UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
Or
☐TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 333-136436

MEDICAL IMAGING CORP.
(Exact name of registrant as specified in charter)

NEVADA	**98-0493698**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
848 N. Rainbow Blvd. #2494, Las Vegas, Nevada	**89107**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(877)-331-3444**

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.001 par value

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 of 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 ☐

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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 ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☒

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

Aggregate market value of the 12,119,981 outstanding shares of common stock held by non-affiliates of the Registrant as of June 30, 2014 was approximately $956,267, based on the closing sales price of the registrant’s common stock on that date.

There were 24,166,481 shares of common stock outstanding as of March 15, 2015.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Company History

Medical Imaging Corp. ("MIC," "Company," "we," "our," or "us") formerly: Diagnostic Imaging International Corp ("DIIC"), a Nevada Corporation, was incorporated in 2000. In 2005, the Company developed a business plan to pursue private healthcare opportunities in Canada with the objective of owning and operating private diagnostic imaging clinics. The Company amended its plan in 2007 to also include the acquisition of operating imaging businesses in the United States. The Company was renamed Diagnostic Imaging International Corp. and became a fully reporting company in early 2007 through the filing of an SB-2. In 2009, the Company acquired Canadian Teleradiology Services, Inc. ("CTS"), in 2012, acquired Schuylkill Open MRI, Inc. ("SMI"), and in 2014 acquired Partners Imaging Center of Venice, LLC ("PIV"), Partners Imaging Centre of Naples, LLC ("PIN"), and Partners Imaging Center of Charlotte, LLC ("PIC").

Business Description

Medical Imaging Corp., is a U.S.-based healthcare services company with a specific focus on medical diagnostic imaging. We currently own and operate five wholly-owned subsidiaries: Canadian Teleradiology Services, Inc., which operates as Custom Teleradiology Services; Schuylkill Open MRI., which operates as Schuylkill Medical Imaging. ; Partners Imaging Center of Venice, LLC; Partners Imaging Center of Naples; LLC; and Partners Imaging Center of Charlotte, LLC. With operations in the U.S. and Canada, our Company is executing a growth strategy centered on acquiring and operating profitable medical diagnostic imaging facilities and imaging services businesses with a goal of profitably increasing revenues.

MIC's mission is to provide superior quality medical diagnostic imaging services to its clients across North America, delivering convenience, accuracy and the highest standards of care and service. Our Company's mandate is to make available, on a timely basis, valued-based on-site and remote medical imaging services for patients, hospitals, workers compensation boards and insurance companies. With a focus on continuous improvement in key process metrics that help drive service excellence and customer satisfaction, MIC is dedicated to providing patient-centric care and comprehensive support to our broad network of medical partners.

Custom Teleradiology Services, Inc. (CTS)

- Founded in 2004 and acquired by MIC in 2009, CTS is one of Canada's leading providers of remote reading and reporting of medical diagnostic imaging scans, otherwise known as Teleradiology, for rural hospitals and clinics. Our network of board certified radiologists is, collectively providing medical imaging interpretations for our clients, helping to speed diagnoses, improve outcomes and enhance patient care.

- On a 24/7/365 basis, CTS receives diagnostic imaging scans from hospitals, clinics and referring physicians, and transmits them to qualified radiologists, who are typically located in large urban medical centers. The receiving radiologist reads and interprets the diagnostic images and associated clinical data and prepares medical reports on the findings, which are in turn transmitted to the client allowing the hospital to continue with patient care.

- CTS specializes in reading Magnetic Resonance Imaging (MRI), Computed Tomography (CT), Positron Emission Tomography (PET), Ultrasound (US), Nuclear Medicine (NM), Digital Mammography (MAMMO), X-Ray and Bone Mineral Densitometry (BDM) modalities.

- CTS uses a leading brand Picture Archiving and Communications System (PACS) to ensure high resolution images can be delivered for interpretation in a quick, secure and highly dependable manner. CTS also works with our IT Company to ensure our doctors workstations and hospital servers are always running.

- Guided by the Canada Health Act of 1984, healthcare in Canada is delivered through a publicly funded healthcare system, which is mostly free at the point of use and has most services provided by private entities. CTS' revenues are derived from service agreements we enter with hospitals, clinics and other medical facilities where patients are treated. Fees for services provided by CTS are billed to the government by each CTS client, which, upon being paid by the government, remits payment to CTS in accordance with the contracted payment terms.

- CTS primary growth objectives are concentrated on optimizing our current contract portfolio and increasing our share of the Teleradiology market in the province of Ontario, expanding our geographic service region to include penetrating other Canadian provinces, and scaling our Canadian network of board certified radiologists to ensure effective support of our geographic expansion initiatives.

Schuylkill Medical Imaging (SMI)

Incorporated in 2003, SMI is the premier medical imaging facility serving patients in Schuylkill County, Pennsylvania. SMI has provided high quality medical diagnostic imaging services for more than 11 years in a caring, safe and convenient environment. Located in Pottsville, Pennsylvania and accredited by the American College of Radiology, SMI has the first and only Open MRI in Schuylkill County and has earned a strong reputation within the communities it serves through its board certified radiologists, highly trained technologists, medical equipment and advanced technology matched with exceptional care and service.

Our care facility currently houses two types of MRI systems – both of which provide exceptional anatomic detail and are particularly useful for diagnostic tests and procedures requiring high resolution. Our digital imaging equipment includes a Siemens Concerto Open MRI System, as well as a closed 1.5 T Siemens Symphony MRI System. The open MRI system is open on three sides, providing a panoramic 270° view – ideal for pediatric patients and those who may suffer from claustrophobia or are large bodied. Our highly skilled radiologists weigh all factors to choose the right system for each individual patient to ensure the best outcome. SMI is capable of facilitating MRI procedures that include cranial, spinal, abdominal, pelvic, musculoskeletal and head/neck scans.

- In July 2014, SMI purchased a Viztek Digital Direct Radiography Straight Arm x-ray and a 16 slice Toshiba Aquillion Computed Tomography (CT) imaging equipment.

- SMI's business is highly reliant upon referrals from area physicians and group practices and does not maintain dedicated or contractual relationships with hospitals or clinics. In fact, hospitals and clinics may compete with SMI to provide services to patients. We believe that our community presence assists referring physicians with further enhancing their practices by providing well-coordinated and responsive care to their patients who require diagnostic imaging services; therefore we maintain an active outreach program, ensuring that the SMI brand and quality service offerings are well represented and communicated to practicing physicians in the region and to local healthcare consumers who exercise their own personal discretion in determining at what local medical imaging facility they choose to have their imaging procedures performed.

SMI prides itself on its patient-centered culture and inviting, peaceful, healing environment that is aesthetically pleasing and designed specifically to allay patient fear, anxiety and discomfort.

SMI has a staff of approximately 11 employees including a center manager responsible for all the day operations and medical manager who oversees contrast studies and can advise on patient care.

Florida Operations (PIV, PIN, PIC)

MIC owns three diagnostic centers in the State of Florida, operating under the names of Partners Imaging Center of Venice, LLC, Partners Imaging Center of Charlotte, LLC, and Partners Imaging Center of Naples, LLC. These centers have been operating under the Partners name for more than five years and have been in their respective locations from 8 to 15 years. The centers rely on referring physicians and marketing efforts to drive business. The centers offer a 1.5T MRI and 16 slice CT in Naples, a 1.5T MRI in Charlotte, and 3T MRI, 16 slice CT, ultrasound, PET and X-ray at the Venice location. Reports are provided to the patients' physician within 24 hours and as quick as 60 minute for emergency exams.

Combined the Florida operations have approximately 18 employees including center managers. Radiology reads are provided by a third party radiology consulting group.

Industry Overview

***About* Teleradiology**

Teleradiology encompasses the electronic transmission of medical images from one location to another healthcare set-up via the Internet. Teleradiology bridges the gap between the imbalanced demand and supply of radiologists and diagnostic services across the globe. Efficient image transfer demands three major components, an image capture and sending station, telecommunication channels (such as the Internet), and lastly, an image receiving station.

Initially, the image transfer process was tedious and time consuming, coupled with no assurance of image clarity and quality. That has all changed with the rapid evolution of imaging processing and transmission tools and technologies. Today, Teleradiology has emerged as a viable and cost effective alternative to hiring for many hospitals and clinics worldwide needing better coverage for imaging reading and interpretations.

Teleradiology improves patient care by allowing radiologists to provide services without actually having to be at the location of the patient. This is important when a sub-specialist, such as a MRI Radiologist, Neuroradiologist, Pediatric Radiologist or Musculoskeletal Radiologist is required, as these professionals are generally only located in large metropolitan areas. Moreover, sharing high quality images at high speed saves precious time for medical staff and patients, and allows physicians to be better connected, work smarter and make more confident decisions. Teleradiology allows hospitals in remote rural communities the ability to provide patient care 24 hours a day without having to close its emergency rooms. Rural communities are able to receive the same high end healthcare and service that those in large urban centers experience and expect.

Teleradiology allows trained specialists to be available 24/7 – including those with difficult-to-find sub-specialties, such as MRI Radiology, Neuroradiology and Pediatric Neuroradiology.

CTS’ network utilizes secured network technologies such a wide area networks (WAN) or a local area networks (LAN) that are fully compatible with. Highly specialized software is used to transmit the images and enable our radiologists to effectively analyze what can be hundreds of images for a given study. We also engage advanced technologies that include graphics processing, voice recognition and image compression are often used in Teleradiology.

Through Teleradiology, our radiologists can provide a Preliminary Read Report for emergency room purposes, or a Final Read Report for the official patient record and for use in billing. Preliminary reports include all pertinent findings and a phone call for any critical findings. For some of our Teleradiology services, such as those involving critical or stroke studies, the turnaround time is extremely fast with a one-hour standard turnaround. Our Teleradiology Final Reports can be provided for emergent and non-emergent studies. Final reports include all findings and require access to prior studies and all relevant patient information for a complete diagnosis.

About Magnetic Resonance Imaging (MRI)

MRI is an investigative procedure to detect structural or anatomical problems inside the body without the need for exploratory surgery or more complex invasive tests. MRI scanning is a painless way to "see" through bones.

MRI can be used to detect problems in almost any area - head, brain, eyes, ears, neck, chest, abdomen, pelvis, spine and limbs. It is particularly useful for detecting nerve root compression (pinched, trapped nerves) in the spine by a slipped disc, and is also commonly used to assess major joints (knees and ankles - torn ligaments, meniscus injuries).

MRI has found wide applications in many branches of medicine. Neurology, cardiology, orthopedics, urology and general surgery all use MRI for making and confirming diagnosis.

MRI can also be used in angiography studies without the need for contrast. MRI scans produce detailed pictures of soft body tissue and organs without using ionizing radiation, making early detection of cancers, neurological, and musculoskeletal diseases possible.

About Computerized Tomography (CT) or Computerized Axial Tomography (CAT)

A 'computerized tomography' (CT) or 'computerized axial tomography' (CAT) scan uses a computer that takes data from several X-ray images of structures inside a human's or animal's body and converts them into pictures on a monitor. Tomography is the process of generating a 2-dimensional image of a slice or section through a 3-dimensional object. Similar to looking at one slice of bread within the whole loaf.

CT scans are used to study areas of the body and the arms or legs, including:

- Chest (thorax). A CT scan of the chest can look for problems with the lungs, the heart, the esophagus or the major blood vessel (aorta) or the tissues in the center of the chest. Some common chest problems a CT scan may find include infection, lung cancer, a pulmonary embolism, and an aneurysm. It also can be used to see if cancer has spread into the chest from another area of the body.

- Abdomen. A CT scan of the abdomen can find cysts, abscesses, infection, tumors, an aneurysm, enlarged lymph nodes, foreign objects, bleeding in the belly, diverticulitis, inflammatory bowel disease, and appendicitis.

