

MedQuist Holdings Inc.
Form S-4
August 31, 2011

As filed with the Securities and Exchange Commission on August 31, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MEDQUIST HOLDINGS INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7374
(Primary Standard Industrial
Classification Code Number)

98-0676666
(I. R. S. Employer
Identification No.)

9009 Carothers Parkway
Franklin, Tennessee 37067
(615) 261-1740
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Roger L. Davenport
Chief Executive Officer
MedQuist Holdings Inc.
9009 Carothers Parkway
Franklin, Tennessee 37067
(615) 261-1740
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copy to:
Steven J. Abrams, Esq.
Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103-2779
(215) 981-4241

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective and upon consummation of the transactions described in the enclosed prospectus.

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share ⁽²⁾	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽³⁾
Common stock, par value US\$0.10 per share	1,231,246	Not applicable	\$9,172,783	\$1,065

(1) This Registration Statement registers the maximum number of shares of the Registrant's common stock par value \$0.10 per share, that may be issued in connection with the exchange offer by the Registrant for a number of outstanding shares of MedQuist Inc. common stock, no par value and the subsequent merger of a newly-formed subsidiary of CBay Inc. with and into MedQuist Inc. as described in the enclosed prospectus.

(2) Pursuant to Rule 457(c) and Rule 457(f), and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the market value of the total number shares of MedQuist Inc. common stock estimated to be held by holders as of the date hereof that may be exchanged for shares of common stock of the registrant or that may be issued in the subsequent merger, based upon a market value of \$7.45 per share of MedQuist Inc. common stock, the average of the high and low prices of shares of MedQuist Inc. common stock as reported by the OTCQB on August 24, 2011.

(3) Pursuant to Rule 457(f), the fee is calculated by multiplying the product of the maximum aggregate offering price by 0.0001161.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer is not permitted.

**Subject to Completion, dated August 31, 2011
MedQuist Holdings Inc.**

Offer to Exchange

**Up to 1,231,246 shares of MedQuist Holdings Inc. common stock for any and all issued
and outstanding shares of MedQuist Inc. common stock**

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and in the related letter of transmittal, or the Exchange Offer, shares of MedQuist Holdings Inc. common stock, par value \$0.10 per share, or our common stock, for properly tendered and accepted shares of MedQuist Inc. common stock. For each share of MedQuist Inc. common stock that we accept for exchange in accordance with the terms of the Exchange Offer, we will issue one share of our common stock. We refer to the number of shares of our common stock we will issue for each share of MedQuist Inc. common stock we accept in the Exchange Offer as the Exchange Ratio.

Following the settlement of the Exchange Offer, CBay Inc., one of our wholly-owned subsidiaries, will create a newly-formed subsidiary incorporated in New Jersey, or Merger Subsidiary, for the purpose of merging Merger Subsidiary with and into MedQuist Inc. without the affirmative vote of any shareholder of MedQuist Inc. We refer to this transaction as the Merger. At the effective time of the Merger, each of your shares of MedQuist Inc. common stock that were not tendered in the Exchange Offer will be converted into shares of our common stock in accordance with the Exchange Ratio.

The table below sets forth certain information regarding the MedQuist Inc. common stock that is the subject of the Exchange Offer and the Merger.

CUSIP	TITLE OF SECURITY	EXCHANGE OFFER CONSIDERATION PER SHARE	
		SHARES OF OUR COMMON STOCK ⁽¹⁾	ESTIMATED EXCHANGE VALUE ⁽¹⁾
584949101	MedQuist Inc. common stock	One	\$ 7.86

⁽¹⁾ The estimated exchange value is equal to the number of shares of our common stock offered for each share of MedQuist Inc. common stock multiplied by the closing price of our common stock on The NASDAQ Global Market on August 26, 2011.

Because the number of shares of our common stock to be issued in the Exchange Offer and the Merger is fixed, changes in the trading prices of our common stock will result in the market value of our common stock you receive in exchange for tendering your shares in the Exchange Offer or pursuant to the conversion of your shares in the Merger

being different than the value reflected in the table above.

Our common stock is listed on The NASDAQ Global Market under the symbol MEDH. The closing price of our shares on The NASDAQ Global Market on August 26, 2011 was \$7.86. See Market Price Information for Common Stock herein. MedQuist Inc. common stock trades on the OTCQB under the symbol MEDQ.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

The Exchange Offer will expire at 5:00 p.m., New York City time, on _____, 2011, or the expiration date, unless extended or earlier terminated by us. You must validly tender your shares of MedQuist Inc. common stock for exchange in the Exchange Offer on or prior to the expiration date to receive the Exchange Offer consideration. You should carefully review the procedures for tendering shares of MedQuist Inc. common stock beginning on page 162 of this prospectus. You may withdraw shares of MedQuist Inc. common stock tendered in the Exchange Offer at any time prior to the expiration date. There will be no record date for determining holders of MedQuist Inc. common stock entitled to participate in the exchange.

The Exchange Offer is subject to a number of conditions that must be satisfied or waived by us. The Exchange Offer is not conditioned on any minimum number of MedQuist Inc. common stock being tendered.

We urge you to carefully read the Risk Factors section of this prospectus beginning on page 25 before you make any decision regarding the Exchange Offer.

You must make your own decision whether to tender shares of MedQuist Inc. common stock in the Exchange Offer. Neither we, the information agent, the exchange agent (each as defined herein) nor any other person is making any recommendation as to whether or not you should tender your MedQuist Inc. common stock for exchange in the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Information Agent for the Exchange Offer and the Merger is:

PHOENIX ADVISORY PARTNERS

110 Wall Street, 27th floor

New York, NY 10005

Banks and brokers call: (212) 493-3910

Other call toll free: (800) 576-4314

The Exchange Agent for the Exchange Offer and the Merger is:

American Stock Transfer & Trust Company LLC

Prospectus dated _____.

Table of Contents

About This Prospectus	(ii)
Questions and Answers About the Exchange Offer and the Merger	(iii)
Summary	1
Risk Factors	25
Special Note Regarding Forward-Looking Statements	41
Corporate Reorganization	42
Dividend Policy	43
Capitalization	44
Unaudited Pro Forma Condensed Combined Financial Information of MedQuist Holdings Inc.	45
Selected Consolidated Financial and Other Data of MedQuist Holdings Inc.	57
Selected Consolidated Financial and Other Data of MedQuist Inc.	61
Management's Discussion and Analysis of Financial Condition and Results of Operations of MedQuist Holdings Inc.	63
Management's Discussion and Analysis of Financial Condition and Results of Operations of MedQuist Inc.	83
The Clinical Documentation Industry	99
MedQuist Holdings Inc. Business	101
MedQuist Inc. Business	112
Management	123
Security Ownership of Certain Beneficial Owners and Management of MedQuist Holdings Inc.	151
Certain Relationships and Related Party Transactions	153
Use of Proceeds	157
The Exchange Offer and the Merger	158
Comparison of Rights of Holders of Our Common Stock and MedQuist Inc. Common Stock	174
Description of Indebtedness	185
Comparative Market Price and Dividend Information	188
Description of Capital Stock	191
Material United States Federal Income Tax Consequences	197
Legal Matters	202
Experts	202
Where You Can Find More Information	202
Index to Consolidated Financial Statements	F-1

This prospectus incorporates important business and financial information about MedQuist Holdings Inc. and MedQuist Inc. that is not included in or delivered with this document and is included as an exhibit to the registration statement of which this prospectus is a part. You may obtain copies of these documents, without charge, upon written or oral request to our Information Agent, Phoenix Advisory Partners at (800) 576-4314. To obtain timely delivery of copies of these documents, you should request them no later than five business days prior to the expiration of the Exchange Offer. Unless the Exchange Offer is extended, the latest date on which you should request copies of these documents is .

About This Prospectus

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or the SEC, and we will not consummate the Exchange Offer or the Merger until the SEC has declared the registration statement effective. You should read this prospectus, including the annex, together with the registration statement, the exhibits thereto and the additional information described under the heading [Where You Can Find More Information](#).

None of MedQuist Holdings Inc., the Exchange Agent or the Information Agent have authorized any person (including any dealer, salesperson or broker) to provide you with any information or to make any representation other than as contained in this prospectus. MedQuist Holdings Inc. does not take any responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. The information included in this prospectus is accurate as of the date of this prospectus. You should not assume that the information included in this prospectus is accurate as of any other date.

The Exchange Offer is being made on the basis of this prospectus and the letter of transmittal and is subject to the terms described in this prospectus and the letter of transmittal. After the Exchange Offer, the Merger will be made on the basis of an agreement and plan of merger. The conversion of your shares of common stock for shares of common stock of MedQuist Holdings Inc. as a result of the Merger will be made on the basis of this prospectus and a letter of transmittal and is subject to the terms described in this prospectus and such letter of transmittal. This prospectus does not constitute an offer to participate in the Exchange Offer to any person in any jurisdiction in which it would be unlawful to make such offer. Any decision to participate in the Exchange Offer must be based on the information included in this prospectus. In making an investment decision, prospective investors must rely on their own examination of MedQuist Holdings Inc. and the terms of the Exchange Offer, including the merits and risks involved. Investors should not construe anything in this prospectus and the letter of transmittal as legal, investment, business or tax advice. Each investor should consult its advisors as needed to make its investment decision and to determine whether it is legally permitted to participate in the Exchange Offer under applicable laws or regulations.

This prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents themselves for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to in this prospectus will be made available to holders in the Exchange Offer and Merger at no cost. See [Where You Can Find More Information](#).

You should not rely on or assume the accuracy of any representation or warranty in any agreement that we have filed as an exhibit to any document that we have publicly filed or that we may otherwise publicly file in the future because such representation or warranty may be subject to exceptions and qualifications contained in separate disclosure schedules, may have been included in such agreement for the purpose of allocating risk between the parties to the particular transaction, and may no longer continue to be true as of any given date.

Except where the context otherwise requires, or where otherwise indicated, references to the Company, we, us, or our are to MedQuist Holdings Inc. and its subsidiaries, and references to Spheris are to Spheris Inc. for the period prior to April 22, 2010 and to the business we acquired from Spheris Inc. for the period after such date.

References in this prospectus to dollars or \$ are to the currency of the United States and references to £, pound or pence are to the currency of the United Kingdom. There are 100 pence to each pound.

Except where otherwise indicated, reference in this prospectus to volume or volumes are to lines of text edited or transcribed by our medical transcriptionists, or MTs, and medical editors, or MEs.

The industry and market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources that we believe to be reliable.

(ii)

Questions and Answers About the Exchange Offer and the Merger

These answers to questions that you may have as a holder of MedQuist Inc. common stock are highlights of selected information included elsewhere in this prospectus. To fully understand the Exchange Offer, the other considerations that may be important to your decision about whether to participate in the Exchange Offer, the effects of the Merger and the risks associated with holding shares of MedQuist Holdings Inc. common stock, you should carefully read this prospectus in its entirety, including the section entitled Risk Factors and our financial statements and related notes.

Why are we making the Exchange Offer?

We are making this offer as part of our ongoing plan to acquire full ownership of our majority-owned subsidiary MedQuist Inc. Since our acquisition of the majority ownership stake in MedQuist Inc., our management and directors have been aware that further consolidating our operations with those of MedQuist Inc. could lead to substantial overhead reductions and allow us to capitalize on our underlying technology, healthcare domain expertise and attractive long-term relationships with customers of MedQuist Inc.

In February 2011, we consummated an exchange agreement, or Exchange Agreement, with certain of MedQuist Inc.'s noncontrolling shareholders pursuant to which we issued 4.8 million shares of our common stock in exchange for their 4.8 million shares of MedQuist Inc. common stock. This private exchange increased our ownership in MedQuist Inc. from 69.5% to 82.2%. We then commenced a public registered exchange offer with the same exchange ratio as the private exchange to those noncontrolling MedQuist Inc. shareholders who did not participate in the private exchange, which we refer to as the Initial Registered Exchange Offer, to exchange shares of our common stock for shares of MedQuist Inc. common stock as an additional means to acquire full ownership of MedQuist Inc. As a result of the Initial Registered Exchange Offer, we increased our ownership in MedQuist Inc. from 82.2% to approximately 97%.

We continue to believe that if we acquire full ownership of MedQuist Inc. it will simplify our capital structure, help us to achieve greater integration with MedQuist Inc., and reduce costs and eliminate potential conflicts of interests between us and MedQuist Inc. Therefore we are making this offer as a step in our plan to acquire full ownership of MedQuist Inc.

You may receive more favorable tax treatment if you participate in the Exchange Offer than if you do not participate in the Exchange Offer and have your shares converted in the Merger. Please see the section of this prospectus entitled Material United States Federal Income Tax Consequences for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.

Why are we seeking to consummate the Merger?

Following the completion of the Exchange Offer, CBay Inc., one of our wholly-owned subsidiaries, intends to consummate a merger of Merger Subsidiary with and into MedQuist Inc. The purpose of the Merger is to acquire all of the issued and outstanding shares of MedQuist Inc. stock not exchanged pursuant to the Exchange Offer and not already owned by us. Pursuant to the Shareholder Litigation (described below), we agreed that if, as a result of the Initial Registered Exchange Offer, we obtained ownership of at least 90% of the outstanding common stock of MedQuist Inc., we would conduct a short-form merger under applicable law to acquire the remaining shares of MedQuist Inc. common stock that we do not currently own at the same exchange ratio applicable under the Initial Registered Exchange Offer. The terms of the Merger will provide that each remaining issued and outstanding share of MedQuist Inc. common stock will be converted into the same amount of shares of MedQuist Holdings Inc. common

stock in accordance with the Exchange Ratio. Please see the section of this prospectus entitled "MedQuist Holdings Inc. Business - Legal proceedings" for more information on the Shareholder Litigation.

(iii)

What shares of stock are being sought in the Exchange Offer?

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and in the related letter of transmittal, shares of our common stock for properly tendered and accepted shares of MedQuist Inc. common stock, or MedQuist Inc. common stock.

What will you receive in the Exchange Offer if you tender your shares of MedQuist Inc. common stock and they are accepted?

You will receive one share of our common stock for each share of MedQuist Inc. common stock that you validly tender in this Exchange Offer that is accepted by us. We sometimes refer to this number in this document as the Exchange Ratio. Shares of our common stock issued in this Exchange Offer will be issued in book-entry form. If you do not tender your shares of MedQuist Inc. common stock in the Exchange Offer, or if you withdraw them before the expiration date, upon consummation of the Merger, each share of MedQuist Inc. common stock that you hold will be converted into one share of our common stock.

CUSIP	Title of security	Exchange offer consideration per share	
		Shares of our common stock ⁽¹⁾	Estimated exchange value ⁽¹⁾
584949101	MedQuist Inc. common stock	One	\$ 7.86

⁽¹⁾ The estimated exchange value is equal to the number of shares of our common stock offered per share of MedQuist Inc. common stock multiplied by the closing price of our common stock on The NASDAQ Global Market on August 26, 2011.

