

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____ to _____

Commission File Number 333-136436

MEDICAL IMAGING CORP.

(Exact name of registrant as specified in charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

98-0493698

(I.R.S. Employer Identification No.)

848 N. Rainbow Blvd. #2494, Las Vegas, Nevada

(Address of principal executive offices)

89107

(Zip Code)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

Non-accelerated filer (Do not check if smaller reporting company)

Accelerated filer

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

As of June 11, 2015 the Company had outstanding 24,166,481 shares of its common stock.

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Item 1. Consolidated Financial Statements

**Medical Imaging Corp.
Consolidated Balance Sheets (Unaudited)**

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 57,518	\$ 188,206
Accounts Receivable, net	1,012,587	851,884
Prepaid Expenses	23,364	24,165
Total Current Assets	<u>1,093,469</u>	<u>1,064,255</u>
Property and Equipment		
Equipment	3,429,457	3,402,671
Less: Accumulated Depreciation	(594,103)	(463,977)
Total Property and Equipment, net	<u>2,835,354</u>	<u>2,938,694</u>
Goodwill	1,977,670	1,977,670
Other Assets		
Deposits	12,091	12,463
Loan Receivable	-	1,497
Total Other Assets	<u>12,091</u>	<u>13,960</u>
TOTAL ASSETS	<u>\$ 5,918,584</u>	<u>\$ 5,994,579</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable	\$ 642,625	\$ 624,141
Accrued Taxes Payable	336,160	311,547
Obligations Under Capital Lease, short term portion	207,774	189,923
Promissory Notes, short term portion	228,050	134,999
Royalty Financing, short term portion	103,234	102,219
Convertible Notes, net short term portion	2,014,487	54,263
Total Current Liabilities	<u>3,532,330</u>	<u>1,417,092</u>
Long Term Liabilities		
Obligations Under Capital Lease, long term portion	428,790	459,853
Royalty Financing, long term portion	1,947,907	1,902,698
Convertible Notes, net long term portion	399,944	2,332,708
Total Long Term Liabilities	<u>2,776,641</u>	<u>4,695,259</u>
Total Liabilities	<u>6,308,971</u>	<u>6,112,351</u>
Stockholders' Deficit		
Preferred Stock-\$0.001 par value; 5,000,000 shares authorized, no shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	-	-
Common Stock-\$0.001 par value; 500,000,000 shares authorized, 24,166,481 and 23,946,481 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	24,167	23,947
Additional Paid-In Capital	1,970,223	1,876,484
Accumulated Other Comprehensive Gain	40,790	21,393
Accumulated Deficit	(2,425,567)	(2,039,596)
Total Stockholders' Deficit	<u>(390,387)</u>	<u>(117,772)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 5,918,584</u>	<u>\$ 5,994,579</u>

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

Medical Imaging Corp.
Consolidated Statements of Operations (Unaudited)

	Three Months Ended	
	March 31	March 31
	2015	2014
Revenue:		
Sales	\$ 1,820,517	\$ 1,195,937
Less: Cost of sales	951,466	705,495
Gross Margin	<u>869,051</u>	<u>490,442</u>
Operating Expenses:		
Advertising	9,516	16,523
Amortization	-	22,925
Depreciation	135,724	39,820
Bad Debt Expense (Recapture)	-	7,522
General and Administrative	188,802	54,523
Insurance	24,950	11,746
Labor	331,771	190,480
Legal and professional	142,895	41,226
Management fees	418,313	4,422
Rent Office Space and Servers	132,693	39,136
Travel	8,515	14,388
Total Operating Expenses	<u>993,179</u>	<u>442,711</u>
Income (Loss) from Operations	<u>(124,128)</u>	<u>47,731</u>
Other Income and (Expenses):		
Other Income	6,024	160
Foreign Currency Gains (Losses)	2,236	415
Amortization of Debt Discount	(112,291)	(20,356)
Interest Expense	(157,812)	(68,225)
Total Other Income (Expenses)	<u>(261,843)</u>	<u>(88,006)</u>
Income (Loss) Before Provision for Income (Taxes) Credit	(385,971)	(40,275)
Provision for Income (Taxes) Credit	-	-
Net Income (Loss)	<u>(385,971)</u>	<u>(40,275)</u>
Other Comprehensive Income	19,397	1,065
Total Comprehensive Income (Loss)	<u>\$ (366,574)</u>	<u>\$ (39,210)</u>
Basic and Diluted Income (Loss) per Share	<u>\$ (0.015)</u>	<u>\$ (0.002)</u>
Weighted Average Shares Outstanding:		
Basic and Diluted	<u>24,098,259</u>	<u>23,350,793</u>