- Urinary tract. A CT scan of the kidneys, ureters, and bladder is called a CT KUB or CT urogram. This type of scan can find kidney stones, bladder stones, or blockage of the urinary tract. A special type of CT scan, called a CT intravenous pyelogram (IVP), uses injected dye (contrast material) to look for kidney stones, blockage, growths, infection, or other diseases of the urinary tract.

- Liver. A CT scan can find liver tumors, bleeding from the liver and liver diseases. A CT scan of the liver can help determine the cause of jaundice.

- Pancreas. A CT scan can find a tumor in the pancreas or inflammation of the pancreas (pancreatitis).

- Gallbladder and bile ducts. A CT scan can be used to check for blockage of the bile ducts. Gallstones occasionally show up on a CT scan. But other tests, such as ultrasound, usually are used to find problems with the gallbladder and bile ducts.

- Adrenal glands. A CT scan can find tumors or enlarged adrenal glands.

- Spleen. A CT scan can be used to check for an injury to the spleen or the size of the spleen.

- Pelvis. A CT scan can look for problems of organs in the pelvis. For a woman, these include the uterus, ovaries, and fallopian tubes. For a man, the pelvic organs include the prostate gland and the seminal vesicles.

- Arm or leg. A CT scan can look for problems of the arms or legs, including the shoulder, elbow, wrist, hand, hip, knee, ankle, or foot.

About Positron Emission Tomography (PET)

A Positron Emission Tomography (PET) scan uses radiation, or nuclear medicine imaging, to produce three-dimensional, color images of the functional processes within the human body. The machine detects pairs of gamma rays which are emitted indirectly by a tracer (positron-emitting radionuclide) which is placed in the body on a biologically active molecule. The images are reconstructed by computer analysis. Modern machines often use a CT X-ray scan which is performed on the patient at the same time in the same machine.

A PET scan can measure such vital functions as blood flow, oxygen use, and glucose metabolism, which helps doctors identify abnormal from normal functioning organs and tissues. The scan can also be used to evaluate the effectiveness of a patient’s treatment plan, allowing the course of care to be adjusted if necessary. Currently, PET scans are most commonly used to detect cancer, heart problems (such as coronary artery disease and damage to the heart following a heart attack), brain disorders (including brain tumors, memory disorders, seizures) and other central nervous system disorders.

One of the main differences between PET scans and other imaging tests like CT scan or magnetic resonance imaging (MRI) is that the PET scan reveals the cellular level metabolic changes occurring in an organ or tissue. This is important and unique because disease processes often begin with functional changes at the cellular level. A PET scan can often detect these very early changes whereas a CT or MRI detect changes a little later as the disease begins to cause changes in the structure of organs or tissues.

Canadian Government Regulation

Our CTS subsidiary is subject to extensive regulation by the Canadian federal government, as well as the governments of the provinces and territories in which we conduct our business. A diagnostic imaging clinic or hospital must be licensed by the Ministry of Health and sanctioned by the College of Physicians and Surgeons in the province in which it is located.

In addition to extensive existing Canadian government healthcare regulation, there could be at the federal and provincial levels reforms affecting the payment for and availability of diagnostic healthcare services. Limitations on reimbursement amounts and other cost containment pressures could result in a decrease in the revenue we expect to receive for each scan we perform. It is not clear at this time what proposals, if any, will be adopted or, if adopted, what affect these proposals would have on our business.

U.S. Government Regulation

Our US subsidiaries are subject to extensive regulation under federal, State, and local laws. This includes but is not limited to complying with HIPPA, Accreditation standards, Medicare and private insurance standards. In addition, we believe that our business will continue to be subject to increasing regulation, the scope and effect of which we cannot predict.

Competition

We compete with numerous public and private diagnostic imaging clinics. We also compete for the hiring of qualified medical experts and MRI, CT and x-ray technicians to perform and evaluate the diagnostic imaging scans. Most of our current competitors have, and our future competitors are expected to have, greater resources than us. Therefore, our ability to compete largely depends on our financial resources and capacity.

Customers

Between direct hospital contracts and satellite hospitals that feed into the main hospital, we have a client roster of more than 18 hospitals that rely on CTS. The loss of any of these clients would have a negative impact on the Company.

The diagnostic imaging centers rely on a referral base of specialized and family practitioners in each respective community. The average center may have over 100 local physicians that refer patients to us for medical imaging services. In addition, each center uses marketing efforts and community involvement to reach out and educate patients that they have a choice as to where to have a scan.

For our Florida centers we have a sizeable amount of selfpay patients in the winter time from foreign visitors.

Employees

MIC currently has one full time executive (Chief Executive Officer), one part time executive (Chief Financial Officer) and 40 employees who include accounting staff, administrators, as well as technical employees and imaging center location managers. In addition, the Company employs as many as 40 sub-contractors who are physicians, radiologists, accountants, business development consultants, clerical staff and IT professionals.

ITEM 1A. RISK FACTORS

A smaller reporting company is not required to provide the information required by this Item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

A smaller reporting company is not required to provide the information required buy this Item.

ITEM 2. PROPERTIES

The company leases office space as follows:

Location	Subsidiary	Square feet	Monthly cost
Toronto, Canada	CTS	2,100	$6,500
Pottsville, Pennsylvania	SMI	3,512	$6,500
Dallas, Texas	SMI	400	$1,500
Venice, Florida	PIV	5,400	$14,990
Naples, Florida	PIN	4,574	$9,550*
Port Charlotte, Florida	PIC	2,500	$5,512

* Price effective January 1, 2015. Rent paid in November and December, 2014 was approximately $15,790/month.

We believe that these facilities are adequate to meet our current and reasonably foreseeable future requirements.

ITEM 3. LEGAL PROCEEDINGS

On December 27, 2011, *Geoffrey Blackner v. Schuylkill Open MRI, et al* litigation, docketed in the Schuylkill County Court of Common Pleas, No. S15802011 was commenced against SMI by Mr. and Mrs. Blackner ("Plaintiffs"). The Plaintiffs allege that a radiologist at Schuylkill Medical Center was negligent in not finding the T1-2 disc herniation when interpreting a CT scan of Mr. Blackner's head and neck. They further allege that a second doctor was negligent in not finding the T1-2 disc herniation when interpreting an MRI of Mr. Blackner's cervical spine. Plaintiffs allege that SMI is vicariously liable for this negligence, because the second doctor was an independent contractor of Schuylkill Open MRI. Plaintiffs' argue that the delay in discovering the T1-2 disc herniation, and thus the delay in surgery for that disc herniation, resulted in the damages to Mr. Blackner, specifically to his right hand. Mrs. Blackner has a loss of consortium claim. SMI has passed this case to its insurer and has received a full indemnity from the seller of SMI to MIC for this claim. The Company has fully paid its insurance deductible and does not anticipate any further monetary damages from this claim.

ITEM 4. MINE SAFETY AND DISCLOSURE

N/A

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market for Common Stock

Our common stock traded for listing on the OTC Markets QB ("OTCQB") under the stock symbol MEDD. The following table sets forth the high and low bid prices for our common stock for the years ended December 31, 2014 and 2013 and for the periods indicated. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

	2014		2013	
QUARTER ENDED	**HIGH**	**LOW**	**HIGH**	**LOW**
December 31	$ 0.100	$ 0.050	$ 0.046	$ 0.042
September 30	$ 0.115	$ 0.050	$ 0.072	$ 0.070
June 30	$ 0.110	$ 0.046	$ 0.037	$ 0.037
March 31	$ 0.255	$ 0.030	$ 0.034	$ 0.033

Holders

As of March 20, 2015, we had 82 shareholders of record of our common stock, and the closing sales price on that date for our common stock was $0.052 per share. We believe that the number of beneficial owners of our common stock is greater than the number of record holders, because a number of shares of our common stock is held through brokerage firms in "street names."

Our transfer agent is Olde Monmouth Stock Transfer Co., Inc., located at 200 Memorial Parkway, Atlantic Highlands, New Jersey 07716.

Dividends

We have not paid any dividends to date. We can give no assurance that our proposed operations will result in sufficient revenues to enable profitable operations or to generate positive cash flow. For the foreseeable future, we anticipate that we will use any funds available to finance the growth of our operations and that we will not pay cash dividends to stockholders. The payment of dividends, if any, in the future is within the discretion of the Board of Directors and will depend on our earnings, capital requirements, restrictions imposed by lenders and financial condition and other relevant factors.

Securities authorized for issuance under equity compensation plans

Equity Compensation Plan Information

Equity compensation plans	**Number of securities to be issued upon exercise of outstanding options, warrants and rights** **(a)**	**Weighted-average exercise price of outstanding options, warrants and rights** **(b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** **(c)**
2002 Equity Plan Approved by Security Holders	100,000	$ 0	1,895,000
2009 Equity Plan Approved by Security Holders	0	$ 0	5,000,000
Individual Compensatory Arrangements Not Approved by Security Holders	5,800,000	$0.15	N/A
Total	5,900,000		6,895,000

*Effective January 1, 2015.

ITEM 6. SELECTED FINANCIAL DATA

A smaller reporting company is not required to provide disclosure pursuant to this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operations

CTS

In the fourth quarter of 2014 CTS signed a new hospital client which began service in January of 2015. CTS continues to explore new opportunities to add additional clients. This newest hospital addition requires overnight service on weekdays and 24 hour coverage on weekends and holiday.

SMI

The fourth quarter saw continued efforts concentrated on developing new business for the recently installed CT and X-ray modalities. SMI continues to see strong patient numbers for its MRI business. The center had a record year in terms of total MRI scans performed, and as well had a record in the fourth quarter for the most MRI scans performed in a single month at the location. SMI management continues to work on building its relations with the local doctors and community involvement.

PIV, PIN, PIC, (Florida)

The Florida centers were acquired on October 31, 2014. During the quarter the Company devoted a large number of resources to begin integrating the new locations into current Company operations as well as to begin implementing various new policies at the new locations. Additionally senior management spent time meeting with referring physicians and observing operations. The final two months of the quarter showed very strong results in both scan volumes and revenue.

Overall Operating Results:

For the year ended December 31, 2014 revenues from teleradiology services was $2,748,137 compared to $3,262,156 for the year ended December 31, 2013, a decrease of 16% or $514,019. The decrease in revenue from teleradiology services is related to revenues carried in Canadian dollar. 7% of the decrease in revenues from teleradiology services is attributed to the change in exchange rate from 0.9707 for the year ended December 31, 2013 to 0.9054 for the year ended December 31, 2014. The remaining decrease of 9% is a result of a loss of revenues of a major customer in August 2014.

For the year ended December 31, 2014 revenue from medical scans services were $2,697,069 compared to $1,815,185 for the year ended December 31, 2013, an increase of $881,884 or 49%; Of the amount the increase of $ 518,449 in revenue for the year ended December 31, 2014 is owing to the acquisitions of the three clinics: PIV, PIN, PIC on October 31, 2014, and recognizing their revenues accordingly. The remainder of the increase of $363,435 is owing to the addition of CT and X-Ray imaging services along with an increase in existing MRI imaging services for SMI.

For the year ended December 31, 2014 cost of sales incurred relating to radiology services were $2,253,445 compared to $2,673,294 for the year ended December 31, 2013, a decrease of 16% or $419,849. As a result of the decrease in revenues, we incurred less cost of sales. As a percentage of revenues, our costs of sales incurred relating to radiology services remained constant at 83%.

For the year ended December 31, 2014 cost of sales from medical scans services were $666,918 compared to $501,761 for the year ended December 31, 2013; an increase of $165,157 or 33%. As a result of increase in revenues, we incurred more cost of sales.

Operating expenses for the years ended December 31, 2014 and 2013 totalled $2,250,086 and $1,598,603, respectively.

During the year ended December 31, 2014, we incurred $254,879 in amortization and depreciation expenses, $248,350 in legal and professional fees, $335,474 in general and administrative costs, $25,966 in management fees, $58,727 in advertising and promotion, $958,393 for labor, and $278,364 for rent and insurance.

