

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND JUNE 30, 2007  
(UNAUDITED)**

	<b>June 30, 2008</b>	<b>June 30, 2007</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 7,628	\$ 4,748
Accounts receivable	100,607	114,794
Advances from affiliates	<u>736,290</u>	<u>505,440</u>
<b>TOTAL CURRENT ASSETS</b>	<b>844,525</b>	<b>642,982</b>
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	1,388,907	1,392,038
<b>OTHER ASSETS</b>	<u>403,685</u>	<u>470,522</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,637,117</u></b>	<b>\$ <u>2,487,542</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Bank overdraft	\$ -	\$ 21,494
Accounts payable and accrued liabilities	112,533	90,949
Accrued interest, shareholder	75,278	33,034
Notes payable, shareholder	2,712,913	1,733,142
Notes payable, current portion	<u>1,739,198</u>	<u>2,249,332</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,639,922</b>	<b>4,127,951</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, par value \$0.0001 per share Authorized – 10,000,000 shares Issued and outstanding – 0 shares	-	-
Common stock, par value \$0.0001 per share Authorized – 500,000,000 shares Issued and outstanding – 17,678,600	1,768	1,768
Additional paid-in capital	(768)	(768)
Accumulated deficit	<u>(2,003,805)</u>	<u>(1,641,409)</u>
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(2,002,805)</b>	<b>(1,640,409)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ <u>2,637,117</u></b>	<b>\$ <u>2,487,542</u></b>

The accompanying notes are an integral part of the financial statements

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND JUNE 30, 2007**  
**(UNAUDITED)**

	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>	\$ 421,133	\$ 325,484
<b>COST OF REVENUES</b>	<u>42,398</u>	<u>20,309</u>
<b>GROSS PROFIT</b>	378,735	305,175
<b>EXPENSES</b>		
Selling, general and administrative	<u>516,424</u>	<u>868,742</u>
<b>TOTAL EXPENSES</b>	<u>516,424</u>	<u>868,742</u>
<b>(LOSS) FROM OPERATIONS</b>	<u>(137,689)</u>	<u>(563,567)</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	<u>(224,707)</u>	<u>(115,375)</u>
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<u>(224,707)</u>	<u>(115,375)</u>
<b>(LOSS) BEFORE INCOME TAXES</b>	(362,396)	(678,942)
Income tax expense	<u>-</u>	<u>-</u>
<b>NET (LOSS)</b>	\$ <u>(362,396)</u>	\$ <u>(678,942)</u>
<b>NET (LOSS) PER COMMON SHARE</b>		
Basic and diluted	\$ <u>(0.02)</u>	\$ <u>(0.04)</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		
Basic and diluted	<u>17,678,600</u>	<u>17,678,600</u>

The accompanying notes are an integral part of the financial statements

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2008**  
**(UNAUDITED)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulate d Deficit</u>	<u>Total Stockholders' Deficit</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2007	17,678,600	\$ 1,768	\$ (768)	\$ (1,641,409)	\$ (1,640,409)
Net loss	-	-	-	(362,396)	(362,396)
Balance, June 30, 2008	<u>17,678,600</u>	<u>\$ 1,768</u>	<u>\$ (768)</u>	<u>\$ (2,003,805)</u>	<u>\$ (2,002,805)</u>

The accompanying notes are an integral part of the financial statements

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND JUNE 30, 2007**  
**(UNAUDITED)**

	<b>2008</b>	<b>2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (loss)	\$ (362,396)	\$ (678,942)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Depreciation expense	38,238	85,801
Amortization of loan fees	66,837	66,837
Changes in operating assets and liabilities:		
Accounts receivable	14,186	(30,715)
Accounts payable and accrued liabilities	21,584	(41,231)
Accrued interest, shareholder	42,244	7,713
Advances from affiliates	(230,852)	337,644
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<b>(410,159)</b>	<b>(252,893)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(35,107)	(49,802)
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>	<b>(35,107)</b>	<b>(49,802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Bank overdraft	(21,493)	13,091
Repayments of notes payable	(260,490)	(115,373)
Proceeds from notes payable, shareholder	730,129	200,835
Repayments of notes payable, shareholder	-	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>448,146</b>	<b>98,553</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,880</b>	<b>(204,142)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4,748</b>	<b>208,972</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>\$ 7,628</b>	<b>\$ 4,830</b>

