

iMD COMPANIES, INC.
CONSOLIDATED BALANCE SHEET
UNAUDITED
AS OF DECEMBER 31, 2014

ASSETS

CURRENT ASSETS:

Cash	\$ 23,086
Accounts Receivable	121,003
Inventory Assets	6,027
Prepaid and other Current Assets	7,791
Total Current Assets	<u>157,907</u>

OTHER ASSETS:

Equipment-net	17,509
Investments	282,529
Notes receivable	4,944
Intellectual property-net	120,000
Total Assets	<u>\$ 582,889</u>

LIABILITIES & MINORITY INTEREST

CURRENT:

Accounts payable and accrued expenses	\$ 538,006
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LONG TERM:

Convertible Notes payable	474,602
Accrued interest expense	55,750
Total Liabilities	<u>1,068,358</u>

Minority Interest	36,890
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STOCKHOLDERS' DEFICIT

Preferred stock Series A & B	50
Common Stock	450,462
Additional paid-in capital	2,759,944
Accumulated (deficit)	-3,732,815
Total Stockholders' deficit	<u>-522,359</u>

Total liabilities, minority interest and stockholders' deficit	<u>\$ 582,889</u>
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See accompanying notes to these unaudited consolidated financial statements.

iMD COMPANIES, INC.
CONSOLIDATED INCOME STATEMENT
UNAUDITED

	For the years ended December 31	
	2014	2013
REVENUE		
Service and Sales Income	\$ 167,269	\$ 350,562
Cost of Sales	95,902	166,275
Gross Profit	71,367	184,287
OPERATING EXPENSES		
Marketing expense	25,803	62,542
Bank Service Charges	15,410	10,056
Insurance Expenses	23,718	24,894
Shares for Services	84,750	1,000,000
Management fees	30,606	400,000
Professional fees	23,279	144,728
Officer Wages	333,500	0
Salary and Wages	28,808	0
Interest expense	14,235	0
Other Administration costs	49,269	132,441
Engineering expenses	2,760	0
Rent Expense	11,220	58,814
Costs of Processing	29,762	5,094
Depreciation & amortization	33,354	27,792
Total Operating Expenses	706,474	1,866,361
Net (loss) from operations	-635,107	-1,682,074
Impairment on investment	-300,000	0
Net (loss)	\$ <u>-935,107</u>	\$ <u>-1,682,074</u>

See accompanying notes to these unaudited consolidated financial statements.

IMD COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED

	Preferred Shares	Amount	Common Shares	Amount
Balance at December 31, 2012	50,011	\$ 50	61,405,162	\$ 61,405
Acquisition of 51% of R-Quest			100,000,000	100,000
Shares issued for services			52,000,000	52,000
Dividend of Positive Solutions shares				
Net (loss) for the year ended Dec. 31, 2013				
Balance at December 31, 2013	50,011	\$ 50	213,405,162	\$ 213,405
Adjustment to acquisition of R-Quest				
Acquisition of Lumz n Blooms LTD.			10,000,000	10,000
Shares issued for services			84,750,000	84,750
Shares issued for debt			142,306,872	142,307
Net (loss) for year ended Dec 31, 2014				
Balance as of Dec 31, 2014	50,011	\$ 50	450,462,034	\$ 450,462

See accompanying notes to these unaudited consolidated financial statements.

IMD COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED

	Paid- in Capital	Accumulated (Deficit)	Total
Balance at December 31, 2012	\$ 1,004,820	\$ -1,115,634	\$ -49,359
Acquisition of 51% of R-Quest	1,900,000		2,000,000
Shares issued for services	988,000		1,040,000
Dividend of Positive Solutions shares	-60,453		-60,453
Net (loss) for the year ended Dec. 31, 2013		-1,682,074	-1,682,074
Balance at December 31, 2013	\$ 3,832,367	\$ -2,797,708	\$ 1,248,114
Adjustment to acquisition of R-Quest	-1,400,000		-1,400,000
Acquisition of Lumz n Blooms LTD.			10,000
Shares issued for services	0		84,750
Shares issued for debt	327,577		469,884
Net (loss) for year ended Dec 31, 2014		-935,107	-935,107
Balance as of Dec 31, 2014	\$ 2,759,944	\$ -3,732,815	\$ -522,359