During the year ended December 31, 2013, we incurred $296,154 in amortization and depreciation expenses, $166,914 in legal and professional fees, $236,569 in general and administrative costs, $15,167 in management fees, $46,103 in advertising and promotion, $711,455 for labor, and $180,294 for rent and insurance.

The Company expects to generate positive cash flow in 2015 in order to service its obligations but will require substantial investment in the near term in order to expand as we implement our business plan.

Liquidity and Capital Resources:

The Company has historically used a combination of financings to operate its business and fund its acquisitions and working capital from generated revenues from its ongoing operations. The Company from time to time has sold shares of common stock and warrants and issued convertible notes. In 2013 it raised an aggregate of $300,000 from the sale of convertible note to fund the expansion of SMI and in 2014 it raised $520,000 from the sale of convertible notes to fund the additional expansion of SMI and entered into a royalty agreement under which it raised an aggregate of $2,000,000 to fund the acquisitions of PIV, PIN, and PIC.

The Company's operations have produced $5,445,206 and $5,077,342 of revenues for the years ended December 31, 2014, and 2013, respectively, which have been used to fund its operating expenses and to reduce its liabilities. The Company expects that current operations will be able to cover its operating expenses on an ongoing basis through 2015 and beyond.

Based on the debt payment obligations of the Company that are due within the next 12 months, there is doubt about its ability to continue as a going concern, and the Company's continued operations therefore are dependent upon either increasing revenues or adequate additional financing being raised, or both, to enable it to continue its operations as currently conducted. Alternatively, the Company could adjust some of its operational requirements or modify some of its debt obligations; however, these changes may not necessarily provide sufficient funds to continue as a going concern In the event that the Company is unable to continue as a going concern, it may be forced to realize upon its assets or even elect or be required to seek protection from its creditors as provided by law or be subject to claims by creditors or a general creditor action. To date, management has not considered these alternatives as a likely outcome, since it has continuing revenues from operations and is considering capital raising actions.

As of December 31, 2014, our assets totalled $5,994,579 which consisted of cash balances, accounts receivable, pre - paid expenses, deposits, intangible assets and computer and office equipment. As of December 31, 2014, our total liabilities consisted of accounts payable and accrued liabilities of $935,688, obligations under capital lease of $649,776, promissory notes of $134,999, and non-related party convertible notes of $2,386,971 (net of discount). As of December 31, 2014, we had an accumulated deficit of $2,039,596 and a working capital deficit of $352,837.

As of December 31, 2014 the Company had promissory notes to non–related parties for a total amount of $134,999. $20,062 of the promissory notes had scheduled monthly payments of $1,295 including interest at a rate of 6% per annum. This note is expected to mature on February 18, 2016. $64,937 of the promissory notes accrues interest at an annual rate of 12%, and was due and paid in February, 2015. Interest accrued is to be paid out monthly with the principal amount due on maturity. $50,000 of the promissory notes is due on demand and does not accrue interest.

On December 5, 2012, the Company sold, through a private placement to accredited investors, three year 12% convertible notes ("Series B Notes") in the aggregate principal amount of $1,865,000. The Notes pay interest at a rate of 12% per annum, payable to the holder at 1% per month, and are due on December 31, 2015. On March 27, 2013 the Company sold an additional $150,000 of Series B Notes, these notes have the same terms and mature on March 31, 2016. The Notes are convertible into common shares of the Company at $0.10 per share. In addition, each purchaser of the Notes received shares dependent on the dollar amount of Notes purchased. The total number of shares issued was 5,315,000 shares of common stock of the Company. A detailed schedule of the Notes is presented in Note 9 to the consolidated financial statements.

On March 26, 2014 the Company issued $300,000 in convertible note ("Individually issued note") to a non-affiliate. The note pays interest at a rate of 12% per annum, payable to the holder at 1% per month. In addition to interest payments the Company will be making monthly payments of $5,000 towards the principal balance beginning June 1, 2014 for three years until the note due date of February 27, 2017. The note is convertible into common shares of the Company at $0.15 per share. In addition, the purchaser of the note received 300,000 shares as part of the note agreement. A detailed schedule of the Note is presented in Note 10 to the consolidated financial statements.

On May 22, 2014 the Company sold, through private placement to accredited investors, three year 12% convertible notes ("Series C Notes") in the aggregate principal amount of $95,000.

The Notes bear interest at a rate of 12% per annum, payable to the holder at1% per month, with the principal amount due on May 31, 2017. The Notes are convertible into shares of the Company's common stock at an initial conversion rate of $0.15 per share. In addition, each holder of Series C Notes received shares dependent on the dollar amount of Notes purchased. The total number of shares issued was 95,000 shares of common stock of the Company. A detailed schedule of the Notes is presented in Note 9 to the consolidated financial statements. On October 31, 2014 the Company sold, through private placement to accredited investor, an additional series C note in the principal amount of $50,000, and has issued 50,000 shares of common stock of the company accordingly.

In May 2014 the Company received proceeds of $50,000 through private placement from an accredited investor, and in June 2014 the Company assigned $25,000 of the SMI acquisition liability that was due as part of SMI acquisition (see Note 4) to loans payable. The loans were held with the Company until they were registered with Pennsylvania Securities Commission and were permitted to sell to the Pennsylvania residents investors Series C convertible note. On August 25, 2014 Series C Notes were issued to the investors and 75,000 shares of common stock of the Company were issued.

The royalty financing arrangement was entered into on October 31, 2014 with Grenville Strategic Royalty Corp. The royalty was purchased for $2,000,000 in return for a series of payments based on a percentage of certain revenue items of the Company. The Company and the royalty holder may agree to a subsequent increase in the amount of the royalty purchase by up to an additional $1,000,000. The royalties are payable on a monthly basis, subject to an agreed upon minimum amount. The royalty holder may advance additional sums in which case the royalty payment percentage and minimum amounts will be adjusted. The royalty payments will extend for a period of up to 10 years, which may be shortened if, depending on the amount of the royalty purchase, the Company has paid an agreed upon aggregate royalty amount. The Company has certain rights to buy out the royalty payments, including in the event of a change of control of the Company, which are calculated based on a variable formula at a multiple of the purchase amount and other factors.

The Company intends to explore capital raising options in the near term which may include the issuance of additional debt and the sale of equity or equity based securities. The Company has no agreements or arrangements for additional capital at this time. There can be no assurance that it will be able to raise additional capital, or if funds are offered, that they will on terms acceptable to the Company. A substantial amount of the assets of the Company, held through its subsidiaries, are pledged to secure certain debt; therefore, the ability of the Company to issue secured debt may be limited or require waivers or modifications to the current outstanding debt, which the current lenders do not have to provide.

Off Balance Sheet Arrangements

None.

New Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's condensed consolidated financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A smaller reporting company is not required to provide disclosure pursuant to this Item.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

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F-7	Notes to Consolidated Financial Statements

KLJ & Associates, LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Medical Imaging Corp. (f/k/a Diagnostic Imaging International Corp.)

We have audited the accompanying consolidated balance sheet of Medical Imaging Corp. (f/k/a Diagnostic Imaging International Corp.) (the "Company") as of December 31, 2014, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the year then ended. 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 audits.

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 audits 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 audits 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Medical Imaging Corp. (f/k/a Diagnostic Imaging International Corp.) as of December 31, 2014, and the results of its operations and its cash flows for the year then ended, 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 15 to the financial statements, the Company has negative working capital and has incurred losses from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are described in Note 15. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ KLJ & Associates, LLP

KLJ & Associates, LLP
St. Louis Park, MN
April 3, 2015

1660 South Highway 100
Suite 500
St . Louis Park, MN 55416
630.277.2330

30600 Telegraph Road, Suite 2175
Bingham Farms, MI 48025-4586

Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Medical Imaging Corp.
(formerly known as Diagnostic Imaging International Corp.)
Las Vegas, Nevada

We have audited the accompanying consolidated balance sheet of Medical Imaging Corp. (formerly known as Diagnostic Imaging International Corp.) (the "Company") as of December 31, 2013, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the year then ended. 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 audit 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Medical Imaging Corp. (formerly known as Diagnostic Imaging International Corp.) as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 15 to the financial statements, the Company has negative working capital and has incurred losses from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are described in Note 15. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Silberstein Ungar, PLLC
Silberstein Ungar, PLLC

March 25, 2014

Medical Imaging Corp.
(Formerly Diagnostic Imaging International Corp.)
Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 188,206	$ 77,300
Accounts Receivable, net	851,884	295,614
Prepaid Expenses	24,165	5,364
Total Current Assets	1,064,255	378,278
Property and Equipment		
Equipment	3,402,671	1,437,464
Less: Accumulated Depreciation	(463,977)	(237,763)
Total Property and Equipment, net	2,938,694	1,199,701
Intangibles		
Total Intangible Assets, net	-	22,925
Goodwill	1,977,670	1,422,670
Other Assets		
Deposits	12,463	12,855
Loan Receivable	1,497	2,046
Total Other Assets	13,960	14,901
TOTAL ASSETS	$ 5,994,579	$ 3,038,475
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	$ 624,141	$ 250,099
Accrued Taxes Payable	311,547	358,052
Obligations Under Capital Lease, short term portion	189,923	102,210
Acquisition Liability	-	200,000
Promissory Notes, short term portion	134,999	27,543
Royalty Financing, short term portion	102,219	-
Convertible Notes, net short term portion	54,263	-
Total Current Liabilities	1,417,092	937,904
Long Term Liabilities		
Obligations Under Capital Lease, long term portion	459,853	228,495
Promissory Notes, long term portion	-	17,472
Royalty Financing, long term portion	1,902,698	-
Convertible Notes, net long term portion	2,332,708	1,856,869
Total Long Term Liabilities	4,695,259	2,102,836
Total Liabilities	6,112,351	3,040,740
Stockholders' Deficit		
Preferred Stock-$0.001 par value; 5,000,000 shares authorized, no shares issued and outstanding at December 31, 2014 and 2013, respectively	-	-
Common Stock-$0.001 par value; 500,000,000 shares authorized, 23,946,481 and 23,421,481 shares issued and outstanding at December 31, 2014 and 2013, respectively	23,947	23,422
Additional Paid-In Capital	1,876,484	1,837,079
Accumulated Other Comprehensive Gain	21,393	6,708
Accumulated Deficit	(2,039,596)	(1,869,474)
Total Stockholders' Deficit	(117,772)	(2,265)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,994,579	$ 3,038,475

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

Medical Imaging Corp.
(Formerly Diagnostic Imaging International Corp.)
Consolidated Statements of Operations

	Years Ended December 31, 2014	December 31, 2013
Revenue:		
Sales	$ 5,445,206	$ 5,077,342
Less: Cost of sales	2,920,363	3,175,054
Gross Margin	2,524,843	1,902,288
Operating Expenses:		
Advertising	58,727	46,103
Amortization	22,924	137,547
Depreciation	231,955	158,607
Bad Debt Expense (Recapture)	47,555	(92,085)
General and Administrative	335,474	236,569
Insurance	49,469	47,403
Labor	958,393	711,455
Legal and professional	248,350	166,914
Management fees	25,966	15,167
Rent Office Space and Servers	228,895	132,891
Travel	42,378	38,032
Total Operating Expenses	2,250,086	1,598,603
Income from Operations	274,757	303,685
Other Income and (Expenses):		
Other Income	1,710	2,459
Debt Settlement Loss	3,745	3,893
Foreign Currency Gains (Losses)	880	4,665
Amortization of Debt Discount	(116,904)	(79,875)
Interest Expense	(339,695)	(300,873)
Total Other Income (Expenses)	(450,264)	(369,731)
Income (Loss) Before Provision for Income Taxes	(175,507)	(66,046)
Provision for Income (Taxes) Credit	5,385	-
Net Income (Loss)	(170,122)	(66,046)
Comprehensive Income (Loss)	14,685	3,775
Total Comprehensive Income (Loss)	$ (155,437)	$ (62,271)
Basic and Diluted Income (Loss) per Share	$ (0.007)	$ (0.003)
Weighted Average Shares Outstanding:		
Basic and Diluted	23,749,180	23,350,793