The accompanying notes are an integral part of the financial statements

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND JUNE 30, 2007**  
**(UNAUDITED)**

	<u>2008</u>		<u>2007</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Interest paid	\$ 161,934	\$	89,276
Taxes paid	\$ -	\$	-

The accompanying notes are an integral part of the financial statements

**OSCM – ONE STOP.COM, INC. & SUBSIDIARY  
FINANCIAL STATEMENT FOOTNOTES  
FOR THE SIX MONTHS ENDED JUNE 30, 2008  
(UNAUDITED)**

**NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION**

*Description of Business*

OSCM-One Stop.com, Inc. (the “Company”) was incorporated on February 27, 1997 in the state of Florida. During 1999, the Company was a provider of internet and communication technologies.

On August 8, 2008, the Company acquired Metiscan Technologies, Inc. (Metiscan) in a stock-for-stock, tax-free exchange transaction. As a result, Metiscan became a wholly owned subsidiary of the Company. Per the Acquisition Agreement, (the “Agreement”), the Company will issue a total of 157,000,000 shares of its common stock in exchange for 100% of the issued and outstanding shares of Metiscan. The Agreement calls for 32,000,000 shares to be issued upon closing and 125,000,000 to be issued as soon as practicable possible after the Company files an amendment to increase its authorized shares. On August 6, 2008, the 32,000,000 shares were issued. On August 15, 2008 the amendment to increase the Company’s authorized shares was filed. See Note 5. On August 21, 2008, the 125,000,000 shares were issued.

For accounting purposes, this transaction has been accounted for as a reverse merger, since the stockholders of Metiscan own a majority of the issued and outstanding shares of common stock of the Company, and the directors and executive officers of Metiscan became the directors and executive officers of the Company. This acquisition was accounted for at historical cost in a manner similar to that in pooling of interests method since after the acquisition, the former shareholders of Metiscan acquired majority of the outstanding shares of the Company. The financial statements of the legal acquirer are not significant; therefore, no pro forma financial information is submitted. Thus, the historical financial statements are those of Metiscan.

Metiscan is a national provider of products and services that streamline the management and operation functions of diagnostic imaging facilities, radiology groups, in-office imaging groups, small hospitals and physician offices. Metiscan's keystone product is a web-based radiology information system that interfaces Radiology Information System (RIS), teleradiology and PACS (Picture Archiving and Communication System) for its clients. Metiscan also provides information management and operations support for diagnostic imaging facilities through complete revenue cycle management, electronic medical records or EMR, medical transcription services and functional training as needed.

*Basis of Presentation*

The statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements pursuant to applicable SEC guidelines. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Operating results for the six months ended June 30, 2008 are not necessarily indicative of operating results that may be expected for the year ending December 31, 2008.

Accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the accounting for and recognition of assets, liabilities, stockholders’ equity, revenue and expenses. Estimates and assumptions are made because certain information is dependent on future events. Actual results could differ from those estimates.

*Going Concern*

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company has incurred significant losses during the six months ended June 30, 2008 and has a

working capital deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from this uncertainty.

Management's plans for the next twelve months are to focus efforts on the further development and marketing of the Company. During fiscal 2008, management plans to take the following steps in order to grow the Company and generate revenue through its web-based radiology information system (RIS) and through revenue cycle management (RCM);

1. Reduce operating expenses by reducing monthly lease obligations, outsourcing critical business software systems to an offsite data center and eliminate inefficiencies in its workforce.
2. Renegotiate liabilities with equipment debtors and shareholder in order to improve working capital and in turn use the created working capital for marketing of the Managed Services and Billing and Collection Services to diagnostic imaging centers and to upgrade Managed Services IT infrastructure and licensed RIS/PACs software.
3. Raise additional working capital through the sale of the Company's common stock, convertible debt and secured notes.

#### *Revenue Recognition*

The Company uses the accrual method of accounting. Sales are recognized when service is provided.

#### *Depreciation and Amortization*

The Company depreciates its property and equipment using the straight-line method with estimated useful lives from five to thirty-nine years. For federal income tax purposes, depreciation is computed using an accelerated method.

#### *Income Taxes*

The Company accounts for income taxes under SFAS 109, "Accounting for Income Taxes." Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the Company's historical results as well as management's future expectations. The Company's actual results could vary materially from management's estimates and assumptions.