Because the number of shares of our common stock to be issued in the Exchange Offer is fixed, changes in the trading prices of our common stock will result in the market value of our common stock you receive in exchange for tendering your shares being different than the value reflected in the table above. Our common stock is listed on The NASDAQ Global Market under the symbol MEDH. The closing price of our shares on The NASDAQ Global Market on August 26, 2011 was \$7.86.

MedQuist Inc. common stock trades on the OTCQB under the symbol MEDQ. The closing price of shares of MedQuist Inc. common stock on the OTCQB on August 26, 2011 was \$7.85. See Market Price Information for Common Stock herein.

Your right to receive the Exchange Offer consideration in the Exchange Offer is subject to all of the conditions set forth in this prospectus and the related letter of transmittal.

Do you have a choice in whether to tender your MedQuist Inc. common stock?

Yes. You are not required to tender your MedQuist Inc. common stock pursuant to this prospectus.

What happens if you choose not to take part in this Exchange Offer?

You will retain the same rights, obligations and interests which you presently have with respect to your ownership of the MedQuist Inc. common stock. However, CBay Inc. intends to cause the Merger of Merger Subsidiary with and into MedQuist Inc. as soon as practicable after consummation of the Exchange Offer. Pursuant to the Merger, holders of MedQuist Inc. common stock that did not tender their shares of common stock in the Exchange Offer will receive in the Merger the same consideration that they would have received had they tendered their shares in the Exchange Offer. Each such share of MedQuist Inc. common stock will automatically convert into one share of MedQuist Holdings Inc. common stock.

(iv)

Is there any difference to me whether I tender my shares in the Exchange Offer or have them canceled in the Merger?

If you do not tender your shares in the Exchange Offer, you will receive MedQuist Holdings Inc. common stock that may have a market price that is greater than or less than the price of MedQuist Holdings Inc. common stock on the date you would have received the consideration if you had tendered in the Exchange Offer. Furthermore, your receipt of shares pursuant to the Merger generally will be taxable to you but the receipt of shares pursuant to the Exchange Offer may be tax-free. Please see the section of this prospectus entitled "Material United States Federal Income Tax Consequences" for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.

Will our common stock to be issued in the Exchange Offer and the Merger be listed for trading?

Yes. The shares of our common stock to be issued in the Exchange Offer have been approved for listing on The NASDAQ Global Market under the symbol "MEDH." For more information regarding the market for our common stock, see the section of this prospectus entitled "Comparative Market Price and Dividend Information."

Will MedQuist Inc. deregister under the Securities Exchange Act of 1934, as amended, or the Exchange Act, following the Exchange Offer and the Merger?

It is our intent to have MedQuist Inc. become our indirect wholly-owned subsidiary. Following the consummation of the Merger, we intend to cause MedQuist Inc. to deregister its common stock under the Exchange Act and MedQuist Inc. will cease to be a separate SEC reporting company. Please see the section of this prospectus entitled "The Exchange Offer and the Merger - Registration Under Exchange Act."

What are the potential benefits of this Exchange Offer and the Merger to holders of MedQuist Inc. common stock?

We believe the completion of the Exchange Offer and Merger will enable MedQuist Inc. and us to create a simpler, unified capital structure in which equity investors would participate in the equity of MedQuist Holdings Inc. and MedQuist Inc. through ownership at the MedQuist Holdings Inc. level.

We believe that unifying public stockholders at a single level could lead to greater liquidity for investors, particularly for the former holders of MedQuist Inc. common stock, due to the increased combined public float.

Additionally, the unified capital structure that would result from the Exchange Offer would facilitate the investment and transfer of funds between MedQuist Holdings Inc. and MedQuist Inc. and our respective subsidiaries, thereby facilitating more efficient uses of our consolidated financial resources.

Finally, by acquiring full ownership of MedQuist Inc. we will eliminate any potential conflicts between our interests and the interests of the other MedQuist Inc. shareholders. We currently have the ability to cause the election of all of the members of the MedQuist Inc. board of directors, the appointment of new management and the approval of actions requiring the approval of MedQuist Inc. shareholders, including amendments to its certificate of incorporation and mergers or sales of substantially all of its assets. The directors we elect are able to make decisions affecting the capital structure of MedQuist Inc., including decisions to issue additional capital stock, implement stock repurchase programs and declare dividends. Without full ownership of MedQuist Inc. our interests could conflict with the interests of MedQuist Inc., and the interests of its other shareholders.

May you tender only a portion of the MedQuist Inc. common stock that you hold?

Yes. You do not have to tender all of your MedQuist Inc. common stock to participate in the Exchange Offer. You may choose to tender in the Exchange Offer all or any portion of the MedQuist Inc. common stock that you hold. Any shares not tendered in the Exchange Offer will be cancelled in the Merger and you will receive the same consideration you would have received had you tendered your shares in the Exchange Offer.

How does the amount of consideration that you will receive if you validly tender shares of MedQuist Inc. common stock in the Exchange Offer compare to amounts that you would otherwise receive if you do not tender?

Should you decide to not participate in this Exchange Offer, each of your shares of MedQuist Inc. common stock will be converted into the same number of shares of MedQuist Holdings Inc. common stock in accordance with the Exchange Ratio upon consummation of the Merger. However, your receipt of shares pursuant to the Merger generally will be taxable to you but the receipt of shares pursuant to the Exchange Offer may be tax-free. Please see the section of this prospectus entitled "Material United States Federal Income Tax Consequences" for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.

Any value received from any sale of your shares of MedQuist Inc. common stock prior to the Merger will depend on such factors as the market prices and the level of demand for the MedQuist Inc. common stock.

Has MedQuist Inc. made a recommendation regarding the Exchange Offer?

MedQuist Inc. will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC conveying to MedQuist Inc. shareholders the recommendation of the MedQuist Inc. board of directors regarding whether MedQuist Inc. shareholders should tender their MedQuist Inc. shares in the Exchange Offer. Once filed, the MedQuist Inc. Schedule 14D-9 will be mailed to MedQuist Inc. shareholders. MedQuist Inc. shareholders are urged to read the MedQuist Inc. Schedule 14D-9 because it will contain important information. The MedQuist Inc. Schedule 14D-9 will be available free of charge at the web site maintained by the SEC at www.sec.gov.

When does the Exchange Offer expire?

Unless earlier terminated by us, the Exchange Offer will expire at 5:00 p.m., New York City time, on _____, 2011, or at such other time if this date is extended by us. MedQuist Inc. common stock tendered may be validly withdrawn at any time before the expiration date, but not thereafter. If a broker, dealer, commercial bank, trust company or other nominee holds your MedQuist Inc. common stock, such nominee may have an earlier deadline for accepting the Exchange Offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your MedQuist Inc. common stock to determine its deadline.

What are the conditions to the Exchange Offer?

The Exchange Offer is conditioned upon the closing conditions described in "The Exchange Offer and the Merger Conditions of the Exchange Offer." The Exchange Offer is not conditioned upon any minimum number of shares of MedQuist Inc. common stock being tendered. We may waive certain conditions of the Exchange Offer described in this prospectus prior to the expiration date. If any of the conditions are not satisfied or waived, we will not complete the Exchange Offer.

Under what circumstances can the Exchange Offer be extended, amended or terminated?

We reserve the right to extend the Exchange Offer for any reason or no reason at all. We also expressly reserve the right, at any time or from time to time, to amend the terms of the Exchange Offer in any respect prior to the expiration date. Further, we may be required by law to extend the Exchange Offer if we make a material change in the terms of the Exchange Offer or in the information contained in this prospectus or waive a material condition to the Exchange Offer. During any extension of the Exchange Offer, MedQuist Inc. common stock that was previously

(vi)

tendered and not validly withdrawn will remain subject to the Exchange Offer. We reserve the right, in our sole and absolute discretion, but subject to applicable law, to terminate the Exchange Offer at any time prior to the expiration date if any condition to the Exchange Offer is not met. If the Exchange Offer is terminated, no shares of MedQuist Inc. common stock will be accepted for purchase, and any shares of MedQuist Inc. common stock that have been tendered will be promptly returned to the holder. For more information regarding our right to extend, amend or terminate the Exchange Offer, see The Exchange Offer and the Merger Expiration date; extensions; termination; amendment.

How will you be notified if the Exchange Offer is extended, amended or terminated?

If the Exchange Offer is extended, amended or terminated, we will promptly make a public announcement thereof. For more information regarding notification of extensions, amendments or the termination of the Exchange Offer, see The Exchange Offer and the Merger Expiration date; extensions; termination; amendment.

How do you tender shares of MedQuist Inc. common stock in the Exchange Offer?

Certain shares of MedQuist Inc. common stock were issued in book-entry form, and are all currently represented by one or more global certificates held for the account of the Depository Trust Company, or DTC. If your securities are book entry securities, you may tender your shares of MedQuist Inc. common stock by transferring them through DTC's Automated Tender Offer Program, or ATOP, or following the other procedures described under The Exchange Offer and the Merger Procedures for tendering.

If your interest as a holder of MedQuist Inc. common stock is in certificated form, you must deliver to the exchange agent (1) the certificates for the shares of your MedQuist Inc. common stock to be exchanged in the manner specified in the accompanying letter of transmittal and (2) a properly completed letter of transmittal.

If you hold your shares of MedQuist Inc. common stock through a bank, broker or other nominee, in order to validly tender your shares of MedQuist Inc. common stock in the Exchange Offer, you must follow the instructions provided by your bank, broker, custodian, commercial bank, trust company or other nominee with regard to procedures for tendering, in order to enable your bank, broker, custodian, commercial bank, trust company or other nominee to comply with the procedures described below. Beneficial owners are urged to appropriately instruct their bank, broker, custodian, commercial bank, trust company or other nominee at least five business days prior to the expiration date in order to allow adequate processing time for their instruction.

In order for a bank, broker, custodian, commercial bank, trust company or other nominee to validly tender your shares of MedQuist Inc. common stock in the Exchange Offer, such bank, broker, custodian, commercial bank, trust company or other nominee must deliver to the exchange agent an electronic message that will contain:

- n your acknowledgment and agreement to, and agreement to be bound by, the terms of the accompanying letter of transmittal; and
- n a timely confirmation of book-entry transfer of your shares of MedQuist Inc. common stock into the exchange agent's account.

If you are unable to tender your MedQuist Inc. common stock before 5:00 p.m., New York City time, on _____, 2011, or such other time if this date is extended by us, you may comply with the guaranteed delivery procedures set forth in The Exchange Offer and the Merger Guaranteed delivery beginning on page 163.

Should you have any questions as to the procedures for tendering your shares of MedQuist Inc. common stock, please call your bank, broker, custodian, trust company or other nominee, or call the information agent.

What happens to tendered shares of MedQuist Inc. common stock that are not accepted for exchange?

If your tendered shares of MedQuist Inc. common stock are not accepted for exchange for any reason pursuant to the terms and conditions of the Exchange Offer, such shares will be returned without expense to you or, in the case of shares of MedQuist Inc. common stock tendered by book-entry transfer, such shares will be credited to an account maintained at DTC, designated by the participant who delivered such shares, in each case, promptly following the expiration date or the termination of the Exchange Offer. Any shares not tendered in the Exchange Offer, however, will be cancelled in the Merger and you will receive the same consideration you would have received had you tendered your shares in the Exchange Offer.

If you change your mind, can you withdraw your tender of MedQuist Inc. common stock?

You may withdraw previously tendered MedQuist Inc. common stock at any time until the Exchange Offer has expired, unless extended by us. See [The Exchange Offer and the Merger](#) [Withdrawal of tenders](#). Any shares not tendered in the Exchange Offer, however, will be cancelled in the Merger and you will receive the same consideration you would have received had you tendered your shares in the Exchange Offer.

How long will it take to complete the Exchange Offer and the Merger?

We will not consummate the Exchange Offer or the Merger until the SEC has declared the registration statement effective. As soon as practicable after the registration statement is declared effective we will launch the Exchange Offer. The expiration date of the Exchange Offer will be at least 20 business days after the beginning of the Exchange Offer, as required by Rule 14e-1(a) under the Exchange Act. We intend to seek to cause the Merger to take place as soon as reasonably practicable following the expiration date of the Exchange Offer.

Why is there no shareholder vote for the Exchange Offer or the Merger?

Your vote is not required for the Exchange Offer or the Merger. You simply need to tender your shares if you choose to do so in the Exchange Offer or each of your shares will automatically convert into one share of our common stock pursuant to the Merger. Our board of directors and the board of directors and sole shareholder of the Merger Subsidiary will be required to approve the Merger.

Will you have to pay any fees or commissions if you tender your MedQuist Inc. common stock in the Exchange Offer or if your shares are automatically converted pursuant to the Merger?

Holders are not obligated to pay brokerage fees or commissions to us, the information agent or the exchange agent in connection with the Exchange Offer and Merger. If your shares of MedQuist Inc. common stock are held through a broker or other nominee who tenders the MedQuist Inc. common stock on your behalf in connection with the Exchange Offer or Merger, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply. See [The Exchange Offer and the Merger](#).

What risks should you consider in deciding whether or not to tender any or all of your MedQuist Inc. common stock?

In deciding whether to participate in the Exchange Offer, you should carefully consider the discussion of risks and uncertainties pertaining to the Exchange Offer, and those affecting our businesses and an investment in our common stock, described in this section [Questions and Answers About the Exchange Offer and the Merger](#), in the section entitled [Risk Factors](#) and in the section entitled [Material United States Federal Income Tax Consequences](#).

What are the U.S. federal income tax consequences of participating in the Exchange Offer or the Merger?

For United States federal income tax purposes, your receipt of shares pursuant to the Merger generally will be taxable to you while the receipt of shares pursuant to the Exchange Offer may be tax-free. Please see the section of this prospectus entitled "Material United States Federal Income Tax Consequences" for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.

What is the impact of the Exchange Offer and Merger to our earnings per share and capitalization?

Assuming all of the outstanding shares of MedQuist Inc. common stock are validly tendered and accepted and not withdrawn so that we issue all 1.2 million shares of our common stock being offered pursuant to this prospectus, we would have 55.9 million shares of our common stock outstanding.

As a result of the exchange of the MedQuist Inc. common stock and the Merger described herein, the number of outstanding shares of our common stock will increase, which will result in dilution of ownership to existing holders of our common stock. However, our share of MedQuist Inc.'s net income will increase as a result of this Exchange Offer. After giving effect to the Spheris Acquisition (as defined in "Summary History MedQuist Inc."), the Recapitalization Transactions (as defined in "Summary Recent Developments Recapitalization Transactions"), the private exchange, the Initial Registered Exchange Offer and our initial public offering, or "IPO," for the year ended December 31, 2010 and the six months ended June 30, 2011, the incremental impact of this Exchange Offer and the Merger on our diluted earnings per share would have been an increase of \$0.01 and \$0.03 per share of our common stock on a pro forma basis, respectively. Future dividends, if any, on the MedQuist Inc. common stock will not be paid to holders whose MedQuist Inc. common stock has been exchanged.