See accompanying notes to these unaudited consolidated financial statements.

iMD COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
AS OF DECEMBER 31, 2014

	For the years ended December 31	
	2014	2013
OPERATING ACTIVITIES		
Net (loss) for the period	\$ -935,107	\$ -1,682,074
Adjustments to reconcile net loss to cash (used in) provided by operations:		
Shares issued for services	84,750	1,000,000
Depreciation & amortization	33,354	27,972
Impairment on investment	300,000	0
Changes in assets and liabilities		
(Incr)/decr - accounts receivable	95,107	59,146
(Incr)/decr - Inventory	6,027	0
(Incr)/decr - notes receivable	-14,429	0
(Incr)/decr - other assets	360	0
Incr/(decr) - accounts payable	446,378	-223,489
Incr/(decr) - notes payable	0	-151,915
Net cash (used in) provided by operating activities	<u>16,440</u>	<u>-970,360</u>
INVESTING ACTIVITIES		
Database Web Application	0	7,300
Ultrasound Equipment	0	25,116
Intellectual assets	-73,247	-1,300
Net cash (used in) provided by investing activities	<u>-73,247</u>	<u>31,116</u>
FINANCING ACTIVITIES		
Increase in long term notes	0	939,394
Shares issued for debt	78,477	0
Net cash (used in) provided by financing activities	<u>78,477</u>	<u>939,394</u>
INCREASE (DECREASE) IN CASH	21,670	150
CASH, BEGINNING OF PERIOD	1,416	1,266
CASH, END OF PERIOD	<u>\$ 23,086</u>	<u>\$ 1,416</u>

NON CASH TRANSACTIONS

Acquisition of 51% of R-Quest Hydroponics Inc 0 2,000,000

See accompanying notes to these unaudited consolidated financial statements.

iMD COMPANIES, INC.

Notes to Unaudited Consolidated Financial Statements

For the years ending December 31, 2014 and 2013

(Unaudited)

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company

The Company was originally incorporated in Delaware on March 31, 1993 as ADV Acquisition Corp. The Company had numerous name changes and on February 15, 2008 re-domiciled in Florida as International Biofuels, Inc. On September 23, 2010 the Company changed its name to iMD Companies, Inc.

The Company through its subsidiaries Optimum Mobile Imaging LLC (OMI) and Integrated Medical Diagnostics perform ultrasound procedures as ordered by physicians in their clinics on their patients. OMI operates in Arizona as an Independent Diagnostic Testing Facility (IDTF) which is licensed by Medicare and is contracted with most health insurance carriers in AZ for reimbursement of medically necessary procedures.

On September 24, 2013 the Company purchased 51% of R-Quest Hydroponics, Inc. that is a software and hardware manufacturer for the Hydroponics industry. The Company issued 100,000,000 common shares of the Company valued at \$2,000,000 based upon its stock value at the time. The acquisition has been written down to the value of its acquired assets and intellectual property and is fully consolidated into the financial statements with a corresponding minority interest.

On April 24, 2014 the Company acquired 100% of Lumz'n Blooms LTD for 10,000,000 common shares. It's main products allow consumers to "Bring the Sun Indoors". Lighting, ballasts, growing materials are considered the "Pickaxe and Shovel" of the "Green Rush". Over the past 7 plus years Lumz'n Blooms has developed strong distribution channels and today counts *Central Garden and Pet*, *HomeDepot.com*, *Amazon Prime*, *Bi-Mart*, *Orchard Supply* as well as hundreds of independent Nursery, Hardware and Hydroponic Retailers among its customers. These established distribution channels, combined with their extensive product line and industry knowledge, makes Lumz'n Blooms a foundational acquisition for building future growth.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the periods presented. Significant adjustments may be required upon the financial statements being audited to be in conformity with Generally Accepted Accounting Principles.

