

MEDICAL ALARM CONCEPTS HOLDINGS INC  
Form 10-K  
October 13, 2009

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

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FORM 10-K

(Mark One)

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

For The Fiscal Year Ended June 30, 2009

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

Commission File No. 333-153290

MEDICAL ALARM CONCEPTS HOLDING, INC.  
(Exact name of issuer as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

26-3534190  
(I.R.S. Employer Identification No.)

5215-C Militia Hill Road  
Plymouth Meeting, PA  
(Address of principal executive offices)

19462  
(Zip Code)

Registrant's telephone number, including area code: (877) 639-2929

Securities registered under Section 12(b) of the Exchange Act:

None.

Securities registered under Section 12(g) of the Exchange Act: Common stock, par value \$0.0001 per share.

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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 o No o

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

Large accelerated filer o Accelerated filer o

Non-accelerated filer o Smaller reporting company x

(Do not check if a smaller reporting company)

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

As of the last business day of the registrant's most recently completed second fiscal quarter, there was no public trading market for our common stock.

As of October 13, 2009, the registrant had 45,259,400 shares issued and outstanding, respectively.

Documents Incorporated by Reference:

None.

## TABLE OF CONTENTS

<b>PART I</b>		
ITEM 1.	BUSINESS	3
ITEM 2.	PROPERTIES	4
ITEM 3.	LEGAL PROCEEDINGS	4
ITEM 4.	SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	4
<b>PART II</b>		
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY; RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	4
ITEM 6.	SELECTED FINANCIAL DATA	4
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	4
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	7
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	F-1
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	8
ITEM 9A.	CONTROLS AND PROCEDURES	8
<b>PART III</b>		
ITEM 10.	DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	9
ITEM 11.	EXECUTIVE COMPENSATION	10
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	10
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	11
ITEM 14.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	11
<b>PART IV</b>		
ITEM 15.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES	12
SIGNATURES		13

PART I

ITEM 1. BUSINESS

Description of Our Business

Overview

General

We were formed in June 2008 and on June 24, 2008 we acquired 100% of the membership interests in Medical Alarm Concepts, LLC, a Delaware limited liability corporation. Our plan is to provide 24-hour personal response monitoring services and related products to subscribers with medical or age-related conditions. Our product is a home communicator that connects directly to a telephone line via remote access. Our product is a medical pendant that, when activated, sends an automated digital telephone signal to a monitoring facility where a highly trained professional responds to the alert and provides the proper assistance.

Marketing

The obvious and most common use for medical alarms is as a safeguard for the elderly. While very few things can prevent falls by elderly persons, medical alarms mitigate the potential harm done if there is not a timely response to such an accident. Medical alarms are more convenient and safer than the telephone. The user wears them on their wrist, around their neck, or on their belt so that it is always accessible and easy to reach.

Marketing efforts will include advertising in print media, on the radio, and on television. Interested parties will be invited to (1) inquire about Medical Alarms through our website at [www.medicalalarmconcepts.com](http://www.medicalalarmconcepts.com); (2) call our 24/7 toll free telephone number; or (3) write in for information. We will offer information brochures outlining our services or fees.

Sales activity will be one-on-one personal contact with potential clients. Medical Alarms' sales philosophy includes an in-depth discussion with our trained sales consultants to understand the potential customers desires and needs in order to recommend the appropriate plan and set-up with each individual to achieve the highest level of satisfaction in our product.

Medical Alarms will prepare a sales contract specifying dates, times, services, limits of liability, and other appropriate information to be signed and returned by the customer along with full payment in advance.

Competition

Philips Medical Systems

Philips Medical Systems, a growing leader in the growing medical device and diagnostic industry, is committed to providing innovative technology and services that enable health care providers to achieve clinical excellence. Philips is positioned to deliver solutions with unique clinical solutions with unique clinical benefits and meet health care's challenges today and in the future and is firmly established as a worldwide leader in most of its markets, including X-ray, ultrasound, nuclear medicine patient monitoring and automated external defibrillator devices.

The division is represented in more than 60 countries and employs over 20,000 people. All products are backed by Philips' worldwide network of research and development, and sales and service organizations. Philips recent

acquisition of Lifeline Medical Alarm has positioned it as the largest PERS provider with over 700,000 monitored accounts.

Life Alert Emergency Response, Inc.

Life Alert provides medical emergency response when seniors experience life-threatening events. Life Alert is the only company endorsed by Dr. C. Everett Koop, MD, former US Surgeon General. Life Alert appears on TV and in AARP magazine.

Since 1987, Life Alert has been in the business of providing emergency response services to the elderly and handicapped on a 24-hour, 7 days a week basis. Life Alert strives to provide the highest quality of services to its consumers.

ITEM 1A.

RISK FACTORS

Not applicable for smaller reporting companies.

ITEM 1B.

UNRESOLVED STAFF COMMENTS

Not applicable for smaller reporting companies.

3

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ITEM 2. DESCRIPTION OF PROPERTY.

Our business office is located at 5215-C Militia Hill Road, Plymouth Meeting, PA 19462.

ITEM 3. LEGAL PROCEEDINGS.

