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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **June 30, 2025**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________to ____________.

Commission File Number**: 000-53012**

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	**90-0687379** (IRS Employer Identification No.)

95 Bulldog Blvd, Suite 202, Melbourne, Florida 32901
(Address of principal executive offices)

(321) 725-0090
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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

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

As of August 13, 2025, there were 32,958,288 shares outstanding of the registrant's Common Stock, par value $0.001.

PART I. FINANCIAL INFORMATION

FIRST CHOICE HEALTHCARE SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in dollars)

	As of June 30, 2025 (unaudited)	As of December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,454	$ 19,915
Other Current Assets	9,459	72,270
Total current assets	15,913	92,185
Property, plant and equipment, net	154,756	222,816
Operating lease right-of-use assets	3,539,385	3,734,869
Deposits	512,541	461,132
Total assets	$ 4,222,595	$ 4,511,002
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 10,339,589	$ 8,634,991
Operating lease liabilities, current portion	377,910	367,125
Notes payable	24,976,240	24,272,066
Total current liabilities	35,693,739	33,274,182
Long term liabilities:		
PPP loan payable	-	471,300
Operating lease liabilities, non-current portion	3,084,645	3,237,060
Total liabilities	$ 38,778,384	$ 36,982,542
Stockholders' deficit:		
Series A Super Voting Preferred Stock; 4 shares authorized, issued and outstanding at June 30, 2025 and December 31, 2024	-	-
Series A Convertible Preferred stock; $0.01 par value, 40,000 shares authorized, 147 and 147 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	1	1
Common stock, $0.001 par value, 100,000,000 shares authorized 32,958,288 and 32,958,288 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	32,958	32,958
Additional paid-in capital	35,229,729	35,276,650
Treasury stock, 74,453 common shares, at cost	—	—
Accumulated deficit	(69,818,477)	(67,781,149)
Total stockholders' deficit	(34,555,789)	(32,471,540)
Total liabilities and stockholders' deficit	$ 4,222,595	$ 4,511,002

See the accompanying notes to these unaudited condensed consolidated financial statements.

FIRST CHOICE HEALTHCARE SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue				
Revenue, net of discounts	$ 1,423	$ 3,303	$ 5,456	$ 10,154
Gross profit	1,423	3,303	5,456	10,154
Operating expenses				
Compensation expense	143,578	111,661	255,241	219,155
Selling, general and administrative expenses	432,259	370,637	909,087	766,820
Total operating expenses	575,837	482,298	1,164,328	985,975
Operating loss	(574,414)	(478,995)	(1,158,872)	(975,821)
Other income (expenses)				
Gain (loss) on sale of equipment	(20,788)	1,550	(48,328)	4,150
PPP Loan Forgiveness	471,300	-	471,300	-
Interest expense, net	(515,534)	(1,384,916)	(1,301,429)	(2,096,033)
Total other income (expenses), net	(65,022)	(1,383,366)	(878,457)	(2,091,883)
Loss from continuing operations before income taxes	(639,436)	(1,862,361)	(2,037,329)	(3,067,704)
Income taxes expense (benefit)	-	-	-	-
Net loss	(639,436)	(1,862,361)	(2,037,329)	(3,067,704)
Preferred stock dividends	-	(23,206)	-	(46,415)
Net loss attributable to common shareholders	$ (639,436)	$ (1,885,567)	$ (2,037,329)	$ (3,114,119)
Basic and diluted loss per common share				
Net loss per common share	$ (0.02)	$ (0.06)	$ (0.06)	$ (0.09)
Weighted average number of common shares outstanding, basic and diluted	32,958,288	32,958,288	32,958,288	32,958,288

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
For the Three and Six Months Ended June 30, 2025 and June 30, 2024
(unaudited, in dollars)

	Common stock		Preferred stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, December 31, 2023	32,958,288	$ 32,958	147	$ 1	$35,369,995	$ (63,933,006)	$(28,530,052)
Dividends payable on Preferred Stock	—	—	—	—	(23,209)	—	(23,209)
Net loss	—	—	—	—	—	(1,205,342)	(1,205,342)
Balance, March 31, 2024	32,958,288	$ 32,958	147	$ 1	$35,346,786	$ (65,138,348)	$(29,758,603)
Dividends payable on Preferred Stock	—	—	—	—	(23,206)	—	(23,206)
Net loss	—	—	—	—	—	(1,862,361)	(1,862,361)
Balance, June 30, 2024	32,958,288	$ 32,958	147	$ 1	$35,323,580	$ (67,000,709)	$(31,644,170)

