NET MEDICAL XPRESS SOLUTIONS, INC.

Quarterly Information and Disclosure Statement
For the Second Quarter and Six Months Ended June 30, 2018
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1) Name of the issuer and its predecessors

Radditz Exploration, Inc., a Delaware corporation, from inception to 1999.

NMXS.com, Inc. from 1999 to 2006.

New Mexico Software, Inc., a Nevada corporation, from 2006 to 2013.

Net Medical Xpress Solutions, Inc. from 2013 to present.

2) Address of the issuer's principal executive offices

The Company's headquarters is located at 5021 Indian School Road, Suite 100, Albuquerque, New Mexico 87110.

Our web site is www.nmxs.com.

3) Security Information

Our trading symbol is NMXS.

The title of our security traded under this symbol is common stock.

The CUSIP number is 64111U204.

The par value is $0.001 per share.

We are authorized to issue is 200,000,000 shares of common stock.

The number of shares of our common stock outstanding on June 30, 2018 was 19,438,084 shares.

We are authorized to issue 500,000 shares of Preferred Stock.

No shares of our preferred stock was outstanding on June 30, 2018.

Ours transfer agent is:

Empire Stock Transfer, Inc.
1859 Whitney Mesa Dr.
Henderson, NV 89014

Telephone: 702-818-5898

Facsimile: 702-974-1444

The Transfer Agent is registered under the Exchange Act

There are no restrictions on the transfer of our common stock, except as Rule 144 applies to restricted stock. We are a previous shell company and Rule 144 is not available to holders of our restricted stock.

No trading suspension orders have been issued by the SEC in the past 12 months against our common stock.

We have not had any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months.

4) Issuance History

During the two fiscal years ended December 31, 2017, we have issued the following shares of common stock:

Issue Date	Share Number	Purpose of Issue
1-24-17	35,270	Gregory Rivera – Legal Fee

During the second quarter and six months ended June 30, 2018, we have issued no shares of common stock.

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5) Financial Statements

Net Medical Xpress Solutions, Inc.

For the Second Quarter and Six Months Ended June 30, 2018

The financial statements provided are for the second quarter and six months ended June 30, 2018. The financial statements for the second quarter and six months ended June 30, 2018 has not been audited. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Medical Xpress Solutions Inc.
Consolidated Balance Sheet
June 30, 2018 (unaudited)

Assets		30-Jun-18
Current Assets:		
	Cash and equivalents	277,000
	Account Receivable, net of allowawnce of $24,000	249,000
	Inventory	11,000
	Prepaid expenses and other assets	106,000
	Total current assets	643,000
Furniture, equipment and improvements, net of accumulated depreciation of $713,000		10,000
Security Deposit		4,000
Goodwill		159,000
Total Assets		816,000
Liabilities & Stockholders' Equity		
Current liabilities:		
	Accounts payable	223,000
	Accrued expenses	30,000
	Insurance payable	86,000
	Deferred revenue	-
	Capital lease	5,000
	Note payable - related party	63,000
	Total current liabilities	407,000
Stockholders' equity:		
	Preferred stock, $.001 par value, 500,000 shares authorized, 0 shares issued and outstanding	-
	Common stock, $.001 par value, 200,000,000 shares authorized, 19,438,084 shares issued and outstanding at 03/31/18	20,000
	Paid-in capital	16,302,000
	Subscriptions payable	21,000
	Accumulated deficit	(15,934,000)
	Total stockholder's equity	409,000
Total Liabilities and Stockholders' Equity		816,000

The notes are an integral part of these financial statements.

