**Company Information and Disclosure Statement**

**PPJ Healthcare Enterprises, Inc.**
A Florida Corporation
(Formerly {PPJ Enterprise until November 2014,
formerly Winfield Financial Group, Inc. until January 2005,
formerly Healthcare Business Services Group, Inc. until February 2008)
401 E. Jackson Street, Suite 2340, Tampa, Florida 33602
Phone (813) 676-5161, Fax (866) 622-3215
website: www.ppjenterprise.com

Federal EIN: 880-478644
SIC Code: 7389 - Business services, misc

**UPDATED**
**SEPTEMBER 30, 2014 REPORT**

**Common Stock**
$0.0001 Par Value per Share
20,000,000,000 Authorized
30,561,346 Issued and Outstanding
OTC Markets Symbol: PPJE
CUSIP No. 35369D406

**Class A Preferred Stock**
$10.00 Par Value per Share
5,000,000 Authorized
None issued and outstanding

**Class B Preferred Stock**
$2.50 Par value per Share

50,000,000 Authorized, 2,118,000 Issued and outstanding

**PPJ Healthcare Enterprises, Inc. is responsible for the content of this Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.**

## TABLE OF CONTENTS


| | | | |
|---|---|---|---|
| **Part A** | | **General Company Information** | |
| | Item 1 | The exact name of the Issuer and its predecessor (if any) | |
| | Item 2 | The address of the Issuer's principal executive offices | |
| | Item 3 | The jurisdiction(s) and date of the Issuer's incorporation or organization | |
| **Part B** | | **Share Structure** | |
| | Item 4 | The exact title and class of securities outstanding | |
| | Item 5 | Par or stated value and description of the security | |
| | Item 6 | The number of shares or total amount of the securities outstanding for each class of securities authorized | |
| | Item 7 | The name and address of the transfer agent | |
| **Part C** | | **Business Information** | |
| | Item 8 | The nature of the issuer's business | |
| | Item 9 | The nature of products or services offered | |
| | Item 10 | The nature and extent of the issuer's facilities | |
| **Part D** | | **Management Structure and Financial Information** | |
| | Item 11 | The name of the chief executive officer, members of the board of directors, as well as control persons | |
| | Item 12 | Financial information for the issuer's most recent fiscal period | |
| | Item 13 | Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence | |
| | Item 14 | Beneficial Owners | |
| | Item 15 | The name, address, telephone number, and email address of certain outside providers that advise the issuer on matters relating to the operations, business development and disclosure. | |

| | | | |
|---|---|---|---|
| | Item 16 | Management's Discussion and Analysis or Plan of Operation | |
| **Part E** | | **Issuance History** | |
| | Item 17 | List of shares issued for services in the past two years ( to be posted) | |
| **Part F** | | **Exhibits** | |
| | Item 18 | Material Contracts | |
| | Item 19 | Articles of Incorporation and By-Laws | |
| | Item 20 | Purchases of Equity Securities by the Issuer and Affiliated Purchasers | |
| | Item 21 | Issuer's Certifications | |

**PPJ Healthcare Enterprises, Inc.**
A Florida Corporation
(Formerly {PPJ Enterprise until November 2014,
formerly Winfield Financial Group, Inc. until January 2005,
formerly Healthcare Business Services Group, Inc. until February 2008)
401 E. Jackson Street, Suite 2340, Tampa, Florida 33602
Phone (813) 676-5161, Fax (866) 622-3215
website: www.ppjenterprise.com

Federal EIN: 880-478644
SIC Code: 7389 - Business services, misc

# UPDATED
# SEPTEMBER 30, 2014 REPORT

## Cautionary Note Regarding Forward-Looking Statements

Information set forth in this updated September 30, 2014 Report (the "Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by the use of the words "expect," "project," "may," "might," potential," and similar terms. PPJ Healthcare Enterprises, Inc. ("PPJ Healthcare Enterprises," "we," the "Issuer" or the "Company") cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

**Note – In this report, the number of shares of Common Stock has been adjusted to reflect the recent one for 100 reverse split.**

## Section One: Issuers' Initial Disclosure Obligations

### Part A General Company Information

### Item 1 The exact name of the issuer:

PPJ Healthcare Enterprises, Inc. (hereinafter referred to as "PPJE," or "PPJ Healthcare Enterprises," or the "Company," the "Issuer," or "We" or "Us"), formerly PPJ Enterprise until November 2014, formerly Winfield Financial Group, Inc. until December 2004, formerly Healthcare Business Services Group, Inc. until February 2008.

### Item 2 The Address of the Issuer's Principal Executive Offices

PPJ Healthcare Enterprises, Inc.
401 Jackson Street, Suite 2340, Tampa, Florida 33602
Phone (813) 676-5161, Fax (866) 622-3215
website: www.ppjenterprise.com

Federal EIN: 880-47-8644
SIC Code: 7389 - Business services, misc

### Item 3 The Jurisdiction(s) and Date of the Issuer's Incorporation or Organization:

The Company, sometimes referred to herein as "we," "us," "our," and the "Company" and/or "PPJ Healthcare Enterprises" was incorporated on November 7, 2014, under the Laws of the State of Florida, to engage in any lawful corporate undertaking.

## Part B. Share Structure

### Item 4 The Exact Title and Class of Securities Outstanding:

**Common Stock**
$0.0001 Par Value per Share
Twenty Billion (20,000,000,000) Authorized as of November 7, 2014.
30,561,346 Shares Issued and Outstanding as of December 12, 2014
OTC Markets Symbol: PPJE
CUSIP No. 35369D406

As of the date of this report the amount of authorized Common Stock has been increased to Twenty Billion (20,000,000,000) in connection with moving the corporate domicile to Florida.

As of December 22, 2014, there were 25,143,122 shares of Common Stock in the public float and 114 shareholders.

### Item 5. Par or Stated Value and Description of the Security

The Par Value for all Common Stock is $0.0001 per Share. The Par Value for Series A Preferred Stock is $10.00 per Share and the Par Value for the Series B Preferred Stock is $2.50 per Share.

Class A Preferred Stock has 1,000 votes per share and participates in dividends based on shares and not votes per share in pari passu with the Common Stock. The Class B Preferred Stock has one vote per share and participates in dividends based on shares and not votes per share in pari passu with the Common Stock. No shares of Class A Preferred are issued and outstanding.

Additional preferences, limitations, and relative rights of the Class A Preferred Stock and the Class B Preferred Stock may be determined, in whole or in part, from time to time by the Board of Directors prior to the issuance of any such shares, provided that before any shares of such preferred stock are issued, the preference, limitations, and relative rights, of any such issue shall be set forth in Articles of Amendment filed pursuant to Florida Statute Section 607.0602.

**Item 6. The Number of Shares or Total Amount of the Securities Outstanding for Each Class of Securities Authorized.**

As of the date of this report the amount of authorized Common Stock has been increased to Twenty Billion (20,000,000,000) to cover stock reservation for loans and plan of incentive shares, etc.

(i) As of end of the date hereof;

Number of Common Outstanding as of December 21, 2014
Shares Outstanding: 30,561,346
Shares Authorized – Twenty Billion (20,000,000,000)
Public Float – 25,143,307
Total number of Shareholders of Record: _114

**Item 7 Transfer Agent**

Pacific Stock Transfer Company
4045 South Spencer Street, Suite 403
Las Vegas, NV 89119
Phone Number (702) 361-3033

The transfer agent is registered under the Exchange Act and operates under the regulatory authority of the SEC and FINRA.

**Part C. Business Information**

**Item 8 Nature of Business**

A. Business Development:

1. The form of organization of the issuer is that PPJ Healthcare Enterprises, Inc. is a Florida corporation.

2. The year that the issuer (or any predecessor) was organized;

May 2, 2000

3. The issuer’s fiscal year end date;

The Issuer's fiscal year-end date is December 31.

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding.

The Issuer has not been in bankruptcy, receivership or any similar proceeding.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business;

See “Business Development.”

6. The Issuer is in default of the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments.

The Issuer is not in such default.

7. Any change of control;

There has been no recent change of control.

8. Any recent increase of 10% or more of the same class of outstanding equity securities;

There has been an increase of 10% or more of the same class of outstanding equity securities in the year 2014; see Item 17 below.

**Section 15(g) of the Securities Exchange Act of 1934**

Our shares are covered by section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as id and offer quotes, a dealers spread and broker/dealer compensation; the broker/dealer compensation, the broker/dealers' duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers' rights and remedies in cases of fraud in penny stock transactions; and, the FINRA's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

**Dividends**

The Company has not declared or paid a cash dividend to stockholders since it was organized and does not intend to pay dividends in the foreseeable future. The board of directors presently intends to retain any earnings to finance our operations and does not expect to authorize cash dividends in the foreseeable future. Any payment of cash dividends in the future will depend upon the Company's earnings, capital requirements and other factors.

9. Any Past, Pending or Anticipated Stock Split, Stock Dividend, Recapitalization, Merger, Acquisition, Spin-Off, or Reorganization;

The Company recently did a one for 100 reverse split of the Common Stock.

10. Any de-listing of the Issuer’s Securities by any Securities Exchange or Deletion from the OTC Bulletin Board; and

The Issuer's securities have not recently been de-listed by any securities exchange. The Issuer filed a Form 15-12G with the Securities and Exchange Commission de-registering its Common Stock on August 27, 2009.

11. Any Current, Past, Pending or Threatened Legal Proceedings or Administrative Actions Either by or Against the Issuer that could have a material effect on the issuer’s business, financial condition, or operations and any current past or pending trading suspensions by a securities regulator.

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the PPJ Healthcare Enterprises that could have a material effect on the issuer’s business, financial condition, or operations and any current past or pending trading suspensions by a securities regulator, except those detailed herein.

The Company has been involved in litigation with Dr. Narinder Grewal. In a case between Ms. Basu and Narinder Grewal, MD (Dr. Grewal) where Dr. Grewal sued Ms. Basu for $3,000,000 claiming that Healthcare did not pay all money received from his billing, and Ms. Basu filed counter suit complaining unethical behavior of Dr. Grewal damaged Healthcare for millions. In June of 2009, during preparation of trial, Ms. Basu discovered documents from old records that proved Dr. Grewal stole from Healthcare in excess of $500,000 per year for a period of 9 (nine) years by using different schemes. Trial was awarded to Ms. Basu, judge decided that money belongs to the Company since Dr. Grewal’s contract was with the Company and advised that Company is to file actions against Dr. Grewal. Ms. Basu reported to the Company's Board of Directors which then decided to file collection law suit against Dr. Grewal and his companies. The case was filed in Los Angeles Superior Court on Dec 3, 2009, Los Angeles Superior Court, California Case no. BC427192. A jury trial has been completed on September 17, 2014 with inconsistent jury verdict awarded to PPJ Enterprise for $374,000 due to multiple evidence tampered by the Defendants. The Court suggested that the parties file a motion for a new trial in this case for hearing due to inconsistent jury verdicts. Judgment has been signed and the Company is filing a motion for a new trial upon final judgment is entered.

New Lines of Business

The Issuer is joint venturing with doctors in setting up new practices, marketing and management of pain management practices and blood culture labs with a higher percentage of revenue. The Company has two such new relationships with Southern California with physicians and is looking forward to growing this line of business in the very near future. This projects have been running slow due lack of resources and time for trial preparation.

If funding is available, of which there is no assurance, the Company intends to take very aggressive attempts to affect all its business plans such as (1) aggressive marketing of medical billing software. The Company believes that this software will be accepted as a blessing by the healthcare providers and dental will follow; (2) start blood cultures labs for bacteria and Candida species nationwide; (3) start medicinal marijuana potency test centers wherever legally permitted; (4) start pain management surgical suites in partnerships with pain specialists all over the country. The amount of financing for these projects is from $2.5 to $10 million.

**B. Business of Issuer**

1. The Issuer's primary SIC code is SIC Code 7389 - Business services, misc

2. PPJ Healthcare Enterprises, Inc. is currently conducting operations.

3. PPJ Healthcare Enterprises Corporation is not currently and has never been Shell Company.

4. PPJ Healthcare Enterprises owns and operates daily business operations.

The following companies are wholly-owned subsidiaries of the Issuer:

a. Automated-biller Software Corp. a Nevada Company: (Merged with Winfield Financial Group, Inc. in 2004). Providing developed medical practice management, electronic health record, automated billing software, one of a kind, highly privileged software, not offered by any other company, can take the health care field by storm if

marketed adequately. This software can save health care provider up to 70% of their cost and increase their collection as much as 30%. Please visit www.automated-biller.com for details. This product needs update to current compliance, Issuer is seeking capital to upgrade, package to market and sell.

b. Professional Billing Services, LLC. (PBS) A California LLC providing billing, specialty medical billing, collections and workers comp lien collection services for health care providers. PBS currently has total collectible AR in excess of $2,000,000. PBS has 4 employees and 7 consultants as 12/14/2014. PBS can not support its expenses at this time due to uncollected accounts receivable and has need for capital for faster growth. Please visit www.professionalbillingservice.net for details. PBS is a new subsidiary of the Issuer, management has 23 years of specialty billing experience and well known (nationwide) in the pain management, anesthesia, Apheresis, surgery and surgery centers practices including all specialties of medicine.

5. The effect of existing or probable governmental regulations on the business is HIPPA Laws.

See “Risk Factors” below.

6. An estimate of the amount spent during each for the last two fiscal years on research and development activities, and if applicable, the extent to which the cost of such activities are borne directly by customers.

The Issuer estimates that it has spent the following amounts on research and development:

a. 2010 - $24,000
b. 2011 - $10,300
c. 2012 - $18,000
c. 2013 -$6,500
d. 2014 -$6,500

7. Costs and effects of compliance with environmental laws (federal, state and local); and

See “Risk Factors” below.

8. The number of total employees and number of full-time employees.

The number of total employees and number of full-time employees usually varies between 10 to 22 or more due to increased or reduced of business as per need for the time.

## BUSINESS

_____

### PPJ Healthcare Enterprises, Inc. – Our History

We incorporated in Nevada on May 2, 2000 as Winfield Financial Group, Inc. In January 2005 we changed our name to Healthcare Business Services Groups, Inc. In February 2008, we changed our name to PPJ Enterprise. In November 2014 we move our state of incorporation to Florida and changed out name to PPJ Healthcare Enterprises, Inc.

Our Corporate office is located at 401 E. Jackson Street, Suite 2340, Tampa, Florida 33602 and our telephone number is (813) 676-5161, Fax (866) 622-3215. Our websites are located at www.ppjenterprise.com,, http://www.automated-biller.com, and http://professionalbillingservice.net/

PPJ Healthcare Enterprises, Inc. (PPJ) is a leader in proprietary automated healthcare reimbursement cycle software, online health information digital-systems software and practice information management digital-system software. The company was founded in the year 2000. Headquartered in Upland, California, we serve health care providers and general businesses worldwide. Our flagship product is our revolutionary medical billing software system.

PPJ Healthcare Enterprises, Inc.'s principal activity is serving as a medical reimbursement consulting firm. We help medical practices become more efficient and save money by allowing providers to outsource their insurance processing and medical billing functions.

PPJ Healthcare Enterprises, Inc. has been a provider full-service medical billing services for over 23 years. We excel in providing traditional, customized medical billing services and support to physicians, providers, and healthcare facilities across the nation. In addition to our core medical billing services, PPJ offers a comprehensive, full-service medical billing software product, Automated-Biller, we believe we are the only fully automated product poised to take over the health care billing market.

**Strategy**

We intend to capitalize on our current competitive advantages:

We are knowledgeable in our industry and the intense regulations related to medical billing. We have an existing knowledge base which would be hard to duplicate.

We believe our software is the most efficient and effective for all specialties of billing without using a coding or billing personnel.

Our customers get more money as we have a low rate of denial of claims.

We guarantee our customers a 30% increase in collections. However, most physicians already using our service have reported a as much as 100% increase in revenues.

After customers use our system, the often allow us to collect receivables for them. The profit margins in this line of business are very large with fees on hard core or difficult collections ranging up to 20-30% of the gross amount involved.

**Our Products and Services**

Our leading product is The Automated-Biller. The Automated-Biller is a medical billing system which is comprised of both hardware and software. The system uses OCR/IMR scanning technology to allow physicians to bill their medical insurance claims at the point of service without data entry, coding and billing personal.