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

Medical Imaging Corp.
(Formerly Diagnostic Imaging International Corp.)
Consolidated Statements of Changes in Stockholders' Equity
From January 1, 2013 through December 31, 2014

	Common Stock		Additional Paid-in Capital	Other Comprehensive Loss	Accumulated Deficit	Total
	Amount	Shares				
	$		$	$	$	$
Balance at January 1, 2013	$ 23,122	23,121,481	$ 1,818,779	$ 2,933	$ (1,803,428)	$ 41,406
						-
Shares Issued for Convertible Notes	300	300,000	18,300			18,600
Comprehensive Income (Loss)				3,775		3,775
Net Income (Loss)					(66,046)	(66,046)
Balance at December 31, 2013	$ 23,422	23,421,481	$ 1,837,079	$ 6,708	$ (1,869,474)	$ (2,265)
Shares Issued for Convertible Notes	520	520,000	39,260			39,780
Shares Issued for Services	5	5,000	145			150
Comprehensive Income (Loss)				14,685		14,685
Net Income (Loss)					(170,122)	(170,122)
Balance at December 31, 2014	$ 23,947	23,946,481	$ 1,876,484	$ 21,393	$ (2,039,596)	$ (117,772)

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

Medical Imaging Corp.
(Formerly Diagnostic Imaging International Corp.)
Consolidated Statements of Cash Flows

	Years Ended December 31, 2014	Years Ended December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (170,122)	$ (66,046)
Adjustments to Reconcile Net Loss to Net Cash provided by Operating Activities:		
Depreciation	231,955	158,607
Accrued Interest converted to Note	-	244,363
Asset Write Off	928	-
Amortization of Debt Discount	89,881	79,875
Shares issued for services	150	-
Amortization of Intangible Assets	22,924	137,547
Foreign currency transaction Gain/ Loss	783	(4,147)
Changes in operating assets and liabilities:		
Accounts Receivable	(556,270)	(35,312)
Deposits and prepaid expenses	(18,801)	(65)
Accounts Payable and accrued liabilities	327,537	(57,634)
Loans Receivable	549	1,078
NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	(70,486)	458,266
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments on acquisition liability	(110,063)	-
Investments in PIV	(959,286)	-
Investments in PIN	(533,571)	-
Investments in PIC	(307,143)	-
Equipment Purchase	(294,469)	(22,291)
NET CASH USED IN INVESTING ACTIVITIES	(2,204,532)	(22,291)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Royalty Financing	2,000,000	-
Proceeds from debt issuance	545,000	156,000
Principal payments on Related Party debt	-	(10,291)
Principal payments on debt	(60,034)	(391,565)
Principal Payments on Capital Lease Obligations	(113,727)	(224,295)
NET CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES	2,371,239	(470,151)
Gain (Loss) due to foreign currency translation	14,685	3,775
NET CHANGE IN CASH AND CASH EQUIVALENTS	110,906	(30,401)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	77,300	107,701
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 188,206	$ 77,300
Cash paid during the year for:		
Interest	$ 339,695	$ 56,510
Income Taxes	$ 71,460	$ 57,734
Non-cash financing and investing activities:		
Shares Issued for Convertible Note	$ 39,780	$ 18,600
Acquisition Liability Assigned to Loan Payable	$ 64,937	$ -
Acquisition Liability Assigned to Promissory Note	$ 25,000	$ -
Equipment purchase under Capital Lease	$ 432,798	$ -
Accrued Interest converted to Note	$ 286,719	$ -

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

Note 1 Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Medical Imaging Corp., ("MIC" or the "Company"), formerly: Diagnostic Imaging International Corp. ("DIIC") a Nevada Corporation was incorporated in 2000. In 2005, the Company developed a business plan for private healthcare opportunities in Canada with the objective of owning and operating private diagnostic imaging clinics. In 2009, the Company purchased Canadian Teleradiology Services Inc., which operates as: Custom Teleradiology Services ("CTS"), CTS provides remote reading of medical diagnostic imaging scans for rural hospitals and clinics. In early 2010, the Company modified its business plan to grow its CTS subsidiary while commencing the acquisition of existing full service imaging clinics located in the United States and exploring the development of new diagnostic imaging technology. In 2012, the Company purchased Schuylkill Open MRI Inc., which operates as: Schuylkill Medical Imaging ("SMI") an independent diagnostic imaging facility located in Pottsville, Pennsylvania. In 2014, the company purchased Partners Imaging Center of Venice, LLC ("PIV") located in Venice, Florida; Partners Imaging Center of Naples, LLC ("PIN") located in Naples, Florida; and Partners Imaging Center of Charlotte, LLC ("PIC") located in Port Charlotte, Florida.

Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. The Company's fiscal year-end is December 31.

Principle of Consolidation

The consolidated financial statements include the accounts of Medical Imaging, Corp., and our wholly-owned subsidiaries, CTS, SMI, PIV, PIN, and PIC Intercompany accounts and transactions have been eliminated in the consolidated financial statements. CTS', SMI's, PIV's, PIN's, and PIC's accumulated earnings prior to their acquisitions (March 2, 2009, December 10, 2012, and November 1, 2014, respectively) are not included in the consolidated balance sheet.

Reclassification of Accounts

Certain prior period amounts have been reclassified to conform to December 31, 2014 presentation.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the consolidated financial statements are published, and (iii) the reported amount of net sales, expenses and costs recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of consolidated financial statements; accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At December 31, 2014, and 2013, cash includes cash on hand and cash in the bank.

Accounts Receivable Credit Risk

The allowance for doubtful accounts is maintained at a level sufficient to provide for estimated credit losses based on evaluating known and inherent risks in the receivables portfolio.

Management evaluates various factors including expected losses and economic conditions to predict the estimated realization on outstanding receivables. As of December 31, 2014 and 2013, the allowance for bad debts was $64,673 and $17,294, respectively.

Bad debt recapture for the year ended December 31, 2014 was $47,555 and Bad Debt recapture for the year ended December 31, 2013 was $92,085.

As of December 31, 2014 three customers of CTS totalled approximately 16% of the total accounts receivable. As of December 31, 2013, three customers totalled approximately 83% of the total accounts receivable.

Goodwill and Indefinite Intangible Assets

The Company follows the provisions of Financial Accounting Standard ("FASB") Accounting Standards Codification ("ASC") Topic 350, *Goodwill and Other Intangible Assets*. In accordance with ASC Topic 350, goodwill, representing the excess of the purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the purchase method, acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisitions date. Under this standard, goodwill and intangibles with indefinite useful lives are not amortized. The Company assesses goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred in accordance with ASC Topic 350. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference. ASC Topic 350 also requires that the fair value of indefinite-lived purchased intangible assets be estimated and compared to the carrying value. The Company recognizes an impairment loss when the estimated fair value of the indefinite-lived purchased intangible assets is less than the carrying value. As of December 31, 2014, the Company has goodwill of $1,422,670 as result of the acquisition of SMI on December 10, 2012. $132,143, $158,571, and $264,286 as a result of the acquisitions of PIC, PIN, PIV, respectively, that occurred on October 31, 2014. If the implied fair value of goodwill is lower than its carrying amount, goodwill impairment is indicated and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

Intangible Assets

CTS has contracts with various hospitals in the province of Ontario, Canada. These contracts are for specific radiology services to be provided for a length of time. Contracts varied between one and five years. The contracts do not specify any minimum billings for any period of time. The contracts in existence on acquisition were valued on acquisition using a discounted cash flow model and the fair value as recorded is amortized over the remaining life of the contract using the straight line method.

The Company has written off the hospital contracts to reflect end of service with no potential for renewal.

The Company also attributed value to the non-compete agreement obtained as part of the acquisition agreement with CTS' former director. As of December 31, 2014.The value attributed to this agreement has been fully amortized.

SMI has a non-compete agreement with previous owners of SMI. The value attributed to this agreement has been fully amortized

Amortization of Intangible Assets

The intangible assets have been fully amortized as at December 31, 2014.

Revenue Recognition

The Company holds contracts with several hospitals and groups of health care facilities to provide Teleradiology services for a specific period of time. The Company bills for services rendered on a monthly basis. For the year ended December 31, 2014, CTS held seven contracts; one contract that is renewable on a year-to-year basis, three contracts that are renewable in 2014 ,2015, and 2016, and its largest contract, which renewed automatically in 2013 for successive one year terms. As described above, in accordance with the requirement of Staff Accounting Bulletin ("SAB") 104, the Company recognizes revenue when: (1) persuasive evidence of an arrangement exists (contracts); (2) delivery has occurred (monthly); (3) the seller's price is fixed or determinable (per the customer's contract, and services performed); and (4) collectability is reasonably assured (based upon our credit policy).

Revenue is accounted for under the guidelines established by SAB 101, *Revenue Recognition in Financial Statements*, and ASC Topic 605-45, *Revenue Recognition – Principal Agent Considerations*. For CTS, the Company has the following indicators of gross revenue reporting: (1) CTS is the primary obligator in the provision of services to the Hospitals under contract, (2) CTS has latitude in establishing price, and negotiating contracts with each hospital, (3) CTS negotiates and determines the service specification to be provided to each hospital client, (4) CTS has complete discretion in supplier selection, and (5) CTS has the credit risk. Accordingly, the Company records CTS revenue at gross.

For SMI, PIV, PIN, and PIC revenue is recorded at the time of service.

Cost of Sales

Cost of sales includes fees paid to radiologists for reading services, transcription fees, equipment repairs, system license and usage costs.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360, *Property, Plant and Equipment,* property, plant, and equipment, and purchased intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and other intangible assets are tested for impairment. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Amortization and Depreciation

Depreciation and amortization are calculated using the straight-line method over the following useful lives:

3 - 7 years	Equipment
5 – 7 years	Furniture and Fixtures
2 to 5 years	Hospital Contracts
3 year	Referring physician base
3 - 5 years	Non-compete Contract
39 years	Leasehold Improvements

Stock based compensation

The Company measures all share-based payments to employees (which includes non-employee Board of Directors), including employee stock options, warrants and restricted stock, at the fair value of the award and expenses it over the requisite service period (generally the vesting period). The fair value of common stock options or warrants granted to employees is estimated at the date of grant using the Black-Scholes option pricing model. The calculation also takes into account the common stock fair market value at the grant date, the exercise price, the expected life of the common stock option or warrant, the dividend yield and the risk-free interest rate.

The Company from time to time may issue stock options, warrants and restricted stock to acquire goods or services from third parties. Restricted stock, options or warrants issued to other than employees or directors are recorded on the basis of their fair value. The options or warrants are valued using the Black-Scholes option pricing model on the basis of the market price of the underlying equity instrument 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. Expenses related to the options and warrants are recognized on a straight-line basis over the period which services are to be received.

The Company did not recognize stock-based compensation expenses from stock granted to non-employees for the years ended December 31, 2014 and 2013.

The Company recognized stock-based compensation expenses of $150, and $0 from stock granted to employees for the years ended December 31, 2014, and 2013, respectively.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation.

The carrying amounts of the Company's financial instruments, including cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities and notes and loans payable approximate fair value due to their most maturities.

Fair Value Measurements

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification ("ASC") for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB ASC ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accounts payable approximate their fair values because of the short maturity of these instruments.

The company does not have assets and liabilities that are carried at fair value on a recurring basis.