Net Medical Xpress Solutions, Inc.		
Consolidated Statements of Operations		
For the Second Quarter and Six Months ended June 30, 2018 (unaudited)		
	April - June 2018	Jan - June 2018
Revenues		
Physician Services	$ 546,000	$ 1,040,000
Gross Revenues	546,000	1,040,000
Direct Costs	380,000	781,000
Gross profit	166,000	259,000
Operating costs and expenses:		
General and administrative	151,000	305,000
Depreciation and amortization	-	1,000
Research and development	-	9,000
Bad debt	-	-
Total operating costs and expenses	151,000	315,000
Net operating income (loss)	15,000	(56,000)
Other expense:		
Interest expense	4,000	5,000
Total other expense	4,000	5,000
Net income (loss)	$ 11,000	$ (61,000)

The notes are an integral part of these financial statements.

Net Medical Xpress Solutions, Inc. Consolidated Statements of Cash Flows For the Second Quarter and Six Months ended June 30, 2018 (unaudited)		
	April - June 2018	Jan - June 2018
Cash flows from operating activities		
Net income (loss)	$ 11,000	$ (61,000)
Adjustments to reconcile net income(loss) to		
net cash used by operating activities:		
Depreciation and amortization	1,000	3,000
Changes in operating assets and liabilities:		
Accounts receivable	(82,000)	72,000
Inventory	3,000	8,000
Prepaid expenses and other assets	(59,000)	(53,000)
Accounts payable	2,000	(1,000)
Accrued expenses	7,000	(8,000)
Deferred revenue	-	-
Net cash provided (used) by operating activities	(117,000)	(40,000)
Cash flows from investing activities		
Acquisition of fixed assets	-	-
Net cash provided (used) by operating activities	-	-
Cash flows from financing activities		
Net repayment of principal under capital lease	(1,000)	(1,000)
Proceeds from capital lease		-
Proceeds from notes payable - related party	2,000	1,000
Net proceeds from insurance financing	89,000	112,000
Net payments to insurance financing	(24,000)	(46,000)
Net cash provided by financing activities	66,000	66,000
Net increase in cash equivalents	(51,000)	26,000
Cash equivalents - beginning	328,000	251,000
Cash equivalents - ending	$ 277,000	$ 277,000
Supplemental disclosures:		
Interest paid	$ 3,000	$ 1,000
Tax Paid	$ -	$ -
Insurance contracts financed	$ 89,000	$ 112,000
The notes are an integral part of these financial statements.		

Net Medical Xpress Solutions, Inc.
Consolidated Statement of Stockholders' Equity
For the Six Months ended June 30, 2018 (unaudited)

	Common Stock		Additional Paid-in	Subscriptions	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Payable	(Deficit) Earnings	Equity
Balance, December 31, 2016	19,850,591	19,000	16,299,000	21,000	(15,986,000)	353,000
Compensation earned by officers	-	-	-	-	17,000	17,000
Compensation earned by board members	-	-	-	-		-
Compensation earned by contractors	-	-	-	-	-	-
Shares repurchased						
Shares issued	35,270	1,000	3,000	-	1,000	5,000
						-
Net income						
For the year ended December 31, 2017	-	-	-	-	95,000	95,000
Balance, December 31, 2017	19,885,861	20,000	16,302,000	21,000	(15,873,000)	470,000
Compensation earned by officers	-	-	-	-		-
Compensation earned by board members	-	-	-	-		-
Compensation earned by contractors	-	-	-	-	-	-
Shares repurchased						
Shares issued				-		-
						-
Net income						
For the 3 months ended March 31, 2018	-	-	-	-	(61,000)	(61,000)
Balance, June 30, 2018	19,885,861	20,000	16,302,000	21,000	(15,934,000)	409,000

The notes are an integral part of these financial statements.

NOTE A - BASIS OF PRESENTATION

The condensed consolidated financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:
The accompanying condensed consolidated financial statements include the accounts Net Medical Xpress Solutions, Inc. and its wholly-owned subsidiary, Telerad Service, Inc. Intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:
The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2018, the Company did not have cash and equivalents that exceeded federally insured limits.