In 2004, there were 567,000 physicians with working privileges in the United States. Our initial financial analysis shows that The Automated-Biller has a great competitive advantage and that there are no similar medical billing products commercially available in that target market in the healthcare industry

Our mission is “to enable busy physicians to streamline their business and we their insurance billing process so that they can focus more of their energy onto the enhanced patient care.” We envision that The Automated-Biller will make the current mundane task and tedious task of insurance billing for medical procedures quick and easy so that physicians are able to spend less time billing insurance companies and more time with their patients. By leveraging technology, the physician can save both time and money on their billing processes.

The Automated-Biller, our medical billing system, is comprised of both hardware and software. The system uses OCR/IMR scanning technology to allow physicians to bill their medical insurance claims at the point of service without data entry, coding or

billing personnel.

Automated Biller has a huge competitive advantage in that there are no similar medical billing products commercially available that target all specialties within the healthcare industry. PPJE currently offers the Automated Biller on a customized basis for medical practices throughout the United States.

Health insurance carries more risk than any other type of insurance because all people are subject to illness at some point in their lives. This is also why medical insurance billing is complicated. For example, medical insurance billing has to meet the standards of loss verification to claim insurance benefits while maintaining the federally-mandated and required Health Insurance Portability and Accountability Act. (HIPAA) Thus, in the medical billing industry, accuracy is essential to ensure proper and timely provider reimbursement.

As the demand for medical services rise, so does the need for effective medical billing claim submission software is in need. Most traditional forms of insurance billing services use their internal manual data entry processes to file and process claims. Insurance companies require effort on the provider's part in order for them to be reimbursed for services rendered. The task of providing medical service and maintaining the accuracy and understanding of medical billing code sets can be very overwhelming to any medical professional. Thus, medical providers significantly benefit by turning to The Automated Biller® to systematize and simplify billing.

**Factors Favoring Our Expansion**

- ~~€€€€€€€~~ U.S. doctors more and more may experience reduced revenues and increased expenses as a result of the Affordable Care Act (Obamacare).
- ~~€€€€€€€~~ Doctors time with individual patients may be reduced. Use of our system gives physicians more time to serve their patients.
- ~~€€€€€€€~~ PPJE's Automated-biller® automated medical billing suite reduces operating costs and increases revenue.
- ~~€€€€€€€~~ We guarantee our customers a 30% increase in revenues. However, some physicians already using the software have reported as much as 100% increase in revenues, and a 70% decrease in operating costs.

**Opportunity**

Medical insurance carries more risk than any other type of insurance; this is because all people are subject to illness at some point in their lives. As a result, medical insurance

billing it is very complicated due to billing accurately with thousands of CPT, ICD-9, ICD-10, HCC Codes and Revenue Codes to identify where, when, how and what medical services; it were provided; has to be the standards of Lost U to claim insurance benefits while maintaining the federally mandated required Health Insurance Portability and Accountability Act (HIPAA). Thus in the medical billing industry accuracy is a highly regarded trait and essential for provider reimbursement.

As the demand for medical services rise, so will the need for effective medical billing services. Most traditional forms of insurance billing services use their internal manual processes to file and process claims. Insurance companies require effort on the provider's part in order for them to be reimbursed for any services rendered. The task of providing medical service and maintaining the accuracy and understanding of medical billing code sets can be very overwhelming to any medical professional; thus medical providers can turn to The Automated Biller® for ease.

**Product Concept**

We spend more than five years to develop the Automated Biller practice management application and spent an additional 30 months perfecting the system to make it workable for all types of medical practices.

The Automated Biller® is comprised of two parts: (1) The scanner, and (2) the database medical billing software. The system is designed for providers scanning their medical procedures and accompanying medical records at the point of medical service. The Automated Biller® creates a paperless work flow; this process can assist all medical professionals to meet all compliance standards.

The scanned forms are custom designed to meet the needs of each individual provider subspecialties. The point of service the patients initially will fill in all demographic information. Scan forms are scanned into the scanner is to populate all demographic information into the database. After provider sees the patient the provider will fill in the bubble as service provided in the super bill and scan. The Automated Biller® billing system will then convert the ball information code and bill insurance companies either electronic or on paper. The key feature of The Automated Biller® is that the provider is able to view the insurance claim on the screen before processing the claim through the software. The user can catch errors before the information enters the patient ledger database. This process of entering the information takes approximately 10 minutes per transaction. The revolutionary automated billing program and thus reduce the typical 7 to 10 days or longer turnaround time between service provided and submitting claims to the insurance company. By doing so; the Automated Biller® can save $90,000 in billing costs. The Automated Biller® billing software gives you opportunity for healthcare providers to perform more services daily because of the short time for billing and coding. Also eliminates the cost of a coding and billing personnel.

While The Automated Biller® offers paperless medical billing solutions; it also handles the functions of traditional software. Here is a glimpse of its many features that allow individual practices to manage their medical practices more effectively:

- €€€€€€€ Automatically calculate all complex anesthesia procedures in time accurately, including appropriate modifiers
- €€€€€€€ Automated patient appointment scheduler
- €€€€€€€ Automatically calculate all drugs and supplies used updates reordering
- €€€€€€€ Automatically generates follow-up letters to insurance companies and no payment received every 30 days
- €€€€€€€ Each system is customized to meet the medical insurance regulation of the provider state
- €€€€€€€ Automatically generates the following reports overnight
- €€€€€€€ Daily charge payment, Adjustment by each provider weekly charge payment,
- €€€€€€€ Adjustment by each provider monthly charge, payment
- €€€€€€€ Adjustment and customizable financial reports
- €€€€€€€ Tracking inventory for all medical supplies used
- €€€€€€€ Monthly patient to reconcile with appointment schedule
- €€€€€€€ Practice analysis by percentage of payer base like Medicare, Medicaid and private insurance
- €€€€€€€ Aging accounts receivable account, by number of days current this is 30, 60, 90 and 120) and by insurance charge, payment, Adjustment in financial

**Target Market Analysis**

In the United States, a typical clinic averages five employees. Staffing represents 31% of the total operational cost of a medical practice. An estimated 10-20% percent of collectible dollars get logged incorrectly and are lost. Charges that never get billed can account for as much as 20% of total revenue loss. Denial of claims can add up to as much 30% of all claims submitted. Fifty percent of these denials never get resubmitted. We estimate therefore that the average physician loses $60,000 each year due to under-coding and errors. Automated-biller can stop these losses.

One advantage of using the new Automated-biller® 5.0 is that there is no more need for

data entry personnel. Human error and down time are removed because no one has to look up coding or take care of the billing. The physician does not have to worry about things getting mis-coded or failing to be followed up on and losing money. Automated-biller does all of that.

With Automated-biller, registration forms are scanned into the software, which has a character recognition component that turns handwriting into digital images. If the computer can't recognize a character, it triggers that character so it can be corrected right there.

After seeing the patient, the completed Automated-biller bill is automatically coded for claims processing. Automated-biller then electronically submits claim forms instantly to the insurance provider listed on the patient file. If an insurance company doesn't allow electronic billing, a paper bill is printed. Automated-biller also creates appeals, posts electronic payments, tracks open appointment times as well as drugs and supplies, alerts staff if the bill remains unpaid, and completes comprehensive management performance reports to optimize profitability. Automated-biller also automatically sends out delinquent notices at 45, 60 and 90 days.

We find that it is not possible for a doctor to follow up on all of the unpaid notices. Doctors are losing money because things aren't getting followed up on or coded correctly. With Automated-biller the doctors do not have to worry about any of it.

Our target market includes any and all health care practice parents such as chiropractic, physical therapy and hospitals which operated in the United States, including dental that needs to improve their current medical billing practices The Automated Biller can improve any health care practice cash flow is not limited to, the following ways:

- €€€€€€€ The Automated-Biller enhances healthcare entities ability to relate each to
- €€€€€€€ Reduces medical billing costs by eliminating the medical Biller/coder
- €€€€€€€ Increases health care entity control of Reimbursements, billing and scheduling, and financial practice management
- €€€€€€€ Reduces turnover time to receive medical service reimbursement because electronic billing occurs at the point of service
- €€€€€€€ Healthcare entities can spend more time developing their practices and spending more time with their patients instead of maintaining their current billing practices

It is important to note that The Automated Biller will only be available through the US market; Canada would not have a use for the software because of their socialized

medicine structure. While other countries utilize a similar medical insurance billing processes the US, the system is not equipped to meet for needs at this moment. Depending on the success of The Automated-Biller in the US medical billing industry, executives may venture to conquer some foreign markets as well.

## Evidence of Market Need

Medical billing is an ongoing challenge for all health care entities they will they usually will only see patients right before the procedures during times of patient unconsciousness. According to www.salary.com the average medical biller should make about $30,000 per year plus benefits.

Medical billing services the alternative, are expensive; with the new HIPAA compliance regulations, providers need to be especially careful where they send their patients medical records. HIPAA compliance violations can come with expensive penalties and can bar providers from being a Medicare participant. Violations are mishandling up a patient medical record documentation, lack of proper medical file discarding techniques, and poor training for employees that handle private patient information. If a medical billing firm is charged with a HIPAA violation, the providers also be fined for their actions. All of these problems have caused the medical industry professional industry to seek alternatives to expensive medical billing firms and restrictive insurance reimbursements.

Additional medical billing services are expensive; depending on the service that is offered, physicians can spend up to 15% of their collectible reimbursements on medical billing services. Considering if an average anesthesiologist earns $400,000 per year, they can spend about $75,000 year for traditional melt medical billing service alone.

There are some any regulations changes in the medical insurance industry, Billing codes are constantly changing; providers need to ensure that their medical billing agencies maintaining these changes and he is getting paid efficiently. The task of regulating and medical billing firm's practices combined with the excessive costs are better spent on The Automated-Biller billing system package.

The most effective medical billing solution for anesthesiologist is to complete their billing at the point of care; by doing this, the providers not transporting the patient medical records from place to place, a HIPAA Violation. This market need has given rise to The Automated Biller, makes medical billing fast, easy, and HIPAA Compliant.

## Marketing Plan

The mission of the marketing team is to employ strategies to reach the target market. The sales mix includes:

Developing the www.The Automated-Biller.com website with video presentations to detail the system and its operations.

The smaller exhibitions of The Automated-Biller in major cities around the country demonstrating hands-on Automated Biller workshops

Search joint venture with a marketing Company capable to meet the major target market, all healthcare entities, to assist in bringing The Automated Biller into major medical markets nationwide is.

The current retail price of The Automated Biller is $40,000; the marketing Company will receive 50% of all sales for the first two fiscal years. Although this will reduce the potential profit of The Automated-Biller, the marketing Company can reach more effective markets with competitive cost.

**Competition**

There are a large number of medical billing services available to physicians in the United States code; performing a web search results in hundreds of entries. Most of the companies listed provide medical billing and collection services focusing on physicians groups and small medical centers. A competitive advantage of The Automated Biller is that it targets individual medical providers or specialist, like anesthesiologist, that are normally not an employee of one specific medical facility. Through research and analysis, this is a dramatically underserved market and provides great opportunity for The Automated-Biller.

**Pricing Strategy**

The automated door is a medical billing service in a box; the system comes with all of the equipment and the accompanying resources to bill as a professional billing service.

All medical billing industry regulations are built into the software code some medical professionals can feel confident that medical insurance claims are that are generated using the automated pillar will be reimbursed.

Ten to fifteen percent of the commission from provider reimbursements generated by a traditional medical billing service covers a variety of services; most of the services can be handled by the Automated-Billar. The system addresses initial coding and billing, addresses all insurance denials, collect payments from patients, and processes all insurance payments to match with the respecting patient accounts in hard and soft collections, while maintaining all insurance regulation changes to ensure timely parents payments

Since the Automated-Billar has capabilities above and beyond any medical billing service on the market, its price is based on and ¼ what a typical medical provider would pay for medical billing service on a yearly basis. It's cost includes the scanner

technology powerful database medical billing software, and a secure Internet connection to meet the needs of any medical practice.

In three years this anesthesiologist can pay a traditional billing service $225,000. The automated builder comes with no additional upgrade cost or Scan forms printing costs the first three years. In anesthesiologist can save $150,000 dollars in three years by investing into the automated builder.

For $40,000 the automated Biller receives the following:

- Programmed scanner with multiple software which has OCR capabilities and processes custom-designed forms which includes the following software:

    - Scan form – $9,600 retail price
    - E–form – $10,500 retail price (touch screen)
    - Microsoft Small Business Enterprise Solution – $1,699 retail price
    - AMA coding software CPT and ICD-9, ICD-10, HCPC, Revenue Codes – $3,185 retail price
    - MedPro Medical Practice Management Software – $9,900 retail price
    - Custom programmed, test and delivery & installation – approx. $7,500

- Windows-based medical billing software that provides many tools to manage individual practices such as custom-designed reports, automated insurance and patient collection letters, and varying payment posting options

Full setup and ongoing training provided at additional cost. Technical support is available for most business hours from coast-to-coast for a small monthly fee.

There are many medical billing software options available in the market, but none of them offer all of the features that can replace the medical billing staff. So there is a wide array of pricing levels depending on the options the user would prefer. The automated-Biller's price significantly higher than other software because it has the most automated billing, automated follow ups and posting options available to the user and the system does not require that the user have medical billing experience or any knowledge of medical billing code sets. The Automated-Biller is a sensible solution for an individual provider taking control of their own medical billing obligations and still built with accuracy and confidence. Table II compares our product to some of the other common medical billing software options available on the market.

**Sales Strategy**

In order to reach the Automated-Biller target market, we intend to joint venture with a marketing firm with the right marketing team and enough funds to make a large marketing campaign. We believe it is more cost-effective to create a joint venture with the large marketing firm and share up to 50% of gross profits to reach the target market than spending our limited funds. Joint ventures are projected to last up to two years, maybe more depending on the success of the marketing team. At the end of the term the Automated-Biller contract can be bought back as to make full profit. By that time the Automated Biller would have already penetrated the target market and sales become much easier;

We charge for auxiliary modules. For example, different medical specialties have to purchase a module that is specifically suited to their practice. Prices for these modules are shown in the table below; sales of these modules are subject to the 20% marketing company commissions

| **Specialty** | **Cost** |
|---|---|
| General Surgery | $ 9,990 |
| Anesthesia | 7,990 |
| Cardiology | 2,990 |
| Pain management $ | 9,990 |
| Ambulatory surgery center | 29,990 |
| Gynecology | 7,990 |
| Orthopedics | 9,990 |
| Radiology | 7,990 |
| Hospital billing | 49,990 |

Additional workstations are $2,990 and additional locations are $9,990. Additional cells are added to meet the needs of the specific medical practice, including additional software licenses, hardware needs and scanning forms.

**Impact of the Affordable Care Act (“Obamacare”)**

By automating the process of coding and billing, our Automated-Biller is helps to drive down the operating costs of healthcare providers and enabling them to capture more revenue than in the past. With Automated-Biller, all claims are automatically coded,

charged and billed directly to the payer with maximum efficiency, right at the point of care. We are convinced that Automated-Biller can reduce operating costs for billing, follow up and collection by as much as 70% and can increase revenue by as much as 100% or more just by submitting accurate billing to insurance companies and governmental payers.

Obamacare is expected to result in more patients as more people are required to purchase healthcare. Reimbursement is expected to be worse due to Obamacare supporting expansion of Medicare, which does not reimburse well. With skyrocketing operating costs and bottom line bleeding, Automated-Biller can play a key role in helping healthcare providers maintaining their income under Obamacare.

## Our Strategic Marketing Mission

Our marketing and sales plan includes:

- Developing the www.automated-biller.com website with video presentations to detail the system and its operations.

- Demonstrating hands-on Automated Biller workshops at healthcare conferences and exhibitions in major cities around the country.

- Developing joint ventures with marketing companies that can facilitate the introduction of the Automated Biller to major medical markets nationwide.

We will use a variety of distribution methods, such as attending medical conferences nationwide, direct mail, referrals from existing clients, telemarketing and email marketing media. We have signed up approximately 46 software distributors nationwide to market Automated-Biller in the last several years.