	Common stock		Preferred stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, December 31, 2024	32,958,288	$ 32,958	147	$ 1	$35,276,650	$ (67,781,149)	$(32,471,540)
Dividends payable on Preferred Stock					(23,460)		(23,460)
Net loss	—	—	—	—	—	(1,397,892)	(1,397,892)
Balance, March 31, 2025	32,958,288	$ 32,958	147	$ 1	$35,253,190	$ (69,179,041)	$(33,892,892)
Dividends payable on Preferred Stock					(23,461)		(23,461)
Net loss	—	—	—	—	—	(639,436)	(639,436)
Balance, June 30, 2025	32,958,288	$ 32,958	147	$ 1	$35,229,729	$ (69,818,477)	$(34,555,789)

See the accompanying notes to these unaudited condensed consolidated financial statements.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in dollars)

	For the Six Months Ended June 30, 2025	2024
Cash flows from operating activities:		
Net loss	$ (2,037,329)	$ (3,067,704)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	9,733	17,364
Loss on sale of assets	48,327	-
Forgiveness of PPP Loan	(471,300)	-
Interest expense	1,301,429	-
Amortization of debt discount	-	162,626
Preferred dividends – accrued	-	46,416
Provision for bad debts	-	1,506
Changes in operating assets and liabilities:		
Accounts receivable	-	8,964
Other current assets	11,403	(262,306)
Decrease in leased assets	195,484	158,112
Increase in deposits		-
Increase in accounts payable and accrued liabilities	694,968	2,448,401
Decrease in lease liabilities	(141,630)	(146,970)
Net cash provided by (used in) operating activities	$ (388,915)	$ (633,591)
Cash flows from investing activities:		
Proceeds from the sale of fixed assets	10,000	-
Net cash (used in) provided by investing activities	$ 10,000	$ -
Cash flows from financing activities:		
Interest paid	(90,000)	-
Proceeds from issuance of convertible notes	455,454	622,500
Net cash provided by (used in) financing activities	$ 365,454	$ 622,500
Net change in cash	(13,461)	(11,091)
Cash, beginning of period	19,915	12,607
Cash, end of period	$ 6,454	$ 1,516
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of cash flow information:		
Note Payable addition from OID	$ -	$ 155,625
Common shares issued for convertible notes - inducement	$ -	$ 8,406

See the accompanying notes to these unaudited condensed consolidated financial statements.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(Unaudited)

NOTE 1— ORGANIZATION, BUSINESS AND PRINCIPLES OF CONSOLIDATION

First Choice Healthcare Solutions, Inc. ("FCHS," "the Company," "we," "our" or "us") is actively engaged in implementing a defined growth strategy aimed at building a network of localized, integrated healthcare services platforms, comprised of nurse practitioner driven primary care clinics providing services including family primary care, anti-aging, dermatology, weight loss, hormone replacement therapy, functional and genetic testing, nutritional counseling, as well as behavioral health.

The audited condensed consolidated financial statements of First Choice Healthcare Solutions, Inc., a Delaware corporation, since February 13, 2012, include the accounts of the Company and its direct and indirect wholly owned subsidiaries: FCID Medical, Inc. ("FCID Medical") is the subsidiary under which we own and operate First Choice Medical Group of Brevard, LLC, ("FCMG"), our original medical services practice. And the Good Clinic Properties, LLC.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principals in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all the information and disclosures required by U.S. GAAP for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of June 30, 2025 and for the six months ended June 30, 2025 and 2024. The results of operations for the six months ended June 30, 2025 are not necessarily indicative of the operating results for the full year ending December 31, 2025 or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related disclosures of the Company as of December 31, 2024, and for the year then ended, which were filed with the Securities and Exchange Commission ("SEC") on Form 10-K on May 13, 2025.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of the financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the recoverability and useful lives of long-lived assets, provision against bad debt, the fair value of the Company's stock, and stock-based compensation. Actual results may differ from these estimates.

Revenue Recognition

The Company recognizes revenue when: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed or determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

Patient Service Revenue

Our revenues relate to net patient fees received from various payers and patients themselves under contracts in which our performance obligations are to provide services to the patients. Revenues are recorded during the period our obligations to provide services are satisfied. The contractual relationships with patients, in most cases, also involve a third-party payer (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by (Medicare and Medicaid) or negotiated with (managed care health plans and commercial insurance companies) the third-party payers. The payment arrangements with third-party payers for the services we provide to the related patients typically specify payments at amounts less than our standard charges and provide for payments based upon predetermined rates for services or discounted fee-for-service rates. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

Concentrations of credit risk

The Company's financial instruments are exposed to a concentration of customer risk and accounts receivable risk. Occasionally, the Company's cash and cash equivalents in interest-bearing accounts may exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

Accounts receivables

Accounts receivables are carried at their estimated collectible amounts net of doubtful accounts. The Company analyzes its history and identifies trends for each major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the contractual allowances.