The impact of the Exchange Offer will be a reclassification between noncontrolling interests and additional paid in capital with no net impact to stockholders' equity as a result of this exchange. See "The Exchange Offer and the Merger Accounting treatment."

Do our directors or executive officers beneficially own any shares of MedQuist Inc. common stock that will be subject to the Exchange Offer or Merger?

As of August 25, 2011, our directors and executive officers beneficially owned in the aggregate 66 shares of MedQuist Inc. common stock that are subject to the Exchange Offer.

What percentage of our common stock will current MedQuist Inc. shareholders own after the successful consummation of the Exchange Offer and the Merger?

We anticipate that the completion of the Exchange Offer and the Merger will result in the exchange of the outstanding shares of MedQuist Inc.'s common stock that we do not currently own into approximately 2.2% of shares of our common stock outstanding at the conclusion of the Exchange Offer and Merger. In general, this assumes that:

- n 54.7 million shares of our common stock are outstanding before giving effect to the completion of the Exchange Offer and Merger; and
- n 1.2 million shares of our common stock will be issued in the Exchange Offer and Merger.

Are dissenters or appraisal rights available in either the Exchange Offer or the Merger?

You do not have dissenters or appraisal rights as a result of the Exchange Offer or the Merger. Under New Jersey law, which governs your rights as a shareholder of a New Jersey corporation, you do not have the right to dissent in the Exchange Offer or the Merger. See The Exchange Offer and the Merger No appraisal rights.

With whom may you talk if you have questions about the Exchange Offer?

If you have questions regarding the procedures for tendering in the Exchange Offer or require assistance in tendering your MedQuist Inc. common stock, please contact the exchange agent listed on the back cover of this prospectus. If you would like additional copies of this prospectus, our annual, quarterly, and current reports or proxy statement, please contact the information agent. The contact information for the exchange agent and the information agent is set forth on the back cover of this prospectus. Holders of MedQuist Inc. common stock may also contact their brokers, dealers, commercial banks, trust companies or other nominees through whom they hold their MedQuist Inc. common stock with questions and requests for assistance.

IF YOU HOLD YOUR MEDQUIST INC. COMMON STOCK THROUGH A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE, YOU SHOULD KEEP IN MIND THAT SUCH ENTITY MAY REQUIRE YOU TO TAKE ACTION WITH RESPECT TO THE EXCHANGE OFFER A NUMBER OF DAYS BEFORE THE EXPIRATION DATE IN ORDER FOR SUCH ENTITY TO TENDER MEDQUIST INC. COMMON STOCK ON YOUR BEHALF ON OR PRIOR TO THE EXPIRATION DATE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND HAVE NO EFFECT. IF YOUR INTEREST AS A HOLDER OF MEDQUIST INC. COMMON STOCK IS IN CERTIFICATED FORM, YOU MUST DELIVER THE MEDQUIST INC. COMMON STOCK CERTIFICATE TO BE EXCHANGED IN THE MANNER SPECIFIED IN THE ACCOMPANYING LETTER OF TRANSMITTAL AND A PROPERLY COMPLETED LETTER OF TRANSMITTAL.

(x)

Summary

This summary highlights certain information contained elsewhere in this prospectus and may not contain all of the information you should consider before investing in our shares. You should read this summary together with the entire prospectus, including the information presented under the heading Risk Factors, the consolidated financial statements and related notes and the unaudited pro forma condensed combined financial information and related notes appearing elsewhere in this prospectus.

Except where the context otherwise requires, or where otherwise indicated, references in this prospectus to we, us, or our are to MedQuist Holdings Inc. and its subsidiaries, references to MedQuist Inc. are to MedQuist Inc. and its subsidiaries and references to Spheris are to Spheris Inc. and its subsidiaries for the period prior to April 22, 2010 and to the business we acquired from Spheris Inc. for the period after such date.

Overview

The Companies

MedQuist Holdings Inc.

We are a leading provider of integrated clinical documentation solutions for the U.S. healthcare system. Our end-to-end solutions convert physicians' dictation of patient interactions, or the Physician Narrative, into a high quality and customized electronic record. These solutions integrate technologies and services for voice capture and transmission, automated speech recognition, or ASR, medical transcription and editing, workflow automation, and document management and distribution to deliver a complete managed service for our customers. Our solutions enable hospitals, clinics, and physician practices to improve the quality of clinical data as well as accelerate and automate the documentation process, and we believe our solutions improve physician productivity and satisfaction, enhance revenue cycle performance, and facilitate the adoption and meaningful use of electronic health records. We also offer speech recognition solutions for radiology, cardiology, pathology and related specialties, that help healthcare providers dictate, edit and sign reports without manual transcription.

On August 18, 2011, we completed the acquisition of MultiModal Technologies, Inc. With this acquisition, we now provide speech and natural language understanding technologies to healthcare providers and to local and regional transcription partners.

MedQuist Inc.

MedQuist Inc. is a leading provider of integrated clinical documentation solutions for the U.S. healthcare system. Its end-to-end solutions convert physicians' dictation of the Physician Narrative into a high quality and customized electronic record. These solutions integrate technologies and services for voice capture and transmission, ASR, medical transcription and editing, workflow automation, and document management and distribution to deliver a complete managed service for its customers. MedQuist Inc.'s solutions enable hospitals, clinics, and physician practices to improve the quality of clinical data as well as accelerate and automate the documentation process, and MedQuist Inc. believes its solutions improve physician productivity and satisfaction, enhance revenue cycle performance, and facilitate the adoption and meaningful use of electronic health records.

Merger Subsidiary

Merger Subsidiary will be a New Jersey corporation, wholly-owned by CBay Inc., one of our wholly-owned subsidiaries. Merger Subsidiary will be formed to facilitate the short-form merger with MedQuist Inc. At the time of the Merger, Merger Subsidiary will have engaged in no activities and have no material assets or liabilities of any kind, in each case other than those incidental to its formation and its activities and obligations in connection with the Merger.

The Clinical Documentation Industry

Over the past several decades, the clinical documentation industry has evolved from almost exclusively in-house production to outsourced services and from labor-intensive services to technologically-enabled solutions. The market

opportunity for solutions is driven by overall healthcare utilization and cost containment efforts in the United States. Numerous factors are driving increases in the demand for healthcare services including population growth, longer life expectancy, the increasing prevalence of chronic illnesses, and expanded coverage from healthcare reform. According to a September 2010 report by the U.S. Centers for Medicare and Medicaid Services, spending on healthcare grew from \$1.2 trillion in 1998 to \$2.3 trillion in 2008 representing a compound annual growth rate of 7.0%. It also projects that healthcare spending will grow to reach \$4.2 trillion, or 19.3% of U.S. gross domestic product, by 2018, representing a compound annual growth rate of 6.3%. At the same time, U.S. healthcare providers remain under substantial pressure to reduce costs while maintaining or improving the quality of care.

Accurate and timely clinical documentation has become a critical requirement of the growing U.S. healthcare system. Medicare, Medicaid, and insurance companies demand extensive patient care documentation. The Health Information Technology for Economic and Clinical Health Act, or HITECH Act, which was enacted into law on February 17, 2009 as part of the American Recovery and Reinvestment Act of 2009, or ARRA, includes numerous incentives to promote the adoption and meaningful use of electronic health records, or EHRs, across the healthcare industry. Consequently, healthcare providers are increasingly using EHRs to input, store, and manage their clinical data in a digital format. Healthcare providers that use EHRs require accurate, easy-to-use, and cost-effective means to input clinical data that are not disruptive to the physician workflow.

The market for outsourced clinical documentation solutions based on the Physician Narrative is substantial. Key components of this market include voice capture and transmission technologies, ASR software, medical transcription and editing services, and document workflow and management software. ValueNotes Database Pvt. Ltd., or

ValueNotes, a market research firm, estimates that the market for outsourced medical transcription services was \$5.4 billion in 2009 and is expected to grow 8.2% per annum over the next five years to \$8.0 billion in 2014.

Healthcare providers are increasingly choosing to outsource their clinical documentation processes. The benefits of outsourcing include reduced costs, access to leading technologies, accelerated turn-around times, improved data accuracy, greater physician productivity, and satisfaction of security and compliance requirements. We believe that the majority of clinical documentation is still produced in-house by U.S. hospitals and physician practices today. ValueNotes estimates that the in-house medical transcription market was 67% of the overall market in 2009, and projects the percentage of outsourced production of medical transcription will grow from 33% in 2009 to 38% in 2014.

While outsourcing provides many benefits, the landscape for outsourced service providers is highly fragmented with varying degrees of technological automation and offshore capabilities amongst providers. Thousands of local and regional providers offer limited services without technology offerings. A small set of national providers offer a combination of technology and services, but have varying degrees of technological sophistication and production capacity.

Our competitive strengths

Our competitive strengths include:

- n **Leader in a large, fragmented market** We are the largest provider by revenue of clinical documentation solutions based on the Physician Narrative in the United States. Our size enables us to meet the needs of large, sophisticated healthcare customers, provides economies of scale, and enables us to devote significantly more resources to research and development and quality assurance than many other providers.
- n **Integrated solutions delivered as a complete managed service** We offer fully-integrated end-to-end managed services that capture and convert the Physician Narrative into a high quality customized electronic record. We integrate technologies and services for voice capture and transmission, ASR, medical transcription

and editing, workflow automation, and document management and distribution. The end result is value-added clinical documentation with high accuracy and quick turn-around times.

n **Large and diversified customer base with long-term relationships** We serve hospitals, clinics and physician practices throughout the United States. We have a long-standing history with our customers and the majority of our revenue is from recurring services.

n **Highly-efficient operating model** Since we acquired MedQuist Inc. in the fourth quarter of 2008, we have driven down our cost structure through leveraging our scalable infrastructure, standardizing

processes, and increased utilization of ASR. Our use of ASR, which has grown from 39% of our volume in the fourth quarter of 2008 to 74% in the second quarter of 2011, has increased our productivity. With the acquisition of MultiModal, we now own our own ASR technology which we expect will further reduce our cost structure. Additionally, our expanding footprint in India has enabled us to increase our offshore production from 28% of our volume to 42% over this same period. The financial impact of these measures has been an improvement in gross margins during this timeframe from 34% to 40%.

- n **Proven management team** We have assembled an outstanding senior leadership team with significant industry experience and domain expertise in both domestic and offshore operations. Our management team has delivered substantial results and brings an entrepreneurial spirit with proven experience in managing growth, driving operational improvements, and successfully integrating acquisitions.

Our strategy

Key elements of our strategy include:

- n **Expand our customer base and increase existing customer penetration** We intend to grow our customer base by targeting three market segments: large healthcare providers still using in-house services, large healthcare providers currently using competing outsourced alternatives, and small-to-medium medical practices. Given our market leadership, strong solution offerings, and low cost structure, we believe we are well positioned to both replace in-house solutions as well as displace competing outsourced alternatives for large healthcare providers. In order to increase penetration within our existing customer base, we intend to continue targeting additional healthcare clinical areas and facilities of our current customers. Additionally, as healthcare providers centralize their purchasing decisions, we believe that our ability to deliver outstanding services for large, complex requirements provides us with increasing access to new sales opportunities within our existing customer base and through existing customer relationships. Through our acquisition of MultiModal, we have expanded our customer base to include medical transcription service organizations, or MTSOs. We intend to grow our business by providing new and innovative speech and natural language understanding technologies and new products to these transcription partners.
- n **Continue to develop and enhance our integrated solutions** We seek to differentiate our integrated solutions through sophisticated technology and process improvement. With the acquisition of MultiModal, we now have over 200 employees dedicated to research and development, with in-house expertise in speech and natural language understanding technologies. Over the last year, we launched numerous enhancements, including a front end speech platform for general medicine, additional EHR system integration, and advanced performance monitoring.
- n **Enhance profitability through technical and operational expertise** We have made significant improvements in productivity through business process and infrastructure improvements. Notwithstanding reductions in customer pricing, our gross margins have expanded from 34% in the fourth quarter of 2008, our first fiscal quarter after we acquired MedQuist Inc., to 40% in the second quarter of 2011. Our management team has proven its ability to implement continuous process improvements and we intend to further increase offshore production and our use of technological automation, including ASR, to lower costs and enhance our profitability. We also expect that the acquisition of MultiModal will further enhance our gross margins by building market share in the in-house transcription market.
- n **Facilitate the adoption and promote meaningful use of EHR systems** Our integrated solutions provide a comprehensive, accurate and effective method to incorporate Physician Narrative into an EHR system. We interface with substantially all of the leading EHR vendors to integrate our clinical documentation solutions and to help our customers realize the full potential of their EHR systems through the use of the Physician Narrative. In our experience, when EHR is adopted, customers tend to consolidate their purchase decisions, which benefits us as a leading provider of clinical documentation solutions.

- n **Pursue strategic acquisitions** We believe that there are significant opportunities available to create value through strategic acquisitions. We intend to seek appropriate opportunities to grow our customer base, enhance or expand our solutions, incorporate synergy opportunities, and expand our value proposition to our customers. For example, we recently completed our acquisition of MultiModal which provides us with ownership of speech and natural language understanding technologies, and is expected to facilitate consolidation to a single speech recognition platform, provide a broader product offering to local and regional transcription partners and leverage MultiModal's cloud based services to enhance our gross margins.

Risks associated with our business

Our business is subject to a number of risks which you should be aware of before making an investment decision. Those risks are discussed more fully in **Risk Factors** beginning on page 25. For example:

- n We compete with many others in the market for clinical documentation solutions which may result in lower prices for our services, reduced operating margins and an inability to maintain or increase our market share.
- n Our business is dependent on the continued demand for transcription services, and, if electronic health records companies produce solutions acceptable to large hospital systems for the creation of electronic clinical documentation, the overall demand for medical transcription services could be reduced.
- n Our ability to sustain and grow profitable operations is dependent on the willingness of new customers to outsource and adopt new technology platforms, as well as our ability to retain customers.
- n Our success will depend on our ability to support existing technologies, as well as adopt and integrate new technology into our workflow platforms.

History

MedQuist Holdings Inc.

We began operations in 1998 with the goal of providing high-quality outsourced clinical documentation solutions to U.S. healthcare providers at a low cost. We combined U.S. sales, marketing, and customer service with offshore operations, primarily in India, and have grown our scale through strategic acquisitions. In August 2011 we completed the acquisition of MultiModal Technologies, Inc. which provides us with ownership of speech and natural language understanding technologies, and is expected to facilitate consolidation to a single speech recognition platform, provide a broader product offering to local and regional transcription partners and leverage cloud-based services to enhance gross margins.

MedQuist Inc.

MedQuist Inc. was established in 1970 and developed a computer-based medical transcription package that replaced tape and cassette recorders with digital recording equipment. MedQuist Inc. purchased Transcriptions Ltd. in May 1994, and grew quickly over the next few years through sales and acquisitions of smaller transcription service organizations. With several strategic acquisitions in 2001 and 2002, MedQuist Inc. obtained the technology and expertise to offer comprehensive document workflow management products and solutions.