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

Medical Imaging Corp.
Consolidated Statements of Cash Flows (Unaudited)

	Quarter Ended	
	March 31 2015	March 31 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (385,971)	\$ (40,275)
Adjustments to Reconcile Net Loss to Net Cash provided by Operating Activities:		
Depreciation	135,724	39,820
Asset Write Off	-	974
Accrued Interest Converted into note	-	61,832
Amortization of Debt Discount	112,291	20,356
Stock-based compensation	92,919	150
Amortization of Intangible Assets	-	22,925
Foreign currency transaction Gain/ Loss	519	229
Changes in operating assets and liabilities:		
Accounts Receivable	(160,703)	107
Deposits and prepaid expenses	801	(3,042)
Accounts Payable and accrued liabilities	114,653	(68,239)
Loans Receivable	1,497	280
NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES	(88,270)	35,117
CASH FLOWS FROM INVESTING ACTIVITIES:		
Equipment Purchase	(12,488)	-
NET CASH USED IN INVESTING ACTIVITIES	(12,488)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt issuance	374,000	300,000
Principal payments on debt	(390,072)	(73,560)
Principal Payments on Capital Lease Obligations	(33,255)	(16,300)
NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY IN FINANCING ACTIVITIES	(49,327)	210,140
Gain (Loss) due to foreign currency translation	19,397	1,065
NET CHANGE IN CASH AND CASH EQUIVALENTS	(130,688)	246,322
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	188,206	77,300
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 57,518	\$ 323,622
Cash paid during the year for:		
Interest	\$ 157,812	\$ 6,393
Income Taxes	\$ 17,308	\$ 18,900
Non-cash financing and investing activities:		
Shares Issued for Convertible Note	\$ 1,040	\$ 25,500
Equipment purchased under Capital Lease	\$ 20,043	\$ -
Accrued Interest converted to Note	\$ 75,039	\$ -

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

Medical Imaging Corp.
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2015

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 the March 31, 2015 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 March 31, 2015, and December 31, 2014, 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 March 31, 2015 and December 31, 2014, the allowance for bad debts was \$64,673.

Bad debt expense for the three months ended March 31, 2015 and 2014 was \$0 and \$7,522, respectively.

As of March 31, 2015 two customers of CTS totalled approximately 12% of the total accounts receivable. As of December 31, 2014, three customers totalled approximately 16% 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 March 31, 2015, 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.

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 three months ended March 31, 2015, 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
3 - 5 years	Non-compete Contract
39 years	Leasehold Improvements

Stock Based Compensation

The company follows ASC 718 to produce an estimated fair value.

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 Binomial option pricing model (“BOPM”). 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 BOPM 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 recognized stock-based compensation expenses of \$34,683 and \$0 from stock options granted to non-employees for the three months ended March 31, 2015 and 2014.

The stock based compensation for the three months ended March 31, 2015 pertains to stock options granted to non-employee. The options were valued using the BOPM and included in the Legal and professional operating expenses in the consolidated statements of operations.

The Company recognized stock-based compensation expenses of \$58,236, and \$0 from stock and stock options granted to employees for the three months ended March 31, 2015, and 2014, respectively.

The stock based compensation for the three months ended March 31, 2015 includes stock options granted to employees of \$47,896. The options were valued using the BOPM and included in the Labor and management fees operating expenses in the consolidated statements of operations.

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 \$2,236 and \$415 for the three months ended March 31, 2015 and 2014, respectively.