#### *Recent Accounting Pronouncements*

There are no current accounting pronouncements that affect the Company.

## **NOTE 2 RELATED PARTY TRANSACTIONS**

During the years six months ended the Company received loans from its previous President and current shareholder in the amount of \$675,819. The loans bear interest at the rate of 8%. Total due at June 30, 2008 was \$2,712,913 principal and \$75,278 interest.

## **NOTE 3 INCOME TAXES**

The Company has net operating loss carryforwards totaling approximately \$1,024,000 at December 31, 2007 for Federal income tax purposes available to offset future taxable income through 2027. Deferred tax assets consist substantially of the net operating loss carryforward. The Company has made a 100% valuation allowance against the deferred tax asset. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considered the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

## **NOTE 4 LEGAL PROCEEDINGS**

### **Former Employee**

On April 26, 2007, the Company, Mr. Garth James, the Company's former President and current shareholder, and former employee, Mr. Jeff Brooks, entered into negotiations with respect to Mr. Brooks' claim of approximately \$150,000 which he allegedly was owed for various compensation and reimbursement. The negotiations ended without a binding written agreement between the parties. Although there were subsequent emails between the parties with respect to the terms discussed, a settlement agreement was never finalized and in June 2007, the Company decided not to proceed with entering into an agreement with Mr. Brooks. Mr. Brooks has filed suit in the District Court of Dallas County, Texas in an attempt to enforce the negotiations which took place on April 26, 2007 as a binding agreement and is seeking various monetary damages, attorney's fees and court costs, and pre-judgment and post-judgment interest. It is the Company's position that Mr. Brooks' claims are without merit and that the Court will find in its favor. Accordingly, the Company has not recorded any loss or gain with respect to this claim.

### **Note Payable**

On August 21, 2008, Laurel Center Management Employee Profit Sharing Trust, ("Laurel"), the holder of a promissory note from the Company (the "Note"), filed suit in the District Court of Dallas County, Texas against the Company and Mr. Garth James, the Company's former President and current shareholder, for Breach of Contract based upon the Company's failure to make the required quarterly payment on July 1, 2008 within the 15 day grace period, which caused the promissory note to go into default. Laurel sent the Company notice on August 6, 2008 of its intent to accelerate the Note pursuant to the Note's default provisions. Because the Company failed to pay the balance due, Laurel is seeking actual damages to be determined at trial, reasonable and necessary attorney's fees and court costs and pre-judgment and post-judgment interest at the highest lawful rates. However, the Company believes the matter will be resolved and that the Note will be reinstated pursuant to its original terms. As of June 30, 2008, the total amount due to Laurel was \$923,321.

## **NOTE 5 EQUITY**

On August 15, 2008, the Company amended its articles of incorporation to increase the authorized number of shares the Company is allowed to issue to 500,000,000 shares of Common Stock, \$0.0001 par value, and 10,000,000 shares of Preferred Shares, \$0.0001 par value. The Preferred Stock may be issued from time to time in one or more series. As of September 22, 2008, the Board of Directors has not designated any Preferred Stock.

**NOTE 6            SUBSEQUENT EVENTS**

**Issuances of Common Stock**

On August 14, 2008, the Company issued 28,800,000 shares of its common stock in payment of \$78,333 of principal and \$14,622 interest due to an unrelated individual. The shares were issued pursuant to a formal complaint filed against the Company for default of payment. The shares had a fair market value of \$4,291,200. Accordingly, the Company recorded a \$4,198,245 loss on settlement of debt.

On August 20, 2008, the Company issued 1,000,000 shares of its common stock to an unrelated individual and received \$42,500 in net proceeds.

On August 20, 2008, the Company issued 1,000,000 shares of its common stock to an unrelated individual and received \$45,000 in net proceeds.

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**OSCM – ONE STOP.COM, INC. & SUBSIDIARY  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS AS OF JUNE 30, 2008**

**Caution About Forward-Looking Statements**

This section should be read together with our financial statements and related notes thereto included elsewhere in the materials posted on Pink Sheet's website. In addition to the historical information contained herein, this report contains forward-looking statements that are subject to risks and uncertainties. Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. Certain statements contained in this report, including, without limitation, statements containing the words "believe," "anticipate," "estimate," "expect," "are of the opinion that" and words of similar import, constitute "forward-looking statements." You should not place any undue reliance on these forward-looking statements.