Acquisitions

MedQuist Inc.

In August 2008, an affiliate of S.A.C. Private Capital Group, LLC, or SAC PCG, invested \$124.0 million to acquire a majority interest in us. Concurrent with this investment, we acquired a 69.5% interest in MedQuist Inc., or the MedQuist Inc. Acquisition. At the time of the acquisition, MedQuist Inc. was the largest U.S. medical transcription

service provider by revenue, but had been adversely impacted by inefficient operations, litigation and customer disputes. Net revenues for MedQuist Inc. had fallen from \$483.9 million for the year ended December 31, 2002 to \$340.3 million for the year ended December 31, 2007.

We believed that MedQuist Inc., despite its operational challenges and substantial overhead, had strong underlying technology, deep healthcare domain expertise, and a long-tenured customer base. Following our acquisition of MedQuist

Inc., we embarked upon a strategy to enhance the management team, streamline operations, improve relationships with customers, leverage our offshore resources, increase the utilization of ASR technology, and resolve all outstanding litigation. This strategy resulted in a stabilization of volume trends starting in the second quarter of 2009.

Spheris

In April 2010, we acquired certain assets, principally customer contracts, from Spheris in a transaction conducted under Section 363 of the Bankruptcy Code. Spheris was the second largest U.S. medical transcription service provider by revenue at the time. Spheris had experienced declines in volumes from customer attrition, which we believed was attributable to quality issues and underinvestment in product development caused by financial constraints leading up to its bankruptcy. Some volume declines continued after the date of the Spheris Acquisition as the result of notices of termination given prior to that date.

We considered the negative volume trend for Spheris in our acquisition valuation. Net revenues for Spheris were \$156.6 million and \$35.2 million for the year ended December 31, 2009 and the three months ended March 31, 2010, respectively. Customers who submitted notices of termination prior to the acquisition generated revenues of \$24.6 million and \$1.7 million during the year ended December 31, 2009 and the three months ended March 31, 2010, respectively. Therefore, net revenues for the year ended December 31, 2009 and the three months ended March 31, 2010, less revenues attributable to customers who submitted notices of termination prior to the Spheris Acquisition, were \$132.0 million and \$33.5 million, respectively.

MultiModal Technologies, Inc.

On August 18, 2011, we completed the acquisition of Multimodal Technologies, Inc., or MultiModal, through a series of mergers between MultiModal and certain of our direct wholly-owned subsidiaries (the MultiModal Merger). As a result of the MultiModal Merger, MultiModal became a direct wholly-owned subsidiary of ours. The MultiModal Merger provides us ownership of speech and natural language understanding technologies, and is expected to facilitate consolidation to a single speech recognition platform, provide a broader product offering to local and regional transcription partners and leverage MultiModal's cloud based services to enhance gross margins.

Recent developments

Recapitalization Transactions

On October 14, 2010, MedQuist Inc. incurred \$85.0 million of indebtedness through the issuance of 13% senior subordinated notes due 2016, or the Senior Subordinated Notes, under a note purchase agreement, or the Note Purchase Agreement, and incurred \$200.0 million of indebtedness under a term loan, or the Term Loan, under a \$225.0 million credit facility, or the Senior Secured Credit Facility. We are a guarantor of both the Senior Subordinated Notes and the Senior Secured Credit Facility. MedQuist Inc. used the proceeds to repay \$80.0 million of indebtedness under its prior credit facility, or the Acquisition Credit Facility, to repay \$13.6 million of indebtedness under a subordinated promissory note, or the Acquisition Subordinated Promissory Notes, each issued in connection with the Spheris Acquisition, and to pay a \$176.5 million special dividend to its shareholders. We received \$122.6 million of this special dividend and used \$104.1 million to extinguish our 6% convertible notes, or the 6% Convertible Notes, issued to Royal Philips Electronics in connection with the MedQuist Inc. Acquisition and \$3.7 million to extinguish certain other lines of credit. We refer to these transactions collectively as the Recapitalization Transactions.

Private Exchange

Certain of MedQuist Inc.'s noncontrolling shareholders entered into the Exchange Agreement, whereby we issued 4.8 million shares of our common stock in exchange for their 4.8 million shares of MedQuist Inc. common stock. We refer to this transaction as the Private Exchange. The Private Exchange was completed on February 11, 2011 and increased our ownership in MedQuist Inc. from 69.5% to 82.2%.

Initial Registered Exchange Offer

In addition to the Private Exchange referred to above, in February 2011, we commenced a public exchange offer, or Initial Registered Exchange Offer, to those noncontrolling MedQuist Inc. shareholders who did not participate in the Private Exchange to exchange shares of our common stock for shares of MedQuist Inc. common stock. The Initial Registered Exchange Offer expired on March 11, 2011. We accepted and consummated the exchange of MedQuist Inc. shares of common stock that were validly tendered in the Initial Registered Exchange Offer. As a result of the Initial Registered Exchange Offer, we increased our ownership in MedQuist Inc. from 82.2% to approximately 97%.

Our U.S. Initial Public Offering

The U.S. initial public offering of our common stock closed on February 9, 2011. Our common stock is listed on The NASDAQ Global Market under the symbol MEDH.

Redomiciliation and Share Conversion

On January 27, 2011, we changed our name from CBaySystems Holdings Limited to MedQuist Holdings Inc. and redomiciled from a British Virgin Islands company to a Delaware corporation. In connection with our redomiciliation, we adjusted the number of our shares outstanding through a reverse share split pursuant to which every 4.5 shares of our common stock outstanding prior to our redomiciliation was converted into one share of our common stock upon our redomiciliation. Our redomiciliation and such reverse share split resulted in no change to our common stockholders' relative ownership interests in us.

For a more detailed description of the Recapitalization Transactions, the Private Exchange, the Initial Registered Exchange Offer, our U.S. initial public offering and the redomiciliation and share conversion, collectively with this Exchange Offer and Merger and the common stock offered hereby, the Corporate Reorganization, see Corporate Reorganization.

Acquisition of MultiModal Technologies, Inc.

On August 18, 2011 (the Closing Date), we completed the acquisition of MultiModal through a series of mergers between MultiModal and certain of our direct wholly-owned subsidiaries. As a result of the MultiModal Merger, MultiModal became a direct wholly-owned subsidiary of ours. On the Closing Date, we paid an aggregate of approximately \$48.4 million in cash to MultiModal's shareholders, optionholders and other third parties and issued an aggregate of 4,134,896 shares of our common stock (the Shares) to MultiModal's shareholders who are accredited investors (the MultiModal Accredited Investors) within the meaning of Regulation D promulgated under the Securities Act of 1933. We are also obligated to pay up to approximately \$28.8 million of additional cash consideration in three installments of approximately \$16.3 million, \$4.8 million and \$7.7 million, respectively, following the first, second and third anniversaries of the Closing Date. Also on the Closing Date, we granted to certain of MultiModal's employees that become employees of ours up to \$10 million of restricted shares of our common stock.

Corporate information

Our principal executive offices are located at 9009 Carothers Parkway, Franklin, TN 37067. The telephone number of our principal executive offices is (615) 261-1740.

The principal executive offices of MedQuist Inc. are located at 9009 Carothers Parkway, Franklin, TN 37067. The telephone number of the principal executive offices of MedQuist Inc. is (615) 261-1740.

Background and Reasons for the Exchange Offer

Background of our investment in MedQuist Inc.

MedQuist Inc. was established in 1970 and developed a computer-based medical transcription package that replaced tape and cassette recorders with digital recording equipment. MedQuist Inc. purchased Transcriptions Ltd. in May 1994, and grew quickly over the next few years through sales and acquisitions of smaller transcription service organizations. Royal Philips Electronics purchased approximately 60% of MedQuist Inc. in June 2000, and later increased its holdings to 69.5%. With several strategic acquisitions in 2001 and 2002, MedQuist Inc. obtained the technology and expertise to offer comprehensive document workflow management products and solutions.

In August 2008, Royal Philips Electronics sold its 69.5% ownership interest in MedQuist Inc. to us, a holding company with a portfolio of investments in medical transcription, healthcare technology and healthcare financial services, for a total consideration of \$239.7 million. The transaction was completed following the subscription to approximately 89 million shares in our common stock by S.A.C. PEI CB Investment, L.P. Additionally, in April 2010, MedQuist Inc. completed the purchase of the domestic business of Spheris Inc. while simultaneously, CBay Inc., one of our subsidiaries that directly holds the majority ownership in MedQuist Inc., acquired the stock of Spheris India Private Limited, a subsidiary of Spheris, creating a combined company for healthcare providers to improve their clinical documentation and drive toward electronic health record, or EHR, adoption faster and at a lower cost through advanced technology and expanded domestic and global services.

In early 2011, certain of MedQuist Inc.'s noncontrolling shareholders entered into the exchange agreement with us whereby we issued 4.8 million shares of our common stock in exchange for their 4.8 million shares of MedQuist Inc. common stock. We refer to this transaction as the Private Exchange. The Private Exchange was completed on February 11, 2011 and increased our ownership in MedQuist Inc. from 69.5% to 82.2%.

In addition to the Private Exchange, we commenced the Initial Registered Exchange Offer to those noncontrolling MedQuist Inc. shareholders who did not participate in the Private Exchange to exchange shares of our common stock for shares of MedQuist Inc. common stock. The Initial Registered Exchange Offer expired on March 11, 2011. As a result of the Initial Registered Exchange Offer, we increased our ownership in MedQuist Inc. from 82.2% to approximately 97%.

Background of the Exchange Offer

Since our acquisition of the majority ownership stake in MedQuist Inc., our management and directors have been aware that further consolidating our operations with those of MedQuist Inc. could lead to substantial overhead reductions and allow us to capitalize on our underlying technology, healthcare domain expertise and attractive long-term relationships with customers of MedQuist Inc.

During the course of our consultations with our financial advisors and outside counsel in the summer of 2010, our management determined that a two-tiered private and public exchange offer was the best method for acquiring the remaining shares of MedQuist Inc. common stock held by third parties. Our management wanted to pursue the most efficient course for combining MedQuist Inc. and our company, and believed that offering to buy shares of MedQuist Inc. common stock directly from the other MedQuist Inc. shareholders would result in an expedited and fair process. Additionally, our management concluded that pursuing a two-tiered exchange offer, whereby a significant portion of the minority MedQuist Inc. shareholders agreed to participate in a private exchange of their MedQuist Inc. common stock for our common stock, followed by a registered public exchange for the remaining MedQuist Inc. common stock, gave us the best opportunity to acquire the highest number of shares of MedQuist Inc. common stock in the most efficient and expeditious manner. In choosing to recommend the two-tiered exchange offer structure to our

board, our management sought to choose a path consistent with recent precedents for transactions involving the acquisition of the minority interests of publicly traded companies by their principal stockholders. In contrast to an exchange offer transaction, our management also considered a merger transaction, but due to certain provisions of New Jersey corporate law, a merger transaction was deemed not to be a viable option at that time.

On September 30, 2010, our board of directors met to consider the advisability of the two-tiered exchange offer. At this meeting, the board engaged in a discussion, with members of our management, outside counsel and financial advisors participating, of the proposed two-tiered exchange offer structure. Following this discussion, our board of directors determined unanimously to approve the Private Exchange.

At its meeting on October 17, 2010, our board of directors unanimously approved the Initial Registered Exchange Offer. In reaching its conclusion, our board of directors considered, among others, the following factors:

- n the completion of the Initial Registered Exchange Offer would enable MedQuist Inc. and us to create a simpler, unified capital structure in which equity investors would participate in the equity of us and MedQuist Inc. only at the MedQuist Holdings Inc. level. Our board also believed that unifying public stockholdings at a single level could lead to greater liquidity for investors, particularly for the former holders of MedQuist Inc. common stock, due to the increased combined public float;
- n the unified capital structure that would result from the Initial Registered Exchange Offer would facilitate the investment and transfer of funds between us and MedQuist Inc. and its subsidiaries, thereby facilitating more efficient uses of our consolidated financial resources;
- n the belief that we will be better positioned than MedQuist Inc. on a stand-alone basis to develop and exploit MedQuist Inc.'s assets, including through acquisitions and dispositions;
- n the elimination of public shareholders at the MedQuist Inc. level would create opportunities for cost reductions through the reduction of overhead and reporting and compliance costs;
- n the opportunity to eliminate, by converting the public's ownership of MedQuist Inc. common stock into ownership of our common stock through the Initial Registered Exchange Offer, the potential for conflicts of interest between us, on the one hand, and the assets of MedQuist Inc. and its public shareholders, on the other, including with respect to the disposition or use of MedQuist Inc. for the benefit of us and our stockholders;
- n the exchange ratio;
- n the ability of MedQuist Inc.'s shareholders, through ownership of our common stock, to participate in the growth of MedQuist Inc.'s business and our other businesses;
- n the financial and operating results of MedQuist Inc.;
- n the terms and conditions of the Initial Registered Exchange Offer; and
- n the level of dilution that our current stockholders would experience in connection with the Initial Registered Exchange Offer.

The Private Exchange was completed on February 11, 2011 and increased our ownership in MedQuist Inc. from 69.5% to 82.2%.

The Initial Registered Exchange Offer expired on March 11, 2011. As a result of the Initial Registered Exchange Offer, we increased our ownership in MedQuist Inc. from 82.2% to approximately 97%.

Our reasons for the Exchange Offer

We are making this offer in connection with our ongoing plan to acquire full ownership of our majority-owned subsidiary MedQuist Inc. On August 30, 2011, our board of directors unanimously approved the Exchange Offer by written consent. In reaching its conclusion, our board of directors reiterated that it continues to believe that if we acquire full ownership of MedQuist Inc. it will simplify our capital structure, achieve greater integration between us and MedQuist Inc., and reduce costs and eliminate potential conflicts of interests between us and MedQuist Inc. The board of directors also considered the same factors listed above from its October 17, 2010 meeting as applied to the Exchange Offer as well as the conclusion that the receipt of shares pursuant to the Merger generally will be taxable to holders but the receipt of shares pursuant to the Exchange Offer may be tax-free. Therefore we are making this offer as a step in our plan to acquire full ownership of MedQuist Inc. Please see [Background and Reasons for the Exchange](#)

Offer for more information on our desire to acquire full ownership of MedQuist Inc.

You may receive more favorable tax treatment if you participate in the Exchange Offer than if you do not participate in the Exchange Offer and have your shares converted in the Merger. Please see [Material United States Federal Income Tax Consequences](#) for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.

Our reasons for the Merger

The purpose of the Merger is to acquire all of the issued and outstanding shares of MedQuist Inc. stock not exchanged pursuant to the Exchange Offer and not already owned by us. Pursuant to the Shareholder Litigation, we agreed that if, as a result of the Initial Registered Exchange Offer, we obtained ownership of at least 90% of the outstanding common stock of MedQuist Inc., we would conduct a short-form merger under applicable law to acquire the remaining shares of MedQuist Inc. common stock that we do not currently own at the same exchange ratio applicable under the Initial Registered Exchange Offer.