The Company recognized other comprehensive gain of \$19,397 and \$1,065 for the three months ended March 31, 2015 and 2014, 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 March 31, 2015, 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:

	Three Months Ended	
	March 31, 2015	March 31, 2014
Numerator:		
Continuing operations:		
Total Comprehensive Income (Loss)	\$ (366,574)	\$ (39,210)
Total	\$ (366,574)	\$ (39,210)
Total Comprehensive Income (Loss)	\$ (366,574)	\$ (39,210)
Denominator:		
Weighted average number of shares outstanding – basic and diluted	<u>24,098,259</u>	<u>23,350,793</u>
EPS:		
Basic:		
Total Comprehensive Income (Loss)	\$ (0.015)	\$ (0.002)
Net Income (loss)	\$ (0.015)	\$ (0.002)
Diluted		
Total Comprehensive Income (Loss)	\$ (0.015)	\$ (0.002)
Total Comprehensive Income (Loss)	\$ (0.015)	\$ (0.002)

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.

Note 2. Interim Financial Statements

The accompanying interim unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. For further information, refer to the financial statements and footnotes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Note 3. Property and Equipment

For the three months ended, March 31, 2015 the company has acquired additional computer equipment of \$ 32,531 for its CTS subsidiary.

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 March 31, 2015 and December 31, 2014, the major class of property and equipment were as follows:

	March 31, 2015	December 31, 2014	Estimated useful lives
Computer/Office Equipment	\$ 462,652	\$ 435,867	3-7 years
Medical Equipment	2,123,024	2,123,023	3-7 years
Leasehold Improvements	843,781	843,781	39 years
Less: Accumulated Depreciation	(594,103)	(463,977)	
Net Book Value	\$ 2,835,354	\$ 2,938,694	

Depreciation expense was \$135,724 and \$39,820 for the three months ended March 31, 2015 and 2014, respectively.

Note 4. 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 three months ended March 31, 2015 and 2014 are as follow:

Year Ended March 31, 2015	Total	PIV	PIN	PIC
Revenue	\$ 851,252	391,616	216,595	243,041
Gross Earnings	\$ 521,303	224,008	137,744	159,551
Year Ended December 31, 2014	Total	PIV	PIN	PIC
Revenue	\$ -	-	-	-
Gross Earnings	\$ -	-	-	-

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 5. Goodwill

The change in the carrying amount of goodwill for the two years ended March 31, 2015 was:

Balance as of January 1, 2014	\$ 1,422,670
Acquisition of goodwill during the year	555,000
Changes in goodwill during the year	-
Balance as of December 31, 2014	1,977,670
Changes in goodwill during the year	-
Balance as of March 31, 2015	<u>\$ 1,977,670</u>

Note 6. 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:

<u>Year</u>	<u>Office Space</u>	<u>Servers</u>	<u>Total</u>
2015	\$ 395,904	\$ 23,328	\$ 419,232
2016	412,154	31,104	443,258
2017	186,516	19,104	205,620
	<u>\$ 994,574</u>	<u>\$ 73,536</u>	<u>\$ 1,068,110</u>

Note 7. Accounts Payable and Accrued Liabilities

As of March 31, 2015 and December 31, 2014, the trade payables and accrued liabilities of the Company were \$978,785 and \$935,688, respectively.

Of the total amount as of March 31, 2015, \$642,625 was related to ongoing operations representing a balance owing to trade payables. \$119,646 was related to accrued payroll and withholdings liabilities, and \$216,514 was related to Federal and State income tax owing.

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.

Note 8. 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 (\$296,083 net book value after accumulated amortization of \$258,917) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$27,750 for the three months ended March 31, 2015 and 2014, 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 (\$66,512 net book value after accumulated amortization of \$11,738) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$3,913, and \$0 for the three months ended March 31, 2015 and 2014, 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 (\$148,805 net book value after accumulated amortization of \$13,528) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$8,117, and \$0 for the three months ended March 31, 2015, and 2014, 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 (\$157,359 net book value after accumulated amortization of \$9,748) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$8,355, and \$0 for the three months ended March 31, 2015, and 2014, respectively.

PV, PN, PC Computers Capital Lease:

On December 10, 2014 the 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 (\$22,667 net book value after accumulated amortization of \$2,441) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$2,092, and \$0 for the three months ended March 31, 2015, and 2014, respectively.