Trade Accounts Receivable:
The Company extends unsecured credit to customers under normal trade agreements which generally require payment within 30 - 45 days. Accounts not paid within 15 days after their original due date are considered delinquent. Unless specified by the customer, payments are applied to the oldest unpaid invoice. Accounts receivable are presented at the amount billed.

The Company also estimates an allowance for doubtful accounts, which amounted to $24,000 at June 30, 2018. The estimate is based upon management's review of all accounts and an assessment of the Company's historical evidence of collections. Specific accounts are charged directly to the reserve when management obtains evidence of a customer's insolvency. Charge-offs, net of recoveries, for the second quarter and six months ended June 30, 2018 totaled $0 and $0, respectively.

Inventory:
Inventory, which is composed of component parts and finished goods, is valued at cost on a specific identity basis for those items with serial numbers. The remainder of the inventory is valued at the lower of first-in-first-out (FIFO) cost or market. On a quarterly basis, management compares the inventory on hand with the Company's records to determine whether write-downs for excess or obsolete inventory are required. Write-downs of $0 and $0 for obsolete inventory are included in expenses for the second quarter and six months ended June 30, 2018, respectively.

Property and Equipment:
Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation is computed on the straight-line and accelerated methods for financial reporting and income tax reporting purposes based upon the following estimated useful lives:

Software development	3 years
Equipment	5 years
Computer hardware	5 years
Office furniture	7 years

Long-Lived Assets:
The Company accounts for its long-lived assets in accordance with Accounting Standards Codification ("ASC") Topic 360-10-05, "Accounting for the Impairment or Disposal of Long-Lived Assets." ASC Topic 360-10-05 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value. The Company determined that none of its long-term assets at June 30, 2018 were impaired.

Goodwill:

The Company accounts for its goodwill in accordance with Accounting Standards Codification ("ASC") Topic 350-20. Goodwill is the excess of the purchase price paid over the fair value of the net assets of an acquired business. Goodwill is tested annually at December 31 for impairment. The annual qualitative or quantitative assessments involve determining an estimate of the fair value of reporting units in order to evaluate whether an impairment of the current carrying amount of goodwill exists. A qualitative assessment evaluates whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step quantitative goodwill impairment test. The first step of a quantitative goodwill impairment test compares the fair value of the reporting unit to its carrying amount including goodwill. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss may be recognized. The amount of impairment loss is determined by comparing the implied fair value of reporting unit goodwill with the carrying amount. If the carrying amount exceeds the implied fair value then an impairment loss is recognized equal to that excess.

The Company tests its goodwill and other indefinite-lived intangible assets for impairment annually, or, under certain circumstances, more frequently, such as when events or circumstances indicate there may be impairment. The Company is required to write down the value of goodwill only when its testing determines the recorded amount of goodwill exceeds the fair value. As of June 30, 2018, there was no additional impairment of goodwill.

Stock-Based Compensation:
The Company accounts for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

The Company calculates the fair value of option grants and warrant issuances utilizing the Black Scholes pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant. The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized on a straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

During the second quarter and six ended June 30, 2018, the Company recognized no stock-based compensation from issuance of shares of its common stock to officers, directors, and consultants.

Income Taxes:
The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

Earnings (Loss) per Share:
The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Revenue Recognition:
The Company recognizes revenue in accordance with Statement of Position ASC Topic 985 *Software Revenue Recognition* as amended.

Revenue from proprietary software sales that does not require further commitment from the Company is recognized upon persuasive evidence of an arrangement as provided by agreements executed by both parties, delivery of the software, and determination that collection of a fixed or determinable fee is probable. These sales are generally direct purchases of a software product and there is no other involvement by the Company.

The Company offers with certain sales of its software products, software maintenance, upgrade and support arrangements. These contracts may be elements in a multiple-element arrangement or may be sold in a stand-alone basis. Revenues from maintenance and support services are recognized ratably on a straight-line basis over the term that the maintenance service is provided.