CBay Inc., one of our wholly-owned subsidiaries, intends to consummate a merger of one of its newly-formed subsidiaries with and into MedQuist Inc. following the completion of the Exchange Offer. Pursuant to the terms of the Merger, each remaining issued and outstanding share of MedQuist Inc. common stock will be converted into the same amount of shares of MedQuist Holdings Inc. common stock in accordance with the Exchange Ratio.

Please see [MedQuist Holdings Inc. Business](#) [Legal proceedings](#) for more information on the Shareholder Litigation.

Interests of directors and executive officers

As of August 25, 2011, our directors and executive officers beneficially owned in the aggregate 66 shares of MedQuist Inc. common stock that are subject to the Exchange Offer.

Summary of Terms of the Exchange Offer

We have summarized the terms of the Exchange Offer below. You should read the discussion under "The Exchange Offer and the Merger" in this prospectus for further information regarding the Exchange Offer.

Exchange Offer	We are offering to exchange newly issued shares of our common stock for properly tendered and accepted shares of MedQuist Inc. common stock pursuant to our ongoing plan to acquire full ownership of our majority-owned subsidiary MedQuist Inc. All shares of MedQuist Inc. common stock validly tendered and not withdrawn and accepted by us will be exchanged at a ratio of one share of our common stock for each share of MedQuist Inc. common stock, on the terms and subject to the conditions of this Exchange Offer. The terms and conditions of this Exchange Offer are described in this document, the letter of transmittal and the instructions to the letter of transmittal. We will promptly return any shares of MedQuist Inc. common stock not accepted by us for exchange following the expiration date.
Expiration Date	The Exchange Offer will expire at 5:00 p.m., New York City time, on , 2011, unless extended or earlier terminated by us. If a broker, dealer, commercial bank, trust company or other nominee holds your MedQuist Inc. common stock, such nominee may have an earlier deadline for accepting the offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your shares of MedQuist Inc. common stock to determine its deadline.
Settlement Date	The settlement date in respect of any shares of MedQuist Inc. common stock that are validly tendered prior to the expiration date will be promptly following the expiration date and is anticipated to be on or about , 2011. See "The Exchange Offer and the Merger" Settlement date.
Certain Consequences to Non-Tendering Holders	Shares of MedQuist Inc. common stock not tendered in the Exchange Offer will remain outstanding after the consummation of the Exchange Offer. Pursuant to the Merger, however, holders of MedQuist Inc. common stock (other than us) that did not tender their shares of common stock in the Exchange Offer will receive in the Merger the same consideration that they would have received had they tendered their shares in the Exchange Offer. Your receipt of shares pursuant to the Merger generally will be taxable to you while the receipt of shares pursuant to the Exchange Offer may be tax-free. Please see the section of this prospectus entitled "Material United States Federal Income Tax Consequences" for more information. You should consult your own tax advisor for a full understanding of the tax consequences to you of the Exchange Offer and Merger.
Conditions to the Exchange Offer	The Exchange Offer is conditioned upon the closing conditions described in "The Exchange Offer and the Merger" Conditions of the Exchange Offer.
Procedures For Tendering Shares of MedQuist Inc. Common Stock	Most shares of MedQuist Inc. common stock were issued in book-entry form, and are all currently represented by one or more global certificates held for the account of the DTC. If your securities are book entry securities, you may

tender your shares of common stock by transferring them through DTC's ATOP or following the other procedures described under "The Exchange Offer and the Merger Procedures" for tendering.

If your interest as a holder of common stock is in certificated form, you must deliver to the exchange agent a properly completed and duly executed letter of transmittal or a duly executed copy thereof, along with any

additional information required by the exchange agent as well as payment for transfer or similar taxes, if any.

If you wish to tender shares of MedQuist Inc. common stock pursuant to the Exchange Offer and your MedQuist Inc. common stock certificates are not immediately available, you cannot deliver the MedQuist Inc. common stock certificates and all other required documents to the exchange agent prior to the expiration of the Exchange Offer or you cannot complete the procedure for book-entry transfer on a timely basis, your shares of MedQuist Inc. common stock may nevertheless be tendered, so long as all of the following conditions are satisfied:

n you make your tender by or through an eligible institution;
n a properly completed and duly executed notice of guaranteed delivery, substantially in the form made available by us, is received by the exchange agent as provided below on or prior to the expiration of the Exchange Offer;
and
n the certificates for all tendered shares of MedQuist Inc. common stock (or a confirmation of a book-entry transfer of such securities into the exchange agent's account at DTC as described above), in proper form for transfer, together with a properly completed and duly executed letter of transmittal or a manually signed facsimile with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and all other documents required by the letter of transmittal are received by the exchange agent within three business days after the date of execution of the notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand or transmit it by facsimile transmission or mail to the exchange agent.

In all cases, we will exchange shares of MedQuist Inc. common stock tendered and accepted for exchange pursuant to the Exchange Offer only after timely receipt by the exchange agent of certificates for shares of MedQuist Inc. common stock, or timely confirmation of a book-entry transfer of those shares of MedQuist Inc. common stock into the exchange agent's account at DTC, a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof, or an agent's message in connection with a book-entry transfer, and any other required documents.

If you beneficially own common stock through an account maintained by a broker, dealer, commercial bank, trust company or other DTC participant and you desire to tender common stock, you should contact your DTC participant promptly and instruct it to tender your shares of common stock on your behalf. Beneficial owners are urged to appropriately instruct their bank, broker, custodian, commercial bank, trust company or other nominee at least five business days prior to the expiration date in order to allow adequate processing time for their instruction.

In order for your bank, broker, custodian, commercial bank, trust company or other nominee to validly tender shares of common stock in the Exchange Offer, such bank, broker, custodian, commercial bank, trust company or other nominee must deliver to the exchange agent via DTC an electronic message that will contain certain information specified under The Exchange Offer and the Merger Procedures for tendering How to tender if you are a beneficial owner but not a DTC participant?

To participate in the Exchange Offer, a DTC participant must:

n comply with the ATOP procedures of DTC described under The Exchange Offer and the Merger Procedures for tendering Tendering through DTC S ATOP; or

n (i) complete and sign and date the letter of transmittal, or a facsimile of the letter of transmittal; (ii) have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires; and (iii) mail or deliver the letter of transmittal or facsimile to the exchange agent prior to the expiration date.

In addition, a DTC participant must comply with the additional procedures set forth under The Exchange Offer and the Merger Procedures for tendering How to tender if you are a DTC participant?

On the date of any tender for exchange, if your interest is in certificated form, you must do each of the following in order to validly tender for exchange:

n complete and manually sign the accompanying letter of transmittal provided by the exchange agent, or a facsimile of the exchange notice, and deliver the signed letter to the exchange agent;

n surrender the certificates of your shares of common stock to the exchange agent;

n if required, furnish appropriate endorsements and transfer documents; and n if required, pay all transfer or similar taxes.

If you are using a letter of transmittal or notice of withdrawal, you must have signatures guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act. In addition, such entity must be a member of one of the recognized signature guarantee programs identified in the letter of transmittal. Signature guarantees are not required, however, if the shares of common stock are tendered for the account of a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution.

IF YOUR INTEREST AS A HOLDER OF MEDQUIST INC. COMMON STOCK IS IN CERTIFICATED FORM, YOU MUST DELIVER THE MEDQUIST INC. COMMON STOCK CERTIFICATES TO BE EXCHANGED IN THE MANNER SPECIFIED IN THE ACCOMPANYING LETTER OF TRANSMITTAL AND A PROPERLY COMPLETED LETTER OF TRANSMITTAL.

Extensions, Termination or
Amendment of the Exchange Offer

We reserve the right to extend the Exchange Offer for any reason or no reason at all. We also expressly reserve the right, at any time or from time to time, to amend the terms of the Exchange Offer in any respect prior to the expiration

date. Further, we may be required by law to extend the Exchange Offer if we make a material change in the terms of the Exchange Offer or in the information contained in this prospectus or waive a material condition to the Exchange Offer. During any extension of the Exchange Offer, MedQuist Inc. common stock that was previously tendered and not validly withdrawn will remain subject to the Exchange Offer. We reserve the right, in our sole and absolute discretion, but subject to applicable law, to terminate

the Exchange Offer at any time prior to the expiration date if any condition to the Exchange Offer is not met. If the Exchange Offer is terminated, no shares of MedQuist Inc. common stock will be accepted for purchase, and any shares of MedQuist Inc. common stock that have been tendered will be promptly returned to the holder. For more information regarding our right to extend, terminate or amend the Exchange Offer, see The Exchange Offer and the Merger Expiration date; extensions; termination; amendment.

Withdrawal Rights

You may withdraw any MedQuist Inc. common stock tendered in the Exchange Offer at any time prior to the expiration date. Pursuant to Section 14(d)(5) of the Exchange Act, you may also withdraw your shares of MedQuist Inc. common stock at any time after 60 days from , 2011, the date that the Exchange Offer was commenced, unless we have previously accepted them. If you validly request to withdraw your shares of MedQuist Inc. common stock prior to the expiration of the Exchange Offer, they will be returned without expense to you or, in the case of shares of MedQuist Inc. common stock tendered by book-entry transfer, such shares of MedQuist Inc. common stock will be credited to an account maintained at DTC, designated by the participant therein who so delivered such shares of MedQuist Inc. common stock, in each case, promptly following the expiration date or the termination of the Exchange Offer.

For further information regarding the withdrawal of tendered MedQuist Inc. common stock, see The Exchange Offer and the Merger Withdrawal of tenders.

Return of Unaccepted Shares

If any tendered shares of MedQuist Inc. common stock are not accepted for payment for any reason pursuant to the terms and conditions of the Exchange Offer, such shares will be returned without expense to the tendering holder or, in the case of shares tendered by book-entry transfer, such shares will be credited to an account maintained at DTC, designated by the participant therein who so delivered such shares, in each case, promptly following the expiration date or the termination of the Exchange Offer. Any shares not tendered in the Exchange Offer, however, will be cancelled in the Merger and you will receive the same consideration you would have received had you tendered your shares in the Exchange Offer.

No Appraisal Rights

No appraisal rights are available to holders of MedQuist Inc. common stock in connection with the Exchange Offer or the Merger.

Comparative Market Price Information

MedQuist Inc. common stock is currently traded on the OTCQB under the symbol MEDQ. On August 12, 2011, the last trading day before we announced this Exchange Offer, the closing price of MedQuist Inc. common stock on the OTCQB was \$10.15 per share.

Our common stock is listed on The NASDAQ Global Market under the symbol MEDH. On August 12, 2011, the last trading day before we announced this Exchange Offer, the closing price of our shares on The NASDAQ Global Market was \$10.07.

Accounting Treatment

Assuming we acquire all shares of MedQuist Inc. common stock pursuant to the Exchange Offer and Merger, the transaction would be accounted for as an equity transaction, as we would retain control of MedQuist Inc. after the transaction.

Comparison of Rights of Holders of Our Common Stock and MedQuist Inc. Common Stock

After the completion of the Exchange Offer and the Merger, you will become a stockholder of our company and your rights as a stockholder will

be governed by our certificate of incorporation and by-laws. There are differences between the certificates of incorporation and by-laws of MedQuist Inc. and our company. MedQuist Inc. is a New Jersey corporation and our company is a Delaware corporation, so your rights will be governed by Delaware law after the completion of the Exchange Offer. For a summary comparison of the rights of holders of our common stock and holders of MedQuist Inc. common stock, see Comparison of Rights of Holders of Our Common Stock and MedQuist Inc. Common Stock.

Risk Factors

The Exchange Offer and Merger are subject to a number of risks. You should consider carefully all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under Risk Factors before deciding whether to participate in the Exchange Offer and assessing the impact of the Merger.

United States Federal Income Tax Considerations For MedQuist Inc. Common Stock Holders

We intend to take the position that the Exchange Offer will be treated for United States federal income tax purposes as part of a transaction described in Section 351(a) of the Internal Revenue Code of 1986, as amended, under which you would generally not recognize gain or loss upon the receipt of shares of our common stock in exchange for your shares of MedQuist Inc. common stock.

In contrast, the receipt of shares pursuant to the Merger generally will be taxable to you for United States federal income tax purposes. The tax consequences to you pursuant to the Exchange Offer and Merger will depend on the facts and circumstances of your own situation. Please consult your tax adviser for a full understanding of the tax consequences to you. See Material United States Federal Income Tax Consequences.

Use of Proceeds

We will not receive any cash proceeds from the tender of the MedQuist Inc. common stock pursuant to the Exchange Offer or the Merger.

Brokerage Commissions

If your shares of MedQuist Inc. common stock are held through a broker or other nominee who tenders shares of MedQuist Inc. common stock on your behalf in connection with the Exchange Offer or Merger, your broker may charge you a commission for doing so.

Exchange Agent

American Stock Transfer & Trust Company, LLC has been appointed as the exchange agent for the Exchange Offer and the Merger. We have agreed to pay American Stock Transfer & Trust Company, LLC reasonable and customary fees for its services and will reimburse American Stock Transfer & Trust Company, LLC for its reasonable out-of-pocket expenses.

Information Agent

Phoenix Advisory Partners has been appointed as the information agent for the Exchange Offer and the Merger. We have agreed to pay Phoenix Advisory Partners reasonable and customary fees for its services and will reimburse Phoenix Advisory Partners for its reasonable out-of-pocket expenses.

Further Information

If you have questions regarding the procedures for tendering in the Exchange Offer or require assistance in tendering your shares of MedQuist Inc. common stock, please contact the exchange agent or the information agent. If you would

like additional copies of this prospectus, our annual, quarterly, and current reports, proxy statement and other information, please contact the information agent. The contact information for the exchange agent and the information agent is set forth on the back cover of this prospectus.

Summary Historical and Unaudited Pro Forma Consolidated Financial Data

MedQuist Holdings Inc.

The following table sets forth our summary historical consolidated financial data for the years ended December 31, 2008, 2009 and 2010 and as of June 30, 2011 and for the six months ended June 30, 2010 and 2011. The summary historical consolidated financial data for the years ended December 31, 2008, 2009 and 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial data as of June 30, 2011 and for the six months ended June 30, 2010 and 2011 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We prepared the unaudited historical information on a basis consistent with that used in preparing our audited consolidated financial statements, which reflect all adjustments, consisting of only normal recurring adjustments, that we consider necessary to present fairly our financial position and results of operations for the unaudited periods.

Our summary historical consolidated statements of operations and other operating data reflect the consolidation of the results of operations of MedQuist Inc. since August 6, 2008 and Spheris since April 22, 2010, the respective dates of their acquisition. Our summary historical consolidated statements of operations and other operating data give effect to the reclassification for discontinued operations for the sale of our PFS business, which was sold on December 31, 2010.

The summary consolidated financial data also sets forth our unaudited pro forma condensed combined statements of operations for the year ended December 31, 2010 and the six months ended June 30, 2011 and our unaudited pro forma condensed consolidated balance sheet as of June 30, 2011. The unaudited pro forma condensed combined statements of operations and the unaudited pro forma condensed consolidated balance sheet have been derived from the historical consolidated financial information of us and Spheris, which are included elsewhere in this prospectus.