CTS Computers Lease

On January 21, 2015 the company has entered into a capital lease agreement to lease computers that were installed on the same date of acceptance. Under the terms of the lease, the company is to make monthly payments of \$651.43, 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 \$20,042 (amount is carried in Canadian dollar).

The gross amount of the computers held under the capital lease is \$20,042 (\$18,929 net book value after accumulated amortization of \$1,113) at March 31, 2015.

Amortization of the capital lease assets is included in the depreciation expense of \$1,139, and \$0 for the three months ended March 31, 2015, and 2014, respectively.

Minimum future lease payments under the capital leases as of March 31, 2015 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	CTS Computers Lease
2015	\$ 201,486	99,114	28,035	13,458	27,846	27,846	5,186
2016	241,277	132,152	37,380	17,944	37,128	9,758	6,915
2017	108,312	-	37,380	17,944	37,128	8,945	6,915
2018	93,605	-	37,380	17,944	37,128	-	1,153
2019	83,356	-	34,265	11,963	37,128	-	-
2020	3,094	-	-	-	3,094	-	-
Total minimum lease payments	731,130	231,266	174,440	79,254	179,452	46,549	20,169
Less amount representing interest	74,049	20,870	21,555	10,259	17,367	3,333	665
Present value of minimum lease payments	657,081	210,397	152,885	68,995	162,085	43,216	19,504
Less current portion of minimum lease payments	200,053	111,410	29,441	13,984	30,884	7,791	6,544
Long-term capital lease obligations	\$ 457,028	98,986	123,444	55,012	131,201	35,425	12,961

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 three months ended March 31, 2015, \$60,450 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 three months ended March 31, 2015 was \$20,356.

The Details of Series B Notes are as follows:

Issuance Date	December 31, 2014 Balance	December 31, 2014 Unamortized Discount Beginning Balance	Three Months Ended March 31, 2015 Interest Accrued	Three Months Ended March 31, 2015 (Payments)	Three Months Ended March 31, 2015 Amortization of Debt Discount	March 31, 2015 Balance, net	Maturity Date
03-Dec-12	\$ 25,000	\$ (344)	\$ 750	\$ (750)	\$ 94	\$ 24,750	31-Dec-15
03-Dec-12	125,000	(5,594)	3,750	(3,750)	1,244	120,649	31-Dec-15
03-Dec-12	50,000	(1,031)	1,500	(1,500)	281	49,250	31-Dec-15
03-Dec-12	25,000	(344)	750	(750)	94	24,750	31-Dec-15
03-Dec-12	25,000	(344)	750	(750)	94	24,750	31-Dec-15
03-Dec-12	25,000	(344)	750	(750)	94	24,750	31-Dec-15
03-Dec-12	1,500,000	(61,875)	45,000	(45,000)	16,875	1,455,000	31-Dec-15
03-Dec-12	50,000	(1,031)	1,500	(1,500)	281	49,250	31-Dec-15
03-Dec-12	15,000	(206)	450	(450)	56	14,850	31-Dec-15
03-Dec-12	100,000	(3,656)	3,000	(3,000)	856	97,200	31-Dec-15
27-Mar-13	25,000	(646)	750	(750)	129	24,483	31-Mar-16
27-Mar-13	25,000	(646)	750	(750)	129	24,483	31-Mar-16
27-Mar-13	25,000	(646)	750	(750)	129	24,483	31-Mar-16
Total	\$ 2,015,000	\$ (76,706)	\$ 60,450	\$ (60,450)	\$ 20,356	\$ 1,958,650	

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	\$ 181,350	\$ 54,800
2016	150,000	4,500	1,550
2017	-	-	-
2018	-	-	-
2019	-	-	-
Total	\$ 2,015,000	\$ 185,850	\$ 56,350

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 at 1% 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, October 31, 2014 and February 17, 2015 the company sold an additional \$75,000, \$50,000 and \$20,000, respectively of “series C notes”.

The total number of shares issued was 240,000 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 \$12,695. Amortization of the discount for the year ended December 3, 2014, was \$2,081.

For the three months ended March 31, 2015, \$6,800 in accrued interest was recorded on the notes and paid.