Should the sale of software involve an arrangement with multiple elements (for example, the sale of a software license along with the sale of maintenance and support to be delivered over the contract period), the Company allocates revenue to each component of the arrangement using the residual value method based on the fair value of the undelivered elements. The Company defers revenue from the arrangement equivalent to the fair value of the undelivered elements and recognizes the remaining amount at the time of the delivery of the product or when all other revenue recognition criteria have been met. Fair values for the ongoing maintenance and support obligations are based upon separate sales of renewals of maintenance contracts. Fair value of services, such as training or consulting, is based upon separate sales of these services to other customers.

The Company follows the guidance in FASB ASC Topic 605, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts* for custom software development arrangements that require significant production, customization or modification to its core software. Revenue is generally recognized for such arrangements under the percentage-of-completion method. Under percentage-of-completion accounting, both the product license and custom software development revenue are recognized as work progresses based on specific milestones in accordance with FASB ASC Topic 450. The Company believes that project milestones based on completion of specific tasks provide the best approximation of progress toward the completion of the contract. At June 30, 2018, there were no custom software development arrangements in progress.

The Company also occasionally derives revenue from the sale of third party hardware, which is billed as a separate deliverable under consulting or custom development contracts.

Revenue from diagnostic services, clinical consulting services, telemedicine recruiting services, software installation, and any training or miscellaneous consulting services is recognized when the services are rendered. These revenues include services that are separate from the functionality of the software. License revenue is recognized ratably over the term of the license.

Amounts collected prior to satisfying the above revenue recognition criteria are included in deferred revenue.

The application of ASC 605, as amended, requires judgment, including a determination that collectability is probable and the fee is fixed and determinable.

During the second quarter and six months ended June 30, 2018, the company did not follow guidance provided by SEC Staff Accounting Bulletin (SAB) No. 101, *Revenue Recognition in Financial Statements* and SAB No. 104, *Revenue Recognition*, which provide guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC.

Due to uncertainties inherent in the estimation process it is at least reasonably possible that completion costs for contracts in progress will be further revised in the near-term.

The cost of services, consisting of staff payroll, outside services, equipment rental, communication costs and supplies, is expensed as incurred.

Research and Development Expenses:
Costs of research and development activities are expensed as incurred.

Advertising Expenses:
The Company expenses advertising costs which consist primarily of direct mailings, promotional items and print media, as incurred. Advertising expenses amounted to $0 and $0 for the second quarter and six months ended June 30, 2018, respectively.

Fair Value of Financial Instruments:
The Company adopted the Financial Accounting Standards Board ("FASB") standard related to fair value measurement at inception. The standard defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The recorded values of long-term debt approximate their fair values, as interest approximates market rates. As a basis for considering such assumptions, the standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses, deposits, other assets, accounts payable, accrued expenses, deferred revenue, capital leases and notes payable. The recorded values of cash, accounts receivable, prepaid expenses, and accounts payable approximate fair values due to the short maturities of such instruments. Recorded values for notes payable and related liabilities approximate fair values, since their stated or imputed interest rates are commensurate with prevailing market rates for similar obligations.

Recent Pronouncements:
The Company's management has reviewed recent accounting pronouncements issued through the date of the issuance of these financial statements. In management's opinion, no pronouncements apply or will have a material effect on the Company's condensed consolidated financial statements.

NOTE C - FURNITURE, EQUIPMENT, AND IMPROVEMENTS

Furniture, equipment, and improvements as of June 30, 2018 consisted of the following:

	June 30, 2018
Computers	$ 532,000
Furniture, fixtures and equipment	130,000
Automobiles	41,000
Leasehold improvements	20,000
	723,000
Accumulated depreciation	(713,000)
	$ 10,000

Depreciation expense for the second quarter and six months ended June 30, 2018 was $2,000 and $1,000, respectively. In addition, the Company had $1,000 and $1,000 of depreciation expense that was allocated to direct costs for the second quarter and six months ended June 30, 2018, respectively.