To the best of our knowledge, there are no known or pending litigation proceedings against us.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On September 21, 2009, our Board of Directors and majority shareholders resolved to amend the Articles of Incorporation to increase the number of authorized shares of our common stock, par value \$0.0001, from 100,000,000 to 800,000,000 shares.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our common stock has traded on the OTC Bulletin Board system under the symbol "MDHI" since January 2, 2009. However, to date there has been no trading market for our Common Stock.

The market price of our common stock will be subject to significant fluctuations in response to variations in our quarterly operating results, general trends in the market, and other factors, over many of which we have little or no control. In addition, broad market fluctuations, as well as general economic, business and political conditions, may adversely affect the market for our common stock, regardless of our actual or projected performance.

Holders

As of October 13, 2009, in accordance with our transfer agent records, we had 42 record holders of our Common Stock.

Dividends

To date, we have not declared or paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock, when issued pursuant to this offering. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future.

Payment of dividends in the future will depend upon our earnings, capital requirements, and other factors, which our Board of Directors may deem relevant.

Stock Option Grants

To date, we have not granted any stock options.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following plan of operation provides information which management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with our financial statements and notes thereto. This section includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our predictions.

## Overview

### Plan of Operation

Medical Alarm Concepts has taken the proven PERS system and upgraded it with a new state-of-the-art technology. We are introducing a 2-way voice speakerphone pendant that connects to a monitored call center. No other PERS system on the market today offers two-way voice communication directly through the pendant. In an emergency, the current systems require the user to be NEAR the base station in order to communicate with the monitoring center. This leaves the user confined to a one-room radius of the base station at all times. Our system enables the user to communicate directly through their wearable pendant, leaving them free to move anywhere in and around the home.

Our primary focus is in the sale of our medical devices. We intend to link, install and monitor the medical alarm systems to a pre-designated central station. Our home communicator connects to a telephone line and our medical pendant, when activated, sends an automated digital telephone signal to a monitoring facility. Within seconds a highly trained monitoring professional follows a proscribed response protocol to quickly assess the situation and provide an appropriate response. This may include calling the police, fire, or ambulance to respond to the situation, or calling family, friends, or neighbors.

In addition, we also have a retail division that allows individuals who prefer not to pay the monthly fee, to make a one-time purchase of the unit. The unit will connect them to a designated personal contact or simply to 911.

### Results of Operations

For the period from inception through June 30, 2009, we had no revenue. Expenses for the period from inception to June 30, 2009 totaled \$1,609,004 resulting in a Net loss of \$1,813,593.

### Capital Resources and Liquidity

As of June 30, 2009, we had \$50,751 in cash.

We believe we can satisfy our cash requirements for the next twelve months with our current cash. However, if we are unable to satisfy our cash requirements we may be unable to proceed with our plan of operations. We do not anticipate the purchase or sale of any significant equipment. We also do not expect any significant additions to the number of employees. The foregoing represents our best estimate of our cash needs based on current planning and business conditions. In the event we are not successful in reaching our initial revenue targets, additional funds may be required, and we may not be able to proceed with our business plan for the development and marketing of our core services. Should this occur, we will suspend or cease operations.

We anticipate incurring operating losses in the foreseeable future. Therefore, our auditors have raised substantial doubt about our ability to continue as a going concern.

### Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements – an amendment of ARB No. 51". This statement improves the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require; the ownership interests in subsidiaries held by parties other than the parent and the amount of consolidated net income attributable to the parent and to the non-controlling interest be clearly identified and presented on the face of the consolidated statement of income, changes in a parent's ownership interest while the parent retains its controlling financial interest



in its subsidiary be accounted for consistently, when a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary be initially measured at fair value, entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 affects those entities that have an outstanding non-controlling interest in one or more subsidiaries or that deconsolidate a subsidiary. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) as well as related hedged items, bifurcated derivatives, and non-derivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (SFAS 162”). SFAS 162 identifies the sources of accounting principles and the framework for selecting principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. This statement shall be effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board’s amendments to AU section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. The Company is currently evaluating the impact of SFAS 162, but does not expect the adoption of this pronouncement will have a material impact on its financial position, results of operations or cash flows.

In May 2008, the FASB issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts-an interpretation of FASB Statement No. 60.” Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises. This results in inconsistencies in the recognition and measurement of claim liabilities. This Statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. The adoption of FASB 163 is not expected to have a material impact on the Company’s financial position.

#### Critical Accounting Policies and Estimates

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (“GAAP”). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

**Use of Estimates:** In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates.

**Revenue Recognition:** Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is assured. We had no revenue for the twelve months ended June 30, 2009 and 2007, respectively.

#### Stock-Based Compensation:

The Company accounts for its stock-based compensation under the provisions of SFAS No.123(R) Accounting for Stock Based Compensation. Under SFAS No. 123(R), the Company is permitted to record expenses for stock options and other employee compensation plans based on their fair value at the date of grant. Any such compensation cost is charged to expense on a straight-line basis over the periods the options vest. If the options had cashless exercise provisions, the Company utilizes variable accounting.