Issuance Date	December 31, 2014 Balance	Three Months Ended March 31, 2015 Proceeds	December 31, 2014 Unamortized Discount Beginning Balance	Three Months Ended March 31, 2015 Interest Accrued	Three Months Ended March 31, 2015 (Payments)	Three Months Ended March 31, 2015 Amortization of Debt Discount	March 31, 2015 Balance, net	Maturity Date
22-May-14	\$ 50,000	\$ -	\$ (2,417)	\$ 1,500	\$ (1,500)	\$ 250	\$ 47,833	31-May-17
22-May-14	22,500	-	(1,088)	675	(675)	113	21,525	31-May-17
22-May-14	22,500	-	(1,088)	675	(675)	113	21,525	31-May-17
25-Aug-14	50,000	-	(3,419)	1,500	(1,500)	331	46,912	31-October-17
25-Aug-14	25,000	-	(1,709)	750	(750)	165	23,456	31-October-17
31-Oct-14	50,000	-	(2,479)	1,500	(1,500)	218	47,740	31-October-17
17-Feb-15	-	20,000	(1,040)	-	(200)	29	18,789	17-February-18
Total	\$ 220,000	\$ 20,000	\$ (13,239)	\$ 6,600	\$ (6,800)	\$ 1,219	\$ 227,780	

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	\$ -	\$ 18,300	\$ 3,657
2016	-	24,400	4,876
2017	220,000	12,650	3,429
2018	20,000	400	58
2019	-	-	-
Total	\$ 240,000	\$ 55,750	\$ 12,020

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 three months ended March 31, 2015, \$7,545 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 three months ended March 31, 2015 was \$2,125.

Summary of the note is as follows:

	March 31, 2015	December 31, 2014
Convertible note Beginning Balance	\$ 260,000	\$ 300,000
Less: unamortized debt discount	(17,000)	(19,125)
Convertible notes principal, net	243,000	280,875
Less: Payments in Period	(22,545)	(66,504)
Added: Accrued interest	7,545	26,504
Total Convertible note, net	\$ 228,000	\$ 240,875
Less: short term portion, net	55,837	54,263
Long term portion, net	\$ 172,163	\$ 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	\$ 45,000	\$ 20,339	\$ 6,375
2016	60,000	20,748	8,500
2017	140,000	2,625	2,125
2018	-	-	-
2019	-	-	-
Total	<u>\$ 245,000</u>	<u>\$ 43,712</u>	<u>\$ 17,000</u>

Note 10. Promissory Notes

In June 2014 \$64,937 of the SMI acquisition liability that was due as part of SMI acquisition 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. For the three months ended March 31, 2015 the company made payments of \$41,000 towards the balance and has received additional proceeds of \$4,000.

For the three months ended March 31, 2015 the company has issued loans total of \$384,000, the loans terms call for weekly payments of \$28,000 towards the principal balance and interest. The final payment is due May 26, 2015.

A summary of the promissory notes is as follows:

Promissory notes at January 1, 2014	<u>\$ 45,015</u>
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	<u>\$ 134,999</u>
Added: Accrued Interest through March 31, 2015	<u>307</u>
Added: Proceeds through March 31, 2015	<u>388,000</u>
Less: Payments through March 31, 2015	<u>(273,256)</u>
Added: Discount through March 31, 2015	<u>(22,000)</u>
Promissory notes at March 31, 2015	<u>\$ 228,050</u>
Less: Short term portion	<u>228,050</u>
Long term portion March 31, 2015	<u>\$ -</u>

Note 11. 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 three months ended March 31, 2015 the company paid a total of \$102,122 in royalty payments, and has accrued a total of \$71,755 in interest expense. The amount financed is recorded net of discount to be amortized of the term. As of March 31, 2015 the company has recorded discount amortization expense of \$76,591. The balance as shown on the consolidated balance sheet as of March 31, 2015 is \$2,051,141.

Note 12. Major Customers

For the three months ending March 31, 2015 and 2015, revenue was derived primarily from radiology services.