NOTE D - LINE OF CREDIT

In September 2015, the Company entered into an agreement with a bank for a line of credit of $100,000. The agreement was renewed in December 2017. There were no borrowings against the line at June 30, 2018. The line bears interest at 6.0%. This line of credit line has a maturity date of December 27, 2018. This line of credit is secured by 1,451,114 shares of the Company's stock owned by a director of the Company.

NOTE E - NOTES PAYABLE

Notes Payable - Related Party:
On March 1, 2011, the Company received a $2,000 loan from a director of the Company. This loan is non-interest bearing and is due on demand. On May 1, 2012, the Company received a $25,000 loan from a director of the Company. The loan bears interest at 7% per annum with principal and interest payable on or before April 30, 2015. On September 1, 2012, the Company received an $18,000 loan from a director of the Company. The loan bears interest at 7% per annum with principal and interest payable on or before August 31, 2016. The loans were subsequently extended for an additional year on August 31, 2017. At June 30, 2018, there is approximately $19,000, in accrued interest included in notes payable - related party related to these notes.

Notes Payable:

During April 2017, the Company financed an insurance premium in the amount of $119,000, a down payment of $21,000 was on this note payable. The note bears an interest rate of 6.80%, is payable in monthly principal and interest payments of $10,000 with a maturity date in February 2018. As of March 31, 2018 the note was paid in full. Total interest expense for the first quarter ended March 31, 2018 related to note payable for this insurance premium was approximately $1,000.

During February 2018, the Company financed an insurance premium in the amount of $31,000, a down payment of $8,000 was made on this note payable. The note bears an interest rate of 9.75%, is payable in monthly principal and interest payments of $2,000 with a maturity date in December 2018. As of June 30, 2018, this note had a balance of $14,000. Total interest expense for the second quarter and six months ended June 30, 2018 related to note payable for this insurance premium was approximately $0 and $500, respectively.

During May 2018, the Company financed an insurance premium in the amount of $108,000, a down payment of $19,000 was made on this note payable. The note bears an interest rate of 7.20%, is payable in monthly principal and interest payments of $9,000 with a maturity date in March 2019. As of June 30, 2018, this note totaled $71,000. Total interest expense for the second quarter ended June 30, 2018 related to note payable for this insurance premium was approximately $1,000.

NOTE F - GOODWILL

In accordance with FASB ASC 350, "Intangibles - Goodwill and Other," the Company performs goodwill impairment testing at least annually, unless indicators of impairment exist in interim periods. The impairment test for goodwill uses a two-step approach. Step one compares the estimated fair value of a reporting unit with goodwill to its carrying value. If the carrying value exceeds the estimated fair value, step two must be performed. Step two compares the carrying value of the reporting unit to the fair value of all of the assets and liabilities of the reporting unit (including any unrecognized intangibles) as if the reporting unit was acquired in a business combination. If the carrying amount of a reporting unit's goodwill exceeds the implied fair value of its goodwill, an impairment loss is recognized in an amount equal to the excess. Based on the estimated fair value of its goodwill at June 30, 2018, the Company determined that there was impairment of goodwill and recognized $0 in goodwill impairment.

NOTE G - CAPITAL TRANSACTIONS

Common stock:
During the three months ended June 30, 2018, the Company effected the following stock transactions:

No stock transactions during the three months ended June 30, 2018.

There are no stock options outstanding as of June 30, 2018.

NOTE H - MAJOR CUSTOMERS

During the three months ended June 30, 2018, one customer accounted for 63% or approximately $344,000 of the Company's revenue. During the six months ending June 30, 2018, one customer accounted for 55% or approximately $570,000 of the Company's revenue.

As of June 30, 2018, balances due from one customer comprised 51% or approximately $138,000 of total accounts receivable.