You should be aware that our results from operations could materially be affected by a number of factors, which include, but are not limited to the following: economic and business conditions specific to the healthcare industry; competition from other companies offering similar services, our ability to control costs and expenses, access to capital, and our ability to meet contractual obligations. There may be other factors not mentioned above or included elsewhere in the materials posted on Pink Sheet's website that may cause actual results to differ materially from any forward-looking information.

**Critical Accounting Policies**

The discussion and analysis of our financial conditions and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires managers to make estimates. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates.

**Plan of Operation**

On August 8, 2008, we completed the acquisition of Metiscan Technologies, Inc. (Metiscan) and at the same time, elected a new slate of directors and appointed new corporate officers. Our new management decided to conform the Company's business to that of its just acquired wholly-owned subsidiary, Metiscan. The historical financial information presented in this report is that of Metiscan.

Metiscan is a national provider of products and services that streamline the management and operation functions of diagnostic imaging facilities, radiology groups, in-office imaging groups, small hospitals and physician offices. Metiscan's keystone product is a web-based radiology information system that interfaces Radiology Information System (RIS), teleradiology and PACS (Picture Archiving and Communication System) for its clients. Metiscan also provides information management and operations support for diagnostic imaging facilities through complete revenue cycle management, electronic medical records or EMR, medical transcription services and functional training as needed. Metiscan's systems store and archive its customer's records and images for a minimum of 7 years.

Since August 8, 2008, and for the foreseeable future, all of our efforts will be focused on the further development and marketing of Metiscan. During fiscal 2008, we plan to take the following steps in order to grow Metiscan, and generate revenue through our web-based radiology information system (RIS) and through revenue cycle management (RCM);

1. Reduce operating expenses by reducing monthly lease obligations, outsourcing critical business software systems to an offsite data center and eliminate inefficiencies in its workforce.
2. Renegotiate liabilities with equipment debtors and shareholder in order to improve working capital and in turn use the created working capital for marketing of the Managed Services and Billing and Collection

Services to diagnostic imaging centers and to upgrade Managed Services IT infrastructure and licensed RIS/PACs software.

3. Raise additional working capital through the sale of the Company's common stock, convertible debt and secured notes.

## **Results of Operation**

### Operating Results for the Six Months Ended June 30, 2008 compared to June 30, 2007

During the six months ended June 30, 2008 our revenues were \$421,133 as compared to \$325,484 during the six months ended June 30, 2007. This increase of \$95,649, or 29%, is primarily the result of an increase in equipment rental fees of approximately \$78,000 along with an approximately \$15,000 increase in RCM service fees. During the six months ended June 30, 2008, we had 20 customers under contract as compared to 13 customers under contract during the six months ended June 30, 2007.

Our cost of revenues during the six months ended June 30, 2008 were \$42,398 as compared to \$20,309 during the six months ended June 30, 2007. Cost of revenues as a percentage of revenues were 10% during the six months ended June 30, 2008 as compared to 6% during the six months ended June 30, 2007. This increase of \$22,089 or 4% is a direct result of the increased revenues along with an increase of approximately \$12,500 in transcription expenses and an approximately \$5,000 increase in equipment servicing. Although there can be no assurance, we anticipate cost of revenues to remain within the range of 10% to 15% of revenues in the foreseeable future.

Our selling, general and administrative expenses during the six months ended June 30, 2008 were \$516,424 as compared to \$868,742 during the six months ended June 30, 2007. The decrease of \$352,318, or 68%, was the result a decrease in the following expenses: bad debt expense of approximately \$114,500 due to a significant customer not meeting its obligations, consulting fees of approximately \$103,500 due to the cancellation of a consulting agreement with a consultant not meeting its obligations, depreciation expense of approximately \$47,500 as certain equipment became fully depreciated, legal fees of approximately \$23,800 and accounting fees of approximately \$23,000 due to reduced professional services needs. While we cannot expect the trend of this decrease to continue at this current rate, we do anticipate selling, general and administrative expenses to decrease to a level that will allow our revenues to sufficiently cover these expenses.