## Regulation

Although we generally do not contract with U.S. state or local government entities, the services that we provide are subject to a complex array of federal and state laws and regulations, including regulation by the Centers for Medicare and Medicaid Services, or CMS, of the U.S. Department of Health and Human Services, as well as additional regulation.

### *Government Regulation of Health Information*

*HIPAA Privacy and Security Rules*. The Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations that have been issued under it

(collectively, “HIPAA”) contain substantial restrictions and requirements with respect to the use and disclosure of individuals’ protected health information. These are embodied in the Privacy Rule and Security Rule portions of HIPAA. The HIPAA Privacy Rule prohibits a covered entity from using or disclosing an individual’s protected health information unless the use or disclosure is authorized by the individual or is specifically required or permitted under the Privacy Rule. The Privacy Rule imposes a complex system of requirements on covered entities for complying with this basic standard. Under the HIPAA Security Rule, covered entities must establish administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of electronic protected health information maintained or transmitted by them or by others on their behalf.

The HIPAA Privacy and Security Rules apply directly to covered entities, such as health care providers who engage in HIPAA-defined standard electronic transactions, health plans, and health care clearinghouses. Because we translate electronic transactions to and from the HIPAA-prescribed electronic forms and other forms, we are considered a clearinghouse, and as such are a covered entity. In addition, our clients are also covered entities. In order to provide clients with services that involve the use or disclosure of protected health information, the HIPAA Privacy and Security Rules require us to enter into business associate agreements with our clients. Such agreements must, among other things, provide adequate written assurances:

- as to how we will use and disclose the protected health information;
- that we will implement reasonable administrative, physical, and technical safeguards to protect such information from misuse;
- that we will enter into similar agreements with our agents and subcontractors that have access to the information;
- that we will report security incidents and other inappropriate uses or disclosures of the information; and
- that we will assist the client in question with certain of its duties under the Privacy Rule.

*HIPAA Transaction Requirements.* In addition to the Privacy and Security Rules, HIPAA also requires that certain electronic transactions related to health care billing be conducted using prescribed electronic formats. For example, claims for reimbursement that are transmitted electronically to payers must comply with specific formatting standards, and these standards apply whether the payer is a government or a private entity. As a covered entity subject to HIPAA, we must meet these requirements, and moreover, we must structure and provide our services in a way that supports our clients' HIPAA compliance obligations.

*HITECH Act*. The HITECH Act, which became law in February 2009, and the regulations issued under it, has provided, among other things, clarification of certain aspects of both the Privacy and Security Rules, expansion of the disclosure requirements for a breach of the Security Rule, and strengthening of the civil and criminal penalties for failure to comply with HIPAA. As these additional requirements become effective, we will be required to comply with them.

*State Laws.* In addition to the HIPAA Privacy and Security Rules and the requirements imposed by the HITECH Act, most states have enacted patient confidentiality laws that protect against the disclosure of confidential medical information, and many states have adopted or are considering further legislation in this area, including privacy safeguards, security standards, and data security breach notification requirements. Such state laws, if more stringent than HIPAA and HITECH Act requirements, are not preempted by the federal requirements, and we must comply with them. For example, the Massachusetts Office of Consumer Affairs and Business Regulations issued final data security regulations, which became effective in March

2010 and establish minimum standards for protecting and storing personal information about Massachusetts residents contained in paper or electronic format.

***Government Regulation of Reimbursement***

Our clients are subject to regulation by a number of governmental agencies, including those that administer the Medicare and Medicaid programs. Accordingly, our clients are sensitive to legislative and regulatory changes in, and limitations on, the government health care programs and changes in reimbursement policies, processes, and payment rates. During recent years, there have been numerous federal legislative and administrative actions that have affected government programs, including adjustments that have reduced or increased payments to physicians and other health care providers and adjustments that have affected the complexity of our work. It is possible that the

federal or state governments will implement future reductions, increases, or changes in reimbursement under government programs that adversely affect our client base or our cost of providing our services.

***Fraud and Abuse***

A number of federal and state laws, loosely referred to as "fraud and abuse laws," are used to prosecute health care providers, physicians, and others that make, offer, seek, or receive referrals or payments for products or services that may be paid for through any federal or state health care program and, in some instances, any private program. Given the breadth of these laws and regulations, they are potentially applicable to our business; the transactions that we undertake on behalf of our clients; and the financial arrangements through which we market, sell, and distribute our services. These laws and regulations include:

*Anti-Kickback Laws.* There are numerous federal and state laws that govern patient referrals, physician financial relationships, and inducements to health care providers and patients. The federal health care programs' anti-kickback law prohibits any person or entity from offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of patients covered by Medicare, Medicaid, and other federal health care programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. Courts have construed this anti-kickback law to mean that a financial arrangement may violate this law if any one of the purposes of one of the arrangements is to encourage patient referrals or other federal health care program business, regardless of whether there are other legitimate purposes for the arrangement. There are several limited exclusions known as safe harbors that may protect some arrangements from enforcement penalties. These safe harbors have very limited application. Penalties for federal anti-kickback violations are severe, and include imprisonment, criminal fines, civil money penalties with triple damages, and exclusion from participation in federal health care programs. Many states have similar anti-kickback laws, some of which are not limited to items or services for which payment is made by a government health care program.

*False or Fraudulent Claim Laws.* There are numerous federal and state laws that forbid submission of false information, or the failure to disclose information, in connection with the submission and payment of physician claims for reimbursement. In some cases, these laws also forbid abuse in connection with such submission and payment, for example, by systematic over treatment or duplicate billing for the same services to collect increased or duplicate payments. These laws and regulations may change rapidly,

and it is frequently unclear how they apply to our business. For example, one federal false claim law forbids knowing submission to government programs of false claims for reimbursement for medical items or services. Under this law, knowledge may consist of willful ignorance or reckless disregard of falsity. How these concepts apply to services such as ours that rely substantially on automated processes has not been well defined in the regulations or relevant case law. As a result, our errors with respect to the formatting, preparation, or transmission of such claims and any mishandling by us of claims information that is supplied by our clients or other third parties may be determined to, or may be alleged to, involve willful ignorance or reckless disregard of any falsity that is later determined to exist.

In most cases where we are permitted to do so, we charge our clients a percentage of the collections that they receive as a result of our services. To the extent that liability under fraud and abuse laws and regulations requires intent, it may be alleged that this percentage calculation provides us or our employees with incentive to commit or overlook fraud or abuse in connection with submission and payment of reimbursement claims. CMS has stated that it is concerned that percentage-based billing services may encourage billing companies to commit or to overlook fraudulent or abusive practices.

*PPACA.* In addition to the provisions relating to health care access and delivery, the Patient Protection and Affordable Care Act made changes to health care fraud and abuse laws. The PPACA expands false claim laws, amends key provisions of other anti-fraud and abuse statutes, provides the government with new enforcement tools and funding for enforcement, and enhances both criminal and administrative penalties for noncompliance. The PPACA may result in increased anti-fraud enforcement activities.

*Stark Law and Similar State Laws.* The Ethics in Patient Referrals Act, known as the Stark Law, prohibits certain types of referral arrangements between physicians and health care entities. Physicians are prohibited from referring patients for certain designated health services reimbursed under federally funded programs to entities with which they or their immediate family members have a financial relationship or an ownership interest, unless such referrals fall within a specific exception. Violations of the statute can result in civil monetary penalties and/or exclusion from the Medicare and Medicaid programs. Furthermore, reimbursement claims for care rendered under forbidden referrals may be deemed false or fraudulent, resulting in liability under other fraud and abuse laws.

Laws in many states similarly forbid billing based on referrals between individuals and /or entities that have various financial ownership, or other business relationships. These

laws vary widely from state to state.

***Corporate Practice of Medicine Laws, Fee-Splitting Laws, and Anti-Assignment Laws***

In many states, there are laws that prohibit non-licensed practitioners from practicing medicine, prevent corporations from being licensed as practitioners, and prohibit licensed medical practitioners from practicing medicine in partnership with non-physicians, such as business corporations. In some states, these prohibitions take the form of laws or regulations forbidding the splitting of physician fees with non-physicians or others. In some cases, these laws have been interpreted to prevent business service providers from charging their physician clients on the basis of a percentage of collections or charges.

There are also federal and state laws that forbid or limit assignment of claims for reimbursement from government-funded programs. Some of these laws limit the manner in which business service companies may handle payments for such claims and prevent such companies from charging their physician clients on the basis of a percentage of collections or charges. In particular, the Medicare program specifically requires that billing agents who receive Medicare payments on behalf of medical care providers must meet the following requirements:

- the agent must receive the payment under an agreement between the provider and the agent;

Medicaid regulations similarly provide that payments may be received by billing agents in the name of their clients without violating anti-assignment requirements if payment to the agent is related to the cost of the billing service, not related on a percentage basis to the amount billed or collected, and not dependent on collection of payment.

***Electronic Prescribing Laws***

States have differing prescription format and signature requirements. Many existing laws and regulations, when enacted, did not anticipate the methods of e-commerce now being developed. However, due in part to recent industry initiatives, federal law and the laws of all 50 states now permit the electronic transmission of prescription orders. In addition, on November 7, 2005, the Department of Health and Human Services published its final E-Prescribing and the Prescription Drug Program regulations, referred to below as the E-Prescribing Regulations. These regulations are required by the Medicare Prescription

Drug Improvement and Modernization Act of 2003 ("MMA") and became effective beginning on January 1, 2006. The E-Prescribing Regulations consist of detailed standards and requirements, in addition to the HIPAA standards discussed previously, for prescription and other information transmitted electronically in connection with a drug benefit covered by the MMA's Prescription Drug Benefit. These standards cover not only transactions between prescribers and dispensers for prescriptions but also electronic eligibility and benefits inquiries and drug formulary and benefit coverage information. The standards apply to prescription drug plans participating in the MMA's Prescription Drug Benefit. Aspects of our services are affected by such regulation, as our clients need to comply with these requirements.

***Anti-Tampering Laws***

For certain prescriptions that cannot or may not be transmitted electronically from physician to pharmacy, both federal and state laws require that the written forms used exhibit anti-tampering features. For example, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 has since April 2008 required that most prescriptions covered by Medicaid must demonstrate security features that prevent copying, erasing, or counterfeiting of the written form. Because our clients will, on occasion, need to use printed forms, we must take these laws into consideration for purposes of the prescription functions of our

***Electronic Health Records Certification Requirements***

The HITECH Act directs the Office of the National Coordinator for Health Information Technology, or ONCHIT, to support and promote meaningful use of certified EHR technology nationwide through the adoption of standards, implementation specifications, and certification criteria as well as the establishment of certification programs for EHR technology. In January 2011, HHS issued a final rule to establish a permanent certification program for EHR technology, including how organizations can become ONC-Authorized Testing and Certification Bodies (ONC-ATCBs). ONC-ATCBs are required to test and certify that EHR technology is compliant with the standards, implementation specifications, and certification criteria adopted by the Secretary and meet the definition of "certified EHR technology." In July 2010, the Secretary published the final rule that adopted standards, implementation specifications, and certification criteria for EHR technology. While we believe our system is well designed in terms of function and interoperability, we cannot be certain that it will meet future requirements.

***United States Food and Drug Administration***

The U.S. Food and Drug Administration ("FDA") has promulgated a draft policy for the regulation of computer software products as medical devices and a proposed rule for reclassification of medical device data systems under the Federal Food, Drug and Cosmetic Act, as amended, or FDCA. The FDA has stated that health information technology software is a medical device under the FDCA, and we expect that the FDA is likely to become increasingly active in regulating computer software intended for use in health care settings regardless of whether the draft policy or proposed rule is finalized or changed. We anticipate additional guidance on this subject by early 2014, in the form of a report to be issued by the FDA, ONCHIT, and the Federal Communications Commission. This report would propose a regulatory framework for health information technology that promotes innovation, protects patient safety, and avoids regulatory duplication.

If our computer software functionality is considered a medical device under the FDCA, we could be subject to additional regulatory requirements. Under the FDCA, medical devices include any instrument, apparatus, machine, contrivance, or other similar or related article that is intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease. FDA regulations govern, among other things, product development, testing, manufacture, packaging, labeling, storage, clearance or approval, advertising and promotion, sales and distribution, and import and export. FDA requirements with respect to devices that are determined to pose lesser risk to the public include:

- establishment registration and device listing with the FDA;

- the Quality System Regulation, or QSR, which requires manufacturers, including third-party or contract manufacturers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of manufacturing;

- labeling regulations and FDA prohibitions against the advertising and promotion of products for uncleared, unapproved off-label uses and other requirements related to advertising and promotional activities;

- medical device reporting regulations, which require that manufacturers report to

the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur;

- corrections and removal reporting regulations, which require that manufacturers report to the FDA any field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health; and

- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Non-compliance with applicable FDA requirements can result in, among other things, public warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the FDA to grant marketing approvals, withdrawal of marketing approvals, a recommendation by the FDA to disallow us from entering into government contracts, and criminal prosecutions. The FDA also has the authority to request repair, replacement, or refund of the cost of any device.

**Intellectual Property**

We rely on a combination of patent, trademark, copyright, and trade secret laws in the United States as well as confidentiality procedures and contractual provisions to protect our proprietary technology, databases, and our brand. Despite these reliance's, we believe the following factors are more essential to establishing and maintaining a competitive advantage:

- the statistical and technological skills of our service operations and research and development teams;

- the health care domain expertise and payer rules knowledge of our service operations and research and development teams;

- the real-time connectivity of our service offerings;

- the continued expansion of our proprietary Rules Engine; and

- a continued focus on the improved financial results of our clients.

We have registered our trademark “AutoMed®”. We had to change name to “Atomated-Biller” due to an existing Trade name of “AutoMed”. We continuously need to update copyright due to updated source codes.

We have a policy of requiring key employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting relationship with us. Our employee agreements also require relevant employees to assign to us all rights to any inventions made or conceived during their employment with us. In addition, we have a policy of requiring individuals and entities with which we discuss potential business relationships to sign non-disclosure agreements. Our agreements with clients include confidentiality and non-disclosure provisions.

**Seasonality**

There is moderate seasonality in the activity level of medical practices. Typically, discretionary use of physician services declines in the late summer and during the holiday season, which leads to a decline in collections by our physician clients about 30 to 50 days later. In addition, as further explained in “Risk Factors,” our revenues and operating results may fluctuate from quarter to quarter depending on a host of factors including, but not limited to, the severity, length, and timing of seasonal and pandemic illness.

**Litigation**

We are the plaintiff in a lawsuit seeking to recover $15 million, including penalties and interest. We allege that the defendant, Dr. Narinder Grewal of Chatsworth, California, a customer, cashed checks we sent for payment of his insurance reimbursement after receiving bank wires from us for this same reimbursement, and engaged in other frauds.

The Company has been involved in litigation with Dr. Narinder Grewal. In a case

between Ms. Basu and Narinder Grewal, MD where Dr. Grewal sued Ms. Basu for $3,000,000 claiming that Healthcare did not pay all money received from his billing, and Ms. Basu filed counter suit complaining unethical behavior of Dr. Grewal damaged Healthcare for millions. In June of 2009, during preparation of trial, Ms. Basu discovered documents from old records that proved Dr. Grewal stole from Healthcare in excess of $500,000 per year for a period of nine years by using different schemes. Trial was awarded to Ms. Basu, judge decided that money belongs to the Company since Dr. Grewal's contract was with the Company and advised that Company is to file actions against Dr. Grewal. Ms. Basu reported to the Company's Board of Directors which then decided to file collection law suit against Dr. Grewal and his companies. The case was filed in Los Angeles Superior Court on Dec 3, 2009, Los Angeles Superior Court, California Case no. BC427192. A jury trial has been completed on September 17, 2014 with inconsistent jury verdict awarded to PPJ Enterprise for $374,000 due to multiple evidence tampered by the Defendants. The Court suggested that the Company file a motion for a new trial in this case for hearing. Judgment has been signed today, and the Company is filing a motion for a new trial.

The Company has no other current, pending or threatened legal proceedings or administrative actions either by or against the Company issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a regulator.

The Company had selected a collection agency and working to submit all unpaid invoices (due from clients) gross totals to in excess of $2,000,000. Due to estimated amount due in some cases, collection agency is unable to pursue.