NOTE I - COMMITMENTS AND CONTINGENCIES

Leases:

The Company leases office space in New Mexico expiring on January 31, 2020. Future minimum lease payments as of December 31, 2017, are as follows:

Year	Amount
2018	$90,000
2019	$92,000
2020	$8,000

Rent expense for the second quarter and six months ended June 30, 2018 amounted to $23,000 and $46,000, respectively.

Employment Agreement (Related Party):

During the first quarter of 2017, the Company entered into a new employment agreement with Mr. Govatski whereby agreeing to annual compensation of $39,000 for a term of one year commencing on January 1, 2017. The agreement will automatically renew for one additional term unless terminated by either party. The non-compete agreement has remained intact and becomes effective only in the event of termination by either party and will remain in effect for a period of one year. The agreement was automatically renewed at January 1, 2018.

6) Description of Issuer’s Business, Products and Services

We provide wide-ranging and unique solutions for the rapidly expanding multi-billion-dollar telemedicine industry. We recruit and maintain an extensive cadre of telemedicine physicians that we provide to the industry, together with highly proprietary software that links electronic medical records while facilitating state-of-the-art conferencing and communications. We also offer a call center, unique hardware implementations, staffing and recruiting operations, diagnostic and clinical services, and advanced software research and development capabilities. All of these product and service offerings are in support of, and integrated with, our physician services revenues.

A. Our date and state of incorporation is January 1, 2006 in Nevada. From inception through December 31, 2005, that we were incorporated in Delaware

B. Our primary SIC Code is 7372

C. Our fiscal year ends December 31.

D. Our principal products or services and their markets are:

Software

One of our most valuable assets is the investment made over many years in proprietary software. In addition to our core system that we use to build a customized telemedicine management system for clients, we offer the following applications that simplify the administrative aspects of patient care so that our physicians can spend more time on actual patient care:

- Our Telemedicine Building Blocks is now available for existing customers, and as an online service for doctors' offices, hospitals and clinics to take advantage of telemedicine services. It includes our Telemed video conferencing capability, digital paper, prescription services and Quest lab ordering and is integrated into a very simple one login, one button technology.
- Digital Paper can take any paper form and turn it into an easy online fill-out list, then turn it into an actual PDF as required by insurance companies and hospitals.
- Single Pane of Glass Software allows a provider to be connected into a video conference with a patient while simultaneously displaying up to five additional applications running on the same screen.
- Electronic Medical Records (EMR) provides the ability to connect with 43 different hospital EMR systems.

Hardware

Although we do not simply resell hardware as a wholesaler, we have engineered and developed several exclusive and proprietary hardware products that we offer to our customers:

- Telemed Video Conferencing is our advanced televideo conferencing system. A Dell OptiPlex all-in-one touch screen computer is the user interface. It is equipped with a specific integrated circuit that comes with our own operating system, networking interface and Wi-Fi connectivity.
- We have developed a proprietary medical cart that is exclusive to us, that includes the Dell OptiPlex described above, along with our proprietary software and a state-of-the-art camera.
- Several Net Medical USB digital diagnosing tools can be plugged into the OptiPlex, including a USB stethoscope, USB dermascope, USB digital microscope and otoscope.

Physicians

Our group of physicians is also one of our greatest assets. We currently have 32 physicians on staff, plus approximately 200 that have been credentialed and are ready to contract with us to provide services. We provide physicians that can perform a variety of physician services:

- Video clinical services such as neurology and stroke assessment, behavioral assessment, and critical care.
- Diagnostic services, including radiology and cardiology.
- Video primary care services.

Management and administrative services

We provide a variety of additional services that are essential to a complete telemedicine program:

- Credentialing services (verifying the qualifications of healthcare providers) are required for hospitals to grant privileges to the providers so that the providers can deliver the necessary care to patients.
- Our call center is operated 24 hours per day, seven days per week and 365 days per year.