Foreign Currency Translation

The Company's functional currency for its wholly-owned subsidiary, CTS, is the Canadian dollar, and their financial statements have been translated into U.S. dollars. The Canadian dollar based accounts of the Company's foreign operations have been translated into United States dollars using the current rate method. Assets and liabilities of those operations are translated into U.S. dollars using exchange rates as of the balance sheet date; income and expenses are translated using the weighted average exchange rates for the reporting period. Translation adjustments are recorded as accumulated other comprehensive income (loss), a separate component of stockholders' equity.

The Company recognized a foreign currency gain on transactions from operations of $880 and $4,665 for the years ended December 31, 2014 and 2013, respectively.

The Company recognized other comprehensive gain of $14,685 and $3,775 for the years ended December 31, 2014 and 2013, respectively.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. This statement prescribes the use of the asset and liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Net Income (Loss) Per Share

The Company follows the provisions of ASC Topic 260, *Earnings per Share*. Basic net income (loss) per share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Basic and diluted losses per share are the same as all potentially dilutive securities are anti-dilutive.

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock or conversion of notes into shares of the Company's common stock that could increase the number of shares outstanding and lower the earnings per share of the Company's common stock. This calculation is not done for periods in a loss position as this would be antidilutive. As of December 31, 2014, there were no stock options or stock awards that would have been included in the computation of diluted earnings per share that could potentially dilute basic earnings per share in the future.

The information related to basic and diluted earnings per share is as follows:

	Years Ended	
	December 31, 2014	**December 31, 2013**
Numerator:		
Continuing operations:		
Total Comprehensive Income (Loss)	$ (155,437)	$ (62,271)
Total	$ (155,437)	$ (62,271)
Total Comprehensive Income (Loss)	$ (155,437)	$ (62,271)
Denominator:		
Weighted average number of shares outstanding – basic and diluted	23,749,180	23,350,793
EPS:		
Basic:		
Total Comprehensive Income (Loss)	$ (0.007)	$ (0.003)
Net Income (Loss)	$ (0.007)	$ (0.003)
Diluted		
Total Comprehensive Income (Loss)	$ (0.007)	$ (0.003)
Total Comprehensive Income (Loss)	$ (0.007)	$ (0.003)

Recent Accounting Updates

The Company does not expect the adoption of any other recently issued accounting pronouncements to have a significant impact on its results of operations, financial position or cash flow.

Updates issued but not yet adopted

The Company does not expect the adoption of any other recently issued accounting pronouncements to have a significant impact on its results of operations, financial position or cash flow.

Note 2. Property and Equipment

For the year ended December 31, 2014, the Company has completed the purchase of a CT and an X-ray machine for its SMI location. SMI has purchased a 16 Slice Toshiba Aquillion CT for $198,000 and a Viztek Digital Direct Radiography Straight Arm x-ray System for $78,250. In addition SMI has completed building CT and x-ray rooms to house the additional machines; the additions in leasehold improvements were for a total of $96,470. SMI has acquired a new PACS/RIS system for $162,333.

As part of the November 1, 2014 acquisitions of PIV, PIN, and PIC clinics the company has acquired Medical equipment of $1,245,000.
For the year ended December 31, 2014 the company has acquired additional computer equipment of $25,108 for its PIV, PIN, PIN location, as well as a new PACS/RIS system for $167,107.

Property and equipment are stated at cost. Depreciation is calculated using the straight - line method over the estimated useful life of the assets. At December 31, 2014 and December 31, 2013, the major class of property and equipment were as follows:

	December 31, 2014	December 31, 2013	Estimated useful lives
Computer/Office Equipment	$ 435,867	$ 88,378	3-7 years
Medical Equipment	2,123,023	601,774	3-7 years
Leasehold Improvements	843,781	747,312	39 years
Less: Accumulated Depreciation	(463,977)	(237,763)	
Net Book Value	$ 2,938,694	$ 1,199,701	

Depreciation expense was $231,955 and $158,607 for the year ended December 31, 2014 and December 31, 2013, respectively.

Note 3. Business Combination

On October 31, 2014, the Company acquired 100% of the shares of three separate entities, Partners Imaging Center of Venice, LLC, Partners Imaging Center of Naples, LLC, and Partners Imaging Center of Charlotte, LLC. for an aggregate cash consideration described in detail below. Each company was purchased for its medical equipment, general office fixtures, Medicare number and facility lease. There were no prior earnings, accounts receivable, accounts payable, or other assets or liabilities acquired in any of the acquisitions. Medical imaging services began to be offered on November 1, 2014 by PIV, PIN, and PIC.

The Company paid an aggregate purchase price of $1,800,000 as follows (at fair value):

	Total	PIV	PIN	PIC
Cash	$ 1,800,000	959,286	533,571	307,143
Total consideration paid	$ 1,800,000	959,286	533,571	307,143

The following assets and liabilities were recognized (at fair value):

	Total	PIV	PIN	PIC
Fixed Assets	$ 1,245,000	695,000	375,000	175,000
Goodwill	555,000	264,286	158,571	132,143
Net assets purchased	$ 1,800,000	959,286	533,571	307,143

The Company has evaluated the transactions and believes that the historical cost of the tangible and intangible assets acquired approximated the fair market value given the current nature of the assets acquired. As part of the acquisitions the company has acquired aggregate Goodwill of $555,000. The company expects to amortize the full amounts of goodwill for tax purposes. The company will perform annual testing of goodwill for impairment.

The amounts of revenue and gross earnings included in the consolidated income statement for the years ended December 31, 2014 and 2013 are as follow:

Year Ended December 31, 2014*	Total	PIV	PIN	PIC
Revenue	$ 518,449	239,037	128,015	151,397
Gross Earnings	$ 387,064	174,311	96,679	116,074

Year Ended December 31, 2013	Total	PIV	PIN	PIC
Revenue	$ -	-	-	-
Gross Earnings	$ -	-	-	-

*For the year ended December 31, 2014, amounts included for PIV, PIN, and PIC's revenue and gross earnings, represent two months of operations post October 31, 2014 acquisitions date.

Due to lack of sufficient data from the sellers in the transactions discussed above because they operated the facilities acquired on an integrated basis with the rest of their businesses, we are not providing GAAP pro forma financial disclosure for the above transactions.

Costs related to the acquisitions, which include legal fees, in the aggregate amount of about $29,500 have been charged directly to operations and are included in legal and professional expenses in the 2014 consolidated income statement.

Note 4. Goodwill

The change in the carrying amount of goodwill for the two years ended December 31, 2014 was:

Balance as of January 1, 2013	$ 1,422,670
Changes in goodwill during the year	-
Balance as of December 31, 2013	1,422,670
Acquisitions of Goodwill during the year	555,000
Balance as of December 31, 2014	$ 1,977,670

Note 5. Lease Commitments

CTS has a lease commitment for its office space of approximately $2,450 minimum rental, and approximately $3,550 in utilities, realty taxes, and operating costs, for a total of approximately $6,000 per month. The Lease renewed in April 2013 for a period of five years and will expire in March 2018. On renewal, CTS was given a rental credit of approximately $28,000. This lease was accounted for as an operating lease.

SMI has a lease for its off-site servers at a cost of approximately $1,092 per month. This lease is accounted for as an operating lease on a month-to-month basis.

SMI entered into a lease commitment for its office space in Pottsville, Pennsylvania. The lease will expire on June 30, 2016, and it is renewable for an additional term of 5 years on the same terms and conditions. Monthly rental amounts in 2014 were $5,437 per month plus approximately $1,674 in utilities, realty taxes, and operating costs.

SMI has a lease for office space in Dallas, Texas of approximately $880 per month plus approximately $660 in utilities, realty taxes, and operating costs. The lease will expire in August 31, 2015.

PIV has a lease for office space in Venice, Florida. The lease will expire October 1, 2016. Monthly rental amounts charged in 2014 were $14,990 per month.

PIN has a lease for office space in Naples, Florida. The lease will expire January 1, 2020. Monthly rental amounts charged in 2014 were $15,793 per month. The lease was amended in January 2015 and the rental amount was reduced to $9,543 per month.

PIC has a lease for office space in Port Charlotte, Florida. The lease will expire June 20, 2016. Monthly rental amounts charged in 2014 were $5,512 per month.

Expected Lease commitments for the next three years:

Year	Office Space	Servers	Total
2015	$ 529,872	$ 31,104	$ 560,976
2016	412,154	31,104	443,258
2017	186,516	19,104	205,620
	$ 1,128,542	$ 81,312	$ 1,209,854

Note 6. Accounts Payable and Accrued Liabilities

As of December 31, 2014 and 2013, the trade payables and accrued liabilities of the Company were $935,688 and $608,151, respectively.

Of the total amount as of December 31, 2014, $624,141 was related to ongoing operations representing a balance owing to trade payables. $73,461 was related to accrued payroll and withholdings liabilities, and $238,086 was related to Federal and State income tax owing.

Of the total amount as of December 31, 2013, $250,100 was related to ongoing operations representing a balance owing to trade payables. $38,243 was related to accrued payroll and withholdings liabilities, and $275,584 was related to Federal and State income tax owing.

Note 7. Obligations Under Capital Lease

SMI MRI Machines Capital Lease:

On December 10, 2012, the Company entered into a lease agreement with one of the sellers of SMI to lease the two MRI machines. Under the terms of the lease, SMI is to make monthly payments of $11,013, plus applicable sales tax, over a period of 48 months. In addition, SMI agreed to make a one-time lease payment of $125,000, which was paid by March 30, 2013. The Company has guaranteed all of SMI's obligations under the lease. At the end of the lease, SMI will have the option to purchase the MRI machines for a total purchase price of $1.00. The lease was accounted for as a capital lease for a total value of $555,000.

The gross amount of the equipment held under capital leases totals $555,000 ($323,833 net book value after accumulated amortization of $231,167) at December 31, 2014.

Amortization of the capital lease assets is included in the depreciation expense of $111,000, and $111,000 for the years ended December 31, 2014, and 2013, respectively.

SMI X-ray Machine Capital Lease:

On July 03, 2014 Company has entered into a capital lease agreement to lease the x-ray machine that was delivered and installed in July 2014. Under the terms of the lease, the Company's subsidiary, SMI, is to make monthly payments of $1,495, plus applicable sales tax, over a period of 60 months. At the end of the lease, SMI will have the option to purchase the MRI machines for a total purchase price of $1.00. The lease was accounted for as a capital lease for a total value of $78,250.

The gross amount of the x-ray machine held under the capital lease is $78,250 ($70,425 net book value after accumulated amortization of $7,825) at December 31, 2014.

Amortization of the capital lease assets is included in the depreciation expense of $7,825, and $0 for the years ended December 31, 2014, and 2013, respectively.

SMI PACS/RIS System Capital Lease:

On August 19, 2014 Company has entered into a capital lease agreement to lease PACS/RIS system that was delivered and installed in December 2014. Under the terms of the lease, the Company's subsidiary, SMI, is to make monthly payments of $3,115, plus applicable sales tax, over a period of 60 months. At the end of the lease, SMI will have the option to purchase the system for a total purchase price of $1.00. The lease was accounted for as a capital lease for a total value of $162,333

The gross amount of the PACS/RIS system held under the capital lease is $162,333 ($156,922 net book value after accumulated amortization of $5,411) at December 31, 2014.

Amortization of the capital lease assets is included in the depreciation expense of $5,411, and $0 for the years ended December 31, 2014, and 2013, respectively.

PV, PN, PC PACS/RIS Capital Lease:

On November 26, 2014 Company has entered into a capital lease agreement to lease PACS/RIS system that was delivered and installed in December 2014. Under the terms of the lease, the Company's subsidiary, PIV, is to make monthly payments of $3,094, plus applicable sales tax, over a period of 60 months. At the end of the lease, PIV will have the option to purchase the system for a total purchase price of $1.00. The lease was accounted for as a capital lease for a total value of $167,107.

The gross amount of the PACS/RIS system held under the capital lease is $167,107 ($165,714 net book value after accumulated amortization of $1,393) at December 31, 2014.