Patient receivables are accounts receivables from services provided to patients who have third-party coverage. The Company analyzes contractually due amounts and provides a provision for bad debts, if necessary. The Company records a provision for bad debts in the period of service on the basis of past experience or when indications are the patients are unable or unwilling to pay the portion of their bill for which they are responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted, is charged off against the allowance for doubtful accounts.

Net loss per share

Basic net loss per common share is based upon the weighted-average number of common shares outstanding. Diluted net loss per common share is the same as basic net loss per common share as the inclusion of potentially dilutive common shares would be anti-dilutive.

	Six months ended June 30,	
	2025	**2024**
Numerator:		
Net loss attributable to First Choice Healthcare Solutions, Inc.	$ (2,037,329)	$ (3,114,119)
Denominator:		
Weighted-average common shares, basic and dilutive	32,958,288	32,958,288
Basic and dilutive loss per common share	$ (0.06)	$ (0.09)

Basic net loss per share is computed on the basis of the weighted average number of common shares outstanding during each year. Diluted net loss per share is computed similar to basic net 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. The Company uses the "if-converted" method for calculating the earnings per share impact of outstanding convertible debentures, whereby the securities are assumed converted and an earnings per incremental share is computed. Options, warrants and their equivalents are included in earnings per share calculations through the treasury stock method. In periods where losses are reported, the weighted-average number of common stock outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive. In addition, there were no vested restricted stock for periods presented. Potentially dilutive securities excluded from the basic and diluted net income per share are as follows:

	June 30, 2025	June 30, 2024
Convertible debt	1,018,265,762	1,132,213,935
Warrants to purchase common stock	13,756,977	13,756,977
Incentive shares payable issued with convertible notes	3,271,875	3,271,875
Restricted stock awards	7,974,375	1,357,308
Total	1,043,268,989	2,826,004,289

Stock-based compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the consolidated statements of operations, as if such amounts were paid in cash. Upon exercise of a common stock equivalent, the Company issues new shares of common stock out of its authorized shares.

Long-lived assets

The Company follows a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 5 to 15 years.

The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Leases

In February 2016, the FASB issued ASC 842, *Leases*, ("ASC 842") to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet for leases previously classified as operating leases. The Company adopted ASC 842 effective January 1, 2022 and recognized and measured operating leases existing at, or entered into after, January 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available (see Note 4). The Company's accounting for finance leases under ASC 842 remained unchanged.

In accordance with ASC 842, the Company determines if an arrangement is a lease at inception. Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent our right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives, and impairment of operating lease assets. To determine the present value of lease payments not yet paid, we estimate incremental borrowing rates corresponding to the reasonably certain lease term. If the estimate of our incremental borrowing rate was changed, our operating lease assets and liabilities could differ materially.

Finance leases lease assets and liabilities are recognized at the lease commencement date at the present value of the future lease payments not yet paid using the Company's incremental borrowing rate, Assets acquired under finance lease are included in property and equipment, while finance lease obligations are included in other current liabilities and other long- term liabilities on the consolidated balance sheets.

Income taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

The Company follows a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's consolidated financial statements as of June 30, 2025 or December 31, 2024. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date.

Treasury Stock

The Company uses the cost method when it purchases its own common stock as treasury shares and displays treasury stock as a reduction of shareholders' deficit.

Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

The carrying value of the Company's cash, accounts receivable, accounts payable, short-term borrowings (including lines of credit and notes payable), and other current assets and liabilities approximate fair value because of their short-term maturity.

As of June 30, 2025, and December 31, 2024, the Company did not have any items that would be classified as level 1, 2 or 3 disclosures.

Reclassifications

Certain reclassifications have been made to prior year data to conform to the current year's presentation. These reclassifications had no impact on reported loss.

Recent accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements. The Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its consolidated financial position or results of operations.

NOTE 3— NOTES PAYABLE

See Footnote 1 for the potential exchange of Series C Preferred stock to settle certain notes payable liabilities in connection with the Offering.