- Recruiting and staffing services locate telemedicine physicians for our customers who use our services, as well as for customers who wish to contract directly with a physician.
- We provide professional liability insurance for all physicians contracted with us.

7) Describe the Issuer's Facilities

We currently lease a 5,000 square foot facility in Albuquerque, New Mexico, at a cost of approximately $7,500 per month. The lease expires on January 31, 2020. The facility houses our administrative, marketing and engineering offices, and provides adequate room for expansion.

8) Officers, Directors, and Control Persons

A. We have the following directors and officers:

Richard F. Govatski, Chairman, President and Chief Executive Officer
Rafael Rubio, Director
John E. Handley, Director
Frank A. Reidy, Director
Yadira Ortiz, Secretary

RICHARD GOVATSKI has been our chairman, CEO, and President since 1996. Mr. Govatski founded Net Medical Xpress Solutions in 1996 after he identified market inefficiencies in how intellectual property owners managed their image assets. Prior to Net Medical Xpress Solutions, Mr. Govatski spent 18 years in systems integration and publishing, both in sales management and software development. Mr. Govatski led the sales teams for Popular Electronics, Computer Shopper, Shutterbug, and MacWeek. Later he sold numerous solutions for vendors, including Kodak, Apple Computer, and Sun Microsystems. Mr. Govatski also spent several years in systems development as President of Media Publishing Group and built graphic applications for companies including Ferrari Color, Time Magazine, New York Daily News, and Getty Images. He earned a Bachelor of Science degree in Communications from Butler University, located in Indianapolis, Indiana in 1968.

RAFAEL RUBIO has been a director since March 2018. He has been employed by Net Medical Xpress Solutions, Inc. since 1999 where he has served the role of Senior Vice President of Technology and Product Development. He served as an Automation Engineer from 1997 to 1999 at Sumitomo Sitix Inc. and a software engineer at PNM prior to that. He received his Bachelors of Science in Physics from New Mexico State University in 1996.

JOHN E. HANDLEY has been our director since January 2003. He has been self-employed since September 2002 as a telecommunications consultant. From August 1987 until August 2002 he was employed, as an associate partner (from September 1997 until August 2000) and as a partner (September 2000 until August 2002), by Accenture LLP, a business and technology consulting and outsourcing company. He received his Bachelor of Arts degree in Psychology and Business from Roanoke College in 1983. Thereafter, he earned his Master in Business Administration degree from Virginia Tech in 1987.

FRANK A. REIDY taught micro- and macro-economics as an evening-division adjunct professor for seventeen years. Full-time from 1973 to 1984 he was Chief Accountant for Tecumseh Products Company, Tecumseh, MI. From 1984 to 1989 he was Director of RETS Institute of Technology, Toledo, OH. From 1989 to 1998 he was the Business Manager for Plaza Medical Laboratory, Bartlesville, OK. Currently he is the owner of a general construction business in Bartlesville. He earned a Bachelor of Science degree in Marketing from Oklahoma State University in 1964 and a Master of Arts degree in Economics in 1972 from the University of Toledo, Ohio.

B. Legal/Discipline History

None of our directors and officers has any legal or disciplinary history with respect to:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. 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;
3. 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
4. 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.

C. Beneficial Shareholders
Update

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Owner (1)**	**Percent of Class (1)**
Richard F. Govatski	4,071,067 (2)	20.51%
John Handley	1,486,538	7.49%
Frank Reidy	2,604,456	13.12%

9) Third Party Providers

Legal Counsel:

Jackson L. Morris, Esq.
3116 W North A Street
Tampa, FL 33609
Telephone: 813-892-5969
Email: jackson.morris@rule144solution.com

10) Issuer Certification

I, Richard F. Govatski, certify that:

1. I have reviewed this annual disclosure statement of Net Medical Xpress Solutions, 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.

August 13, 2018

Net Medical Xpress Solutions, Inc.

By: /s/ Richard F. Govatski
Richard F. Govatski, Chairman