under the Equity Agreement(s) in consideration of Company’s payment to Employee hereunder for vested stock options to purchase 88,333 shares of the Company’s common stock for a total compensation of \$28,883.33 (the “Settlement Payment”). All other non-vested awards are cancelled.
 - b. Company agrees to pay Employee, less applicable tax withholding, in consideration of Employee’s surrender all rights under the Equity Agreement(s), Settlement Payment.
 - c. Employee agrees that all rights and interests of Employee under the Equity Agreement(s) shall be immediately and forever cancelled effective as of the date hereof (the "Cancellation Date").
 - d. Company will pay the Settlement Payment to the Employee within three (3) business days after the Cancellation Date.

3. Representations and Warranties

- a. Each of the Company and the Employee represents and warrants to the other that the equity awards referenced in 2.a above are all equity agreements in effect relating to employee's term of service with the Company.
- b. Employee expressly acknowledges that the Settlement Payment is fair consideration for the surrender and cancellation of all of Employee's rights under the Equity Agreement(s).

4. Release of Claims

Employee, for himself, his heirs, representatives, successors and assigns, anyone claiming by or through or under him, hereby completely releases, remises, acquits and forever discharges the Company and its shareholders, directors, agents, attorneys, officers, representatives, successors and assigns, as well as any entity affiliated with the Company now or in the future and their respective shareholders, directors, agents, attorney, officers, representatives, successors, and assigns (collectively the "Company Released Parties), from any rights, claims, counterclaims, demands, causes of action, suits, proceedings, costs, damages, expenses and liabilities of every kind, character and description, whether direct, indirect, consequential, punitive or otherwise, whether now known or unknown, existing or arising in the future, which Employee may now have, may have had at any time prior to the execution of this Agreement, or may acquire in the future, against the Company or the Company Released Parties, which result from, arise out of, or are in any way related to the Equity Agreement(s) or this Agreement. Employee hereby agrees not to assert any demand or claim or commence, institute or cause to be commenced or instituted any action, suit or other proceeding of any kind, and will not cooperate or assist in any such demand, claim, action, suit or other proceeding, against any of the Company Released Parties, based in whole or in part upon any matter purported to be released hereby.

5. Miscellaneous

a. Voluntary Nature of Agreement

Employee acknowledges that he has read this Agreement and understands its terms and signs the Agreement voluntarily of his own free will, without coercion or duress, and with full understanding of the binding effect of this Agreement.

b. Binding Effect

This Agreement will be binding upon Employee and his heirs, administrators, representatives, executors, successors and assigns, and will inure to the benefit of Employer and its successors and assigns.

c. Governing Law

The Parties agree this Agreement will be interpreted and enforced in accordance with the laws of the State of Michigan.

d. Severability

The Parties agree that should any provision of this Agreement be declared or determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, the remaining parts, terms and provisions shall continue to be valid, legal and enforceable, and will be performed and enforced to the fullest extent permitted by law.

e. Complete Agreement

The Parties agree that this Agreement contains the entire agreement between Employee and Company and supersedes all prior agreements or understandings between them on the subject matters of this Agreement. No change or waiver of any part of the Agreement will be valid unless in writing and signed by both Employee and Company.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year indicated below.

Date: 5/11/18

/s/ Christopher Downs
Christopher Downs

Date: 5/11/18

InfuSystem Holdings Inc.
By: /s/ Richard DiIorio
Name: Richard DiIorio
Title: President and CEO

INDUCEMENT STOCK OPTION AWARD AGREEMENT

THIS INDUCEMENT STOCK OPTION AGREEMENT (the "Agreement"), made as of May 7, 2018 (the "Grant Date"), by and between InfuSystem Holdings, Inc. (the "Company") and Gregory Schulte ("Optionee").

RECITALS

WHEREAS, the Board has determined to offer employment to Optionee;

WHEREAS, as an inducement to accept such employment offer, the Board has determined to offer Optionee the options (the "Options") to purchase an aggregate of **One Hundred and Twenty-Five Thousand (125,000)** shares of the Company's common stock ("Shares") under the terms and conditions set forth herein.

WHEREAS, all capitalized terms in this Agreement, to the extent not otherwise defined herein, shall have the meaning assigned to them in the Plan.

NOW, THEREFORE, it is hereby agreed as follows:

The Company hereby grants to Optionee, as of the Grant Date, Options to purchase up to One Hundred and Twenty-Five Thousand (**125,000**) Shares of common stock, par value \$0.0001.

1. Option Price. The exercise price is **\$2.55** for each Share, being 100% or more of the Market Value of the Shares on the Grant Date.

2. Expiration Date. The expiration date for the Option is the **5th** anniversary of the Grant Date.

3. Vesting. This Option shall become vested and exercisable, subject to the provisions of Section 4 below, as follows: (i) one-fourth (25%) of the Options shall vest on the anniversary of the first Grant Date beginning on May 7, 2019 and (ii) the remaining three-fourths (75%) of the Options shall vest in a series of thirty-six (36) equal monthly installments upon Optionee's completion of each month of service after the first Grant Date.

All further vesting shall cease upon termination of Optionee's service as an employee or director of the Company and its Subsidiaries.

4. Exercise.

(a) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:

(i) state the election to exercise the Option, the number of Shares with respect to which it is being exercised, the person in whose name the stock certificate or certificates for such Shares is to be registered, and his address and Social Security Number (or if more than one, the names, addresses and Social Security Numbers of such persons);

(ii) contain such representations and agreements as to the holder's investment intent with respect to the Shares to be acquired upon exercise as required by the Committee;

(iii) be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any person or persons other than the Optionee, be accompanied by proof, satisfactory to the Committee, of the right of such person or persons to exercise the Option; and

(iv) be delivered in person or by certified mail to the Treasurer of the Company or his or her designee.