**Research and Development**

We estimate that we has spent the following amounts on research and development activities: 2010 - $24,000, 2011 - $10,300, 2012 - $18,000, 2013 - $6,500, 2014 – $6,500.

We have recently updated some features of The Automated Biller by updating the "Capture Cost" module. Capture Cost is designed to keep tabs of expenses such as every day health care practice supplies, mediation vials, disposables and consumables that are used to provide medical services. These materials are costly but most of these charges are not billed and are not recovered due to lack of billing knowledge and or error billing. Automated-Biller has been designed extensively to keep track of any and all expenses. The Automated-Biller bills these charges automatically, further increasing cash flow for the health care practitioner.

**Employees**

As of December 22, 2014, we had eleven employees, including officers and directors. We believe that we have been successful in attracting experienced and capable personnel. All of our employees have entered into agreements with us requiring them not to compete or disclose our proprietary information. Our employees are not represented by any labor union. We believe that relations with our employees are excellent. Usually the number of total employees and number of full-time employees varies between 10 – 22 or more due to increased or reduced business as per need for the time.

**Item 9 The Nature of Products or Services Offered**

A. Principal Products or Services and Their Markets.

See “Business” above.

## RISK FACTORS

———

*The following is only a brief summary of the risks involved in investing in our Company. Investment in our Securities involves risks. You should carefully consider the following risk factors in addition to other information contained in this Disclosure Document. The occurrence of any of the following risks might cause you to lose +all or part of your investment. Some statements in this Document, including statements in the following risk factors, constitute "Forward-Looking Statements."*

## Risks Related Our Industry

———

***We operate in a highly competitive industry, and if we are not able to compete effectively, our business and operating results will be harmed.***

The provision by third parties of billing services to medical practices has historically been dominated by small service providers who offer highly individualized services and a high degree of specialized knowledge applicable in many cases to a limited medical

specialty, a limited set of payers, or a limited geographical area. We anticipate that the software, statistical, and database tools that are available to such service providers will continue to become more sophisticated and effective and that demand for our services could be adversely affected.

Revenue cycle and clinical cycle software for medical practices has historically been dominated by large, well-financed, and technologically sophisticated entities that have focused on software solutions. Some of these entities are now offering “on-demand” services or a “software-as-a-service” model under which software is centrally administered, and these vendors may also provide administrative services. The size, financial strength, and breadth of offerings of the larger entities is increasing as a result of continued consolidation in both the information technology and health care industries. We expect large integrated technology companies to continue to become more active in our markets, both through acquisition and internal investment. As costs fall and technology improves, increased market saturation may change the competitive landscape in favor of competitors with greater scale than we possess. In addition, a few smaller companies have started providing software using a model similar to ours; the offerings of these smaller companies may reduce the perceived competitive advantage of our services and impact our market share. Further, while the market for patient communication and referral management services is growing and is not as yet dominated by a small group of vendors with significant resources, our patient and referral cycle services face competition from a wide variety of market participants. For example, certain health systems have developed their own patient portals or referral management systems. If we fail to distinguish our patient and referral cycle offerings from the other options available to health care providers, the demand for and market share of those offerings may decrease.

Some of our current large competitors, such as Allscripts-Misys Healthcare Solutions, Inc.; athenahealth, Inc; GE Healthcare; and McKesson Corp., have greater name recognition, longer operating histories, and significantly greater resources than we do. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or client requirements. In addition, current and potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies, or services to increase the availability of their products to the marketplace. Current or future competitors may consolidate to improve the breadth of their products, directly competing with our integrated offerings. Accordingly, new competitors or alliances may emerge that have greater market share, larger client bases, more widely adopted proprietary technologies, broader offerings, greater marketing expertise, greater financial resources, and larger sales forces than we have, which could put us at a

competitive disadvantage. Further, in light of these advantages, even if our services are more effective than the product or service offerings of our competitors, current or potential clients might accept competitive products and services in lieu of purchasing our services. Increased competition is likely to result in pricing pressures, which could negatively impact our sales, profitability, or market share. In addition to new niche vendors, who offer stand-alone products and services, we face competition from existing enterprise vendors, including those currently focused on software solutions, which have information systems in place with clients in our target market. These existing enterprise vendors may now, or in the future, offer or promise products or services with less functionality than our services, but that offer ease of integration with existing systems and that leverage existing vendor relationships.

***The market for our services may not develop substantially further or develop more slowly than we expect, harming the growth of our business.***

While medical business services are becoming more accepted, the market for these services remains narrowly based, and it is uncertain whether these services will achieve and sustain the high levels of demand and market acceptance we anticipate. Our success will depend to a substantial extent on the willingness of enterprises, large and small, to increase their use of on-demand business services in general, and for their revenue, clinical, and patient cycles in particular. Many enterprises have invested substantial personnel and financial resources to integrate established enterprise software into their businesses and therefore may be reluctant or unwilling to switch to an on-demand application service. Furthermore, some enterprises may be reluctant or unwilling to use on-demand application services, because they have concerns regarding the risks associated with the security and reliability, among other things, of the technology delivery model associated with these services. If enterprises do not perceive the benefits of our services, then the market for these services may not expand as much or develop as quickly as we expect, either of which would significantly adversely affect our business, financial condition, or operating results.

***Changes in the health care industry could affect the demand for our services, cause our existing contracts to terminate, and negatively impact the process of negotiating future contracts.***

As the health care industry evolves, changes in our client and vendor bases may reduce the demand for our services, result in the termination of existing contracts, and make it more difficult to negotiate new contracts on terms that are acceptable to us. For example, the current trend toward consolidation of health care providers within hospital systems may cause our existing client contracts to terminate as independent practices are merged

into hospital systems. Such larger health care organizations may also have their own practice management services and health IT systems, reducing demand for our services. Similarly, client and vendor consolidation results in fewer, larger entities with increased bargaining power and the ability to demand terms that are unfavorable to us. If these trends continue, we cannot assure you that we will be able to continue to maintain or expand our client base, negotiate contracts with acceptable terms, or maintain our current pricing structure, and our revenues may decrease.

***If we do not continue to innovate and provide services that are useful to users, we may not remain competitive, and our revenues and operating results could suffer.***

Our success depends on providing services that the medical community uses to improve business performance and quality of service to patients. Our competitors are constantly developing products and services that may become more efficient or appealing to our clients. As a result, we must continue to invest significant resources in research and development in order to enhance our existing services and introduce new high-quality services that clients will want. If we are unable to predict user preferences or industry changes, or if we are unable to modify our services on a timely basis, we may lose clients. Our operating results would also suffer if our innovations are not responsive to the needs of our clients, are not appropriately timed with market opportunity, or are not effectively brought to market. As technology continues to develop, our competitors may be able to offer results that are, or that are perceived to be, substantially similar to or better than those generated by our services. This may force us to compete on additional service attributes and to expend significant resources in order to remain competitive.

***Failure to manage our rapid growth effectively could increase our expenses, decrease our revenue, and prevent us from implementing our business strategy.***

After funding, we expect to experience a period of rapid growth. To manage our anticipated future growth effectively, we must continue to maintain, and may need to enhance, our information technology infrastructure and financial and accounting systems and controls, as well as manage expanded operations in geographically distributed locations. We also must attract, train, and retain a significant number of qualified sales and marketing personnel, professional services personnel, software engineers, technical personnel, and management personnel. Failure to manage our rapid growth effectively could lead us to over-invest or under-invest in technology and operations; result in weaknesses in our infrastructure, systems, or controls; give rise to operational mistakes, losses, or loss of productivity or business opportunities; and result in loss of employees and reduced productivity of remaining employees. Our growth could require significant

capital expenditures and may divert financial resources and management attention from other projects, such as the development of new services. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our revenue could decline or may grow more slowly than expected, and we may be unable to implement our business strategy.

***Our business involves a high degree of risk.***

An investment in our common stock is extremely speculative and of exceptionally high risk.

***We may be unsuccessful in raising the necessary capital to fund operations and capital expenditures.***

Our ability to generate cash flow is dependent upon the success of our ability to market our Automated Billing System. However, we cannot guarantee that the sales of our products and other available cash sources will generate sufficient cash flow to meet our overall cash requirements. If cash flow is not sufficient to meet our business requirements, we will be required to raise additional capital through other financing activities. While we have been successful in raising the necessary funds in the past, there can be no assurance we can continue to do so in the future.

***We depend on key employees and face competition in hiring and retaining qualified employees.***

Our employees are vital to our success, and our key management and other employees are difficult to replace. We currently do not have employment contracts with our key employees. We may not be able to retain highly qualified employees in the future which could adversely affect our business.

***We may experience significant losses from operations.***

Even if we do generate operating income in one or more quarters in the future, subsequent developments in our industry, customer base, business or cost structure or an event such as significant litigation or a significant transaction may cause us to again experience operating losses. We may not become profitable for the long-term, or even for any quarter.

***Because competition for our target employees is intense, we may not be able to attract and retain the highly skilled employees we need to support our planned growth.***

To continue to execute on our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for senior sales executives and engineers with high levels of experience in designing and developing software and Internet-related services. We may not be successful in attracting and retaining qualified personnel. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, in making employment decisions, particularly in the Internet and high-technology industries, job candidates often consider the value of the equity awards they are to receive in connection with their employment. Volatility in the price of our stock or failure to obtain stockholder approval for increases in the number of shares available for grant under our equity plans may, therefore, adversely affect our ability to attract or retain key employees. Furthermore, the requirements to expense equity awards may discourage us from granting the size or type of equity awards that job candidates require to join our company. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

***If we acquire companies or technologies in the future, they could prove difficult to integrate, disrupt our business, dilute stockholder value, and adversely affect our operating results and the value of our common stock.***

As part of our business strategy, we may acquire, enter into joint ventures with, or make investments in complementary companies, services, and technologies in the future. Acquisitions and investments involve numerous risks, including:

- difficulties in identifying and acquiring products, technologies, or businesses that will help our business;

- difficulties in integrating operations, technologies, services, and personnel;

- diversion of financial and managerial resources from existing operations;

- the risk of entering new markets in which we have little to no experience;

- risks related to the assumption of known and unknown liabilities;

- the risk of write-offs and the amortization of expenses related to purchased intangible assets; and

- delays in client purchases due to uncertainty and the inability to maintain relationships with clients of the acquired businesses.

As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, we may incur costs in excess of what we anticipate, and management resources and attention may be diverted from other necessary or valuable activities.

***We may choose to expand by strategic acquisitions. Completion of the any proposed acquisition is subject to various closing conditions, involves significant costs, and will require considerable attention from our management. Failure to complete the acquisition could adversely affect our stock price and our future business and operations.***

The completion of the any proposed acquisition is subject to the satisfaction of various closing conditions, including the approval by target stockholders, and we cannot assure you that such conditions will be satisfied and that the acquisition will be successfully completed. In the event that the acquisition is not consummated, we will have spent considerable time and resources, and incurred substantial costs, including costs related to the acquisition, many of which must be paid even if the merger is not completed. If the acquisition is not consummated, our reputation in our industry and in the investment community could be damaged and, as a result, the market price of our common stock could decline.

***We may fail to realize the anticipated benefits of the any acquisition.***

The success of any acquisition will depend on, among other things, our ability to combine the our businesses in a manner that does not materially disrupt existing relationships and that allows us to achieve operational synergies and capitalize on the increased brand recognition and customer base of the combined company. If we are not able to achieve these objectives, the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected. In particular, the acquisition may not be accretive or accelerate sales in near or long term.

The integration process could result in the loss of key employees; the disruption of our ongoing businesses; or inconsistencies in standards, controls, procedures, or policies that could adversely affect our ability to maintain relationships with third parties and employees or to achieve the anticipated benefits of the acquisition. Integration efforts between the two companies will also divert management's attention from our core business and other opportunities that could have been beneficial to our shareholders. An inability to realize the full extent of, or any of, the anticipated benefits of the acquisition, as well as any delays encountered in the integration process, could have an adverse effect on our business and results of operations, which may affect the value of the shares of our common stock after the completion of the acquisition.

Further, the actual integration may result in additional and unforeseen expenses. Operational improvements and actual cost synergies, if achieved at all, may be lower than we expect and may take longer to achieve than we anticipate. If we are not able to adequately address these challenges, we may be unable to realize the anticipated benefits of the integration of any acquisition.

## Financial Risks

***We will need additional financing.***

Our development schedule could be delayed if we are unable to fund our activities. We believe we will need to raise additional funds to achieve full commercial operation. We do not know whether we will be able to secure additional funding, or funding on terms

acceptable to us.

***We face financial risk, including the risk of high leverage.***

Our development and operation will entail uncertain cash flows. We may spend relatively large amounts on marketing and other expenses. All of these factors and more will result in substantial financial risk. See "Business."

We may be subject to the risks normally associated with debt financing, including the risk that payments of principal and interest on borrowings may leave us with insufficient cash to operate or to pay distributions.

We intend to make use of a very high degree of financial leverage. We could become more highly leveraged because our organizational documents contain no limitation on the amount of debt we may incur.

The use of a high degree of leverage will increase our sensitivity to increases in interest rates. Increases in interest rates may increase our interest expense and adversely affect our cash flow and our ability to service our indebtedness and make distributions to our stockholders.

## Legal Risks

***We may be unable to adequately protect, and we may incur significant costs in enforcing, our intellectual property and other proprietary rights.***

Our success depends in part on our ability to enforce our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent, and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, noncompetition, and assignment of inventions agreements. Our attempts to protect our intellectual property may be challenged by others or invalidated through administrative process or litigation.

Agreement terms that address non-competition are difficult to enforce in many jurisdictions and may not be enforceable in any particular case. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties might gain access to our proprietary information, develop and market products or

services similar to ours, or use trademarks similar to ours, each of which could materially harm our business. Existing U.S. federal and state intellectual property laws offer only limited protection. Moreover, the laws of other countries in which we now or may in the future conduct operations or contract for services may afford little or no effective protection of our intellectual property. Further, our platform incorporates open source software components that are licensed to us under various public domain licenses. While we believe that we have complied with our obligations under the various applicable licenses for open source software that we use, there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses, and therefore the potential impact of such terms on our business is somewhat unknown. The failure to adequately protect our intellectual property and other proprietary rights could materially harm our business.

In addition, if we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. Any litigation that may be necessary in the future could result in substantial costs and diversion of resources and could have a material adverse effect on our business, operating results, or financial condition.

***We may be sued by third parties for alleged infringement of their proprietary rights.***

The software and Internet industries are characterized by the existence of a large number of patents, trademarks, and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, our business involves the systematic gathering and analysis of data about the requirements and behaviors of payers and other third parties, some or all of which may be claimed to be confidential or proprietary. We may receive in the future, communications from third parties claiming that we have infringed on the intellectual property rights of others. Our technologies may not be able to withstand such third-party claims of rights against their use. Any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, divert management attention from executing our business plan, and require us to pay monetary damages or enter into royalty or licensing agreements. In addition, many of our contracts contain warranties with respect to intellectual property rights, and some require us to indemnify our clients for third-party intellectual property infringement claims, which would increase the cost to us of an adverse ruling on such a claim.

Moreover, any settlement or adverse judgment resulting from such a claim could require us to pay substantial amounts of money or obtain a license to continue to use the technology or information that is the subject of the claim, or otherwise restrict or prohibit our use of the technology or information. There can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all, from third

parties asserting an infringement claim; that we would be able to develop alternative technology on a timely basis, if at all; or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our clients to continue using, our affected services. Accordingly, an adverse determination could prevent us from offering our services to others. In addition, we may be required to indemnify our clients for third-party intellectual property infringement claims, which would increase the cost to us of an adverse ruling for such a claim.

***Current and future litigation against us could be costly and time-consuming to defend and could result in additional liabilities.***

We may from time to time be subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our clients in connection with commercial disputes and employment claims made by our current or former employees. Claims may also be asserted by or on behalf of a variety of other parties, including government agencies, patients of our physician clients, or stockholders. For example, we have entered into a purchase and sale agreement for the property on which our corporate headquarters are located. This property is a former Superfund site, and our ownership of it, or any of our other properties, could expose us to liability under applicable environmental laws. Any litigation involving us may result in substantial costs and may divert management's attention and resources, which may seriously harm our business, overall financial condition, and operating results. Insurance may not cover existing or future claims, be sufficient to fully compensate us for one or more of such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our operating results and leading analysts or potential investors to reduce their expectations of our performance resulting in a reduction in the trading price of our stock.