Our interest expense during the six months ended June 30, 2008 was \$224,707 as compared to \$115,375. Interest expense remained fairly constant as we reduced higher interest loans with the increase of lower interest loans from our former President and current shareholder. As of June 30, 2008, the interest rates on our notes payable ranged from 8% to 15.91%.

Pursuant to the aforementioned, we experienced a net loss of \$362,396 during the six months ended June 30, 2008 as compared to a net loss of \$678,942 during the six months ended June 30, 2007. We expect operating losses to continue until we are able to develop and increase customer base and stabilize our general and administrative expenses.

## **Liquidity and Capital Resources**

We have incurred losses for the six months ended June 30, 2008. As of June 30, 2008, we had an accumulated deficit of \$2,003,805. As of June 30, 2008 we had cash of \$7,628 and a working capital deficit of \$3,795,397.

We expect our revenues will increase during the foreseeable future as a result of increasing the number of customers we service. Revenues from our services are expected to increase in proportion to the number of customers serviced by us. Currently cash flows from operations are not sufficient to meet our cash requirements. Consequently, we are depending upon the proceeds from future debt or equity investments to sustain our operations and implement our business plan until revenue is sufficient to cover our operating expenses. If we are unable to raise sufficient capital, we will be required to delay or forego some portion of our business plan, which would have a material adverse affect on our anticipated results from operations and financial condition. There is no assurance that we will be able to obtain necessary amounts of capital or that our estimates of our capital requirements will prove to be accurate. As of September 28, 2008, we did not have any commitments from any source to provide additional capital. Even if

we are able to secure outside financing, it may not be available in the amounts or times when we require. Furthermore, such financing would likely take the form of bank loans, private placement of debt or equity securities or some combination of these. The issuance of additional equity securities would dilute the stock ownership of current investor while incurring loans, lines of credit or debt by us would increase our capital requirements and possible loss of valuable assets if such obligations were not repaid in accordance with their terms.

During the six months ended June 30, 2008, we repaid notes payable in the amount of \$260,490. Our notes payable were \$1,739,199 at June 30, 2008 and the entire balance was considered current obligations.

During the six months ended June 30, 2008, we received notes payable from our former President and current shareholder in the amount of \$730,129. These notes payable bear interest at 8% and are due upon demand. At June 30, 2008 we owed our former President and current shareholder \$2,712,913 in principal and \$75,278 in interest.

### **Off-Balance Sheet Arrangements**

Since our inception through June 30, 2008, we have not engaged in any off-balance sheet arrangements as defined in Item 303(c) of the SEC's Regulation S-B.

### **RISK FACTORS**

#### **RISKS WITH RESPECT TO OUR BUSINESS**

#### **MANAGEMENT HAS EXPRESSED UNCERTAINTY AS TO OUR ABILITY TO REMAIN A GOING CONCERN.**

We have incurred losses for the six months ended June 30, 2008. As of June 30, 2008, we had an accumulated deficit of \$2,003,805. As of June 30, 2008 we had cash of \$7,628 and a working capital deficit of \$3,795,397. For the near future, it is likely that we will sustain operating expenses without revenues significant enough to cover these expenses. We are likely to have a continually increasing net operating loss until we successfully increase our customer base and level our selling, general and administrative expenses. We cannot guarantee that we will be able to increase our customer base to the extent necessary to generate enough revenue to cover our operating expenses

#### **WE ARE SUBJECT TO CHANGES IN HEALTHCARE LAWS.**

Each time the United States government amends existing, or introduces new, healthcare laws, we could be potentially faced with accepting lower profit margins and or redesign our services offered. By way of example, the Deficit Reduction Act of 2006, (the "DRA") drastically reduced the amount of revenue our clients were able to generate from each scan through Medicare and therefore caused us to reduce our fees to our clients and lower our profit margins. Should the United States government make further changes in healthcare laws that lower government reimbursement of scans, we will again be forced to reduce our fees and lower our profit margins.

#### **WE ANTICIPATE CONTINUED LOSSES IN THE NEAR FUTURE AND FUTURE RESULTS ARE UNCERTAIN.**

Until we increase our customer base to a level that generates revenues sufficient to cover expenses, we will continue to experience losses. There can be no assurance that we will be able to generate sufficient revenues from the sales through our business to achieve or maintain profitability on a quarterly or an annual basis in the future. We expect negative cash flow from operations to continue, at least for the foreseeable future, as we continue to develop our business. If cash generated by operations is insufficient to satisfy our liquidity requirements, we may be required to sell debt or additional equity securities. The sale of additional equity or convertible debt securities would result in additional dilution to our stockholders. Further, there can be no assurance that we will successfully be able to sell our securities in order to obtain additional capital.