Amortization of the capital lease assets is included in the depreciation expense of $1,393, and $0 for the years ended December 31, 2014, and 2013, respectively.

PV, PN, PC Computers Capital Lease:

On December 10, 2014 Company has entered into a capital lease agreement to lease computers that were delivered and installed in December 2014. Under the terms of the lease, the Company is to make monthly payments of $813.16, plus applicable sales tax, over a period of 36 months. At the end of the lease, the company will have the option to purchase the computers for a total purchase price of $1.00. The lease was accounted for as a capital lease for a total value of $25,108.

The gross amount of the computers held under the capital lease is $25,108 ($24,759 net book value after accumulated amortization of $349) at December 31, 2014.

Amortization of the capital lease assets is included in the depreciation expense of $349, and $0 for the years ended December 31, 2014, and 2013, respectively.

Minimum future lease payments under the capital leases as of December 31, 2014 are as follow:

Minimum Lease Payments	Total	SMI MRI	SMI PACS/RIS Lease	SMI Xray Lease	PV,PN, PC PACS/RIS Lease	PV,PN,PC Computers Lease
2015	$ 219,443	121,140	37,380	17,944	34,034	8,945
2016	234,362	132,152	37,380	17,944	37,128	9,758
2017	101,397	-	37,380	17,944	37,128	8,945
2018	92,452	-	37,380	17,944	37,128	-
2019	83,356	-	34,265	11,963	37,128	-
2020	3,094	-	-	-	3,094	-
Total minimum lease payments	734,104	253,292	183,785	83,740	185,640	27,647
Less amount representing interest	84,327	26,876	23,798	11,384	18,533	3,737
Present value of minimum lease payments	649,777	226,416	159,987	72,356	167,107	23,911
Less current portion of minimum lease payments	189,923	111,410	29,026	13,765	28,062	7,660
Long-term capital lease obligations	$ 459,854	115,005	130,962	58,591	139,045	16,251

Note 8. Promissory Notes

During the year ended December 31, 2013, $6,616 in accrued interest was recorded on the notes, and $87,225 was paid towards the balance of the notes.$18,736 of the notes assumed on SMI acquisition represented by a promissory note accruing interest at an annual rate of 10.5% and paid out monthly. $45,792 of the notes assumed on SMI acquisition represented by a promissory note accruing interest at an annual rate of 6% and paid out monthly.

In June 2014 $64,937 of the SMI acquisition liability that was due as part of SMI acquisition (see Note 4) was assigned to a promissory note accruing interest at an annual rate of 12%, and due on February 1, 2015. Interest accrued is to be paid out monthly with the principal amount due on maturity. The note has been fully paid in February 2015.

In December 2014, the company issued a short term loan payable to a non related party for $50,000 in proceeds. The note is due on demand and does not accrue interest.

During the year ended December 31, 2014, $6,069 in accrued interest was recorded on the notes, and $31,024 was paid towards the balance of the notes.

A summary of the promissory notes is as follows:

Promissory notes at January 1, 2013	$ 119,624
Added: Proceeds through December 31, 2013	6,000
Added: Accrued Interest through December 31, 2013	6,616
Less: Payments through December 31, 2013	(87,225)
Promissory notes at December 31, 2013	$ 45,015
Added: Note assigned through December 31, 2014	64,937
Added: Accrued Interest through December 31, 2014	6,069
Added: Proceeds through December 31, 2014	50,000
Less: Payments through December 31, 2014	(31,022)
Promissory notes at December 31, 2014	$ 134,999
Less: Short term portion	134,999
Long term portion December 31, 2014	$ -

Note 9. Convertible Notes

Series B:

On December 3, 2012, the Company sold, through a private placement to accredited investors, three year 12% convertible notes ("Series B Notes") in the aggregate principal amount of $1,865,000. On March 27, 2013 the Company sold an additional $150,000 of Series B Notes.

Series B Notes pay interest at a rate of 12% per annum, payable to the holder at 1% per month. The Notes are convertible into common shares of the Company at $0.10 per share. In addition, each holder of Series B Notes received shares dependent on the dollar amount of Notes purchased. The total number of shares issued was 5,315,000 shares of common stock of the Company. $1,865,000 of Series B Notes issued on December 3, 2012 mature on December 31, 2015; and $150,000 of Series B Notes issued March 27, 2013 mature on March 31, 2016.

For the year ended December 31, 2014, $241,800 in accrued interest was recorded on the notes and paid.
In accordance with ASC 470 on issuance of the shares given, the Company recognized additional paid-in capital and a discount against the notes for a total of $244,275. Amortization of the discount for the year ended December 31, 2014 was $81,425.

The Details of Series B Notes are as follows:

Issuance Date	December 31, 2013 Balance	December 31, 2013 Unamortized Discount Beginning Balance	Year Ended December 31, 2014 Accrued Interest	Year Ended December 31, 2014 (Payments)	Year Ended December 31, 2014 Amortization of Debt Discount	December 31, 2014 Balance, net	Maturity Date
03-Dec-12	$ 25,000	$ (719)	$ 3,000	$ (3,000)	$ 375	$ 24,656	31-Dec-15
03-Dec-12	125,000	(10,569)	15,000	(15,000)	4,975	119,406	31-Dec-15
03-Dec-12	50,000	(2,156)	6,000	(6,000)	1,125	48,969	31-Dec-15
03-Dec-12	25,000	(719)	3,000	(3,000)	375	24,656	31-Dec-15
03-Dec-12	25,000	(719)	3,000	(3,000)	375	24,656	31-Dec-15
03-Dec-12	25,000	(719)	3,000	(3,000)	375	24,656	31-Dec-15
03-Dec-12	1,500,000	(129,375)	180,000	(180,000)	67,500	1,438,125	31-Dec-15
03-Dec-12	50,000	(2,156)	6,000	(6,000)	1,125	48,969	31-Dec-15
03-Dec-12	15,000	(431)	1,800	(1,800)	225	14,794	31-Dec-15
03-Dec-12	100,000	(7,081)	12,000	(12,000)	3,425	96,344	31-Dec-15
27-Mar-13	25,000	(1,162)	3,000	(3,000)	517	24,355	31-Mar-16
27-Mar-13	25,000	(1,162)	3,000	(3,000)	517	24,355	31-Mar-16
27-Mar-13	25,000	(1,162)	3,000	(3,000)	517	24,355	31-Mar-16
Total	$ 2,015,000	$ (158,130)	$ 241,800	$ (241,800)	$ 81,426	$ 1,938,296	

Summary of Series B Notes is as follows:

	December 31, 2014	December 31, 2013
Convertible notes Beginning Balance	$ 2,015,000	$ 2,015,000
Less: unamortized debt discount	(76,706)	(158,131)
Convertible notes principal, net	1,938,294	1,856,869
Less: Payments in Period	(241,800)	(235,300)
Added: Accrued interest	241,800	235,300
Total Convertible notes, net	$ 1,938,294	$ 1,856,869
Less: Short term portion, net	-	-
Long term portion, net	$ 1,938,294	$ 1,856,869

Following are maturities of the long –term debt in Series B Notes for each of the next 5 years:

	Principal Payments	Interest Payments	Amortization of Discount
2015	$ 1,865,000	$ 241,800	$ 75,155
2016	150,000	4,500	1,550
2017	-	-	-
2018	-	-	-
2019	-	-	-
Total	$ 2,015,000	$ 246,300	$ 76,705

Series C:

On May 22, 2014 the Company sold, through private placement to accredited investors, three year 12% convertible notes (“Series C Notes”) in the aggregate principal amount of $95,000.

The Notes bear interest at a rate of 12% per annum, payable to the holder at1% per month, with the principal amount due on May 31, 2017. The Notes are convertible into shares of the Company’s common stock at an initial conversion rate of $0.15 per share. In addition, each holder of Series C Notes received shares dependent on the dollar amount of Notes purchased. On August 25, 2014 the company sold an additional $75,000 of “series C notes”. The total number of shares issued was 170,000 shares of common stock of the Company.

In accordance with ASC 470 on issuance of the shares given, the Company recognized additional paid-in capital and a discount against the notes for a total of $11,655. Amortization of the discount for the year ended December 3, 2014, was $2,081.

For the year ended December 31, 2014, $12,168 in accrued interest was recorded on the notes and paid.

Issuance Date	December 31, 2013 Balance	Year Ended December 31, 2014 Proceeds	December 31, 2014 Unamortized Discount Beginning Balance	Year Ended December 31, 2014 Accrued Interest	Year Ended December 31, 2014 (Payments)	Year Ended December 31, 2014 Amortization of Debt Discount	December 31, 2014 Balance, net	Maturity Date
22-May-14	$ -	$ 50,000	$ (3,000)	$ 3,641	$ (3,641)	$ 583	$ 47,583	31-May-17
22-May-14	-	22,500	(1,350)	1,638	(1,638)	263	21,413	31-May-17
22-May-14	-	22,500	(1,350)	1,638	(1,638)	263	21,413	31-May-17
25-Aug-14	-	50,000	(3,970)	2,500	(2,500)	551	46,581	31-October-17
25-Aug-14	-	25,000	(1,985)	1,250	(1,250)	276	23,291	31-October-17
31-Oct-14		50,000	(2,625)	1,500	(1,500)	146	47,521	31-October-17
Total	$ -	$ 220,000	$ (14,280)	$ 12,167	$ (12,167)	$ 2,082	$ 207,802	

Summary of Series C Notes is as follows:

	December 31, 2014	December 31, 2013
Convertible notes Beginning Balance	$ 220,000	$ -
Less: unamortized debt discount	(12,198)	-
Convertible notes principal, net	207,802	-
Less: Payments in Period	(12,167)	-
Added: Accrued interest	12,167	-
Total Convertible notes, net	$ 207,802	$ -
Less: Short term portion, net	-	-
Long term portion, net	$ 207,802	$ -

Following are maturities of the long –term debt in Series C Notes for each of the next 5 years:

	Principal Payments	Interest Payments	Amortization of Discount
2015	$ -	$ 22,000	$ 4,760
2016	-	22,000	4,760
2017	220,000	10,250	2,678
2018	-	-	-
2019	-	-	-
Total	$ 220,000	$ 54,250	$ 12,198

Individually issued Convertible Note:

On March 26, 2014 the Company issued $300,000 in convertible note to a non-affiliate. The note pays interest at a rate of 12% per annum, payable to the holder at 1% per month. In addition to interest payments the Company will be making monthly payments of $5,000 towards the principal balance beginning June 1, 2014 for three years until the note due date of February 27, 2017. The note is convertible into common shares of the Company at $0.15 per share. In addition, the non-affiliate will receive 300,000 shares as part of the note agreement.

For the year ended December 31, 2014, $26,504 in accrued interest was recorded on the notes and paid.

In accordance with ASC 470 on issuance of the shares given, the Company recognized additional paid-in capital and a discount against the notes for a total of $25,500. Amortization of the discount for the year ended December 31, 2014 was $6,375.

Summary of the note is as follows:

	December 31, 2014	December 31, 2013
Convertible note Beginning Balance	$ 300,000	$ -
Less: unamortized debt discount	(19,125)	-
Convertible notes principal, net	280,875	-
Less: Payments in Period	(66,504)	-
Added: Accrued interest	26,504	-
Total Convertible note, net	$ 240,875	$ -
Less: short term portion, net	54,263	-
Long term portion, net	$ 186,612	$ -

Following are maturity of the individually issued convertible note for each of the next 5 years:

	Principal Payments	Interest Payments	Amortization of Discount
2015	$ 60,000	$ 27,884	$ 8,500
2016	60,000	20,748	8,500
2017	140,000	2,625	2,125
2018	-	-	-
2019	-	-	-
Total	$ 260,000	$ 51,257	$ 19,125

Note 10. Royalty Financing

On October 31, 2014 the company entered into a royalty purchase agreement with Grenville Strategic Royalty Corp. for the amount of $2,000,000. The agreement calls for a monthly payment to the seller based on a percentage of the total of certain revenue items, and subject to a minimum payment amount. For the year ended December 31, 2014 the company paid a total of $104,819 in royalty payments, and has accrued a total of $58,374 in interest expense. The amount financed is recorded net of discount to be amortized of the term. As of December 31, 2014 the company has recorded discount amortization expense of $78,614.