Non-Convertible Notes Payable

During the years ended December 31, 2022 and December 31, 2021, the Company issued eighteen non-convertible notes payable to individuals for a total face value of $2,076,158. The notes were due within 60 days from the dates of issuance, were interest free, have original issuance discounts totaling $408,000 and were unsecured. During the years ended December 31, 2024 and 2023, the Company repaid or refinanced cumulative principal of $1,283,521 and $156,000, respectively. The balance of the non-convertible notes payable as of June 30, 2025 and December 31, 2024 was $2,995,137 and 2,607,636 respectively.

PPP Loans

In 2020, the Company and its two subsidiaries received Paycheck Protection Plan ("PPP") loans under the Cares Act totaling $1,386,580. The PPP loans were expected to be forgiven by the U.S. Small Business Association ("SBA") and as such, were not made eligible for any distributions under the amended joint Plan of Reorganization which was approved on February 23, 2021(the "Plan"). The Plan further required the Company to file proper forgiveness applications with the SBA no later than February 19, 2021. The Company successfully filed for and received forgiveness confirmation for one of the PPP loans for $103,618 plus interest. The remaining two PPP loans forgiveness applications were not properly completed and filed. The Company reinitiated the two forgiveness applications with the SBA and expects the remaining loans to be forgiven in full. As of December 31, 2024, the Company had a total of PPP loans payable of $471,300 including accrued interest. The Company received confirmation from the SBA of full forgiveness of the final PPP loan for $471,300 on April 24, 2025.

Non-convertible notes payable as of June 30, 2025 and December 31, 2024 are comprised of the following:

	June 30, 2025	December 31, 2024
Notes Payable	$ 2,995,137	$ 2,607,636
PPP Loans Payable	-	471,300
Less current portion	(2,995,137)	(2,607,636)
Long term portion	$ -	$ 471,300

Fees and discounts are deferred and amortized over the life of the non-convertible note payable. During the six months ended June 30, 2025 and 2024, the Company recognized a total of $0 and $0, respectively, from the amortization of original issuance debt discounts. The outstanding balance of debt discount as of June 30, 2025 and December 31, 2024 was $251,809 and $214,812 respectively.

Convertible Notes Payable

10% OID Senior Secured Convertible Notes

The Company entered into Security Purchase Agreements with lenders for the sale of 10% original issue discount senior secured promissory notes ("10% Notes") and warrants to purchase shares of the Company's common stock equal to 50% of the face value. The 10% Notes accrue interest at 10% per annum payable quarterly, are convertible into shares of the Company's common stock at the option of the holder at any time at a fixed ceiling price of $0.75 per share. The 10% Notes have full ratchet and anti-dilution provisions, a principal adjustment provision upon default, providing for a principal increase to 110% at maturity if unpaid, 120% at Nine months if unpaid and 130% at 12 months if unpaid. The 10% Notes were due March 31, 2022 and to date, all default provisions have been waived. The amounts due under the 10% Secured Convertible Notes are secured by assets of the Company pursuant to a security agreement.

Warrants to purchase shares of the Company's common stock have a five-year term, are exercisable upon the completion of a "Qualified Financing" at a cash exercise price equal to the lower of 93.75% of the per share price of Company's common stock sold to third-party investors in that Qualified Financing, or $0.75 per share, subject to adjustment. The value of the warrants was recorded as debt discounts that are being amortized to interest expense over the life of the notes.

At June 30, 2025 and December 31, 2024, the balance of 10% notes was $5,973,000 and $5,973,000, original issuance discounts were $0 and $0, discounts from warrants were $0 and $0, discounts from deferred finance costs were $0 and $0, and accrued interest was $3,136,309 and $2,536,309, respectively.

35% OID Super Priority Senior Secured Convertible Notes

The Company entered into Security Purchase Agreements with lenders for the sale of 35% original issue discount senior secured promissory notes ("35% Notes"), warrants to purchase shares of the Company's common and shares of the Company's common stock as incentives. The 35% Notes have a 35% original issuance discount being amortized to interest expense through maturity, are non-interest bearing, are due at the earlier of six months from the date of issue or upon the occurrence of a liquidity event and are prepayable by the Company at any time at a premium of 120% of the outstanding balance. Upon an occurrence of default, the holder shall have the right to convert the 35% Note and outstanding interest at the lower of a discount to market or subsequent financings. The amounts due under the 35% Notes are secured by assets of the Company pursuant to a security agreement.

Warrants to purchase shares of the Company's common stock warrants have a five-year term, are exercisable upon the completion of a Qualified Financing at a cash exercise price equal to 93.75% of the per share price of the Company's common stock sold to third-party investors in a Qualified Financing.