The pro forma combined statements of operations and other operating data for the year ended December 31, 2010 and the six months ended June 30, 2011 give effect to the following transactions as if they had occurred on January 1, 2010:

- n the Spheris Acquisition and the incurrence by MedQuist Inc. of \$113.6 million of debt to finance the Spheris Acquisition;
- n the incurrence by MedQuist Inc. of \$285.0 million of indebtedness under the Senior Secured Credit Facility and Senior Subordinated Notes, the simultaneous repayment of \$80.0 million of indebtedness under the Acquisition Credit Facility, the repayment of \$13.6 million of indebtedness under the Acquisition Subordinated Promissory Notes, the payment of a \$176.5 million special dividend to MedQuist Inc.'s shareholders, of which we received \$122.6 million and the noncontrolling shareholders of MedQuist Inc. received \$53.9 million, and the repayment by us, using the proceeds of such dividend of \$104.1 million to extinguish our 6% Convertible Notes including a \$7.7 million premium on early prepayment and \$3.7 million under certain of our other lines of credit;
- n the issuance of 4.8 million shares of our common stock in exchange for 4.8 million shares of MedQuist Inc. common stock pursuant to the terms of the Exchange Agreement with certain noncontrolling shareholders of MedQuist Inc., which increased our ownership in MedQuist Inc. from 69.5% to 82.2%;
- n the issuance of 0.8 million shares of our common stock pursuant to the Consulting Services Agreement (as defined in Certain Relationships and Related Party Transactions Agreements with SAC PCG and affiliates and related transactions Consulting Services Agreement,);
- n the issuance of 5.4 million shares of our common stock in exchange for 5.4 million shares of MedQuist Inc. common stock under the Initial Registered Exchange Offer. This increased our ownership in MedQuist Inc.

from 82.2% to approximately 97%; and

- n the issuance of approximately 1.2 million shares of our common stock in exchange for 1.2 million shares of MedQuist Inc. common stock under the Exchange Offer and Merger. This would increase our ownership in MedQuist Inc. from approximately 97% to 100%.

The pro forma balance sheet data as of June 30, 2011 gives effect to the Exchange Offer and Merger as if they occurred as of June 30, 2011.

Our historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the Spheris Acquisition, the Corporate Reorganization (excluding our U.S. Initial Public Offering), the Exchange Offer and Merger and the shares of our common stock issued pursuant to the Consulting Services Agreement, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The pro forma information does not reflect revenue opportunities and cost savings that may be realized after the Spheris Acquisition. The pro forma financial information also does not reflect expenses related to integration activity that may be incurred by us in connection with the Spheris Acquisition.

The pro forma data is based upon available information and certain assumptions that we believe are reasonable. The pro forma data is for informational purposes only and does not purport to represent what our results of operations or financial position actually would have been if such events had occurred on the dates specified above and does not purport to project the results of operations or financial position for any future period or date. The unaudited pro forma condensed combined statements of operations and the unaudited pro forma condensed consolidated balance sheet should be read in conjunction with the accompanying notes, our historical consolidated financial statements, and related notes included elsewhere in this prospectus as adjusted for the acquisition of Spheris using the acquisition method of accounting.

You should read the following summary historical and unaudited pro forma consolidated financial information with our consolidated financial statements and related notes included elsewhere in this prospectus and the information under the section Capitalization, Selected Consolidated Financial and Other Data of MedQuist Holdings Inc. and Management's Discussion and Analysis of Financial Condition and Results of Operations of MedQuist Holdings Inc. appearing elsewhere in this prospectus.

	Historical			Pro forma			
	Years ended December 31,			Six months ended		Year	Six
	2008	2009	2010	2010	2011	ended	months
				(Unaudited)		December 31,	ended
						2010	June 30,
						(Unaudited)	2011
						(Unaudited)	(Unaudited)
	(In thousands, except per share amounts)						
Statement of Operations Data							
Net revenues	\$ 171,413	\$ 353,932	\$ 417,326	\$ 193,592	\$ 219,675	\$ 460,697	\$ 219,675
Cost of revenues	113,127	229,701	259,194	124,950	130,637	290,537	130,637
Gross profit	58,286	124,231	158,132	68,642	89,038	170,160	89,038
Operating costs and expenses							
Selling, general and administrative	37,282	53,089	61,062	30,099	30,267	67,225	30,267
Research and development	6,099	9,604	12,030	5,593	4,892	12,222	4,892
Depreciation and amortization	13,488	25,366	32,617	14,620	17,297	36,459	17,297
Cost (benefit) of legal proceedings, settlements and accommodations	5,311	14,943	3,605	2,152	(6,932)	3,605	(6,932)
Goodwill impairment charge	89,633						
Acquisition and restructuring	7,726	3,973	11,079	7,011	11,269	4,184	11,269
Total operating costs and expenses	159,539	106,975	120,393	59,475	56,793	123,695	56,793
Operating income (loss)	(101,253)	17,256	37,739	9,167	32,245	46,465	32,245
Gain on sale of investment			8,780			8,780	
Equity in income of affiliated company	66	1,933	693	546		693	
Other income	9	13	460	78	7	412	7
Loss on extinguishment of debt			(13,525)			(13,525)	
Interest expense, net	(3,813)	(9,019)	(19,268)	(7,306)	(13,998)	(29,491)	(13,998)

Income (loss) from continuing operations before income taxes and noncontrolling interests	(104,991)	10,183	14,879	2,485	18,254	13,334	18,254
Income tax provision (benefit)	(5,531)	1,012	(2,312)	(382)	2,030	(2,067)	2,030
Net income (loss) from continuing operations	\$ (99,460)	\$ 9,171	\$ 17,191	\$ 2,867	\$ 16,224	\$ 15,401	\$ 16,224
Discontinued operations							
Income (loss) from discontinued Patient Financial Services business, net of tax	(9,059)	(1,351)	556	183		556	
Net income (loss)	(108,519)	7,820	17,747	3,050	16,224	15,957	16,224
Less: Net income attributable to noncontrolling interests	(5,154)	(7,085)	(9,240)	(2,497)	(1,777)		
Net income (loss) attributable to MedQuist Holdings Inc.	\$ (113,673)	\$ 735	\$ 8,507	\$ 553	\$ 14,447	\$ 15,957	\$ 16,224
Net income (loss) per common share from continuing operations							
Basic	\$ (4.68)	\$ (0.02)	\$ 0.14	\$ (0.03)	\$ 0.17	\$ 0.31	\$ 0.29
Diluted	\$ (4.68)	\$ (0.02)	\$ 0.14	\$ (0.03)	\$ 0.17	\$ 0.30	\$ 0.28
Net income (loss) per common share from discontinued operations							
Basic	\$ (0.40)	\$ (0.04)	\$ 0.02	\$ 0.01	\$	\$ 0.01	\$
Diluted	\$ (0.40)	\$ (0.04)	\$ 0.02	\$ 0.01	\$	\$ 0.01	\$
Net income (loss) per common share attributable to MedQuist Holdings Inc.							
Basic	\$ (5.08)	\$ (0.06)	\$ 0.16	\$ (0.02)	\$ 0.17	\$ 0.32	\$ 0.29
Diluted	\$ (5.08)	\$ (0.06)	\$ 0.16	\$ (0.02)	\$ 0.17	\$ 0.31	\$ 0.28
Weighted average shares outstanding:							
Basic	22,593	34,692	35,102	35,046	45,128	47,333	49,714
Diluted	22,593	34,692	35,954	35,046	46,410	48,185	50,996
Adjusted EBITDA ⁽¹⁾	\$ 17,038	\$ 60,543	\$ 86,265	\$ 33,350	\$ 55,206	\$ 91,890	\$ 55,206

⁽¹⁾ See below for reconciliations of net income (loss) attributable to MedQuist Holdings Inc. to Adjusted EBITDA.

Adjusted EBITDA does not include earnings attributable to our investment in A-Life, which was sold in October 2010.

Ratio of Earnings to Fixed Charges

The following table shows our historical ratio of earnings to fixed charges for each of the five fiscal years ended December 31, 2006, 2007, 2008, 2009 and 2010 and for the six months ended June 30, 2010 and 2011 and our pro forma ratio of earnings to fixed charges for the fiscal year ended December 31, 2010 and for the six months ended June 30, 2011.

	Historical					Pro forma
	2006	Years ended December 31,			2010	Year ended December 31, 2010 (Unaudited)
		2007	2008	2009		
Ratio of earnings to fixed charges ⁽¹⁾	0.88	(0.56)	(16.12)	1.75	1.61	1.41

	Historical		Pro forma
	Six months ended June 30,		Six months ended June 30,
	2010	2011	2011
	(Unaudited)		(Unaudited)
Ratio of earnings to fixed charges ⁽¹⁾	1.25	1.84	2.07

⁽¹⁾ For the purposes of calculating the ratio of earnings to fixed charges, earnings consists of income (loss) from continuing operations before income taxes and noncontrolling interests increased by fixed charges. Fixed charges consists of interest expense including an estimate of the interest within rental expense and amounts payable to our principal stockholders. Earnings were insufficient to cover fixed charges in the fiscal years ended December 31, 2006, 2007 and 2008.

	As of June 30, 2011	
	Actual (Unaudited)	Pro forma (Unaudited)
	(In thousands, except per share amounts)	
Balance Sheet Data		
Cash and cash equivalents	\$ 60,801	\$ 60,801
Working capital ^(a)	32,057	32,057
Current assets	159,726	159,726

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Non-current assets	239,353	239,353
Total assets	399,079	399,079
Current liabilities	78,893	78,893
Non-current liabilities	266,131	266,131
Long term debt, including current portion of debt	269,832	269,832
Total equity	54,055	54,055
Book value per share	\$ 1.11	\$ 1.07

(a) Working capital is defined as total current assets, excluding cash and cash equivalents, minus total current liabilities, excluding current portion of debt.

The following table presents a reconciliation of net income (loss) attributable to MedQuist Holdings Inc. to Adjusted EBITDA:

	Historical			Pro forma			
	Years ended December 31,			Six months ended		Year	Six
	2008	2009	2010	2010	2011	ended	months
				June 30,		December 31,	ended
				(Unaudited)		June 30,	ended
				(In thousands)		2010	2011
						(Unaudited)	(Unaudited)
Net income (loss) attributable to MedQuist Holdings Inc.	\$ (113,673)	\$ 735	\$ 8,507	\$ 553	\$ 14,447	\$ 15,957	\$ 16,224
Net income (loss) attributable to noncontrolling interests	5,154	7,085	9,240	2,497	1,777		
Income tax provision (benefit)	(5,531)	1,012	(2,312)	(382)	2,030	(2,067)	2,030
Interest expense, net	3,813	9,019	19,268	7,306	13,998	29,491	13,998
Depreciation and amortization	13,488	25,366	32,617	14,620	17,297	36,459	17,297
Cost (benefit) of legal proceedings, settlements and accommodations	5,311	14,943	3,605	2,152	(6,932)	3,605	(6,932)
Acquisition and restructuring	7,726	3,973	11,079	7,011	11,269	4,184	11,269
Goodwill impairment charge	89,633						
Equity in (income) loss of affiliated companies	(66)	(1,933)	(693)	(546)		(693)	
Gain on sale of investment			(8,780)			(8,780)	
Loss on extinguishment of debt			13,525			13,525	
(Income) loss from discontinued operations	9,059	1,351	(556)	(183)		(556)	
Asset impairment charges, severance charges and accrual reversals ^(a)	2,000	(1,864)					
Share based compensation and other non-cash awards	124	856	765	322	1,320	765	1,320

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Adjusted EBITDA	\$	17,038	\$	60,543	\$	86,265	\$	33,350	\$	55,206	\$	91,890	\$	55,206
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- (a) Includes the write-off of amounts due from an unconsolidated affiliate of Spheris, an impairment charge to write-off the balance of an investment and the reversal of certain accruals, related to litigation claims, as a result of the expiration of the applicable statute of limitations.

Adjusted EBITDA is a metric used by management to measure operating performance. Adjusted EBITDA is defined as net income (loss) attributable to MedQuist Holdings Inc., as applicable, plus net income (loss) attributable to noncontrolling interests, income taxes, interest expense, depreciation and amortization, cost (benefit) of legal proceedings and settlements, acquisition and restructuring charges, goodwill impairment charge, equity in income (loss) of affiliated company, (income) loss from discontinued operations resulting from the sale of our PFS business, asset impairment charges, severance costs, certain unusual or nonrecurring items and share based compensation and other non-cash awards. We present Adjusted EBITDA as a supplemental performance measure because we believe it facilitates operating performance comparisons from period to period and company to company by backing out the following:

- n potential differences caused by variations in capital structures (affecting interest expense, net), tax positions (such as the impact on periods or companies for changes in effective tax rates), the age and book depreciation of fixed assets (affecting depreciation expense);
- n the impact of non-cash charges, such as goodwill impairment charges and asset impairment charges; and
- n the impact of acquisition related charges, restructuring charges, severance costs and certain unusual or nonrecurring items.

Because Adjusted EBITDA facilitates internal comparisons of operating performance on a more consistent basis, we also use Adjusted EBITDA in measuring our performance relative to that of our competitors. Adjusted EBITDA is not a measurement of our financial performance under generally accepted accounting principles in the United States, or

GAAP, and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as measures of our profitability or liquidity. We understand that although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- n Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- n Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- n although depreciation is a non-cash charge, the assets being depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- n other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

MedQuist Inc.

The following table sets forth the summary historical consolidated financial data of MedQuist Inc. for the years ended December 31, 2008, 2009 and 2010 and as of June 30, 2011 and for the six months ended June 30, 2010 and 2011. The summary historical consolidated financial data for the years ended December 31, 2008, 2009 and 2010 have been derived from MedQuist Inc.'s audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial data as of June 30, 2011 and for the six months ended June 30, 2010 and 2011 have been derived from MedQuist Inc.'s unaudited consolidated financial statements included elsewhere in this prospectus. MedQuist Inc. prepared the unaudited historical information on a basis consistent with that used in preparing its audited consolidated financial statements, which reflect all adjustments, consisting of only normal recurring adjustments, that it considers necessary to present fairly its financial position and results of operations for the unaudited periods.

As a result of the Private Exchange, on February 11, 2011, MedQuist Holdings' ownership interest in MedQuist Inc. increased to 82.2%. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805-50-S99-1 Business Combinations-Related issues governs the application of push down accounting in situations where ownership is increased to 80% or more. The post-February 11, 2011 consolidated financial statements for MedQuist Inc. reflect the new basis of accounting as required by the authoritative guidance under ASC 805-50-S99-1, and have applied the SEC rules and guidance regarding push down accounting treatment.