Principles of Consolidation

The Company's consolidated financial statements include the assets, liabilities and operating results of the Company and its wholly owned subsidiaries. Minority interest is recorded for consolidated values not owned by the company. The Company consolidates on its books the following companies:

Name	Ownership %
Hyper-Interactive Marketing	100
Optimal Mobil imaging	100
Integrated Medical Diagnostics	100
R-Quest Hydroponics	51

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position.

Cash & Cash Equivalents

The company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and state income tax liability as it is incurred.

NOTE 2. INVESTMENTS

The Company consolidates R-Quest Hydroponics on its books at its estimated fair value of \$300,000 .

NOTE 3: INTELLECTUAL PROPERTY

Software analysis and database programs are owned by the company but a shareholder and former President holds a lien on the PCI HeartScan database, analysis software and reporting programs.

NOTE 4: CONVERTIBLE NOTES

Retired Convertible Notes

On January 12, 2013 the Company issued a convertible note for \$120,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. During the quarter ended June 30, 2014 the Holder converted \$50,000 of principal for 9,018,279 common shares. The outstanding balance of the note was \$70,000 at June 30, 2014. During the quarter ended September 30, 2014 the Holder sold principal amounts of the note for \$25,000 and \$23,500 to two different third parties. The third party that purchased \$25,000 of principal converted \$14,000 of it into 14,000,000 common shares during the quarter. The party that purchased \$23,500 of principal converted the entire amount into 3,804,407 common shares. At September 30, 2014 the outstanding principal balance of the original Holder on the original note \$21,500 in principal and \$3,010 of accrued interest and the outstanding principal balance with a third party from the original note was \$11,000 and \$1,540 of accrued interest. During the quarter ended December 31, 2014 the Holder converted all of the remaining principal and accrued interest for 15,500,000 common shares.

On February 1, 2012 the Company issued a convertible note for \$10,000 accruing an annual interest at 8% of the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. On April 9, 2014 the note was sold to a third party. During the quarter ended September 30, 2014 the third party converted the entire outstanding principal and accrued interest totaling \$12,877 for 2,341,220 common shares resulting in the payoff of the note.

On August 26, 2013 the Company issued a convertible note for \$53,699 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. During the quarter ended September 30, 2014 the Holder converted the remaining \$26,198 of principal into 5,424,895 common shares resulting in the payoff of the original note.

Outstanding Convertible Notes

On November 19, 2010 the Company issued a convertible note for \$85,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$85,000 of principal and \$27,200 of accrued interest at December 31, 2014.

On December 31, 2011 the Company issued a convertible note for \$144,700 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. On August 30, 2013 the original Holder sold the entire \$144,700 note to third party. During the quarter ended June 30, 2014 the Holder converted \$40,292 of principal and accrued interest for 7,267,290 common shares. The outstanding balance of the note was \$104,208 of principal and \$2,084 of accrued interest at September 30, 2014. During the quarter ended December 31, 2014 the Holder converted into 25,000,000 common shares for \$22,916 of principal and \$2,084 of accrued interest resulting in the outstanding balance being \$81,292 of principal and \$1,616 of accrued interest.

On February 1, 2012 the Company issued a convertible note for \$27,000 and it had an outstanding balance of \$27,000 at June 30, 2014. The note accrues annual interest at 8% of the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during the quarter ended September 30, 2014. The outstanding principal balance of the note was \$27,000 and accrued interest was \$1,890 at December 31, 2014.

On October 1, 2012 the Company issued a convertible note for \$8,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions prior to June 30, 2014. The outstanding principal balance of the note was \$8,000 and accrued interest was \$1,440 at December 31, 2014.

On October 1, 2012 the Company issued a convertible note for \$23,228 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to June 30, 2014 the Holder converted \$21,500 of principal. The outstanding balance of the note was \$1,728 of principal and \$310 of accrued interest at December 31, 2014.

On October 1, 2012 the Company issued a convertible note for \$42,431 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The Holder subsequently sold the note to a third party that converted \$12,631 of principal prior to June 30, 2014. During the quarter ended September 30, 2014 the third party converted \$14,000 of principal for \$14,000. The outstanding balance of the note at December 31, 2014 was \$15,800 of principal and \$5,084 of accrued interest.