At June 30, 2025 and December 31, 2024, the balance of 35% notes was $5,600,462 and $5,600,462, original issuance discounts were $0 and $0, discounts from warrants were $0 and $0, discounts from deferred finance costs were $0 and $0 and discounts from incentive shares were $0 and $0, respectively.

The original issuance discount, deferred financing costs and the relative fair value of the warrants and incentive shares are being amortized to interest expense through maturity. During the Six months ended June 30, 2025 and 2024, the Company recognized $0 and $0 in interest expense from the amortization of original issuance discounts, $0 and $0 in interest expense from the amortization of debt discounts from warrants and $0 and $0 in amortization of incentive shares, respectively.

20% OID Senior Secured Convertible Notes Payable

The Company entered into Security Purchase Agreements with lenders for the sale of 20% original issue discount senior secured promissory notes (“20% Notes”), warrants to purchase shares of the Company’s common stock with a five-year term, exercisable at any time at the option of the holder at a cash exercise price equal to 93.75% of the per share price of Company’s common stock sold to third-party investors in a qualified financing and incentive shares of the Company’s common stock. The 20% Notes accrue interest at 10% per annum, principal and interest are due at the earlier of six months from the date of issue or upon the occurrence of a liquidity event.

The holder shall have the right to convert the 20% Notes and outstanding interest on a Qualified Financing at a price equal to 85% of the offering price, or a 15% discount to the volume weighted average price of the Company’s common stock for the five days preceding the dates of conversions, subject to a maximum price of $1.00. The amounts due under the 20% Notes are secured by assets of the Company pursuant to a security agreement.

At June 30, 2025 and December 31, 2024, the balance of 20% Notes was $2,427,500.

The original issuance discount, relative fair value of the warrants and incentive shares are being amortized to interest expense through maturity. During the Six months ended June 30, 2025, the Company recognized $0 in interest expense from the amortization of original issuance discounts of the 20% Notes and $0 in amortization of incentive shares and $0 in accrued interest on the 20% Notes. During the Six months ended June 30, 2025, the Company recognized $8,250 in interest expense from the amortization of original issuance discounts of the 20% Notes and $1,803 in amortization of incentive shares and $1,727 in accrued interest on the 20% Notes.

Convertible notes payable as of June 30, 2025 and December 31, 2024 were comprised of the following:

	June 30, 2025	December 31, 2024
10% OID Senior Convertible Notes Payable, past due, interest at 10%, secured by assets, convertible at $0.75 per share	$ 5,973,000	$ 5,973,000
Amount 35% OID Super Priority Senior Convertible Notes Payable, due in 2 years from date of issuance, interest at 35%, secured by assets, convertible upon qualifying financing	5,600,462	5,600,462
20% OID Senior Convertible Notes Payable, past due, interest at 10%, secured by assets, convertible at max $1.00 per share	2,427,500	2,427,500
Total	14,000,962	14,000,962
Less: unamortized discounts	(251,809)	(214,812)
Total	$ 13,749,153	$ 13,786,150
Less current portion	(13,749,153)	(13,786,150)
Long-term portion	$ -	$ -

NOTE 4— LEASES

See Footnote 1 for the potential exchange of Series C Preferred stock to settle certain lease liabilities in connection with the Offering.

<u>Operating Leases</u>

As a result of the adoption of ASC 842 on January 1, 2021, the Company recognized a lease liability which represents the present value of the remaining operating lease payments discounted using our incremental borrowing rate of 5.0%, and a right-of-use asset.

Operating leases consist of an office and clinic locations and have remaining terms of approximately 7 and 1 years, respectively, and include options to extend the leases for additional periods. Generally, the lease term is the minimum of the noncancelable period of the lease or the lease term inclusive of reasonably certain renewal periods. If the estimate of our reasonably certain lease term was changed, our depreciation and rent expense could differ materially.

Contractual lease payments were as follows as of June 30, 2025:

2025	$	384,104
2026		721,131
2027		739,152
2028		756,907
2029		773,719
Thereafter		1,726,996
Total Lease Payments		5,102,009
Less Interest		(1,639,454)
Total Lease Liabilities	$	3,462,555
Less: Current Portion		(377,910)
Long-Term Liabilities	$	3,084,645

Sale/Leaseback

On March 31, 2016, the Company entered into a lease of Marina Towers under a sale/leaseback transaction, via a 10-year absolute triple-net master lease agreement, to expire in 2026. The Company has two successive options to renew the lease for five-year periods on the same terms and conditions and did not have any residual interest or the option to repurchase the facility at the end of the lease term.