#### **WE ARE SUBJECT TO SIGNIFICANT COMPETITION.**

The market for RIS/PACS software providers is highly competitive and rapidly changing. Since the introduction of electronic data imaging, the number of RIS/PACS software companies competing has dramatically increased and our management expects the competition to intensify. Currently, there are several large and well capitalized companies and numerous smaller and midsize companies providing and attempting to provide RIS/PACS software solutions.

Our management believes that the primary competitive factors in providing our products are name recognition, price, quality of service, availability of customer support, reliability, technical expertise and experience. Our success in this market will depend heavily upon our ability to provide a high quality product, high volume, all at a reasonable price. Other factors that will affect our success include our ability to attract experienced marketing, sales and management talent.

**WE ARE DEPENDENT UPON KEY PERSONNEL AND ATTRACTING AND RETAINING HIGHLY SKILLED PERSONNEL.**

We believe our future success will also depend largely upon our ability to attract and retain highly skilled management, technical engineers, sales and marketing, finance and technical personnel. Competition for such personnel is intense and there can be no assurance that we will be successful in attracting and retaining such personnel. The loss of the services of any of the key personnel, the inability to attract or retain qualified personnel in the future, or delays in hiring required personnel, particularly technical engineers and sales personnel, could have a material adverse affect upon our business, results of operations and financial condition.

**OUR WEB-BASED RADIOLOGY INFORMATION SYSTEM IS LICENSED FROM A THIRD-PARTY AND THERE IS NO GUARANTEE THAT WE WILL BE ABLE TO MAINTAIN OUR SOFTWARE LICENSE WILL BE RENEWED**

Our web-based software product and service is dependent on us maintaining our license agreement with a third-party software vendor. Given the current financial condition of the Company, there is no guarantee that we will be able to continue to maintain our software licensing and maintenance fees. If we are unable to pay our software licensing and maintenance fees then we may loss some or all of our customers.

**THE FUTURE SUCCESS OF OUR BUSINESS IS DEPENDENT ON UPGRADING OUR WEB-BASED RADIOLOGY INFORMATION SYSTEM.**

Maintaining and attracting new customers for our web-based software product and service is continually threatened from competitors that provide a similar product and service with software that is more up to date and that has better features. Given the current financial condition of the Company, there is no guarantee that we will be able to upgrade our web-based radiology information system. If we are unable to pay to upgrade our software systems, we may loss some or all of our customers.

**THE FUTURE SUCCESS OF OUR BUSINESS IS DEPENDENT ON UPGRADING OUR IT INFRASTRUCTURE.**

We currently have a datacenter located at our facility that was built-out more than 5 years ago. We have IT infrastructure that has reached end-of-life, as defined by our equipment vendors and manufacturers, which is still being used in our datacenter and that is part of our key systems. These key systems may fail at anytime. If we are unable to raise capital such to upgrade our IT infrastructure we may loss some or all of our customers.

**WE DO NOT HAVE EMPLOYMENT CONTRACTS WITH KEY EMPLOYEES.**

We do not currently have any employee contracts with any employees. However, we do have key employees who are instrumental to our business and would be difficult to replace. Accordingly, we are currently working to enter into employment contracts with our key employees. However, there can be no guarantee these employees will accept the agreements that we will offer them.

**KEY MEMBERS OF OUR PERSONNEL ARE EMPLOYED ON A PART-TIME BASIS**

Our Interim President and Chief Executive Officer operates his own consulting firm. Our Chief Operating Officer is employed by Dell Financial Services. Our Executive Vice President operates his own consulting firm. Our Chief Financial Officer operates her own CPA firm. Even though our Interim President & Chief Executive Officer and Executive Vice President are currently working for the Company full-time this could change in the near future based on other opportunities. Our Chief Financial Officer and Chief Operating Officer work for us only on a part-time as needed basis. There can be no assurance that these individuals will be able to devote the time required by us.