Note 11. Income Taxes

The Company follows ASC 740, *Income Taxes*, which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between consolidated financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

For the year ended December 31, 2013, the Company had a cumulative net operating loss carryover of approximately $1,689,603 available for U.S federal income tax, which expire beginning in 2017. The net operating loss carryovers may be subject to limitations under Internal Revenue Code due to significant changes in the Company’s ownership. The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

Deferred net tax asset (34%) consists of the following at December 31, 2014:

	2014	2013
Deferred tax asset	$ 563,981	$ 513,841
Less valuation allowance	(563,981)	(513,841)
Net deferred tax asset	$ -	$ -

A reconciliation between income taxes at statutory tax rates (34%) and the actual income tax provision for continuing operations as of December 31, 2014 follows:

	2014	2013
Expected Provision (based on statutory rate)	$ (52,849)	$ (21,172)
Increase to deferred tax valuation allowance for net operating loss carry forward	52,849	21,172
Net provision	$ -	$ -

The Company has filed its tax returns through December 31, 2013, and filed for a six months extension on its December 31, 2014 tax return filing.

The provisions of ASC 740 require companies to recognize in their financial statements the impact of a tax position if that position is more likely than not to be sustained upon audit, based upon the technical merits of the position. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. Accordingly, the adoption of these provisions of ASC 740 did not have a material effect on the Company’s financial statements. The Company’s policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

All past six tax years for the Company remain subject to future examinations by the applicable taxing authorities.

As of December 31, 2014 CTS has incurred $109,004 in federal and provincial income taxes payable to Canada Revenue Agency, and recorded provision for income taxes, accordingly. The company has carried back loss incurred in 2013 and has received a credit of $5,385 in 2014. The company has been making progress payments towards the balance owing. As of December 31, 2014 total payments made were $34,480.

Note 12. Major Customers

In 2014 and 2013, revenue was derived primarily from medical imaging and radiology services.

Major customers representing more than 10% of total revenue for the years ended December 31, 2014 and 2013 are as follows:

	Year Ended December 31, 2014		Year Ended December 31, 2013	
Customers	**Revenue amount**	**Revenue percentage**	**Revenue amount**	**Revenue percentage**
Contract A	$ 640,877	12%	$ 1,129,902	35%
Contract E	933,929	17%	1,035,393	32%
Contract F	$ 575,642	11%	$ 575,400	18%

Closing balances of accounts receivable for our major customers were as follows:

	Balance at December 31, 2014		Balance at December 31, 2013	
Customers	**Accounts Receivable Closing Balance**	**Accounts Receivable Percentage**	**Accounts Receivable Closing Balance**	**Accounts Receivable Percentage**
Contract E	$ 58,081	7%	$ 95,552	40%
Contract F	46,067	5%	46,796	20%
Contract H	$ 30,220	4%	$ 54,757	23%

Note 13. Major Vendors and service agreements

The company has one major vendor providing its system software and support. Expenses relating to this vendor for the years ended December 31, 2014 and 2013 were $56,096 and $61,972, respectively.

The company has a business consulting agreement with Jabi Inc. As part of the agreement the company is required to pay a fee of $5,200 per month plus expenses. The contract is subject for renewal January 1, 2015; see Note 16 for new terms. The agreement is renewable on a yearly basis.

The company has two professional services agreements with Partners Imaging Holdings LLC (“PIH”).
In the billing and collection agreement PIH is to provide billing and collection services on behalf of PIV, PIN, and PIC. PIH will process billing information generated by the subsidiaries and will invoice payors accordingly. PIH is to collect revenues generated by the subsidiaries and remit accordingly. The company shall pay PIH for the professional services performed relating to billing and collection at a rate of (five) 5% of reveues collected on behalf of the company. The agreement is due to terminate on October 1, 2015.

In the reading agreement PIH is to provide the professional services through the designated licensed Physicians and its affiliates of PIH. Readings are to be provided via tele-radiology and not required to be on-site. Reading fees vary by the type of modality read on flat per read basis. The agreement shall be for one (1) year, commencing October 31, 2014.

Note 14. Common Stock Transactions

For the year ended December 31, 2014, 5,000 shares were issued for services valued at $150 based upon the closing price of our common stock at the grant date.

For the year ended December 31, 2014, 300,000 shares were issued as part of individually issued convertible note agreements. The shares were valued at $25,500 based upon the closing price of our common stock at the grant date.

For the year ended December 31, 2014, 220,000 shares were issued as part of series C convertible note agreements. The shares were valued at $14,280 based upon the closing price of our common stock at the grant date.

For the year ended December 31, 2013, 300,000 shares were issued as part of convertible notes agreements. The shares were valued at $18,600 based upon the closing price of our common stock at the grant date.

For the year ended December 31, 2012 5,015,000 shares were issued as an additional part of convertible notes agreements. The shares were valued at $225,675 based upon the closing price of our common stock at the grant date.

Note 15. Going Concern

As shown in the accompanying consolidated financial statements, the company incurred net losses of $155,437 for the year ended December 31, 2014 as well as a working capital deficit of $352,837. These conditions raise substantial doubt as to if the company's ability to continue as a going concern. Management plan to raise additional financing in order to continue its operations and fulfil its debt obligations in 2015, but there can be no assurances that the plan will be successful. These consolidated financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.

Note 16. Subsequent Events

On January 1, 2015 the company renewed its business consulting agreement with Jabi Inc. and has agreed to a new consulting fee of $10,000 monthly. Upon renewal the consultant was paid four million two hundred thousand (4,200,000) option to purchase common stock of the company at an exercise price of $0.15 per share with an expiry date of December 31, 2019. The options were issued on January 27, 2015. The closing price of the Company common stock, as reported by the OTC Markets, on the date of the grant was $0.05.

On January 27, 2015 200,000 shares of common stock were issued to an employee for services.

On January 27, 2015 the Company issued 4.2 million immediately exercisable options to purchase shares of common stock of the Company to Jabi Inc. with an expiry date of 5 years and an exercise price of $0.15 per share.
On January 27, 2015 the Company issued 4.2 million immediately exercisable options to purchase shares of common stock of the Company to Mitchell Geisler, the Company's Chief Executive Officer, with an expiry date of 5 years and an exercise price of $0.15 per share.

On January 27, 2015 the Company issued 1.6 million immediately exercisable options to purchase shares of common stock of the Company to Richard Jagodnik, the Company's Chief Financial Officer, with an expiry date of 5 years and an exercise price of $0.15 per share.

On February 17, 2015, the company issued $20,000 in Series C Notes to a non-affiliate. The Company evaluated subsequent events through the date the consolidated financial statements were issued. In addition, the purchaser of the note received 20,000 bonus shares as part of the note agreement.

The Company evaluated subsequent events through the date the consolidated financial statements were issued.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On July 29, 2014, Silberstein Ungar, PLLC (the “Former Accountant”) notified the Company that its principals joined the accounting firm of KLJ & Associates, LLP. As a result of the transaction, on July 29, 2014, the Former Accountant resigned as the Company’s independent registered public accounting firm and the Company engaged KLJ & Associates, LLP (the “New Accountant”) as the Company’s independent registered public accounting firm. The engagement of the New Accountant was approved by the Company’s Board of Directors.

The Former Accountant’s audit reports on the financial statements of the Company for the fiscal years ended December 31, 2013 and 2012 contained no adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except that the audited financial statements contained in our Annual Reports on Form 10-K for the fiscal years ended December 31, 2012 and December 31, 2013 contained a going concern qualification. During the fiscal years ended December 31, 2013 and 2012, and through the interim period ended June 30, 2014, there were no “disagreements” (as such term is defined in Item 304 of Regulation S-K) with the Former Accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to the satisfaction of the Former Accountant would have caused them to make reference thereto in their reports on the financial statements for such periods.

During the fiscal years ended December 31, 2013 and 2012, and through the interim period ended July 31, 2014, there were the following “reportable events” (as such term is defined in Item 304 of Regulation S-K). As disclosed in Part I, Item 4 of the Company’s Form 10-Q for the quarterly period ended March 31, 2014, the Company’s management determined that the Company’s internal controls over financial reporting were not effective as of the end of such period due to the existence of material weaknesses related to the following:

(i) inadequate segregation of duties and effective risk assessment; and
(ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and SEC guidelines.

These material weaknesses have not been remediated as of the date of this Current Report on Form 10-K.

Other than as disclosed above, there were no reportable events during the fiscal years ended December 31, 2013 and 2012, and through the interim period ended June 30, 2014. The Company’s Board of Directors discussed the subject matter of each reportable event with the Former Accountant. The Company authorized the Former Accountant to respond fully and without limitation to all requests of the New Accountant concerning all matters related to the audited period by the Former Accountant, including with respect to the subject matter of each reportable event.

Prior to retaining the New Accountant, the Company did not consult with the New Accountant regarding either: (i) the application of accounting principles to a specified transaction, either contemplated or proposed, or the type of audit opinion that might be rendered on the Company’s financial statements; or (ii) any matter that was the subject of a “disagreement” or a “reportable event” (as those terms are defined in Item 304 of Regulation S-K).

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls

Our management evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2014. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files and submits under the Exchange Act is accumulated and communicated to management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of December 31, 2014, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

(b) Management's Responsibility for Financial Statements

Our management is responsible for the integrity and objectivity of all information presented in this report. The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and include amounts based on management's best estimates and judgments. Management believes the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements fairly represent the Company's condensed consolidated financial position and results of operations for the periods and as of the dates stated therein.

(c) Management's Assessment of Internal Control over Financial Reporting

The Company management is responsible for establishing and maintaining adequate internal control over financial reporting as defined by Rules 13a–15(f) and 15(d)-15(f) under the Securities and Exchange Act of 1934. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, a system of internal control over financial reporting can only provide reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time.

Under the direction of Chief Executive Officer and Chief Financial Officer, management evaluated the effectiveness of the system of internal control over financial reporting based on the framework in Internal Control-Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, at this time management has decided that taking into account the abilities of the employees now involved, the control procedures in place and its awareness of the issues presented, the risks associated with such lack of segregation are low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management will periodically reevaluate this situation and report to the registered public accounting firm to the Company about this condition. Based on our overall controls, and taking into account the reporting and interaction by our Board of Directors, management determined that the Company's system of internal control over financial reporting was not effective as of December 31, 2014.

(d) Report of Independent Registered Public Accounting Firm

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm.

ITEM 9B. OTHER INFORMATION

There is no other information to be disclosed in a report on Form 8-K during the fourth quarter of the year covered by this Form 10-K that has not been previously filed with the Securities and Exchange Commission.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table sets forth information concerning the directors and executive officers of Medical Imaging International Corp. and their age and positions. Our directors are elected at the annual meeting of shareholders, or may be appointed by the board of directors to fill an existing vacancy, and hold office for one year and until their successors are elected and qualified. Our officers are appointed by the board of directors and serve at the pleasure of the board. We have not entered into any employment agreements with our executive officers.