On December 2, 2012 the Company issued a convertible note for \$9,615 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$9,615 of principal and \$1,538 of accrued interest at December 31, 2014.

On August 26, 2013 the Company issued a convertible note for \$16,734 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$16,734 of principal and \$1,674 of accrued interest at December 30, 2014.

On September 26, 2013 the Company issued a convertible note for \$14,441 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$14,441 of principal and \$1,444 of accrued interest at December 31, 2014.

On October 21, 2013 the Company issued a convertible note for \$200,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to June 30, 2014 there were a number of conversions resulting in the outstanding balance of the note being \$30,573 of principal and \$2,495 of accrued interest at December 31, 2014.

On December 31, 2013 the Company issued a convertible note for \$49,419 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during prior to June 30, 2014. The outstanding balance of the note was \$49,419 and accrued interest was \$3,953 at December 31, 2014.

On April 15, 2014 the Company issued a convertible note for \$32,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during prior to June 30, 2014. The outstanding balance of the note was \$32,000 and accrued interest was \$1,280 at December 31, 2014.

On April 30, 2014 the Company issued a convertible note for \$37,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during the quarter ended June 30, 2014. The outstanding balance of the note was \$37,000 and accrued interest was \$1,480 at December 31, 2014.

On May 9, 2014 the Company issued a convertible note for \$8,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions prior to June 30, 2014. The outstanding principal balance of the note was \$8,000 and accrued interest was \$320 at December 31, 2014.

On July 31, 2014 the Company issued a convertible note for \$17,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during prior to June 30, 2014. The outstanding balance of the note was \$17,000 and accrued interest was \$585 at December 31, 2014.

On August 26, 2014 the Company issued a convertible note for \$23,500 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to October 1,

2014 there were \$2,000 of principal conversions. The outstanding balance of the note was \$21,500 and accrued interest was \$3,440 at December 31, 2014.

On December 31, 2014 the Company issued a convertible note for \$23,500 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to October 1, 2014 there were \$2,000 of principal conversions. The outstanding balance of the note was \$21,500 and accrued interest was \$3,440 at December 31, 2014.

On December 31, 2014 the Company issued a convertible note for \$20,000 for \$20,000 of cash that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock.

NOTE 5. STOCKHOLDERS EQUITY

Preferred Stock

The Company has authorized 100,000 Class B Preferred Shares. At December 31, 2014 there were 50,000 preferred shares outstanding. Each Preferred B share is convertible into 250 common shares at the option of the Holder.

Common Stock

On September 24, 2013 the Company purchased 51% of R-Quest Hydroponics, Inc. for 100,000,000 common shares of the Company valued at \$2,000,000 and subsequently wrote down the value to \$300,000.

During the last quarter of 2013 the Company issued 52,000,000 common shares valued at \$1,040,000 to 4 individuals and 4 companies that were not related or affiliated with each other or the Company.

During the second quarter of 2014 Company issued 10,000,000 common shares for the acquisition of Lumz n Blooms LTD.

The Company issued 60,716,350 shares of common stock, reducing debt of the company by \$336,629 during the first two quarters of 2014. During the third quarter of 2014 the Company issued 41,090,522 shares of common stock valued at \$92,755. During the fourth quarter of 2014 the Company issued 84,750,000 common shares for services valued at \$84,750 and 40,500,000 common shares for retiring \$40,500 of principal and accrued interest on convertible debentures.

Warrants

On April 30, 2014 a Common Stock Purchase Warrant was executed for up to 800,000 shares as additional consideration for a \$37,000 convertible note. The warrants may be exercised for all or part at any time up to April 29, 2019 to purchase 800,000 common shares at \$.05 per share. In case the warrant shares aren't registered at the time of exercise, the warrants are subject to cashless exercise at the discretion of the warrant holders.

NOTE 5. SUBSEQUENT EVENTS

Subsequent to December 31, 2014 common shares were issued for debt conversions and services rendered prior to April 13, 2015 resulting in the outstanding common shares at April 13, 2015 being 545,116,572.