**CONFLICTS MAY EXIST WITH CERTAIN OF OUR OFFICERS AND DIRECTORS WHICH MAY CAUSE THEM TO GIVE PRIORITY TO OTHER MATTERS OVER OUR NEEDS WHICH MAY MATERIALLY AFFECT OUR OPERATIONS.**

There are a number of conflicts associated with our officers and directors. These conflicts include, engaging in other businesses similar or dissimilar to ours and allocating their time and services between us and the other entities with which they are involved, as set forth in the preceding risk factor. In the future, we may extend an offer to certain of the part time employees to become full time employees; provided, however, that there can be no assurance that these part time employees will accept our offer of full time employment.

The law firm of Mintz & Fraade, P.C. is our legal counsel. Mintz & Fraade, P.C. owns 2,500,000 shares of our common stock which it received as consideration for legal services rendered to us. A conflict of interest may arise between Mintz & Fraade, P.C.'s capacity as our legal counsel and as a shareholder.

**WE NEED ADDITIONAL FINANCING TO DEVELOP OUR BUSINESS AND TO MEET OUR CAPITAL REQUIREMENTS.**

We will need additional financing to develop our business and meet our capital requirements. We currently have no arrangements to obtain additional financing and we will be dependent upon sources such as:

- future earnings,
- funds from private sources such as, loans and additional private placements, and
- funds from public offerings.

In view of our current working capital deficit, our ability to obtain additional funds is limited. Additional financing may only be available, if at all, upon terms which may not be commercially advantageous. If adequate funds are not available from operations or additional sources of financing, our business will be materially adversely affected.

**THE SUCCESS OF OUR ANTICIPATED FUTURE GROWTH IS DEPENDENT UPON OUR ABILITY TO SUCCESSFULLY MANAGE THE GROWTH OF OUR PROPOSED OPERATIONS.**

We expect to experience significant growth in the number of employees and the scope of our operations. Our future success will be highly dependent upon our ability to successfully manage the expansion of our operations. Our ability to manage and support our growth effectively will be substantially dependent upon our ability to implement adequate improvements to financial and management controls, reporting and other procedures and hire sufficient numbers of financial, accounting, administrative and management personnel. Our expansion, and the resulting growth in the number of our employees, will result in increased responsibility for both existing and new management personnel. There can be no assurance that we will be able to identify, attract and retain experienced accounting and financial personnel. Our future operating results will depend upon the ability of our management and other key employees to implement and improve our systems for operations, financial control and information management, and to recruit, train, and manage our employee base. There can be no assurance that we will be able to achieve or manage any such growth successfully or to implement and maintain adequate financial and management controls and procedures. Inability to do so would have a material adverse affect upon our business, results of operations and financial condition.

Our future success depends upon our ability to address potential market opportunities while managing our expenses to match our ability to finance our operations. This need to manage our expenses will place a significant strain on

our management and operational resources. If we are unable to manage our expenses effectively, our business, results of operations and financial condition will be adversely affected.

### **RISKS WITH RESPECT TO SHARES OF OUR COMMON STOCK**

#### **WE MAY BE SUBJECT TO THE SECURITIES AND EXCHANGE COMMISSION'S "PENNY STOCK" RULES IF OUR COMMON STOCK SELLS BELOW \$5.00 PER SHARE.**

If, after our stock begins to trade, the trading price of our Common Stock is below \$5.00 per share, trading in our securities may be subject to the requirements of the Securities and Exchange Commission's rules with respect to securities trading below \$5.00, which are referred to as "penny stocks". These rules require the delivery prior to any transaction of a disclosure schedule explaining the penny stock market and all associated risks and impose various sales practice requirements on broker-dealers who sell "penny stocks" to persons other than established customers and accredited investors, which are generally defined as institutions or an investor individually or with their spouse, who has a net worth exceeding \$1,000,000 or annual income, individually exceeding \$200,000 or, with their spouse, exceeding \$300,000. For these types of transactions the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our Common Stock, which could severely limit its market price and liquidity.

In addition, we will be subject to an SEC rule (Rule 15c2-11) (the so-called penny stock rules) which imposes various requirements on broker-dealers who sell securities governed by the rule to persons other than established customers and accredited investors. The requirement that broker-dealers comply with this rule could deter broker-dealers from recommending or selling our Common Stock, thus further adversely affecting the liquidity and share price of our Common Stock, as well as our ability to raise additional capital.