NAME	AGE	POSITIONS
Mitchell Geisler	44	Chief Executive Officer, President and Chairman
Richard Jagodnik	46	Chief Financial Officer and Director

Mitchell Geisler – Chairman, President and Chief Executive Officer

A seasoned entrepreneur in the health, mining, hospitality and technology arenas, Mitch has served as the Chief Executive Officer, President and Chairman of the Board since January 2010. In addition, he has also served as President of both of the Company's subsidiaries, Custom Teleradiology Services (CTS) and Schuylkill Medical Imaging (SMI), since January 2010 and December 2012, respectively and PIV, PIN, PIC since November 2014. Mr. Geisler was the Chief Operating Officer and a director of Pacific Gold Corp. from 2004-2014 and President and a director of Pacific Gold Corp's operating subsidiaries from 2003-2014, including Oregon Gold Inc. from 2003 to 2009. Mr. Geisler was also President and Director of Pacific Metals Corp. from 2006 to 2013. We believe Mr. Geisler's qualifications to serve on our Board of Directors include his intimate knowledge of our operations as a result of his day to day leadership as our Chief Executive Officer.

Mitch is a graduate of York University where he earned a Bachelor of Art degree in History. He also studied at Tel Aviv University.

Richard Jagodnik, CPA, CA – Chief Financial Officer and Director

Richard has served as the Company's Chief Financial Officer since January 2010 and as a Director since July 2005. Prior to that, he served as Medical Imaging's Chief Executive Officer, President and Chairman of the Board. Richard is responsible for all aspects of Medical Imaging's SEC reporting, strategic planning, budgeting, project development, contract management and organizational planning. From 1997 through 2005, he served as Vice President of Finance for Interesting Displays and Ideas, a Montreal-based manufacturing organization. Richard began his career working at Friedman and Friedman, Chartered Accountants.

A Chartered Accountant and Certified Public Accountant in Canada, Richard is a graduate of Concordia University where he earned a Bachelor of Commerce degree. He also earned a diploma in Accountancy from McGill University.

During the past ten years, no executive officer or director has been involved in any legal proceedings, bankruptcy proceedings, or criminal proceedings nor violated any federal or state securities or commodities laws or engaged in any activity that would limit their involvement in any type of business, securities or banking activities.

There are no family relationships between the directors or officers of MIC.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of the outstanding shares of the Company's Common Stock, to file initial reports of beneficial ownership and reports of changes in beneficial ownership of shares of Common Stock with the Commission. Such persons are required by Commission regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company during the year ended December 31, 2014, and upon a review of Forms 5 and amendments thereto furnished to the Company with respect to the year ended December 31, 2014, or upon written representations received by the Company from certain reporting persons that no Forms 5 were required for those persons, to its knowledge all the Section 16(a) filing requirements applicable to such persons with respect to fiscal year ended December 31, 2014 were complied with.

AUDIT COMMITTEE AND FINANCIAL EXPERT

We are not required to have and we do not have an Audit Committee. The Company's directors perform some of the same functions of an Audit Committee, such as; recommending a firm of independent certified public accountants to audit the financial statements; reviewing the auditors' independence, the financial statements and their audit report; and reviewing management's administration of the system of internal accounting controls. The Company does not currently have a written audit committee charter or similar document.

We have no audit committee financial expert. Our directors have financial statement preparation and interpretation ability obtained over the years from past business experience and education. We believe the cost related to retaining a financial expert at this time is prohibitive. Further, because of the nature of our current limited operations, we believe the services of a financial expert are not warranted.

BOARD MEETINGS AND ANNUAL MEETING ATTENDANCE

During 2014, the Board of Directors held 9 meetings. Each meeting was attended by all of the members of the Board.

CODE OF ETHICS

A code of ethics relates to written standards that are reasonably designed to deter wrongdoing and to promote:

(1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(2) Full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the Securities and Exchange Commission and in other public communications made by the Company;

(3) Compliance with applicable government laws, rules and regulations;

(4) The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and

(5) Accountability for adherence to the code.

We have not adopted a formal code of ethics statement. The board of directors evaluated the business of the Company and the number of employees and determined that since the business is operated by a small number of persons who are also the officers and directors and many of the persons employed by the Company are independent contractors, general rules of fiduciary duty and federal and state criminal, business conduct and securities laws are adequate ethical guidelines.

ITEM 11. EXECUTIVE COMPENSATION

Executive Officers

Summary of Compensation

The following summary compensation table indicates the cash and non-cash compensation earned by our Chief Executive Officer and Chief Financial Officer for the years ended December 31, 2014 and 2013.

Name	Year	Salary ($)	Bonus ($)	Stock Award ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Mitchell Geisler, Chief Executive Officer, President and Chairman	2014	70,621[1]	23,500[1][2]	-0-	-0-	-0-	94,121
	2013	75,715[1]	4,854[1][2]	-0-	-0-	-0-	80,569
Richard Jagodnik, Chief Financial Officer and Director	2014	18,470[1]	7,000	-0-	-0-	-0-	25,470
	2013	15,143[1]	-0-	-0-	-0-	-0-	15,143

(1) Represents cash compensation for management fees payable in Canadian dollar, and has been translated to U.S dollars at the average rate of exchange for the year indicated.

(2) Represents Performance Bonus for services as CEO of MIC, President CTS and SMI; and CEO of PIV, PIN, PIC.

We do not provide any employment benefits to our executive officers or directors, such as pension and other retirement savings plans and medical and dental plans, other than what is required by law, for which we make the required statutory payments and contributions. In the future, if we have non-employee directors we anticipate that we will have a compensation program that will include director fees and equity based awards and provide for the reimbursement of expenses.

Employment Agreements, with our Executive Officers

On January 1, 2015 the company entered into an employment agreement with the company's CEO, Mr. Mitchell Geisler. The agreement set forth the responsibilities of the role of the CEO, agreed compensatory plan, and termination arrangements resulting from resignation, retirement or any other termination event. Mr. Geisler will be paid an annual salary of $168,000, on a bi-monthly basis, subject to deduction for required withholdings. Upon termination Mr. Geisler will be entitled to receive from the company an amount equal to his then current annual salary divided by two (2). Mr. Geisler will be entitled to a discretionary bonus, which will be determined by the board of directors and may be paid in cash or in shares of common stock of the Company. Mr. Geisler will be entitled to four weeks of vacation, and will be eligible to participate in any other benefits that the company makes available to its employees and senior executive staff. Additionally, as part of the employment agreement, Mr. Geisler was granted to a one time grant of four million two hundred thousand (4,200,000) options of common stock of the employer, which vested immediately, and have exercise price of $0.15 per share and an expiry date of December 31, 2019.

We currently do not have an employment agreement with the company's CFO, Mr. Richard Jagodnik, nor any compensatory plans or arrangements resulting from the resignation, retirement or any other termination, from a change-in-control, or from a change in any executive officer's responsibilities following a change-in-control. Our CFO is compensated on a monthly basis for services performed for the company and its subsidiary.

Grants of Plan Based Awards

The Company did not award any stock options to any of its executive officers during 2014 or 2013. Our executive officers did not exercise any options during 2014.

The following table presents the outstanding equity awards of the Company's executive officers at December 31, 2014:

Outstanding Equity Awards at December 31, 2014

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Mitchell Geisler	-0-	-0-	N/A	N/A

Compensation of Directors

We do not have any independent directors. All of our directors are also executive officers, and therefore we do not separately compensate them for the fulfillment of their director positions on the board of directors.

Director Agreements

Each director holds office until the next meeting of stockholders or until his successor is duly appointed and qualified. In the future, if the Company has non-employee directors, it expects it will provide a compensation package primarily based on stock options and reimbursement for direct expenses. Such compensation package will be determined at that time.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, MANAGEMENT, AND RELATED STOCKHOLDERS MATTERS

The following table sets forth, as of March 27, 2015, the name and shareholdings of each person who owns of record, or was known by us to own beneficially, 5% or more of the shares of the common stock currently issued and outstanding; the name and shareholdings, including options to acquire the common stock, of each executive officer and director; and the shareholdings of all executive officers and directors as a group.

Name of Beneficial Owner	Shares Beneficially Owned [(1)]	Percent of Class [(2)]
Mitchell Geisler[(3)]	8,486,500	29.92%
Richard Jagodnik[(4)]	3,675,000	14.26%
Robert Landau[(5)]	8,560,258	30.18%
Hsu Gamma Investment, LP[(4)]	4,500,000	18.62%
All directors and executive officers as a group (two persons)[)(2)(3)(4)]	12,161,500	40.58%

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(1) Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all common shares beneficially owned by them, subject to community property laws, where applicable.

(2) There are 24,166,481 shares of common stock issued and outstanding as at March 27, 2015. Each person beneficially owns a percentage of our outstanding common shares which such person has the right to vote or investment power with respect to securities.

(3) Includes 4,200,000 options on common stock held by Mr. Geisler.

(4) Includes 1,600,000 options on common stock held by Mr. Jagodnik

(5) Includes 5,786,710 shares and options held by Jabi Inc., a company that Robert Landau controls.

(4) Excludes the option to convert 1,500,000 of debt into 15,000,000 shares.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

N/A

Director Independence

MIC does not have any directors that would be deemed "independent" directors. The board of directors has not established any separate audit, compensation or nomination committees, and carries out the functions of such committees itself, to the extent required. As a smaller reporting company that is not listed on any exchange, we are not required to have any such committees or any independent directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Audit fees include fees for the audit of the Company's annual financial statements, fees for the review of the Company's interim financial statements, and fees for services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements. The aggregate audit and quarterly fees billed by our independent registered public accounting firms for fiscal years 2014 and 2013 were $30,000 and $34,600, respectively.

Audit-Related Fees

Audit-related fees include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. There were no audit-related fees billed for fiscal years 2014 or 2013.

Tax Fees

Tax fees include fees for tax compliance, tax advice and tax planning. Tax fees billed for fiscal year 2014 and 2013 were $1,500 each.

All Other Fees

All other fees include fees for all services except those described above. There were no other fees billed for fiscal years 2014 or 2013.

Audit committee policies & procedures

The Company does not currently have a standing audit committee. The above services were approved by the Company's Board of Directors.

PART IV

ITEM 15. EXHIBITS

Exhibit No.	Name of Exhibit
3.1	Restated Articles of Incorporation of Diagnostic Imaging International Corp.[1]
3.2	Amendment to Articles of Incorporation or Bylaws [2]
3.3	Certificate of amendment * (for increase of shares from 100,000,000 to 500,000,000)
10.1	CTS Acquisition Agreement[3]
10.2	Royalty Agreement dated October 31, 2014, (subject to confidentiality request)*
10.3	SMI Acquisition Agreement[5]
10.4	Form of Series B Notes[6]
10.5	SPA of Series B Notes[7]
10.6	Form of Series C Notes[8]
10.7	SPA of Series C Notes[9]
10.8	Employment agreement for Mitchell Geisler, CEO*
10.9	Partners Imaging Holdings LLC acquisitions agreement*
10.10	Partners Imaging Holdings LLC billings agreement*
10.11	Partners Imaging Holdings LLC billings agreement amended*
10.12	Partners Imaging Holdings LLC readings agreement*
21.1	Subsidiaries of the Registrant*
23.2	Consent of Silberstein Ungar, PLLC *
23.3	Consent of KLJ and Associates LLP *
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 United States Code Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

1. Incorporated by reference from the Registrant's Registration Statement on Form SB-2 filed with the SEC on August 9, 2006.

2. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on July 11, 2014.

3. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on March 5, 2009.

3. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on December 6, 2010.

5. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on August 13, 2012.

6. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2012.

7. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2012.

8. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on May 22, 2014.

9. Incorporated by reference from the Registrant's Current Report on Form 8-K filed with the SEC on May 22, 2014.

* Filed herewith.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDICAL IMAGING CORP.

By: /s/ Mitchell Geisler
Mitchell Geisler
Chief Executive Officer

Date: April 2, 2015

Pursuant to the requirements with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacities	Date
/s/ Mitchell Geisler Mitchell Geisler	Chief Executive Officer (Principal Executive Officer) and Director	April 2, 2015
/s/ Richard Jagodnik Richard Jagodnik	Chief Financial Officer (Principal Financial and Accounting Officer) and Director	April 2, 2015