Common stock, stock options and common stock warrants issued to other than employees or directors are recorded on the basis of their fair value, as required by SFAS No. 123(R), which is measured as of the date required by EITF Issue 96-18, Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. In accordance with EITF 96-18, the stock options or common stock warrants are valued using the Black-Scholes model on the basis of the market price of the underlying common stock on the valuation date, which for options and warrants related to contracts that have substantial disincentives to non-performance is the date of the contract, and for all other contracts is the vesting date. Expense related to the options and warrants is recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period. Where expense must be recognized prior to a valuation date, the expense is computed under the Black-Scholes model on the basis of the market price of the underlying common stock at the end of the period, and any subsequent changes in the market price of the underlying common stock up through the valuation date is reflected in the expense recorded in the subsequent period in which that change occurs.

In December 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. SFAS No. 148 also amends the disclosure requirements of SFAS No. 123(R), requiring prominent disclosure in annual and interim financial statements regarding a company's method for accounting for stock-based employee compensation and the effect of the method on reported results.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities” (SPEs).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are subject to certain market risks, including changes in interest rates and currency exchange rates. We have not undertaken any specific actions to limit those exposures.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Medical Alarm Concepts Holdings, Inc.  
(A development stage company)  
Plymouth Meeting, Pennsylvania

We have audited the accompanying consolidated balance sheets of Medical Alarm Concepts Holdings, Inc. (a development stage company) (the "Company") as of June 30, 2009 and 2008 and the related consolidated statement of operations, stockholders' equity (deficit) and cash flows for the fiscal year ended June 30, 2009, for the period from June 4, 2008 (inception) through June 30, 2008 and for the period from June 4, 2008 (inception) through June 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2009 and 2008 and the results of its operations and its cash flows for the fiscal year ended June 30, 2009, for the period from June 4, 2008 (inception) through June 30, 2008 and for the period from June 4, 2008 (inception) through June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company had a deficit accumulated during the development stage and had significant losses for the period from June 4, 2008 (inception) through June 30, 2009 with no revenues since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Skillman, New Jersey  
October 12, 2009

MEDICAL ALARM CONCEPTS HOLDINGS, INC.  
(a development stage company)  
BALANCE SHEETS

	June 30, 2009	June 30, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 50,751	\$ 734,157
Cash – restricted	60,000	-
Subscriptions receivable	90,000	-
Prepaid expenses	59,644	-
<b>Total Current Assets</b>	<b>260,395</b>	<b>734,157</b>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Fixtures, net	17,143	-
Office Equipment, net	9,571	-
<b>Property and equipment, net</b>	<b>26,714</b>	<b>-</b>
Security Deposit	2,160	5,000
<b>PATENT, net of accumulated amortization of \$416,665</b>	<b>2,083,335</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,372,604</b>	<b>\$ 739,157</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 94,969	\$ 5,211
Customer deposits	27,515	-
Accrued expenses	12,500	7,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>134,984</b>	<b>12,711</b>
<b>PATENT PAYABLE</b>	<b>2,500,000</b>	<b>-</b>
Convertible Notes Payable - Face Amount	729,300	-
Less Original Issue and Note Payable Discount	(440,722)	-
<b>TOTAL LIABILITIES</b>	<b>2,923,562</b>	<b>12,711</b>
<b>STOCKHOLDER'S EQUITY (DEFICIT)</b>		
Series A convertible preferred stock – at \$0.0001 per value, 50,000,000 shares authorized; 30,000,000 and 0 shares issued outstanding, respectively	3,000	-
	4,526	4,519

Common stock – at \$0.0001 per value 800,000,000 shares authorized; 45,259,400 and 45,185,800 issued and outstanding, respectively		
Additional paid-in-capital	1,255,109	777,431
Deficit accumulated during the development stage	(1,813,593)	(55,504)
Total Stockholders' Equity (Deficit)	(550,958)	726,446
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
	\$ 2,372,604	\$ 739,157

See accompanying notes to the financial statements

MEDICAL ALARM CONCEPTS HOLDINGS, INC.  
(a development stage company)  
STATEMENTS OF OPERATIONS

	Twelve Months Ended June 30, 2009	The Period from June 4, 2008 (Inception) Through June 30, 2008	The Period from June 4, 2008 (Inception) Through June 30, 2009
Revenue	\$ -	\$ -	\$ -
Operating expenses			
Advertising	137,294	-	137,294
Amortization	416,665	-	416,665
Travel and entertainment	175,230	-	175,230
Research and development	130,318	-	130,318
Professional fees	161,872	19,094	180,966
Compensation	213,836	13,206	227,042
General and administration	318,285	23,204	341,489
Total Operating Expenses	1,553,500	55,504	1,609,004
Loss From Operations	(1,553,500)	(55,504)	(1,609,004)
Other income (expenses)			
Interest Income	4,274	-	4,274
Interest Expense	(208,863)	-	(208,863)
Total Other Income (Expenses)	(204,589)	-	(204,589)
Loss before income taxes	(1,758,089)	(55,504)	(1,813,593)
Income tax provision	-	-	-
Net loss	\$ (1,758,089)	\$ (55,504)	\$ (1,813,593)