***Errors or illegal activity on the part of our clients may result in claims against us.***

We require our clients to provide us with accurate and appropriate data and directives for our actions. We also rely upon our clients as users of our system to perform key activities in order to produce proper claims for reimbursement. Failure of our clients to provide these data and directives or to perform these activities may result in claims against us alleging that our reliance was misplaced or unreasonable or that we have facilitated or otherwise participated in submission of false claims.

***Our clients may seek to defraud us.***

We are currently engaged in litigation to recover substantial amounts owed to us by a

client who defrauded us. If our clients seek to defraud us, we not be aware of this, we may not be able to obtain sufficient information on their activities, and we may have to engage in costly and time-consuming litigation to recover any amounts due.

***If participants in our channel marketing and sales lead programs do not maintain appropriate relationships with current and potential clients, our sales accomplished with their help or data may be unwound and our payments to them may be deemed improper.***

We maintain a series of relationships with third parties that we term "channel relationships." These relationships take different forms under different contractual language. Some relationships help us identify sales leads. Other relationships permit third parties to act as value-added resellers or as independent sales representatives for our services. In some cases, for example in the case of some membership organizations, these relationships involve endorsement of our services as well as other marketing activities. In each of these cases, we require contractually that the third party disclose information to and limit their relationships with potential purchasers of our services for regulatory compliance reasons. If these third parties do not comply with these regulatory requirements or if our requirements are deemed insufficient, sales accomplished with the data or help that they have provided, as well as the channel relationships themselves, may not be enforceable, may be unwound, and may be deemed to violate relevant laws or regulations. Third parties that, despite our requirements, exercise undue influence over decisions by current and prospective clients, occupy positions with obligations of fidelity or fiduciary obligations to current and prospective clients, or who offer bribes or kickbacks to current and prospective clients or their employees may be committing illegal acts that could render any resulting contract between us and the client unenforceable or in violation of relevant laws or regulations. Any misconduct by these third parties with respect to current or prospective clients, any failure to follow contractual requirements, or any insufficiency of those contractual requirements may result in allegations that we have encouraged or participated in illegal behavior and that payments to such third parties under our channel contracts are improper. This misconduct could subject us to civil or criminal claims and liabilities, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and adversely affect our revenue and operating margin. Even an unsuccessful challenge of our activities could result in adverse publicity, require costly response from us, impair our ability to attract and maintain clients, and lead analysts or investors to reduce their expectations of our performance, resulting in reduction in the market price of our stock.

***Our services present the potential for embezzlement, identity theft, or other similar illegal behavior by our employees or subcontractors with respect to third parties. (We do carry Error & Omission insurance coverage.)***

Among other things, our services involve handling mail from payers and from patients for many of our clients, and this mail frequently includes original checks and credit card information and occasionally includes currency. Even in those cases in which we do not handle original documents or mail, our services also involve the use and disclosure of personal and business information that could be used to impersonate third parties or otherwise gain access to their data or funds. If any of our employees or subcontractors takes, converts, or misuses such funds, documents, or data, we could be liable for damages, and our business reputation could be damaged or destroyed. In addition, we could be perceived to have facilitated or participated in illegal misappropriation of funds, documents, or data and therefore be subject to civil or criminal liability.

## Risks Inherent in the Company

———

***We are indemnifying our officers and directors.***

Our By-Laws provide for the indemnification of officers and directors relating to their activities for the Company to the fullest extent permitted under the Florida General Corporation Code. These provisions may have the effect of providing indemnity in connection with suits brought by parties other than the Company against an officer or director who has been grossly negligent, though he acted in good faith and in the Company’s interests. See "Indemnification.”

***We rely upon a few officers.***

We are wholly dependent on the personal abilities of our officers in order to develop and conduct our operations. Our success will be largely dependent on the personal efforts of our key officers and directors. The loss of the services of any of these officers would have a material adverse effect on our business and prospects. Our success also may be dependent, in part, upon our ability to hire and retain additional qualified sales and marketing personnel. There can be no assurance that we will be able to hire or retain such necessary personnel. See "Management."

***Our present shareholders will retain control.***

Our present control shareholder owns 80.00% of the outstanding Common and Series B preferred Stock. As a result of this percentage of ownership, the existing shareholders

will be able to control our management at least for the foreseeable future. Investors will not have the right to elect our directors and the Company's control will stay with the current shareholders. This shareholder will have full voting control of the Company and the Board of Directors. See "Management," "Principal Shareholders" and "Description of Securities."

***The liability of our directors and officers is limited.***

Our Articles of Incorporation include provisions to eliminate, to the full extent permitted by Florida corporate law as in effect from time to time, the personal liability of our directors for monetary damages arising from a breach of their fiduciary duties as directors. The Articles of Incorporation also includes provisions to the effect that (subject to certain exceptions) the Company shall, to the maximum extent permitted from time to time under Florida law, indemnify, and upon request shall advance expenses to, any director or officer to the extent that such indemnification and advancement of expenses is permitted under such law, as it may from time to time be in effect. In addition, our By-Laws require us to indemnify, to the full extent permitted by law, any of our directors, officers; employees or agents for acts which such person reasonably believes are not in violation of our corporate purposes as set forth in the Articles of Incorporation. As a result of such provisions in the Articles of Incorporation and the By-Laws, stockholders may be unable to recover damages against our directors and officers for actions taken by them which constitute negligence, gross negligence or a violation of their fiduciary duties, which may reduce the likelihood of stockholders instituting derivative litigation against directors and officers and may discourage or deter stockholders from suing our directors, officers, employees and agents for breaches of their duty of care, even though such action, if successful, might otherwise benefit us and our stockholders. See "Indemnification."

***Our Board of Directors may unilaterally implement changes in our investment and financing policies that may affect the interests of our stockholders.***

Our investment and financing policies, and our policies with respect to other activities, including growth, debt, capitalization, and operating policies, are determined by the Board of Directors. Although the Board of Directors has no present intention to do so, these policies may be amended or revised from time to time at the discretion of the Board of Directors without notice to stockholders or a vote of our stockholders. Accordingly, stockholders have no direct control over changes in our policies and changes in our policies may affect them.

***The loss of key executive officers could have an adverse effect on us.***

We are dependent on the efforts of our President, Chandana Basu. The loss of her services could have an adverse effect on our operations. We do not currently maintain or contemplate obtaining any “key man” life insurance on, our executive officers. See “Management.”

***We are now dependent on external sources of capital.***

In order to achieve our business plan and to grow, we will need constant infusions of additional capital. We will need to fund our future capital needs, including capital for property development and acquisitions, from sources other than income from operations. We therefore will have to rely on third-party sources of debt and equity capital financing, which may or may not be available on favorable terms or at all. Our access to third party sources of capital depends on a number of things, including conditions in the capital markets generally and the market’s perception of our growth potential and our current and potential future earnings. Additional equity offerings may result in substantial dilution of stockholders’ interests, and additional debt financings may substantially increase our leverage. Further, there has been substantial turmoil in the financial markets and there is no assurance that we will be able to successfully access capital.

## Risks in the Securities

———

***You may experience dilution if we issue additional securities,***

If we issue additional shares, you may find your holdings diluted, which if it occurs, means that you will own a smaller percentage of our company. Further, any issuance of additional securities to various persons or entities in lieu of cash payments will lead to further dilution.

***We do no longer expect to pay dividends on our Common Stock.***

We have never paid any dividends on our Common Stock. We do have in our plan to pay dividends on our Common Stock for the year of 2014. Furthermore, the Company may issue Preferred Stock or other securities senior to the Common Stock, under terms which provide that no dividends shall be payable to holders of Common Stock unless and until all accrued cash dividends through the most recent past annual dividend payment date have been paid in full to holders of such senior securities. See "Dividend Policy."

***Our operating results have in the past fluctuated and may continue to fluctuate significantly, and if we fail to meet the expectations of analysts or investors, our stock price and the value of an investment in our common stock could decline substantially.***

Our operating results are likely to fluctuate, and if we fail to meet or exceed the expectations of securities analysts or investors, the trading price of our common stock could decline. Moreover, our stock price may be based on expectations of our future performance that may be unrealistic or that may not be met. Some of the important factors that could cause our revenues and operating results to fluctuate from quarter to quarter include:

- the extent to which our services achieve or maintain market acceptance;

- our ability to introduce new services and enhancements to our existing services on a timely basis;

- new competitors and the introduction of enhanced products and services from new or existing competitors;

- the length of our contracting and implementation cycles;

- changes in Client Days in Accounts Receivable;

- seasonal declines in the use of physician services, generally in the late summer and during the holiday season, which lead to a decline in collections by our physician clients about 30 to 50 days later;

- the financial condition of our current and future clients;

- changes in client budgets and procurement policies;

- the amount and timing of our investment in research and development activities;

- the amount and timing of our investment in sales and marketing activities;

- technical difficulties or interruptions in our services;

- our ability to hire and retain qualified personnel and maintain an adequate rate of expansion of our sales force;

- changes in the regulatory environment related to health care;

- regulatory compliance costs;

- the timing, size, and integration success of potential future acquisitions; and

- unforeseen legal expenses, including litigation and settlement costs.

Many of these factors are not within our control, and the occurrence of one or more of them might cause our operating results to vary widely. As such, we believe that quarter-

to-quarter comparisons of our revenues and operating results may not be meaningful and should not be relied upon as an indication of future performance.

A significant portion of our operating expense is relatively fixed in nature, and planned expenditures are based in part on expectations regarding future revenue and profitability. Accordingly, unexpected revenue shortfalls, lower-than-expected revenue increases as a result of planned expenditures, and longer-than-expected impact on profitability and margins as a result of planned revenue expenditures may decrease our gross margins and profitability and could cause significant changes in our operating results from quarter to quarter. In addition, our future quarterly operating results may fluctuate and may not meet the expectations of securities analysts or investors. If this occurs, the trading price of our common stock could fall substantially, either suddenly or over time.

***If the revenue of our clients decreases, or if our clients cancel or elect not to renew their contracts, our revenue will decrease.***

Under most of our client contracts, we base our charges on a percentage of the revenue that the client realizes while using our services. Many factors may lead to decreases in client revenue, including:

- Interruption of client access to our system for any reason;
- our failure to provide services in a timely or high-quality manner;
- failure of our clients to adopt or maintain effective business practices;
- actions by third-party payers of medical claims to reduce reimbursement;
- government regulations and government or other payer actions or inaction reducing or delaying reimbursement; and

- reduction of client revenue resulting from increased competition or other changes in the marketplace for physician services.

The current economic situation may give rise to several of these factors. For example, patients who have lost health insurance coverage due to unemployment or who face increased deductibles imposed by financially struggling employers or insurers could reduce the number of visits those patients make to our physician clients. Patients without health insurance or with reduced coverage may also default on their payment obligations at a higher rate than patients with coverage. Added financial stress on our clients could lead to their acquisition or bankruptcy, which could cause the termination of some of our service relationships. Further, despite the cost benefits that we believe our services provide, prospective clients may wish to delay contract decisions due to implementation costs or be reluctant to make any material changes in their established business methods in the current economic climate. With a reduction in tax revenue, state and federal government health care programs, including reimbursement programs such as Medicaid, may be reduced or eliminated, which could negatively impact the payments that our clients receive. Also, although we currently estimate our expected customer life to be twelve years, this is only an estimate, and there can be no assurance that our clients will elect to renew their contracts for this period of time. Our clients typically purchase one-year contracts that, in most cases, may be terminated on 90 days notice without cause. If our clients' revenue decreases for any of the above or other reasons or if our clients cancel or elect not to renew their contracts, our revenue will decrease.

***If we are required to collect sales and use taxes on the services we sell in additional jurisdictions, we may be subject to liability for past sales and incur additional related costs and expenses, and our future sales may decrease.***

We may lose sales or incur significant expenses should states be successful in imposing state sales and use taxes on our services. A successful assertion by one or more states that we should collect sales or other taxes on the sale of our services could result in substantial tax liabilities for past sales, decrease our ability to compete with software vendors subject to sales and use taxes, and otherwise harm our business. Each state has different rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. We review these rules and regulations periodically and, when we believe that our services are subject to sales and use taxes in a particular state, we voluntarily approach state tax authorities in order to determine how to comply with their rules and regulations. We cannot assure you that we will not be subject to sales and use taxes or related penalties for past sales in states where we believe no compliance is necessary.

Vendors of services, like us, are typically held responsible by taxing authorities for the

collection and payment of any applicable sales and similar taxes. If one or more taxing authorities determines that taxes should have, but have not, been paid with respect to our services, we may be liable for past taxes in addition to taxes going forward. Liability for past taxes may also include very substantial interest and penalty charges. Our client contracts provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes. If we are required to collect and pay back taxes and the associated interest and penalties, and if our clients fail or refuse to reimburse us for all or a portion of these amounts, we will have incurred unplanned expenses that may be substantial. Moreover, imposition of such taxes on our services going forward will effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the states in which such taxes are imposed.

We may also become subject to tax audits or similar procedures in states where we already pay sales and use taxes. The occurrence of additional accounting and legal costs and related expenses in connection with, and the assessment of, taxes, interest, and penalties as a result of audits, litigation, or otherwise could be materially adverse to our current and future results of operations and financial condition.

***As a result of our variable sales and implementation cycles, we may be unable to recognize revenue to offset expenditures, which could result in fluctuations in our quarterly results of operations or otherwise harm our future operating results.***

The sales cycle for our services can be variable, typically ranging from three to five months from initial contact to contract execution, although this period can be substantially longer. During the sales cycle, we expend time and resources, and we do not recognize any revenue to offset such expenditures. Our implementation cycle is also variable, typically ranging from three to five months from contract execution to completion of implementation, although some of our new-client set-up projects—especially those for larger clients—are complex and require a lengthy delay and significant implementation work. Each client's situation is different, and unanticipated difficulties and delays may arise as a result of failure by us or by the client to meet our respective implementation responsibilities. During the implementation cycle, we expend substantial time, effort, and financial resources implementing our services, but accounting principles do not allow us to recognize the resulting revenue until the service has been implemented, at which time we begin recognition of implementation revenue over an expected attribution period of the longer of the estimated expected customer life, currently twelve years, or the contract term.

Even if implementation has begun, there can be no assurance that we will recognize revenue on a timely basis or at all from our efforts. Implementation for a given client may be canceled. Despite the fact that we typically require a deposit in advance of

implementation, some clients have canceled before our services have been started. In addition, implementation may be delayed, or the target dates for completion may be extended into the future, for a variety of reasons, including the needs and requirements of the client, delays with payer processing, and the volume and complexity of the implementations awaiting our work. If implementation periods are extended, our provision of the revenue cycle, clinical cycle, or patient cycle services upon which we realize most of our revenues will be delayed, and our financial condition may be adversely affected. In addition, cancellation of any implementation after it has begun may involve loss to us of time, effort, and expenses invested in the canceled implementation process and lost opportunity for implementing paying clients in that same period of time.

These factors may contribute to substantial fluctuations in our quarterly operating results, particularly in the near term and during any period in which our sales volume is relatively low. As a result, in future quarters our operating results could fall below the expectations of securities analysts or investors, in which event our stock price would likely decrease.

## Risks Related to Our Products and Services

***Our proprietary software or our services may not operate properly, which could damage our reputation, give rise to claims against us, or divert application of our resources from other purposes, any of which could harm our business and operating results.***

Proprietary software development is time-consuming, expensive, and complex. Unforeseen difficulties can arise. We may encounter technical obstacles, and it is possible that we discover additional problems that prevent our proprietary  If we do not function reliably or fails to achieve client expectations in terms of performance, clients could assert liability claims against us or attempt to cancel their contracts with us. This could damage our reputation and impair our ability to attract or maintain clients.