During October 2021, the Company, through the eighteenth judicial circuit court in Brevard County, Florda, received an order approving joint stipulation for alternative resolution to the Company's real estate lease in Melbourne, Florida. The order terminated the Company's use of floors three and four of the building immediately, while terminating its right to possession and use of floors three and five at December 31, 2021. The order also terminated the existing lease payment schedule, replacing it with the following:

- Payment of $50,000 on October 12, 2021

- The following rent installment payments:

I. $200,000 by October 19, 2021
II. $250,000 by November 15, 2021
III. $306,166 by December 15, 2021
IV. $275,000 by January 7, 2022
V. $31,166 by January 15, 2022
VI. $300,000 by February 8, 2022
VII. $31,166 by February 15, 2022

Upon receipt of the Order, the Company recorded a liability and lease settlement expense for the amount of the order, or $1,443,498. As of June 30, 2025, the Company has paid approximately $200,000 of this obligation and has an open accounts payable liability remaining of approximately $1,200,000. The Company is working to reach a settlement with the landlord.

NOTE 5 — CAPITAL STOCK

The Company has 100,000,000 shares of Common Stock, par value $0.001 per share, authorized for issuance, 1,000,000 shares of Preferred Stock, of which (i) 40,000 Preferred shares were allocated to the Series B Convertible Preferred Stock, par value $0.01 per share, (ii) 4 Preferred shares were allocated to the Series A Super Voting Preferred Stock, par value $0.10 per share and (iii) 50,000 Preferred shares were allocated to Series C Preferred Stock, par value $0.0001 per share, authorized for issuance.

Series A Super Voting Preferred Stock

The holders of the Series A Super Voting Preferred Stock shall be entitled to vote on all matters subject to a vote or written consent of the holders of the Company's Common Stock, and on all such matters, the four (4) shares of Series A Super Voting Preferred Stock shall be entitled to that number of votes equal to the number of votes that all issued and outstanding shares of the Common Stock and all other voting securities of the Company are entitled to, as of any such date of determination, *plus* one million (1,000,000) votes, it being the intention that the holders of the Series A Super Voting Preferred Stock shall have effective voting control of the Company, on a fully diluted voting basis. Accordingly, each share of Series A Super Voting Stock shall entitle the Holder to that number of votes as is equal to 12.5% of the outstanding shares of Common Stock and all other voting securities of the Company are entitled to, as of such date of determination, plus 250,000 votes. The holders of the Series A Super Voting Preferred Stock shall vote together with the holders of Common Stock as a single class. Currently, Lance Friedman, our Chief Executive Officer holds all 4 outstanding shares of the Series A Super Voting Preferred Stock.

In connection with the issuance of the 20% OID Convertible Notes, the Company was to issue incentive shares of unrestricted common stock. As of June 30, 2025, none of the incentive shares were issued and were recorded as a Common Share Payable current liability.

NOTE 6 — STOCK OPTIONS, WARRANTS AND RESTRICTED STOCK UNITS

Options

The Company does not have an Incentive Stock Plan in place.

Restricted Stock Units ("RSU")

Transactions involving restricted stock units issued are summarized as follows:

Restricted shares units issued as of December 31, 2024	1,357,308
Granted	—
Forfeited	—
Total Restricted Shares Issued at June 30, 2025	1,357,308

During the six months ended June 30, 2025 and March 31, 2024, the Company granted 0 performance-based, restricted stock units.

As of June 30, 2025, stock-based compensation related to restricted stock awards of $0 remains unamortized.

Warrants

The Company issued warrants in 2024 and 2023 in connection with debt issuances. Warrants to purchase shares of the Company's common stock warrants have a five-year term, are fully vested upon issuance, exercisable upon the completion of a qualified financing typically at a cash exercise price equal to 93.75% of the per share price of Company's common stock sold to third-party investors in that qualified financing.

Transactions involving stock warrants issued are summarized as follows:

	Number of Shares
Outstanding at December 31, 2024:	13,756,977
Issued	-
Exercised	—
Expired	—
Outstanding at June 30, 2025:	13,756,977

NOTE 7 – GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis of accounting which contemplates continuity of operations, realization of assets, liabilities, and commitments in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company has a working capital deficit as of June 30, 2025 and has generated recurring net losses since its emergence from bankruptcy in April 2022.