(b) **Payment of Exercise Price.** Payment of the exercise price for the Shares with respect to which the Option is exercised shall be made in full in one of the following forms:

(i) Certified or bank cashier's or teller's check; or

(ii) Delivery to the Company of shares of Common Stock that are free and clear of any liens, encumbrances, claims or security interests, having an aggregate Market Value, as of the date of exercise, equal to the aggregate exercise price for the Shares being acquired upon exercise of the Option;

(iii) Withholding by the Company the number of whole Shares, rounded down, to be acquired upon exercise of this Option, with an aggregate Market Value, equal to or less than the exercise price, with the Optionee paying any remaining exercise price in such other manner as specified in this Section 4(b); or

(iv) In the Committee's sole discretion, by the Optionee authorizing a third party to sell Shares acquired upon exercise of the Option, and to remit to the Company the amount equal to the aggregate exercise price for the Shares being acquired.

(c) **Restrictions on Exercise.** This Option may be exercised during Optionee's lifetime only by the Optionee and shall not be assignable or transferable otherwise than by will or by the laws of descent and distribution. As a condition to the exercise of this Option, the Company may require the person exercising this Option to make any representation and warranty to the Company as the Company determines may be required by any applicable law or regulation.

(d) **Exercise Term.** This Option may not be exercised until six (6) months after the Grant Date, and will expire and may not be exercised after the earliest of the following:

(i) the expiration date set out in Section 2 above; or

(ii) three (3) months after the date Optionee ceased to be an employee or director of the Company and its Subsidiaries, unless Optionee's status ended due to death, in which case this Option will expire and may not be exercised more than one (1) year following the date of death.

5. **Non-transferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

6. **Change in Control.** Notwithstanding anything herein to the contrary, in the event of a Change in Control (as defined below), the Committee will take or cause to be taken one or more of the following actions to be effective as of the date of such Change in Control:

(a) provide that the Option shall be assumed, or equivalent options shall be substituted ("Substitute Options") by the acquiring or succeeding corporation (or an affiliate thereof), provided that: the shares of stock issuable upon the exercise of such Substitute Options shall constitute securities registered in accordance with the Securities Act of 1933, as amended (the "1933 Act"), or such securities shall be exempt from such registration in accordance with Sections 3(a)(2) or 3(a)(5) of the 1933 Act (collectively, "Registered Securities"), or in the alternative, if the securities issuable upon the exercise of such Substitute Options shall not constitute Registered Securities, then the Optionee will receive upon consummation of the Change in Control transaction a cash payment for the Option surrendered equal to the difference between (1) the fair market value of the consideration to be received for each Share in the Change in Control transaction times the number of Shares subject to the surrendered Option, and (2) the aggregate exercise price of the surrendered Option; or

(b) in the event of a transaction under the terms of which the holders of the Shares of the Company will receive upon consummation thereof a cash payment (the "Merger Price") for each Share exchanged in the Change in Control transaction, to make or to provide for a cash payment to Optionee equal to the difference between (A) the Merger Price times the number of Shares under the Option (to the extent then exercisable at prices not in excess of the Merger Price) and (B) the aggregate exercise price of all such Shares under the Option in exchange for such Shares under the Option.

For purposes of this Agreement, the term "Change in Control" shall mean (A) the sale of all or substantially all of the assets of the Company; (B) the merger or recapitalization of the Company whereby the Company is not the surviving entity; or (C) the acquisition, directly or indirectly, of the beneficial ownership (within the meaning of that term as it is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) of fifty (50%) or more of the outstanding voting securities of the Company by any person, trust, entity or group.

7. **Securities Law Compliance.** Notwithstanding anything herein to the contrary, the Option may not be exercised unless the Shares issuable upon such exercise are then registered under the Securities Act of 1933, as amended, or, if such Shares are not so registered, the Committee has determined that such exercise and issuance would be exempt from the registration requirements of such Act. The exercise of the Option also must comply with other applicable laws and regulations governing the Option, and the Option may not be exercised if the Company determines that such exercise would not be in material compliance with such laws and regulations.

8. **Withholding.** The exercise of the Option in whole or in part constitutes authorization for the Company to withhold from payroll and other amounts due Optionee, including, if elected by Optionee, from Shares otherwise issuable upon exercise of the Option, any amounts required to satisfy any federal, state or local tax withholding obligations that may arise in connection with the Option. The Option may not be exercised unless all such tax withholding obligations are satisfied. Optionee may elect to have the Company reduce the number of Shares otherwise issuable upon exercise of the Option by the number of whole Shares, rounded down, with a Market Value equal to or less than the amount of the withholding tax due. The Company will withhold any remaining withholding tax due from other payments owed to the undersigned.

9. **Related Matters.** Notwithstanding anything herein to the contrary, additional conditions or restrictions related to the Option may be contained in the Plan.

INFUSYSTEM HOLDINGS, INC.

Grant Date: **May 7, 2018**

By: /s/ Richard DiIorio

/s/ Gregory Schulte

Gregory Schulte, Optionee

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Richard DiIorio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of InfuSystem Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2018

/s/ Richard DiIorio

Richard DiIorio
Chief Executive Officer, President and Director

CERTIFICATION BY CHIEF FINANCIAL OFFICER

I, Gregory Schulte, certify that:

1. I have reviewed this quarterly report on Form 10-Q of InfuSystem Holdings, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2018

/s/ Gregory Schulte

Gregory Schulte
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of InfuSystem Holdings, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2018 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2018

/s/ Richard DiIorio

Richard DiIorio

Chief Executive Officer, President and Director

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of InfuSystem Holdings, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2018 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2018

/s/ Gregory Schulte

Gregory Schulte
Chief Financial Officer