Moreover, information services as complex as those we offer have in the past contained, and may in the future develop or contain, undetected defects or errors. We cannot assure you that material performance problems or defects in our services will not arise in the future. Errors may result from receipt, entry, or interpretation of patient information or from interface of our services with legacy systems and data that we did not develop and the function of which is outside of our control. Despite testing, defects or errors may arise in our existing or new software or service processes. Because changes in payer

requirements and practices are frequent and sometimes difficult to determine except through trial and error, we are continuously discovering defects and errors in our software and service processes compared against these requirements and practices. These defects and errors and any failure by us to identify and address them could result in loss of revenue or market share, liability to clients or others, failure to achieve market acceptance or expansion, diversion of development resources, injury to our reputation, and increased service and maintenance costs. Defects or errors in our software and service processes might discourage existing or potential clients from purchasing services from us. Correction of defects or errors could prove to be impossible or impracticable. The costs incurred in correcting any defects or errors or in responding to resulting claims or liability may be substantial and could adversely affect our operating results.

In addition, clients relying on our services to collect, manage, and report clinical, business, and administrative data may have a greater sensitivity to service errors and security vulnerabilities than clients of software products in general. We market and sell services that, among other things, provide information to assist care providers in tracking and treating ill patients. Any operational delay in or failure of our technology or service processes may result in the disruption of patient care and could cause harm to patients and thereby harm our business and operating results.

Our clients or their patients may assert claims against us alleging that they suffered damages due to a defect, error, or other failure of our software or service processes. A product liability claim or errors or omissions claim could subject us to significant legal defense costs and adverse publicity, regardless of the merits or eventual outcome of such a claim.

***If our security measures are breached or fail, and unauthorized access is obtained to a client's data, our services may be perceived as not being secure, clients may curtail or stop using our services, and we may incur significant liabilities.***

Our services involve the web-based storage and transmission of clients' proprietary information and protected health information of patients. Because of the sensitivity of this information, security features of our software are very important. From time to time we may detect vulnerabilities in our systems, which, even if they do not result in a security breach, may reduce customer confidence and require substantial resources to address. If our security measures are breached or fail as a result of third-party action, employee error, malfeasance, insufficiency, defective design, or otherwise, someone may be able to obtain unauthorized access to client or patient data. As a result, our reputation could be damaged, our business may suffer, and we could face damages for contract breach, penalties for violation of applicable laws or regulations, and significant costs for remediation and efforts to prevent future occurrences. We rely upon our clients as users of our system for key activities to promote security of the system and the data within it, such as administration of client-side access credentialing and control of client-

side display of data. On occasion, our clients have failed to perform these activities. Failure of clients to perform these activities may result in claims against us that this reliance was misplaced, which could expose us to significant expense and harm to our reputation. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose sales and clients. In addition, our clients may authorize or enable third parties to access their client data or the data of their patients on our systems. Because we do not control such access, we cannot ensure the complete propriety of that access or integrity or security of such data in our systems.

***Failure by our clients to obtain proper permissions and waivers may result in claims against us or may limit or prevent our use of data, which could harm our business.***

We require our clients to provide necessary notices and to obtain necessary permissions and waivers for use and disclosure of the information that we receive, and we require contractual assurances from them that they have done so and will do so. If they do not obtain necessary permissions and waivers, then our use and disclosure of information that we receive from them or on their behalf may be limited or prohibited by state or federal privacy laws or other laws. This could impair our functions, processes, and databases that reflect, contain, or are based upon such data and may prevent use of such data. In addition, this could interfere with or prevent creation or use of rules, and analyses or limit other data-driven activities that benefit us. Moreover, we may be subject to claims or liability for use or disclosure of information by reason of lack of valid notice, permission, or waiver. These claims or liabilities could subject us to unexpected costs and adversely affect our operating results.

***Various events could interrupt clients' access to our system, exposing us to significant costs.***

The ability to access our services is critical to our clients' administration of care, cash flow, and business viability. Our operations and facilities are vulnerable to interruption or damage from a number of sources, many of which are beyond our control, including, without limitation: (i) power loss and telecommunications failures; (ii) fire, flood, hurricane, and other natural disasters; (iii) software and hardware errors, failures, or crashes in our systems or those of others; and (iv) computer viruses, hacking, and similar disruptive problems in our systems or those of others. We attempt to mitigate these risks through various means, including redundant infrastructure, disaster recovery plans, business continuity plans, separate test systems, and change control and system security

measures, but our precautions will not protect against all potential problems. If clients' access is interrupted because of problems in the operation of our facilities, we could be exposed to significant claims by clients or their patients, particularly if the access interruption is associated with problems in the timely delivery of funds due to clients or medical information relevant to patient care. Our plans for disaster recovery and business continuity rely in part upon third-party providers of related services, and if those vendors fail us at a time that our systems are not operating correctly, we could incur a loss of revenue and liability for failure to fulfill our obligations. Any significant instances of system downtime could negatively affect our reputation and ability to retain clients and sell our services, which would adversely impact our revenues.

In addition, retention and availability of patient care and physician reimbursement data are subject to federal and state laws governing record retention, accuracy, and access. Some laws impose obligations on our clients and on us to produce information to third parties and to amend or expunge data at their direction. Our failure to meet these obligations may result in liability that could increase our costs and reduce our operating results.

***Interruptions or delays in service from our third-party data-hosting facilities could impair the delivery of our services and harm our business.***

We have no disaster recovery services to store our disaster recovery plans and provide disaster recovery testing services. In the case of a significant event at any of our data centers, we could move operations from that data center to our other data centers within a reasonable time frame.

However, these facilities are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, and similar events. They are also subject to break-ins, sabotage, intentional acts of vandalism, and similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems at two or more of the facilities could result in lengthy interruptions in our service. Even with our disaster recovery arrangements, our services could be interrupted.

***We rely on Internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing services to our users, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with users, adversely affecting our brand and our business.***

Our ability to deliver our Internet- and telecommunications-based services is dependent on the development and maintenance of the infrastructure of the Internet and other

telecommunications services by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security for providing reliable Internet access and services and reliable telephone, facsimile, and pager systems. Our services are designed to operate without interruption in accordance with our service level commitments. However, we have experienced and expect that we will experience interruptions and delays in services and availability from time to time. We rely on internal systems as well as third-party vendors, including data center, bandwidth, and telecommunications equipment providers, to provide our services. We do not maintain redundant systems or facilities for some of these services. In the event of a catastrophic event with respect to one or more of these systems or facilities, we may experience an extended period of system unavailability, which could negatively impact our relationship with users. To operate without interruption, both we and our service providers must guard against:

- damage from fire, power loss, and other natural disasters;

- communications failures;

- software and hardware errors, failures, and crashes;

- security breaches, computer viruses, and similar disruptive problems; and

- other potential interruptions.

Any disruption in the network access, telecommunications, or co-location services provided by these third-party providers or any failure of or by these third-party providers or our own systems to handle current or higher volume of use could significantly harm our business. We exercise limited control over these third-party vendors, which increases our vulnerability to problems with services they provide.

Any errors, failures, interruptions, or delays experienced in connection with these third-party technologies and information services or our own systems could negatively impact

our relationships with users and adversely affect our business and could expose us to third-party liabilities. Although we maintain insurance for our business, the coverage under our policies may not be adequate to compensate us for all losses that may occur. In addition, we cannot provide assurance that we will continue to be able to obtain adequate insurance coverage at an acceptable cost.

The reliability and performance of the Internet may be harmed by increased usage or by denial-of-service attacks. The Internet has experienced a variety of outages and other delays as a result of damages to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as the availability of the Internet to us for delivery of our Internet-based services.

***We rely on third-party computer hardware and software that may be difficult to replace or that could cause errors or failures of our services, which could damage our reputation, harm our ability to attract and maintain clients, and decrease our revenue.***

We rely on computer hardware purchased or leased and software licensed from third parties in order to offer our services, including database software. These licenses are generally commercially available on varying terms; however, it is possible that this hardware and software may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of this hardware or software could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained, and integrated, which could harm our business. Any errors or defects in third-party hardware or software could result in errors or a failure of our services, which could damage our reputation, harm our ability to attract and maintain clients, and decrease our revenue.

***We are subject to the effect of payer and provider conduct that we cannot control and that could damage our reputation with clients and result in liability claims that increase our expenses.***

We offer certain electronic claims submission services for which we rely on content from clients, payers, and others. While we have implemented certain features and safeguards designed to maximize the accuracy and completeness of claims content, these features and safeguards may not be sufficient to prevent inaccurate claims data from being submitted to payers. Should inaccurate claims data be submitted to payers, we may experience poor operational results and may be subject to liability claims, which could damage our reputation with clients and result in liability claims that increase our expenses.

***If our services fail to provide accurate and timely information, or if our content or any other element of any of our services is associated with faulty clinical decisions or treatment, we could have liability to clients, clinicians, or patients, which could adversely affect our results of operations.***

Our software, content, and services are used to assist clinical decision-making and provide information about patient medical histories and treatment plans. If our software, content, or services fail to provide accurate and timely information or are associated with faulty clinical decisions or treatment, then clients, clinicians, or their patients could assert claims against us that could result in substantial costs to us, harm our reputation in the industry, and cause demand for our services to decline.

The assertion of such claims and ensuing litigation, regardless of its outcome, could result in substantial cost to us, divert management's attention from operations, damage our reputation, and decrease market acceptance of our services. We attempt to limit by contract our liability for damages and to require that our clients assume responsibility for medical care and approve key system rules, protocols, and data. Despite these precautions, the allocations of responsibility and limitations of liability set forth in our contracts may not be enforceable, be binding upon patients, or otherwise protect us from liability for damages.

We maintain general liability and insurance coverage, but this coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims against us. In addition, the insurer might disclaim coverage as to any future claim. One or more large claims could exceed our available insurance coverage.

Our proprietary software may contain errors or failures that are not detected until after the software is introduced or updates and new versions are released. It is challenging for us to test our software for all potential problems because it is difficult to simulate the wide variety of computing environments or treatment methodologies that our clients may deploy or rely upon. From time to time we have discovered defects or errors in our software, and such defects or errors can be expected to appear in the future. Defects and errors that are not timely detected and remedied could expose us to risk of liability to clients, clinicians, and patients and cause delays in introduction of new services, result in increased costs and diversion of development resources, require design modifications, or decrease market acceptance or client satisfaction with our services.

If any of these risks occur, they could materially adversely affect our business, financial condition, or results of operations.

***We may be liable for use of incorrect or incomplete data that we provide, which could harm our business, financial condition, and results of operations.***

We store and display data for use by health care providers in treating patients. Our clients or third parties provide us with most of these data. If these data are incorrect or incomplete or if we make mistakes in the capture or input of these data, adverse consequences, including death, may occur and give rise to product liability and other claims against us. In addition, a court or government agency may take the position that our storage and display of health information exposes us to personal injury liability or other liability for wrongful delivery or handling of health care services or erroneous health information. While we maintain insurance coverage, we cannot assure that this coverage will prove to be adequate or will continue to be available on acceptable terms, if at all. Even unsuccessful claims could result in substantial costs and diversion of management resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition, and results of operations.

'

## Regulatory Risks

***Government regulation of health care creates risks and challenges with respect to our compliance efforts and our business strategies.***

The health care industry is highly regulated and is subject to changing political, legislative, regulatory, and other influences. Existing and new laws and regulations affecting the health care industry could create unexpected liabilities for us, cause us to incur additional costs, and restrict our operations. Many health care laws are complex, and their application to specific services and relationships may not be clear. In particular, many existing health care laws and regulations, when enacted, did not anticipate the health care information services that we provide, and these laws and regulations may be applied to our services in ways that we do not anticipate. Our failure to accurately anticipate the application of these laws and regulations, or our other failure to comply, could create liability for us, result in adverse publicity, and negatively affect our business. Some of the risks we face from health care regulation are described below:

*False or Fraudulent Claim Laws*. There are numerous federal and state laws that forbid submission of false information, or the failure to disclose information, in connection with submission and payment of physician claims for reimbursement. In some cases, these laws also forbid abuse in connection with such submission and payment. Any failure of our services to comply with these laws and regulations could result in substantial liability (including, but not limited to, criminal liability), adversely

affect demand for our services, and force us to expend significant capital, research and development, and other resources to address the failure. Errors by us or our systems with respect to entry, formatting, preparation, or transmission of claim information may be determined or alleged to be in violation of these laws and regulations. Any determination by a court or regulatory agency that our services violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our services fees, cause us to be disqualified from serving clients doing business with government payers, and have an adverse effect on our business.

In most cases where we are permitted to do so, we calculate charges for our services based on a percentage of the collections that our clients receive as a result of our services. To the extent that violations or liability for violations of these laws and regulations require intent, it may be alleged that this percentage calculation provides us or our employees with incentive to commit or overlook fraud or abuse in connection with submission and payment of reimbursement claims. The U.S. Centers for Medicare and Medicaid Services has stated that it is concerned that percentage-based billing services may encourage billing companies to engage in or overlook fraudulent or abusive practices.

In addition, we may contract with third parties that offer software relating to the selection or verification of codes used to identify and classify the services for which reimbursement is sought. Submission of codes that do not accurately reflect the services provided or the location or method of their provision may constitute a violation of false or fraudulent claims laws. Our ability to comply with these laws depends on the coding decisions made by our clients and the accuracy of our vendors' software and services in suggesting possible codes to our clients and verifying that proper codes have been selected.

*HIPAA and other Health Privacy Regulations*. There are numerous federal and state laws related to patient privacy. In particular, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, includes privacy standards that protect individual privacy by limiting the uses and disclosures of individually identifiable health information and implementing data security standards that require covered entities to implement administrative, physical, and technological safeguards to ensure the confidentiality, integrity, availability, and security of individually identifiable health information in electronic form. HIPAA also specifies formats that must be used in certain electronic transactions, such as claims, payment advice, and eligibility inquiries. Because we translate electronic transactions to and from HIPAA-prescribed electronic formats and other forms, we are considered a clearinghouse and, as such, a covered entity subject to HIPAA. In addition, our clients are also covered entities and are mandated by HIPAA to enter into written agreements with us—known as business associate agreements—that require us to safeguard individually identifiable health

information. Business associate agreements typically include:

- a description of our permitted uses of individually identifiable health information;

- a covenant not to disclose that information except as permitted under the agreement and to make our subcontractors, if any, subject to the same restrictions;

- assurances that appropriate administrative, physical, and technical safeguards are in place to prevent misuse of that information;

- an obligation to report to our client any use or disclosure of that information other than as provided for in the agreement;

- a prohibition against our use or disclosure of that information if a similar use or disclosure by our client would violate the HIPAA standards;

- the ability of our clients to terminate the underlying support agreement if we breach a material term of the business associate agreement and are unable to cure the breach;

- the requirement to return or destroy all individually identifiable health information at the end of our support agreement; and

- access by the Department of Health and Human Services to our internal practices, books, and records to validate that we are safeguarding individually identifiable health information.

We may not be able to adequately address the business risks created by HIPAA implementation. Furthermore, we are unable to predict what changes to HIPAA or other

laws or regulations might be made in the future or how those changes could affect our business or the costs of compliance. For example, the provisions of the HITECH Act and the regulations issued under it have provided clarification of certain aspects of both the Privacy and Security Rules, expansion of the disclosure requirements for a breach of the Security Rule, and strengthening of the civil and criminal penalties for failure to comply with HIPAA. In addition, ONCHIT is coordinating the ongoing development of standards to enable interoperable health information technology infrastructure nationwide based on the widespread adoption of electronic health records in the health care sector. We are unable to predict what, if any, impact the changes in such standards will have on our compliance costs or our services.

In addition, some payers and clearinghouses with which we conduct business interpret HIPAA transaction requirements differently than we do. Where clearinghouses or payers require conformity with their interpretations as a condition of effecting transactions, and their interpretations are no less stringent than ours, we seek to comply with their interpretations.

The HIPAA transaction standards include proper use of procedure and diagnosis codes. Since these codes are selected or approved by our clients, and since we do not verify their propriety, some of our capability to comply with the transaction standards is dependent on the proper conduct of our clients.

Among our services, we provide telephone reminder services to patients, Internet- and telephone-based access to medical test results, pager and email notification to practices of patient calls, and patient call answering services. We believe that reasonable efforts to prevent disclosure of individually identifiable health information have been and are being taken in connection with these services, including the use of multiple-password security. However, any failure of our clients to provide accurate contact information for their patients or physicians or any breach of our telecommunications systems could result in a disclosure of individually identifiable health information.