During the six months ending June 30, 2025, the Company experienced operating losses of approximately $2.0 million and corresponding cash outflows from operations of approximately $0.4 million. This performance reflected challenges in operating and restructuring the Company because of the previous issues that confronted the Company in the healthcare market, such as growing referral bases and negotiating favorable contract rates with third party payors for services rendered, as well as the negative impact of the CEO indictment in November 2018 and the bankruptcy from June 2020. As a result of the former CEO's actions the Company has been subject to litigation as well as incurring damage to its relationships with its employees and referral sources. The Company's ability to continue as a going concern is dependent upon the success of its continuing efforts to acquire profitable companies, grow its revenue base, reduce operating costs, especially as related to provider services, and access additional sources of capital, and/or sell assets. The Company believes that it will be successful in repairing its relationships with employees and referral sources, generating growth and improved profitability resulting in improved cash flows from operations. Additionally, headcount was reduced in October 2021 and again in January 2023 to generate reductions in operating costs while the Company focused on developing and executing its future business strategy.

However, in order to execute the Company's business development plan, which there can be no assurance we will achieve, the Company may need to raise additional funds through public or private equity offerings, debt financing, corporate collaborations or other means and potentially reduce operating expenditures. If the Company is unable to secure additional capital, it may have to curtail its business development initiatives and take additional measures to reduce costs in order to conserve its cash, thus raising substantial doubt about its ability to continue as a going concern more than one year from the date of issuance of the 2024 financial statements included in this filing.

NOTE 8 – SUBSEQUENT EVENTS

The Company evaluated its June 30, 2025, financial statements for subsequent events and transactions through August 13, 2025, the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

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

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Forward-looking statements reflect the current view about future events. When used in this quarterly report on Form 10-Q, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions, as they relate to us or our management, identify forward-looking statements. Such statements include, but are not limited to, statements contained in this quarterly report on Form 10-Q relating to our business strategy, our future operating results, and our liquidity and capital resources outlook. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward–looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees of assurance of future performance. We caution you therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, the execution of our strategy; evolving healthcare laws and regulations; changes in the rates or methods of third-party reimbursements for medical services; accelerated pace of consolidation in the hospital industry; changes in our medical technology as it relates to our services and procedures; any failures in our information technology systems to protect the privacy and security of protected information and other similar cyber security risks; our ability to raise capital to fund continuing operations; and other factors relating to our industry, our operations and results of operations. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Overview

For the Six Months Ended June 30, 2025, and June 30, 2024, we reported a net loss of $2,037,329 and $3,067,704, respectively, a decrease of $1,030,375 or 34%. The decrease in the net loss was attributable to decreased interest for the six months ending June 30, 2025 as compared to June 30, 2024.

Results of Operations

<u>Six months ended June 30, 2025, as Compared to Six months ended June 30, 2024</u>

The following is a discussion of the results of operations for the three ended June 30, 2025, compared to the six months ended June 30, 2024.

Revenues

Total revenue was $5,456 for the six months ended June 30, 2025, decreasing 46% from $10,154 in the prior year. Net patient service revenue accounted for all of total revenue in 2025. The decrease in patient service revenue was the result of eliminating service offerings in the Melbourne, Florida location.

Operating Expenses

Operating expenses include the following:

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Salaries and benefits	$ 255,241	$ 219,155
Other operating expenses	531,209	544,459
General and administrative	368,146	204,997
Depreciation and amortization	9,733	17,364
Total operating expenses	$ 1,164,328	$ 985,975

The major components of operating expenses include salaries and benefits, practice supplies and other operating costs, depreciation and general and administrative expenses, which included legal, accounting and professional fees associated with being a public entity.

General and administrative expenses were $368,146 for the six months ended June 30, 2025 as compared to $204,997 for the six months ended June 30, 2024, an increase of $163,149. The increase in spending is primarily due to additional rent expenses for the new leases in Minnesota.

Net Loss from Operations

Net loss from operations for the six months ended June 30, 2025 totaled $2,037,329, which compared to a loss from operations of $3,067,704 for the six months ended June 30, 2024. The decrease is a result of the interest expenses discussed above.

Interest Income (expense)

Interest expense decreased to $1,301,429 for the six months ended June 30, 2025, which compared to interest expense of $2,096,033 for the six months ended June 30, 2024. The increase in 2024 was primarily due to the receipt of additional capital investments in 2024.

Net Loss attributable to FCHS Shareholders

As a result of all the above, we reported net loss attributable to common shareholders of $2,037,329 for the six months ended June 30, 2025 as compared to net loss attributable to common shareholders of $3,067,704 reported for the same year period in the prior year.