#### **THERE CAN BE NO ASSURANCE THAT WE WILL PAY ANY DIVIDENDS ON OUR COMMON STOCK.**

There can be no assurance that we will have sufficient earnings to pay any dividends with respect to our common stock. Moreover, even if we have sufficient earnings, we are not obligated to declare dividends with respect to our Common Stock. The future declaration of any cash or stock dividends will be in the sole and absolute discretion of the Board of Directors, and will depend upon our earnings, capital requirements, financial position, general economic conditions and other pertinent factors. It is also possible that the terms of any future debt financing may restrict the payment of dividends. We presently intend to retain earnings, if any, for the development and expansion of our business.

#### **OUR DIRECTORS HAVE THE RIGHT, WITHOUT THE AGREEMENT OF SHAREHOLDERS, TO AUTHORIZE THE ISSUANCE OF PREFERRED STOCK WITH ANY RIGHTS ALLOWABLE PURSUANT TO LAW, WHICH COULD ADVERSELY AFFECT THE RIGHTS AND VALUE OF OUR COMMON STOCK, WHICH MAY SUBSTANTIALLY REDUCE THE RIGHTS OF HOLDERS OF COMMON STOCK, INCLUDING VOTING RIGHTS AND LIQUIDATION PREFERENCES.**

Our directors, without further action by our shareholders, have the authority to issue shares of Preferred Stock from time to time in one or more series, and to fix the number of shares, the relative rights, conversion rights, voting rights, terms of redemption, liquidation preferences and any other preferences, special rights and qualifications of any such series. Any issuance of Preferred Stock could adversely affect the rights of holders of Common Stock and the value of such Common Stock. Although our Board of Directors is required to make any determination to issue such stock based upon its judgment as to the best interests of our stockholders, our Board of Directors could, for example, act in a manner which would discourage an acquisition attempt or other transaction which some, or a majority, of the stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then market price of such stock. Our Board of Directors does not at present intend

to seek stockholder approval prior to any issuance of currently authorized stock, unless otherwise required by applicable law or stock exchange rules.

**THERE CAN BE NO ASSURANCE THAT OUR COMMON STOCK WILL EVER BE LISTED OR QUOTED ON NASDAQ, THE NEW YORK STOCK EXCHANGE, THE AMERICAN STOCK EXCHANGE, THE OTC BULLETIN BOARD OR ONE OF THE OTHER NATIONAL SECURITIES EXCHANGES OR MARKETS, OR THAT IF SO LISTED OR QUOTED, THAT IT WOULD THEREAFTER INCREASE IN VALUE.**

Until such time as our Common Stock is listed upon any of the several NASDAQ markets, the New York Stock Exchange, the American Stock Exchange, or one of the other national securities exchanges or markets, of which there can be no assurance, accurate quotations as to the market value of our securities may not be possible. Sellers of our securities are likely to have more difficulty disposing of their securities than sellers of securities which are listed upon any of the several NASDAQ markets, the New York Stock Exchange, the American Stock Exchange, or one of the other national securities exchanges or markets.

Although we intend for our Common Stock to trade on public markets, including, but not limited to, the Pink Sheets and subsequently to the OTC Bulletin Board, there can be no assurance that we would be successful in having our Common Stock listed or quoted on such a public market, or that if so listed or quoted, that our Common Stock would thereafter increase in value.

Even if a public market does develop, the volume of trading in our Common Stock will presumably be limited and likely dominated by a few individuals. The limited volume, if any, will make the price of our Common Stock subject to manipulation by one or more stockholders and will significantly limit the number of shares that one can purchase or sell in a short period of time. An investor may find it difficult to dispose of shares of our Common Stock or obtain a fair price for our Common Stock in the market.

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**CERTIFICATION**

I, Bryan A. Scott, hereby certify that I have reviewed the financial statements, Exhibits, and all notes thereto; and I, having full authority to sign on behalf of the Company, hereby certify that the information is complete and presented fairly, in all material respects.

Dated this 28th day of September 2008:

Certified by: /s/Bryan A. Scott  
Interim President & CEO

I, Janine Frieh, hereby certify that I have reviewed the financial statements, Exhibits, and all notes thereto; and I, having full authority to sign on behalf of the Company, hereby certify that the information is complete and presented fairly, in all material respects.

Dated this 28th day of September 2008:

Certified by: /s/Janine Frieh  
Chief Financial Officer