In addition to the HIPAA Privacy and Security Rules and the HITECH Act requirements, most states have enacted patient confidentiality laws that protect against the disclosure of confidential medical and other personally identifiable information, and many states have adopted or are considering further legislation in this area, including privacy safeguards, security standards, and data security breach notification requirements. Such state laws, if more stringent than HIPAA and HITECH Act requirements, are not preempted by the federal requirements, and we are required to comply with them.

Failure by us to comply with any of the federal and state standards regarding patient privacy may subject us to penalties, including civil monetary penalties and, in some circumstances, criminal penalties. In addition, such failure may injure our reputation and adversely affect our ability to retain clients and attract new clients.

In addition to false claims and HIPAA requirements, we are subject to a variety of other

regulatory schemes, including:

- *Anti-Kickback and Anti-Bribery Laws*. There are federal and state laws that govern patient referrals, physician financial relationships, and inducements to health care providers and patients. For example, the federal health care programs' anti-kickback law prohibits any person or entity from offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of patients covered by Medicare, Medicaid, and other federal health care programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. Many states also have similar anti-kickback laws that are not necessarily limited to items or services for which payment is made by a federal health care program. Moreover, both federal and state laws forbid bribery and similar behavior. Any determination by a state or federal regulatory agency that any of our activities or those of our clients, vendors, or channel partners violate any of these laws could subject us to civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund a portion of our service fees, disqualify us from providing services to clients doing business with government programs, and have an adverse effect on our business. As the recipients of those orders will in certain instances pay us for the submission of accurate, complete, and readable orders instead of the handwritten and often incomplete orders traditionally submitted, our service could potentially be seen as providing referrals to the order recipients in exchange for payment. Although the Office of Inspector General issued an Advisory Opinion in November 2011 stating that our receipt of payments in such instances would not violate federal anti-kickback laws, we cannot predict whether changes in the law or our

- *Anti-Kickback and Anti-Bribery Laws*. There are federal and state laws that govern patient referrals, physician financial relationships, and inducements to health care providers and patients. For example, the federal health care programs' anti-kickback law prohibits any person or entity from offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of patients covered by Medicare, Medicaid, and other federal health care programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. Many states also have similar anti-kickback laws that are not necessarily limited to items or services for which payment is made by a federal health care program. Moreover, both federal and state laws forbid bribery and similar behavior. Any determination by a state or federal regulatory agency that any of our activities or those of our clients, vendors, or channel partners violate

any of these laws could subject us to civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund a portion of our service fees, disqualify us from providing services to clients doing business with government programs, and have an adverse effect on our business. As the recipients of those orders will in certain instances pay us for the submission of accurate, complete, and readable orders instead of the handwritten and often incomplete orders traditionally submitted, our service could potentially be seen as providing referrals to the order recipients in exchange for payment. Although the Office of Inspector General issued an Advisory Opinion in November 2011 stating that our receipt of payments in such instances would not violate federal anti-kickback laws, we cannot predict whether changes in the law or our

services might lead to a challenge of the legality of those services by government regulators. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.

- *Anti-Referral Laws*. There are federal and state laws that forbid payment for patient referrals, patient brokering, remuneration of patients, or billing based on referrals between individuals or entities that have various financial, ownership, or other business relationships with health care providers. In many cases, billing for care arising from such actions is illegal. These vary widely from state to state, and one of the federal laws—called the Stark Law—is very complex in its application. Any determination by a state or federal regulatory agency that any of our clients violate or have violated any of these laws may result in allegations that claims that we have processed or forwarded are improper. This could subject us to civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.

- *Corporate Practice of Medicine Laws and Fee-Splitting Laws*. Many states have laws forbidding physicians from practicing medicine in partnership with non-physicians, such as business corporations. In some states, including New York, these take the form of laws or regulations forbidding splitting of physician fees with non-physicians or others. In some cases, these laws have been interpreted to prevent business service providers from charging their physician clients on the basis of a percentage of collections or charges. We have varied our charge structure in some states to comply with these laws, which may make our services

less desirable to potential clients. Any determination by a state court or regulatory agency that our service contracts with our clients violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our services fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.

- *Anti-Assignment Laws*. There are federal and state laws that prohibit or limit assignment of claims for reimbursement from government-funded programs. In some cases, these laws have been interpreted in regulations or policy statements to limit the manner in which business service companies may handle checks or other payments for such claims and to limit or prevent such companies from charging their physician clients on the basis of a percentage of collections or charges. Any determination by a state court or regulatory agency that our service contracts with our clients violate these laws could subject us to civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of our service fees, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us.

- *Prescribing Laws*. The use of our software by physicians to perform a variety of functions relating to prescriptions, including electronic prescribing, electronic routing of prescriptions to pharmacies, and dispensing of medication, is governed by state and federal law, including fraud and abuse laws, drug control regulations, and state department of health regulations. States have differing prescription format requirements, and, due in part to recent industry initiatives, federal law and the laws of all 50 states now provide a regulatory framework for the electronic transmission of prescription orders. Regulatory authorities such as the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services may impose functionality standards with regard to electronic prescribing and EHR technologies. Any determination that we or our clients have violated prescribing laws may expose us to liability, loss of reputation, and loss of business. These laws and requirements may also increase the cost and time necessary to market new services and could affect us in other respects not

presently foreseeable.

- *Electronic Health Records Laws*. A number of federal and state laws govern the use and content of electronic health record systems, including fraud and abuse laws that may affect how such technology is provided. As a company that provides EHR functionality, our systems and services must be designed in a manner that facilitates our clients' compliance with these laws. Because this is a topic of increasing state and federal regulation, we expect additional and continuing modification of the current legal and regulatory environment. We cannot predict the content or effect of possible future regulation on our business activities. Department of Health and Human Services (HHS). The 2011/2012 criteria support the Stage 1 meaningful use measures required to qualify eligible providers and hospitals for funding under the HITECH Act. While we believe that our system is well designed in terms of function and interoperability, we cannot be certain that it will meet future requirements.

- *Claims Transmission Laws*. Our services include the manual and electronic transmission of our client's claims for reimbursement from payers. Federal and various state laws provide for civil and criminal penalties for any person who submits, or causes to be submitted, a claim to any payer (including, without limitation, Medicare, Medicaid, and any private health plans and managed care plans) that is false or that overbills or bills for items that have not been provided to the patient. Although we do not determine what is billed to a payer, to the extent that such laws apply to a service that merely transmits claims on behalf of others, we could be subject to the same civil and criminal penalties as our clients.

- *Prompt Pay Laws*. Laws in many states govern prompt payment obligations for health care services. These laws generally define claims payment processes and set specific time frames for submission, payment, and appeal steps. They frequently also define and require clean claims. Failure to meet these requirements and time frames may result in rejection or delay of claims. Failure of our services to comply may adversely affect our business results and give rise to liability claims by clients.

- *Medical Device Laws*. The U.S. Food and Drug Administration (FDA) has promulgated a draft policy for the regulation of computer software products as medical devices under the 1976 Medical Device Amendments to the Federal Food, Drug and Cosmetic Act. In addition, in February 2011 the FDA issued a final rule regarding regulation of Medical Device Data Systems (MDDSs), which are systems that are intended to transfer, store, convert, or display medical device data. While EHRs are expressly exempted from the final rule, it is possible that future changes in our services could involve the transfer, storage, conversion, or display of medical device data. In addition, a report, due by early 2014 from the FDA, ONCHIT, and the Federal Communications Commission, is expected to propose a regulatory framework for health information technology for the purpose of promoting innovation, protecting patient safety, and avoiding regulatory duplication. To the extent that our software is considered a medical device under the policy or an MDDS under the final rule, or is the subject of additional regulation promulgated as a result of the report, we, as a provider of application functionality, could be required, depending on the functionality, to:

  - register and list our products with the FDA;

  - notify the FDA and demonstrate substantial equivalence to other products on the market before marketing our functionality; or

  - obtain FDA approval by demonstrating safety and effectiveness before marketing our functionality.

The FDA can impose extensive requirements governing pre- and post-market conditions, such as service investigation and others relating to approval, labeling, and manufacturing. In addition, the FDA can impose extensive requirements governing development controls and quality assurance processes.

***Potential health care reform and new regulatory requirements placed on our software, services, and content could impose increased costs on us, delay or prevent our introduction of new services types, and impair the function or value of our existing service types.***

Our services may be significantly impacted by health care reform initiatives and will be subject to increasing regulatory requirements, either of which could affect our business in a multitude of ways. If substantive health care reform or applicable regulatory requirements are adopted, we may have to change or adapt our services and software to comply. Reform or changing regulatory requirements may also render our services obsolete or may block us from accomplishing our work or from developing new services. This may in turn impose additional costs upon us to adapt to the new operating environment or to further develop services or software. Such reforms may also make introduction of new service types more costly or more time-consuming than we currently anticipate. Such changes may even prevent introduction by us of new services or make the continuation of our existing services unprofitable or impossible.

***Potential additional regulation of the disclosure of health information outside the United States may adversely affect our operations and may increase our costs.***

Federal or state governmental authorities may impose additional data security standards or additional privacy or other restrictions on the collection, use, transmission, and other disclosures of health information. Legislation has been proposed at various times at both the federal and the state level that would limit, forbid, or regulate the use or transmission of medical information outside of the United States. Such legislation, if adopted, may render our use of our off-shore partners, such as our data-entry and customer service providers, for work related to such data impracticable or substantially more expensive. Alternative processing of such information within the United States may involve substantial delay in implementation and increased cost.

***Due to the particular nature of certain services we provide or the manner in which we provide them, we may be subject to government regulation unrelated to health care.***

While our services are primarily subject to government regulations pertaining to health care, certain aspects of those services may require us to comply with regulatory schemes from other areas. Examples of such regulatory schema include:

*Antitrust Laws*. Our national cloud-based network allows us access to cost and pricing data for a large number of providers in most regional markets, as well as to the contracted rates for third-party payers. To the extent that our services enable providers to compare their cost and pricing data with those of their competitors, those providers could collude to increase the pricing for their services, to reduce the compensation they pay their employees, or to collectively negotiate agreements with third parties. Similarly, if payers are able to compare their contracted rates of payment to providers, those payers may seek to reduce the amounts they might otherwise pay. Such actions may be deemed to be anti-competitive and a violation of federal antitrust laws. To the extent that we are deemed to have enabled such activities, we could be subject to fines and penalties

imposed by the U.S. Department of Justice or the Federal Trade Commission and be required to curtail or terminate the services that permitted such collusion.

*Debt Collection Laws*. As a billing service that offers patient communication and registration services, our employees or those of our service providers may from time to time come into contact with patients who owe our clients outstanding amounts. Communications with patients that relate to amounts owed may be deemed to subject us or our service providers to federal or state debt collection laws and regulations. Such laws and regulations, if deemed to apply to us, could require registration with government agencies and compliance with significant administrative obligations (*e.g.*, to maintain an in-state office with local employees), which could result in increased expenses and subject us to fines and penalties for violation. Following the disclosure in 2012 of the methods used by debt collector Accretive Health to obtain payment of amounts owed by patients to one of its hospital clients, heightened focus on debt collection practices may lead to additional regulation and greater scrutiny of existing debt collection practices.

***Subsidy of services similar to ours may reduce client demand if we do not participate in such programs.***

In the past few years, entities such as the Massachusetts Healthcare Consortium have offered to subsidize adoption by physicians of EHR technology. In addition, federal regulations have been changed to permit such subsidy from additional sources, subject to certain limitations, and the current administration passed the HITECH Act, which provides federal support for EHR initiatives. While we have qualified for and participated in many of such subsidy programs, we cannot guarantee that we will be able to do so in the future. To the extent that we do not participate in such programs, demand for our services may be reduced, which may decrease our revenues.

***The price of our common stock may continue to be volatile.***

The trading price of our common stock has been and is likely to remain highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control or unrelated to our operating performance. In addition to the factors discussed in this “Risk Factors” section and elsewhere, these factors include: the operating performance of similar companies; the overall performance of the equity markets; the announcements by us or our competitors of acquisitions, business plans, or commercial relationships; threatened or actual litigation; changes in laws or regulations relating to the provision of health care or the sale of health insurance; any major change in our board of directors or management; publication of research reports or news stories about us, our competitors, or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts; large volumes of sales of our

shares of common stock by existing stockholders; and general political and economic conditions.

In addition, the stock market in general, and the market for Internet-related companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies securities  This litigation, if instituted against us, could result in very substantial costs; divert our management's attention and resources; and harm our business, operating results, and financial condition.

***Florida law might discourage, delay, or prevent a change of control of our company or changes in our management and, therefore, depresses the trading price of our common stock.***

Florida law may discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which they might otherwise receive a premium for their shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include: limitations on the removal of director; advance notice requirements for stockholder proposals and nominations; inability of stockholders to act by written consent or call special meetings; and the ability of our board of directors to make, alter or repeal our by-laws.

Florida General Corporation Law prohibits a publicly held Florida corporation from engaging in a business combination with an interested stockholder (generally an entity that, together with its affiliates, owns, or within the last three years has owned, 15% or more of our voting stock) for a period of three years after the date of the transaction in which the entity became an interested stockholder, unless the business combination is approved in a prescribed manner.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that stockholders could receive a premium for their common stock in an acquisition.

## Risks Associated with Investing in our Common Stock

***If we obtain additional financing, existing investor interests may be diluted.*** We may need to raise additional funds in the near future to fund our operations, deliver, expand, or enhance our products and services, finance acquisitions and respond to competitive

pressures or perceived opportunities. If we raise additional funds by issuing equity or convertible debt securities, the percentage ownership of our investors will be diluted. Furthermore, we cannot assure you that additional financing will be available when and to the extent we require it or that, if available, it will be on acceptable terms.

***Because we may be subject to the "penny stock" rules, you may have difficulty in selling our common stock.*** Because our stock price is less than $5.00 per share, our stock may be subject to the SEC's penny stock rules, which impose additional sales practice requirements and restrictions on broker-dealers that sell our stock to persons other than established customers and institutional accredited investors. The application of these rules may affect the ability of broker-dealers to sell our common stock and may affect your ability to sell any common stock you may own.

According to the SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Additionally, we may be subject to short selling, manipulation by others, and the regulations of the Pink Sheets OTC markets, all of which may be outside our control.

***As an issuer of "penny stock" the protection provided by the federal securities laws relating to forward looking statements does not apply to us.*** Although the federal securities law provide a safe harbour for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbour is not available to issuers of penny stocks. As a result, if we are a penny stock we will not have the benefit of this safe harbour protection in the event of any based upon an claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading.

***The volatility of and limited trading market in our common stock may make it difficult for you to sell our common stock for a positive return on your investment.*** The public market for our common stock has historically been very volatile. Any future market price for our shares is likely to continue to be very volatile. Further, our common stock is not actively traded, which may amplify the volatility of our stock. These factors may make it more difficult for you to sell shares of common stock.

***The registration and potential sale, either pursuant to a prospectus or pursuant to Rule 144, by certain of our selling stockholders of a significant number of shares could encourage short sales by third parties.*** There may be significant downward pressure on our stock price caused by the sale or potential sale of a significant number of

+shares by certain of our selling stockholders pursuant to this prospectus, which could allow short sellers of our stock an opportunity to take advantage of any decrease in the value of our stock. The presence of short sellers in our common stock may further depress the price of our common stock.

If the selling stockholders sell a significant number of shares of common stock, the market price of our common stock may decline. Furthermore, the sale or potential sale of the offered shares pursuant to a prospectus and the depressive effect of such sales or potential sales could make it difficult for us to raise funds from other sources.

***Our listing in the "Pink Sheets" limits the marketability of our stock.*** We are traded in the Pink Sheets. Companies in this market generally are disadvantaged in attracting investor interest.

***Complete conversion of our convertible securities would result in substantial dilution to the common shareholders.*** We have outstanding issues of convertible notes. The conversion of all or a part of these securities would result in substantial dilution to the common shares. The Issuer intends to convert such notes and issue a large number of new shares which will dilute existing holders.

***Because we do not intend to pay any dividends on our common shares, investors seeking dividend income or liquidity should not purchase our shares.*** We do not currently anticipate declaring and paying dividends to our shareholders in the near future. It is our current intention to apply net earnings, if any, in the foreseeable future to increasing our working capital. Prospective investors seeking or needing dividend income or liquidity should, therefore, not purchase our common stock. We currently have no revenues and a history of losses, so there can be no assurance that we will ever have sufficient earnings to declare and pay dividends to the holders of our shares, and in any event, a decision to declare and pay dividends is at the sole discretion of our board of directors, who currently do not intend to pay any dividends on our common shares for the foreseeable future.