Liquidity and Capital Resources

As of June 30, 2025, we had cash of $6,454 and accounts receivables of $0. This is compared to cash of $19,915 and accounts receivable of $0 as of December 31, 2024.

The Company believes that the current cash balance as of June 30, 2025, along with the continued execution of its business development plan, will allow the Company to further improve its working capital.

However, in order to execute the Company's business development plan, which there can be no assurance we will achieve, the Company may need to raise additional funds through public or private equity offerings, debt financings, corporate collaborations or other means and potentially reduce operating expenditures. If the Company is unable to secure additional capital, it may be required to curtail its business development initiatives and take additional measures to reduce costs to conserve its cash. See Note 7 Going Concern.

Net cash provided in our operating activities for the six months ended June 30, 2025 totaled $388,915, which compared to net cash used in our operations for the six months ended June 30, 2024 of $633,591. The decrease in cash used for the six months ended June 30, 2025 was due primarily to a the decrease in accounts payable.

Net cash flows used in investing activities was $10,000 for the six months ended June 30, 2025, compared to net cash provided by investing activities of $0 for the six months ended June 30, 2024 was primarily the result of proceeds from the sale of assets.

Net cash provided in financing activities was $365,454 for six months ended June 30, 2025, compared to net cash provided in financing activities of $622,500 for the six months ended June 30, 2024. The cash flows provided in our financing activities were the result of additional convertible debt investment.

	Six Months Ended June 30, 2025	Six Months Ended Jun 30, 2024
Proceeds from issuance of convertible notes	$ 455,454	$ 622,500
Interest paid	(90,000)	—
Net cash provided by financing activities	$ 365,454	$ 622,500

Inflation

Our opinion is that inflation has not had, and is not expected to have, a material effect on our operations.

Off-Balance Sheet Arrangements

At June 30, 2025, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

New Accounting Pronouncements

We do not expect recent accounting pronouncements will have a material impact on our condensed consolidated financial position, results of operations or cash flows. See Footnote 2 in the accompanying condensed consolidated financial statements for additional information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Principal Accounting Officer, of the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Principal Accounting Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Our contracts with hospitals generally require us to indemnify them and their affiliates for losses resulting from the negligence of our care providers. Although we currently maintain liability insurance coverage intended to cover professional liability and certain other claims, we cannot assure that our insurance coverage will be adequate to cover liabilities arising out of claims asserted against us in the future where the outcomes of such claims are unfavorable to us. Liabilities in excess of our insurance coverage, including coverage for professional liability and certain other claims, could have a material adverse effect on our business, financial condition, and results of operations.

We are currently not a party to any pending legal proceedings, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business.

Item 1A. Risk Factors

Not required for smaller reporting companies.

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

None

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Certificate of Incorporation of First Choice Healthcare Solutions, Inc. (incorporated by reference to Annex B to the Company's Information Statement on Schedule 14C, filed with the SEC on March 14, 2012)
3.2	Certificate of Designation for Series A Super Voting Preferred Stock of the Company (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K, filed with the SEC on April 15, 2025)
3.3	Certificate of Designation for Series B Preferred Stock of the Company (incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K, filed with the SEC on April 15, 2025)
3.4	Certificate of Designation for Series C Preferred Stock of the Company (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-1; No. 333-279357, as amended, originally filed with the Securities and Exchange Commission on May 13, 2024)
3.5	By-laws of the Company (incorporated by reference to Annex C to the Company's Information Statement on Schedule 14C, filed with the SEC on March 14, 2012)
4.1	Description of Capital Stock (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K, filed with the SEC on April 15, 2025)
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended.*
31.2	Certification of Principal Accounting Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended.*
32.1	Certification of Principal Executive Officer and Principal Accounting Officer pursuant to Rules 13a-14(b) or 15d-14(b) of the Securities Exchange Act, as amended, and 18 U.S.C. Section 1350.**

EX-101.INS	INLINE XBRL INSTANCE DOCUMENT
EX-101.SCH	INLINE XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT
EX-101.CAL	INLINE XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
EX-101.DEF	INLINE XBRL TAXONOMY EXTENSION DEFINITION LINKBASE

EX-101.LAB	INLINE XBRL TAXONOMY EXTENSION LABELS LINKBASE
EX-101.PRE	INLINE XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.

Dated: August 13, 2025	By: */s/ Lance Friedman* Lance Friedman Chief Executive Officer (Principal Executive Officer)
Dated: August 13, 2025	By: */s/ Lance Friedman* Lance Friedman (Principal Accounting Officer)