Accordingly, MedQuist Inc.'s consolidated financial statements prior to the closing of the Private Exchange reflect the historical accounting basis in its assets and liabilities and are labeled Predecessor Company, while such consolidated financial statements subsequent to the Private Exchange are labeled Successor Company and reflect the push down basis of accounting for the fair values of assets and liabilities acquired by MedQuist Holdings in August 2008, rolled forward to February 11, 2011. This effect is presented in MedQuist Inc.'s consolidated financial statements by a vertical black line division between the columns entitled Predecessor Company and Successor Company on the statements and relevant notes. The black line signifies that the amounts shown for the periods prior to and subsequent to the exchange agreement are not comparable.

MedQuist Inc.'s summary historical consolidated statements of operations and other operating data reflect the consolidation of the results of operations of Spheris since April 22, 2010, the date of its acquisition.

You should read the following summary historical financial information with MedQuist Inc.'s consolidated financial statements and related notes included elsewhere in this prospectus Selected Consolidated Financial and Other Data of MedQuist Inc. and Management's Discussion and Analysis of Financial Condition and Results of Operations of MedQuist Inc. appearing elsewhere in this prospectus.

- banks, insurance companies or other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- dealers in securities or commodities;
- traders in securities that elect to use a mark-to-market method of accounting for securities holdings;
- tax-exempt organizations;

Table of Contents

- persons liable for alternative minimum tax;
- U.S. expatriates;
- persons that hold shares of Common Stock as part of a straddle or a hedging or conversion transaction; or
- persons whose functional currency is not the United States dollar.

If a partnership (including any entity treated as a partnership for United States federal income tax purposes) holds shares of Common Stock, the tax treatment of a partner in a partnership generally will depend upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the United States federal income tax consequences of the ownership of shares of Common Stock.

This discussion addresses only certain aspects of United States federal income taxation. You should consult your own tax advisor regarding the United States federal, state, local, non-U.S. and other tax consequences of the ownership of shares of Common Stock or warrants in your particular circumstances.

Taxation of Common Stock

U.S. Holders

Dividends

In general, distributions with respect to Common Stock will constitute dividends to the extent made out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent of your tax basis in Common Stock and thereafter as capital gain from the sale or exchange of such Common Stock. Dividends received by a corporate U.S. holder may qualify for a dividends-received deduction and dividends received by non-corporate U.S. holders, including individuals, may qualify for preferential rates of taxation; however, in each case, certain holding period and other limitations apply.

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Under Section 305 of the Code, events which have the effect of increasing the proportionate interest of U.S. holders of the Common Stock in our earnings and profits or assets including a failure to fully adjust the exercise price of the TARP Warrant to reflect a stock dividend could in some circumstances be deemed to result in payment of a taxable distribution to such U.S. holders.

Gain on Disposition of Common Stock

Upon the sale or other disposition of Common Stock, you will generally recognize capital gain or loss for United States federal income tax purposes equal to the difference between the value of the amount that you realize and your tax basis in Common Stock. Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the holder has a holding period greater than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

Table of Contents

Non-U.S. Holders

Dividends

Except as described below, if you are a non-U.S. holder of Common Stock, dividends paid to you and deemed dividends are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you including deemed dividends, unless you have furnished to us or another payor:

- a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments, or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations.

If you are eligible for a reduced rate of United States withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid to you or deemed dividends are effectively connected with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to us or another payor a valid Internal Revenue Service Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-United States person, and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

Effectively connected dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations.

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If you are a corporate non-U.S. holder, effectively connected dividends that you receive may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Disposition of Common Stock

If you are a non-U.S. holder, you generally will not be subject to United States federal income tax on gain that you recognize on a disposition of Common Stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition for subjecting you to United States taxation on a net income basis,
- you are an individual, you hold the Common Stock as a capital asset, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist, or
- we are or have been a United States real property holding corporation for federal income tax purposes and you held, directly or indirectly, at any time during the five-year period ending on the date of disposition, more than 5% of the Common Stock and you are not eligible for any treaty exemption.

If you are a corporate non-U.S. holder, effectively connected gains that you recognize may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

We have not been, are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

Table of Contents

Withholdable Payments to Foreign Financial Entities and Other Foreign Entities

Under recently enacted legislation, a 30% withholding tax would be imposed on certain payments that are made after December 31, 2012 to certain foreign financial institutions, investment funds and other non-U.S. persons that fail to comply with information reporting requirements in respect of their direct and indirect United States shareholders and/or United States account holders. Such payments would include U.S.-source dividends including deemed dividends and the gross proceeds from the sale or other disposition of stock or warrants that can produce U.S.-source dividends. Under proposed regulations, withholding would only be made to payments of dividends made on or after January 1, 2014, and to other withholdable payments (including payments of gross proceeds from a sale or other disposition of Common Stock or the TARP Warrant) made on or after January 1, 2015.

Federal Estate Taxes

Common Stock held by a non-U.S. holder at the time of death will be included in the holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

In general, if you are a noncorporate U.S. holder, we and other payors are required to report to the IRS all payments of dividends including deemed dividends. In addition, we and other payors are required to report to the IRS any payment of proceeds of the sale of your Common Stock or TARP Warrant. Additionally, backup withholding will apply to any dividends including deemed dividends if you fail to provide an accurate taxpayer identification number, or you are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

In general, if you are a Non-U.S. holder, payments of dividends including deemed dividends made by us and other payors to you will not be subject to backup withholding and information reporting, provided that the certification requirements described above under Non-U.S. Holders are satisfied or you otherwise establish an exemption. However, we and other payors are required to report payments of dividends on IRS Form 1042-S even if the payments are not otherwise subject to information reporting requirements. You are otherwise generally exempt from backup withholding and information reporting requirements with respect to:

- dividend payments including deemed dividends, and

- the payment of the proceeds from the sale of Common Stock or the TARP Warrant effected at a United States office of a broker,

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as long as the income associated with such payments is otherwise exempt from United States federal income tax, and:

- the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the payor or broker:
- a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person, or
- other documentation upon which it may rely to treat the payments as made to a non-United States person in accordance with U.S. Treasury regulations, or
- you otherwise establish an exemption.

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Table of Contents

If you fail to establish an exemption and the broker does not possess adequate documentation of your status as a non-United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by you unless the broker has actual knowledge that you are a United States person.

In general, payment of the proceeds from the sale of Common Stock or the TARP Warrant effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of Common Stock that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of Common Stock or the TARP Warrant effected at a United States office of a broker) are met or you otherwise establish an exemption.

In addition, payment of the proceeds from the sale of Common Stock or the TARP Warrant will be subject to information reporting if it is effected at a foreign office of a broker that is:

- a United States person,
- a controlled foreign corporation for United States tax purposes,
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:

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- one or more of its partners are U.S. persons , as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or
- such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of Common Stock or the TARP Warrant effected at a United States office of a broker) are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Table of Contents

Taxation of TARP Warrant

U.S. Holders

Sale or other Taxable Disposition of the TARP Warrant

In general, if you are a U.S. holder of a TARP Warrant, you will recognize gain or loss upon the sale, exchange or other taxable disposition of the TARP Warrant in an amount equal to the difference between the amount realized on the sale, exchange or other taxable disposition and your adjusted tax basis in the TARP Warrant. Your initial tax basis in the TARP Warrant will be the purchase price. Gain or loss attributable to the sale of a TARP Warrant will generally be capital gain or loss. Long term capital gain recognized by a non-corporate U.S. holder currently is subject to a preferential rate of U.S. federal income taxation.

Exercise of the TARP Warrant

Cashless Exercise. The U.S. federal income tax consequences of the exercise of a TARP Warrant on a cashless basis are not entirely clear. Although there is no authority directly on point, we expect that the exercise of a TARP Warrant should be treated as a non-recognition event (except with respect to any cash in lieu of fractional shares), either because (i) the warrants are treated as options with an exercise price of zero to receive a variable number of shares of our common stock or (ii) the exchange of warrants for stock on a cashless basis is treated as a recapitalization. In either case, if you are a U.S. holder, your tax basis in the common stock received would equal your tax basis in the TARP Warrant, increased by the amount of cash paid to exercise the warrant, less any amount attributable to any fractional share. If the TARP Warrant is treated as an option, the holding period of the common stock acquired upon the exercise of a TARP Warrant should commence upon the day following the date the TARP Warrant is exercised (or possibly on the date of exercise). If the exchange of the TARP Warrant for stock is treated as a recapitalization, the holding period of common stock received upon the exercise of the TARP Warrant will include your holding period of the TARP Warrant. Your receipt of cash in lieu of a fractional share of common stock will generally be treated as if you received the fractional share and then received such cash in redemption of such fractional share. Such redemption will generally result in capital gain or loss equal to the difference between the amount of cash received and your adjusted federal income tax basis in the common stock that is allocable to the fractional shares.

Despite the foregoing, the IRS could take the position that the exercise of the TARP Warrant constitutes a taxable exchange resulting in gain or loss. The amount of capital gain or loss recognized on such an exchange and its character would depend on the position taken by the IRS regarding the nature of that exchange. Due to the absence of authority on the United States federal income tax treatment of the exercise of TARP Warrant on a cashless basis, you should consult your tax advisors concerning the possible tax consequences of the cashless exercise of the TARP Warrant.

Cash Exercise. The cash exercise of a TARP Warrant by, or on behalf of, a U.S. holder will generally not be a taxable transaction for U.S. federal income tax purposes. The basis of common shares acquired upon exercise will equal the sum of the price paid for the Common Shares and such U.S. holder's tax basis in the TARP Warrant exercised. The holding period of the new common shares will begin on the day the TARP Warrant is exercised.

Expiration of the TARP Warrant. Upon the expiration of the TARP Warrant, a U.S. holder will recognize a loss equal to the adjusted tax basis of the warrant. Such loss will generally be a capital loss and will be a long-term capital loss if the TARP Warrant has been held for more than one year on the date of expiration.

Adjustments under the TARP Warrant. Pursuant to the terms of the TARP Warrant, the exercise price at which the common stock may be purchased and/or the number of shares of common stock that may be purchased is subject to adjustment from time to time upon the occurrence of certain events. Under section 305 of the Code, a change in conversion ratio or any transaction having a similar effect on the interest of a warrant holder may be treated as a distribution with respect to any U.S. holder of warrants whose proportionate interest in our earnings and profits is increased by such change or transaction. Thus, under certain circumstances that may or may not occur, such an adjustment pursuant to the terms of the TARP Warrant may be treated as a taxable distribution to the TARP Warrant holder to the extent of our current or accumulated earnings and profits, without regard to whether the TARP Warrant holder receives any cash or other property. In particular, an adjustment that occurs as a result of a cash distribution to the holders of our common shares will be treated as such a taxable distribution. In the event of such a taxable deemed distribution, such deemed distribution would be taxable as a dividend, return of capital or capital gain in accordance with the rules discussed above and a U.S. holder's basis in the TARP Warrant will be increased by an amount equal to the taxable distribution.

The rules with respect to adjustments are complex and U.S. holders of a TARP Warrant should consult their own tax advisors in the event of an adjustment.

Table of Contents

Non-U.S. Holders

Sale or other Taxable Disposition or Exercise of the TARP Warrant

You generally will not be subject to U.S. federal income tax on any gain realized upon the sale, exercise or other disposition of a TARP Warrant unless:

- the gain is effectively connected with your conduct of a trade or business within the United States (and, under certain income tax treaties, is attributable to a U.S. permanent establishment you maintain);
- you are an individual, you are present in the United States for 183 days or more in the taxable year of disposition and you meet other conditions, and you are not eligible for relief under an applicable income tax treaty; or
- we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time during which you held a TARP Warrant, or within the five-year period ending on the date of sale or disposition or your holding period, whichever is shorter, and certain other conditions apply.

We believe we are not, and have never been and we do not anticipate we will become a United States real property holding corporation.

Gain that is effectively connected with your conduct of a trade or business within the United States generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. If you are a corporation, the branch profits tax also may apply to all or a portion of such effectively connected gain. If the gain from the sale or disposition of your warrant is effectively connected with your conduct of a trade or business in the United States but, under an applicable income tax treaty, is not attributable to a permanent establishment you maintain in the United States, your gain may be exempt from U.S. federal income tax under the income tax treaty. If you are described in the second bullet point above, you generally will be subject to U.S. federal income tax at a rate of 30 percent on the gain realized, although the gain may be offset by certain U.S. source capital losses realized during the same taxable year.

Adjustments Under the TARP Warrant.

Any deemed dividends resulting from certain adjustments, or failure to make adjustments, to the conversion rate will be subject to United States federal withholding tax at a 30 percent rate (or lower applicable income tax treaty rate). Deemed distributions will constitute dividends to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. In the case of any deemed dividend, it is possible that this tax would be withheld from any amount owed to you, including, but not limited to, shares of our common stock delivered upon exercise of the TARP Warrant. However, deemed dividends that are effectively connected with the conduct of a trade or business

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within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment, are not subject to the withholding tax, but instead are subject to United States federal income tax on a net income basis at applicable graduated individual or corporate rates. Certain certification requirements and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding. Any such effectively connected income received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30 percent rate (or lower applicable income tax treaty rate).

Table of Contents

VALIDITY OF THE SECURITIES

Unless otherwise indicated in the applicable prospectus supplement, the validity of the Common Shares offered pursuant to this prospectus will be passed upon for us by Glenn K.C. Ching, Senior Vice President and General Counsel of Central Pacific Financial Corp., and the validity of the TARP Warrant offered pursuant to this prospectus will be passed upon for us by Manatt, Phelps & Phillips, LLP. If legal matters in connection with offerings made pursuant to this prospectus are passed upon by counsel for underwriters, dealers or agents, if any, such counsel will be named in the prospectus supplement relating to such offering.

EXPERTS

Our consolidated financial statements as of December 31, 2011 and 2010 and for each of the years in the three-year period ended December 31, 2011, and the effectiveness of our internal control over financial reporting as of December 31, 2011, have been incorporated by reference in this prospectus in reliance upon the report of KPMG LLP, registered independent public accountants, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

Table of Contents

, 2012

Up to 21,775,595 Shares of Common Stock

Warrant to purchase up to 79,288 Shares of Common Stock

PROSPECTUS

We have not authorized any dealer, salesperson or other person to give you written information other than this prospectus and any accompanying prospectus supplement or to make representations as to matters not stated in this prospectus and any accompanying prospectus supplement. You must not rely on unauthorized information. This prospectus is not an offer to sell these securities or our solicitation of your offer to buy these securities in any jurisdiction where that would not be permitted or legal. Neither the delivery of this prospectus nor any sales made hereunder after the date of this prospectus shall create an implication that the information contained herein or the affairs of the Company have not changed since the date of this prospectus.

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution*

Securities and Exchange Commission Registration Fee	\$ 25,087.67
Printing Expenses	\$ 2,000
Accounting Fees and Expenses	\$ 70,000
Legal Fees and Expenses	\$ 50,000
Miscellaneous Expenses	\$ 10,000
Total	\$ 157,087.67

* All expenses are estimates other than SEC registration fee.