***You may experience dilution if we issue additional securities.*** If we issue additional shares, you may find your holdings diluted, which if it occurs, means that you will own a smaller percentage of our company. Further, any issuance of additional securities to various persons or entities in lieu of cash payments will lead to further dilution. The

Issuer intends to issue such new shares, see “MARKETING.” The Issuer may acquire other companies which would also involve the issuance of new shares.

***Our common stock may be subject to penny stock rules, which may make it more difficult for our stockholders to sell their common stock.*** Broker-dealer practices in connection with transactions in "penny stocks" are regulated by certain penny stock rules adopted by the Securities and Exchange Commission ("SEC"). Penny stocks generally are equity securities with a price of less than $5.00 per share. The penny stock rules require a broker-dealer, prior to a purchase or sale of a penny stock not otherwise exempt from the rules, to deliver to the customer a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules.

We are not required to meet or maintain any listing standards for our common stock to be quoted on the OTC Bulletin Board or in the Pink Sheets, which could affect our stockholders' ability to access trading information about our common stock.

The OTC Bulletin Board and the Pink Sheets are each separate and distinct from the NASDAQ Stock Market and any national stock exchange, such as the New York Stock Exchange or the American Stock Exchange. Although the OTC Bulletin Board is a regulated quotation service operated by the NASD, that displays real-time quotes, last sale prices, and volume information in over-the-counter ("OTC") equity securities like our common stock, and although Pink Sheets' Electronic Quotation Service is an Internet-based, real-time quotation service for OTC equities for market makers and brokers that provides pricing and financial information for the OTC securities markets, we are not required to meet or maintain any qualitative or quantitative standards for our common stock to be quoted on either the OTC Bulletin Board or in the Pink Sheets. Our common stock does not presently meet the minimum listing standards for listing on the NASDAQ Stock Market or any national securities exchange, which could affect our stockholders' ability to access trading information about our common stock. Additionally, we are required to satisfy the reporting requirements under the Securities Exchange.

***As an issuer of "penny stock" the protection provided by the federal securities laws relating to forward looking statements does not apply to us.*** Although the federal securities law provide a safe harbor for forward-looking statements made by a public company that files reports under the federal securities laws, this safe harbor is not available to issuers of penny stocks. As a result, if we are a penny stock we will not have the benefit of this safe harbor protection in the event of any based upon an claim that the material provided by us contained a material misstatement of fact or was misleading in any material respect because of our failure to include any statements necessary to make the statements not misleading.

***The volatility of and limited trading market in our common stock may make it difficult for you to sell our common stock for a positive return on your investment.*** The public market for our common stock has historically been very volatile. Any future market price for our shares is likely to continue to be very volatile. Further, our common stock is not actively traded, which may amplify the volatility of our stock. These factors may make it more difficult for you to sell shares of common stock.

***The registration and potential sale, either pursuant to a prospectus or pursuant to Rule 144, by certain of our stockholders of a significant number of shares could encourage short sales by third parties.*** There may be significant downward pressure on our stock price caused by the sale or potential sale of a significant number of shares by certain of our stockholders, which could allow short sellers of our stock an opportunity to take advantage of any decrease in the value of our stock. The presence of short sellers in our common stock may further depress the price of our common stock.

If the selling stockholders sell a significant number of shares of common stock, the market price of our common stock may decline. Furthermore, the sale or potential sale of our shares and the depressive effect of such sales or potential sales could make it difficult for us to raise funds from other sources.

## Statements Regarding Forward-looking Statements

This Disclosure Statement contains various "forward-looking statements." You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "would," "could," "should," "seeks,"

"approximately," "intends," "plans," "projects," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements may be impacted by a number of risks and uncertainties.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our Securities. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled "Risk Factors."

## Part D Management Structure and Financial Information

### Item 11 Officers and Directors

### Chandana Basu

Ms. Basu has been Chief Executive Officer, President and Chairwomen of he Company since 2004. Medical Billing Service was founded by Ms. Basu in 1991 and she has grown the company into multimillion dollars business within seven years from inception.

### Arjinderpal Singh Sekhon, MD

Dr. Sekhon is a director of the Company. Dr. Sekhom specializes in pulmonary medicine and pain management. Dr. Sekhon was a candidate for U.S. Congress in 2008 and won the primary election. Dr. Sekhon is a humanitarian. He served in U.S. Army Reserve for over 20 years. Dr. Sekhon is currently off duties due to illness.

### Daljit Kaur, DDS

Dr. Kaur is a Director of the Company. See is a well-known dentist. Dr. Kaur has been a Board member since 11/2009. Her business name is Creative Dental.

None of our officers or directors in the last five years has been the subject of any

conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses), the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities; a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

There are no family relationships among and between our directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

**Related Party Transactions**

During the last two full fiscal years and the current fiscal year or any currently proposed

transaction, thee is no transaction involving the issuer, in which the amount involved exceeds the lesser of $120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years, except compensation awarded to Chandana Basu and the following:

On June 20, 2014, the Company assigned its interest in the Hirose lawsuit to Healthcare Practice Partners, LLC, an entity controlled by Chandana Basu, in exchange for one billion shares of the Company's common stock and 50% of all collected funds. The assignment was made because the Company did not have the resources to pursue the litigation, because of the risk of the litigation. The assignment was approved by all of the Company's disinterested directors.

**Disclosure of Conflicts of Interest**

There are no conflicts of interest between the Company and any of its officers or directors.

**Employment Agreements**

Ms. Chandana Basu has entered into an employment agreement with the Company in 2004 on a term until she retires or asign her duties to a qualified third party. Pursuant to

this employment agreement, she has agreed to devote a substantial portion of her business and professional time and efforts to our business as our President. The employment agreement provides that employee shall receive a salary of $5,000 and monthly minimum guaranteed bonus of $45,000 per month. The employment agreements also contain covenants including prohibiting her from disclosure of confidential information regarding the Company at any time.

Due to lack of adequate financial resources, Ms. Basu is currently working as consultant, she is drawing about $ 5,000 to $10,000 as draw whenever funds are available but unpaid amount is being accrued. During the third quarter of 2013, Ms. Basu accepted Class B Preferred Stocks at 50% value for six years of unpaid compensation and all other amounts or shares due. Shares were not issued during 2013 but were issued in 2014,

The Company's directors are elected by shareholders at each annual meeting or, in the event of a vacancy, appointed by the Board of Directors then in office to serve until the next annual meeting or until their successors are duly elected and qualified. All other Company's executive officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors.

**Legal/Disciplinary History**

1. None of PPJ Healthcare Enterprises, Inc.'s Officers or Directors have been the subject of any criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

2. None of PPJ Healthcare Enterprises, Inc.'s Officers or Directors have been the subject of any entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

3. None of PPJ Healthcare Enterprises, Inc.'s Officers or Directors have been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

4. None of PPJ Healthcare Enterprises, Inc.'s Officers or Directors has been the subject of any entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any

type of business or securities activities.

**Item 12 Financial Information for the Issuer's Most Recent Fiscal Period**

Financial Information of the Issuer is posted through the OTC Disclosure and News Service and is hereby attached and includes a Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Changes in Stockholder's Equity and Notes to Financial Statements. These financial statements for period ended September 30, 2014 are hereby incorporated by reference.

**Item 13 Similar Financial Information for such Part of the Two Preceding Fiscal Years as the Issuer or its Predecessor has been in Existence.**

Financial Information of the Issuer for the periods ended September 30, 2014, and December 31, 2013 have been posted through the OTC Disclosure and News Service and are hereby incorporated by reference. These financial statements include balance sheets, statements of income, statements of cash flows, a statement of changes in stockholders' equity, and financial statement notes.

**Item 14 Beneficial Owners of more than 5% of any class**

The following table gives information on ownership of our securities as of December 31, 2013. The following lists ownership of our Common Stock and Preferred Stock by each person known by us to be the beneficial owner of over 5% of the outstanding Common and Preferred Stock, and by our officers and directors:

Common Stock as of December 12, 2014.

| Name | Address | Shareholdings | Percentage of Class Outstanding |
|---|---|---|---|
| Chandana Basu | 401 E. Jackson Street, Suite 2340, Tampa, Florida 33602 | Common Stock | |

| | | | |
|---|---|---|---|
| Chandana Basu | 401 E. Jackson Street, Suite 2340, Tampa, Florida 33602 | Class B Preferred | |
| | | | |
| | | | |
| | | | |

**Item 15 Outside Advisors**

1. Investment Banker

None

2. Promoters

None, other than the officers and directors.

3. Legal Counsel

Corporate Counsel

Michael J. Hemming, Esq
333 West Mission Avenue
Pomona CA 91763
Telephone: (909)-469-8067
email: michaeljhemming@gmail.com

Securities Law
John E. Lux, Esq.
1629 K Street, Suite 300
Washington, DC 20006
Telephone: (240) 200-4529 = (240) 200-4LAW
Email: john.lux@securities-law.info
Website www.securities-law.info

Mathew McMurdo, ESQ
28 West 44th Street
16th Floor
New York, New York 10036
(w) 917-318-2865
(f) 866-606-8914
Email: matt@nannaronelaw.com

Mr. McMurdo was appointed to work with FINRA to confirm the recent corporate actions and DTC eligibility.

4. Accountant

The Issuer has not engaged an independent accountant at this time.

5. Public Relations Consultant – None

6. Investor Relations Consultant – None. Only occasional IR/PR is being done. The Company is working on to set up in house IR/PR.

**Item 16 Management's Discussion and Analysis or Plan of Operations**

**A. Plan of Operation**

1. The Issuer's plan of operation for the next twelve months.

See "Business."

There is no assurance that these efforts will be successful.

## Update on 2014 Medical billing contracts, lab culture business and other strategic relationships:

**1.** The status of the billing contract dated May 14, 2004:

We started this contract in May and it's a Pain Management practice billing and collection contract in Texas. The doctor who signed the contract hasn't been receiving proper payments throughout his practice years. We billed 4-6 months of his services until June of 2014, the majority of the billing was dated prior to the contract date and also some billings dates during May and June of 2014. We've billed all procedures and provided clients with reports. Initially, it takes about 2-3 months before money is

actually collected. We haven't been able to do consistent follow-up due to the trial, which was originally scheduled July 7, 2014. Trial started on August 12 and the Company wasn't able to effectively follow-up the accounts in order to get paid due to the need of staff support in the courtroom for redaction of patients' name, address SSN# etc from evidences which was approximately 30,000 pieces of documents. Most of our staff was stuck in the courtroom the entire time. By the end of the trial, we received complaints from doctors that collections were not coming in rapidly enough. During the month of October, we worked hard on these accounts and started getting larger amounts of checks. Unfortunately we haven't received any billings from these accounts since June, 2014 and we're working on reactivating collection.

As of this day doctor agreed to work with PPJ, assignment would be granted by the Texas doctor, the Company will receive new billing upon completion of current collection.

2. Client in Mississippi contract signed July 23, 2014

We received the contract right when the trial was about to start and we were not able to start setting-up this client right away. I have discussed with the client and informed them that we would start in 2-3 weeks due to the upcoming court case. Client was understanding and agreed on the short delay. In reality, it took 8 weeks for court process to end. As of this date I have received confirmation that this Client will assign the agreement to PPJ. The Company will receive all billing, collection accounts starting January 2015. They are recommending one new billing account also. We are working to close that account.

3. The Louisiana Client contract signed July 24, 2014

We received this contract right when the trial was about to start and we were not able to start setting-up this client right away. Discussed with the client regarding a short delay prior to get started but delay due to trial was too long.

4. Regarding contract with IHMMCC

They have tried to hook us up with other organizations with trade shows and directed us on how to do things to enhance and increase business under this contract but we just didn't have enough the time and manpower to follow through their directions during the past months. The Company has heard from HEMP last week that they have assigned a free booth in next conference and the Company will attend.

5. Blood Testing Business

We have developed a relationship a with local physician to be the medical director of this business but again due to lack of time and manpower during the past two quarters the Company was unable to progress in this business due to long jury trial hearing. Currently, we're doing our due diligence to get established.

**B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

1. Full fiscal years. Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;

The Issuer has to raise capital to continue its development. There is no assurance that it will be able to do so. If funding is secured, the Company intends to take very aggressive attempts to affect all its business plans such as (1) Company believes that this software will be accepted as blessings by the healthcare providers and dental will follow; (2) start blood cultures labs for bacteria and Candida species nationwide; (3) start medicinal marijuana potency test centers wherever legally permitted; (4) start pain management surgical suites in partnerships with pain specialists all over the country. The amount of financing sought is from $2.5 to $10 million.

ii. Internal and external sources of liquidity;

The Issuer has no material internal sources of liquidity. The Issuer may issue debt and equity securities to obtain liquidity but there is no assurance that such securities can be sold. The issuer is currently dependent upon its majority shareholder for support.

iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;

The Issuer has no material commitments for capital expenditures and no expected sources of funds for such expenditures, but is exploring financing alternatives.

iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;

Other than mentioned in this report, there are no known trends that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. There is uncertainty about the Issuer’s ability to realize income from its business.

v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;

There no known elements of income or loss that do not arise from the Issuer's continuing operations other than as disclosed herein.

vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and

The causes for any material changes from period to period in one or more line items of the issuer's financial statements are as follows:

As mentioned above, changes in the medical billing industry may affect the financial condition value of the Issuer.

vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

There are no known seasonal aspects that have had a material effect on the financial condition or results of operation of the Issuer.

2. Interim Periods. Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

Compared to 2013 3rd quarter gross revenue of $162,091 (posted on otcmarkets.com on 11/26/2013 with a net gain of $2,576, September 30, 2014 gross revenue was $ 19,279 (accrual) net loss was $198,851. Net loss was higher 3rd quarter of 2014 due to staff time occupied in lawsuit work instead of billing and collection work and higher expenses for the trial related expenses such as court reporter’s and jury fees,

transportation, cost of meals and parking for six week of trial.

The Issuer expects that the material changes in financial condition and the results of operation since the end of the last fiscal year and for the comparable interim period in the preceding year are that the Issuer is attempting to develop its business and bring its litigation to a successful conclusion. There is no assurance that the Issuer will be able to+ obtain financing, or if such financing is obtained, that it will be on favorable terms. See also “Risk Factors” for a more specific discussion of the issues faced by the Issuer.

**C. Off-Balance Sheet Arrangements.**

The Issuer has no off-balance sheet arrangements.

**Part E Issuance History**

**Item 17 List of Securities Offerings and Shares issued for services in the past two years.**

List of the securities offerings and shares issued for services in the past two years, financial information for the issuer's most recent. fiscal period and for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The Issuer has issued the following shares or securities or options to acquire such securities for Services in the past two fiscal years and any interim periods. Unless otherwise specified, all issuances were pursuant to Section 4(2) of the Securities Act of 1933.

The amount of shares listed are adjusted to reflect the recent one for 100 reverse split.

The Company issued “Restricted” incentive shares to long term loyal shareholders. Total number of shares issued is 1,026,803(pre Reverse Split). Share Certificates are costing the Company $45 to $55 including mail cost. The Company is issuing incentive shares slowly due to issuance cost. The Company will issue incentive shares immediately to long term shareholders who is willing to pay this cost and upon receipt of complete information.

**Part F Exhibits**

**Item 18 Material Contracts**

The following documents have been posted via the OTC Disclosure and News Service as material contracts: None posted.

Item 19 Articles of Incorporation and Bylaws. Attached

Item 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers. In future for Reductions of No of Shares in markets. No affiliate plan of purchase share.

Item 21 Issuer's Certifications

The Issuer shall include certifications by the chief executive officer and chief financial officer of the Issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Chandana Basu, CEO/ President of PPJ Healthcare Enterprises, Inc. , certify that:

1. I have reviewed this quarterly disclosure statement of PPJ Healthcare Enterprises, Inc. ;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in this disclosure statement.

Date: 12/22/2014

___/S/ Chandana Basu_____
[Signature]

CEO/President