Item 15. Indemnification of Directors and Officers

Section 414-242 of the HBCA provides that a corporation may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if:

- the individual conducted himself or herself in good faith and the individual reasonably believed (i) in the case of conduct in the individual's official capacity, that the individual's conduct was in the best interests of the corporation, and (ii) in all other cases, that the individual's conduct was at least not opposed to the best interests of the corporation; and
- in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful; or
- the individual engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the articles of incorporation.

To the extent that a director is wholly successful in the defense of any proceeding to which the director was a party because the director was a director of the corporation, the corporation is required by Section 414-243 of the HBCA to indemnify such director for reasonable expenses incurred thereby.

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Under Section 414-244 of the HBCA, a corporation, before final disposition of a proceeding, may advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding because the director is a director of the corporation if the director delivers certain written affirmations and certain undertakings. Under certain circumstances, under Section 414-245 of the HBCA a director may apply for and obtain indemnification or an advance for expenses to the court conducting the proceeding or to another court of competent jurisdiction.

Further, under Section 414-246 of the HBCA, indemnification may be made only as authorized in a specific case upon a determination that indemnification is proper in the circumstances because a director has met the applicable standard, with such determination to be made:

- by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding or who do not have a familial, financial, professional or employment relationship with the director whose indemnification is the subject of the decision being made, which relationship would reasonably be expected to influence the director's judgment when voting on the decision being made;
- by special legal counsel; or
- by a majority vote of the shareholders.

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Table of Contents

Under Section 414-247 of the HBCA, a corporation may indemnify and advance expenses to an officer who is a party to a proceeding because the officer is an officer of the corporation:

- to the same extent as a director; and
- if the person is an officer but not a director, to such further extent as may be provided by the articles of incorporation, the bylaws, a resolution of the Board of Directors, or contract except for liability in connection with a proceeding by or in the right of the corporation other than for reasonable expenses incurred in connection with the proceeding, or liability arising out of conduct that constitutes (i) receipt by the officer of a financial benefit to which the officer is not entitled, (ii) an intentional infliction of harm on the corporation or the shareholders; or (iii) an intentional violation of criminal law.

The above-described provision applies to an officer who is also a director if the basis on which officer is made a party to the proceeding is an act or omission solely as an officer. Further an officer of a corporation who is not a director is entitled to mandatory indemnification under Section 414-243 of the HBCA and may apply to a court under Section 414-245 of the HBCA for indemnification or an advance for expenses, in each case to the same extent to which a director may be entitled to indemnification or advance for expenses.

The HBCA also provides that a corporation may include indemnification provisions in its articles of incorporation that are broader than the foregoing provisions, except as limited by Section 414-32 of the HBCA. Our Restated Articles of Incorporation, as amended, provide that, to the fullest extent permitted by the HBCA, no director of the Company shall be liable to the Company or its shareholders for monetary damages for any action taken, or any failure to take any action, as a director.

Pursuant to our Restated Bylaws, as amended, we are obligated to indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or of any division of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

In addition, our Restated Bylaws, as amended, provide that we shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or of any division of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of the Company or of any division of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been

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adjudged to be liable for negligence or misconduct in the performance of his or her duty to this Company unless and only to the extent that the court in which such action or suit was brought or in any other court having jurisdiction in the premises shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

II-2

Table of Contents

To the extent that a director, officer, employee or agent of the Company or of any division of the Company, or a person serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in the above two paragraphs, or in defense of any claim, issue or matter therein, our Restated Bylaws, as amended, require that we indemnify him or her against expenses (including attorneys fees) actually and reasonably incurred by him or her in connection therewith.

Nevertheless, pursuant to our Restated Bylaws, as amended, unless ordered by a court, any indemnification pursuant to the bylaw provisions summarized above must be authorized in the specific case by a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the applicable provisions of our Restated Bylaws, as amended. Such determination shall be made:

- by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or
- if such a quorum is not obtainable, or even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the corporation, or
- by a majority vote of the shareholders.

Our Restated Bylaws, as amended, provide that expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in a particular case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company.

Any indemnification pursuant to our Restated Bylaws, as amended, shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled and shall continue as to the person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The indemnification provisions in our Restated Bylaws, as amended, are effective with respect to any person who is a director, officer, employee or agent of the Company at any time on or after the date of incorporation of the Company with respect to any action, suit or proceeding pending on or after that date, by reason of the fact that he or she is or was, before or after that date, a director, officer, employee or agent of the Company or is or was serving, before or after that date, at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

We have purchased insurance on behalf of any person who is or was a director, officer, employee or agent of the registrant, or is or was serving at the request of the registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise

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against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not we would have the power to indemnify him or her against such liability under the provisions of our Restated Bylaws, as amended.

Item 16. Exhibits

The exhibits and financial statement schedules filed as part of this registration statement are as follows:

- (a) List of Exhibits

See the Exhibit Index filed as part of this registration statement.

Table of Contents

- (b) Financial Statement Schedules

No financial statement schedules are filed because the required information is not applicable or is included in the consolidated financial statements or related notes.

Item 17. Undertakings

Undertakings

- (a) the undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by us pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

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(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

(A) Each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

Table of Contents

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof; *provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is Subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of a registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

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(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by directors, officers or controlling persons of a registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by the registrant is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Table of Contents

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the city of Honolulu, Hawaii, on this 29th day of February 2012.

CENTRAL PACIFIC FINANCIAL CORP.
(Registrant)

/s/ Glenn K.C. Ching
Glenn K.C. Ching
Senior Vice President, Corporate Secretary and General Counsel

Each of the undersigned hereby appoints each of John C. Dean and Glenn K.C. Ching as attorney-in-fact and agent for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, any and all amendments (including post-effective amendments) to this registration statement, any other registration statements and exhibits thereto that is the subject of this registration statement filed pursuant to Rule 462 under such Act, and any and all applications, instruments and other documents to be filed with the U.S. Securities and Exchange Commission pertaining to the registration of securities covered hereby, with full power and authority to do and perform any and all acts and things as may be necessary or desirable in furtherance of such registration.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John C. Dean John C. Dean	President and Chief Executive Officer (Principal Executive Officer)	February 29, 2012
/s/ Denis K. Isono Denis K. Isono	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 29, 2012
/s/ Alvaro J. Aguirre Alvaro J. Aguirre	Director	February 29, 2012
/s/ James F. Burr James F. Burr	Director	February 29, 2012
/s/ Christine H.H. Camp Christine H.H. Camp	Director	February 29, 2012
/s/ Earl E. Fry Earl E. Fry	Director	February 29, 2012
/s/ Paul J. Kosasa Paul J. Kosasa	Director	February 29, 2012

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/s/ Duane K. Kurisu
Duane K. Kurisu

Director

February 29, 2012

/s/ Colbert M. Matsumoto
Colbert M. Matsumoto

Director

February 29, 2012

/s/ Crystal K. Rose
Crystal K. Rose

Chair of the Board of Directors

February 29, 2012

II-7

Table of Contents

EXHIBIT INDEX

Exhibit No.	Document
3.1	Restated Articles of Incorporation of the Registrant. (1)
3.2	Bylaws of the Registrant, as amended. (2)
4.1	Form of Amended and Restated Warrant to purchase up to 79,288 shares of Common Stock, issued on February 18, 2011. (3)
4.2	Tax Benefits Preservation Plan, dated as of November 23, 2010, between the Registrant and Wells Fargo Bank, National Association, which includes the Form of Certificate of Designation for the Junior Participating Preferred Stock, Series C, as Exhibit A, Form of Right Certificate as Exhibit B and Form of Summary of Terms as Exhibit C. (4)
5.1	Opinion of Glenn K.C. Ching.*
5.2	Opinion of Manatt, Phelps and Phillips.*
10.1	License and Service Agreement dated December 23, 2004 by and between the Registrant and Fiserv Solutions, Inc. (5)
10.2	Split Dollar Life Insurance Plan. (6) (7)
10.3	Central Pacific Bank Supplemental Executive Retirement Plan. (7) (8)
10.4	The Registrant's 1997 Stock Option Plan, as amended. (7) (8)
10.5	The Registrant's Directors' Deferred Compensation Plan. (7) (9)
10.6	The Registrant's 2004 Stock Compensation Plan, as amended. (7) (10)
10.7	Amendment No. 2008-1 to the Registrant's 2004 Stock Compensation Plan. (5) (7)
10.8	Compensation Agreement, effective as of September 14, 2004, by and between the Registrant and Clinton L. Arnoldus. (7) (11)
10.9	Form of Restricted Stock Award Agreement. (7) (10)
10.10	Supplemental Executive Retirement Agreement for Blenn A. Fujimoto, effective July 1, 2005. (7) (12)
10.11	Amendment No. 1 to the Supplemental Executive Retirement Agreement for Blenn A. Fujimoto, effective December 31, 2008. (5) (7)
10.12	Supplemental Executive Retirement Agreement for Dean K. Hirata, effective July 1, 2005. (7) (12)
10.13	Amendment No. 1 to the Supplemental Executive Retirement Agreement for Dean K. Hirata, effective December 31, 2008. (5) (7)
10.14	The Registrant's Long-Term Executive Incentive Plan, effective January 1, 2005. (7) (13)
10.15	Amendment No. 2008-1 to the Registrant's Long-Term Executive Incentive Plan. (5) (7)
10.16	The Registrant's 2004 Annual Executive Incentive Plan. (7) (10)

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Table of Contents

Exhibit No.	Document
10.17	Amendment No. 2008-1 to the Registrant's 2004 Annual Executive Incentive Plan dated December 31, 2008. (5) (7)
10.18	Retirement Agreement of Clint Arnoldus dated March 10, 2008. (7) (14)
10.19	Advances, Security and Deposit Agreement with Federal Home Loan Bank Seattle dated June 23, 2004. (15)
10.20	Letter Agreement, dated January 9, 2009, including the Securities Purchase Agreement Standard Terms incorporated by reference therein, between the Registrant and the Treasury. (16)
10.21	Compensation Agreement, effective as of July 1, 2009, by and between the Registrant and Ronald K. Migita. (7) (17)
10.22	Compensation Agreement, effective as of January 1, 2010, by and between the Registrant and Ronald K. Migita. (7) (17)
10.23	Lending Agreement with Federal Reserve Banks effective October 15, 2006. (17)
10.24	Compensation Agreement with John C. Dean dated May 24, 2010. (7) (18)
10.25	Restricted Stock Unit Agreement with John C. Dean dated May 24, 2010. (7) (18)
10.26	Written Agreement by and among the Registrant, Federal Reserve Bank of San Francisco and Hawaii Division of Financial Institutions dated July 2, 2010. (19)
10.27	Compensation Agreement with Lawrence D. Rodriguez dated August 27, 2010. (7) (20)
10.28	Restricted Stock Unit Agreement with Lawrence D. Rodriguez dated August 27, 2010. (7) (20)
10.29	Investment Agreement, dated November 4, 2010, between the Registrant and Carlyle Financial Services Harbor, L.P. (16)
10.30	Investment Agreement, dated November 4, 2010, between the Registrant and ACMO-CPF, L.L.C. (16)
10.31	Employment Agreement with A. Catherine Ngo dated November 23, 2010. (7) (21)
10.32	Amendment No. 1 dated December 20, 2010 to Investment Agreement between the Registrant and Carlyle Financial Services Harbor, L.P. (22)
10.33	Amendment No. 1 dated December 20, 2010 to Investment Agreement between the Registrant and ACMO-CPF, L.L.C. (22)
10.34	Form of Subscription Agreement by and between the Registrant and the Additional Investors. (23)
10.35	Amendment No. 2 dated February 10, 2011 to Investment Agreement between the Registrant and Carlyle Financial Services Harbor, L.P. (24)
10.36	Amendment No. 2 dated February 10, 2011 to Investment Agreement between the Registrant and ACMO-CPF, L.L.C. (24)

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Table of Contents

Exhibit No.	Document
10.37	Exchange Agreement dated February 17, 2011 between the Registrant and the United States Department of the Treasury. (3)
10.38	Memorandum of Understanding, dated May 5, 2011, with the Federal Deposit Insurance Corporation and the Hawaii Department of Financial Institutions. (25)
10.39	Amendment No. 2011-1 to the Registrant's 2004 Annual Executive Incentive Plan. (7) (26)
12.1	Statements re. Computation of Ratios. (27)
23.1	Consent of KPMG.*
24	Powers of Attorney. (included on page II-7 hereto)

* Filed herewith.

** Furnished herewith.

All of the references to Form 8-K, Form 10-K, Form 10-Q, Form DEF 14A and Form S-1/A identified in the exhibit index have SEC file number 0-10777.

Upon request of the U.S. Securities and Exchange Commission, we will furnish any agreements relating to our long-term debt not otherwise contained herein.

(1) File as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on February 29, 2012.

(2) Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 27, 2012.

(3) Filed as Exhibit 10.1 and Annex A to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 22, 2011.

(4) Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 24, 2010.

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(5) Filed as Exhibits 10.1, 10.7, 10.15, 10.17, 10.19 and 10.21 to the Registrant's Annual Report on Form 10-K/A for the year ended December 31, 2008, filed with the Securities and Exchange Commission on March 2, 2009.

(6) Filed as Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, filed with the Securities and Exchange Commission on March 27, 1992.

(7) Denotes management contract or compensation plan or arrangement.

(8) Filed as Exhibits 10.8 and 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, filed with the Securities and Exchange Commission on March 28, 1997.

(9) Filed as Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, filed with the Securities and Exchange Commission on March 30, 2001.

(10) Filed as Exhibits 10.8, 10.9 and 10.20 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed with the Securities and Exchange Commission on March 16, 2005.

Exhibit Index-3

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Table of Contents

- (11) Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, filed with the Securities and Exchange Commission on November 9, 2004.
- (12) Filed as Exhibits 99.1 and 99.2 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 31, 2006.
- (13) Filed as Exhibit 10.19 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed with the Securities and Exchange Commission on March 15, 2006.
- (14) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on March 11, 2008.
- (15) Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, filed with the Securities and Exchange Commission on November 7, 2008.
- (16) Filed as Exhibits 10.20, 10.32 and 10.33 to the Registrant's Registration Statement on Form S-1/A, filed with the Securities and Exchange Commission on April 1, 2011.
- (17) Filed as Exhibits 10.30, 10.31 and 10.32 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission on March 16, 2010.
- (18) Filed as Exhibits 10.1 and 10.2 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 25, 2010.
- (19) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 9, 2010.
- (20) Filed as Exhibits 10.1 and 10.2 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 27, 2010.

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(21) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 24, 2010.

(22) Filed as Exhibits 10.1 and 10.2 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 21, 2010.

(23) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 27, 2010.

(24) Filed as Exhibits 10.1 and 10.2 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 11, 2011.

(25) Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the Securities and Exchange Commission on May 13, 2011.

(26) Filed as Appendix B to the Registrant's Definitive Proxy Statement on Form DEF 14A filed with the Securities and Exchange Commission on March 4, 2011.

(27) Filed as Exhibit 12.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on February 29, 2012.