Major customers representing more than 10% of total revenue for the three months ended March 31, 2015 and 2014 are as follow:

Customers	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
	Revenue amount	Revenue percentage	Revenue amount	Revenue percentage
Contract A	\$ -	0%	\$ 260,873	22%
Contract E	216,537	12%	205,727	17%
Contract F	128,841	17%	132,972	11%
Contract H	\$ 75,589	4%	\$ 74,408	6%

There were no closing balances for accounts receivable greater than 10% of total balance.

Note 13. Major Vendors

The company has one major vendor providing its system software and support. Expenses relating to this vendor for the three months ended March 31, 2015 and 2014 were \$13,078 and \$13,455, respectively.

Note 14. Common Stock Transactions

On January 27, 2015 the company granted options as considerations for services provided by the CEO of the company. The options are to purchase up to 4,200,000 shares of common stock, with an exercise price equal to \$0.15 per share. The options shall have a five (5) year term. Inputs used in Binomial Option Pricing model were as follow: stock price at grant date: \$0.0517, exercise price \$0.15, expected life of the option two and a half (2.5) years, volatility of 70%, and risk free rate of 0.03%. The options were recorded on the grant date at a value of \$34,683.

On January 27, 2015 the company granted options as considerations for consulting services provided to the company. The options are to purchase up to 4,200,000 shares of common stock, with an exercise price equal to \$0.15 per share. The options shall have a five (5) year term. Inputs used in Binomial Option Pricing model were as follow: stock price at grant date: \$0.0517, exercise price \$0.15, expected life of the option two and a half (2.5) years, volatility of 70%, and risk free rate of 0.03%. The options were recorded on the grant date at a value of \$34,683.

On January 27, 2015 the company granted options as considerations for services provided by the CFO of the company. The options are to purchase up to 1,600,000 shares of common stock, with an exercise price equal to \$0.15 per share. The options shall have a five (5) year term. Inputs used in Binomial Option Pricing model were as follow: stock price at grant date: \$0.0517, exercise price \$0.15, expected life of the option two and a half (2.5) years, volatility of 70%, and risk free rate of 0.03%. The options were recorded on the grant date at a value of \$13,213.

For the three months ended March 31, 2015, 200,000 shares were issued for services valued at \$10,340 based upon the closing price of our common stock at the grant date.

For the three months ended March 31, 2015, 20,000 shares were issued as part of series C convertible note agreements. The shares were valued at \$1,040 based upon the closing price of our common stock at the grant date.

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.

Note 15. Income Tax

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.

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.

Note. 16. Going Concern

As shown in the accompanying consolidated financial statements, the company incurred net losses of \$366,574 for the three months ended March 31, 2015 as well as a working capital deficit of \$2,438,861. 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 17. Subsequent events

Subsequent to quarter end, the company sold loans in the aggregate principal amount of \$336,000.

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

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward Looking Statements

This Form 10-Q quarterly report of Medical Imaging Corp. (the "Company") for the three months ended March 31, 2015, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that there are statements that are not recitations of historical fact, such statements constitute forward-looking statements that, by definition, involve risks and uncertainties. In any forward-looking statement, where the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include, but are not limited to: variations in revenue; possible inability to attract investors for its equity securities or otherwise raise adequate funds from any source should the Company seek to do so; increased governmental regulation; increased competition; unfavorable outcomes to litigation involving the Company or to which the Company may become a party in the future; and a very competitive and rapidly changing operating environment.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. The Company believes the information contained in this Form 10-Q to be accurate as of the date hereof. Changes may occur after that date, and the Company will not update that information except as required by law in the normal course of its public disclosure practices.

Additionally, the following discussion regarding the Company's financial condition and results of operations should be read in conjunction with the financial statements and related notes contained in Item 1 of Part 1 of this Form 10-Q, as well as the financial statements in Item 8 of Part II of the Company's Form 10-K for the fiscal year ended December 31, 2014.

Business description

Medical Imaging Corp. ("MIC"), 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 quality medical diagnostic imaging services to its patients 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.

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 12 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.

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.

Operations

CTS

In the first quarter of 2015 CTS began servicing a new hospital client. CTS continues to explore new opportunities to add additional clients. This newest hospital client requires daily overnight service including weekends and holidays.

SMI

The first 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. SMI management continues to work on building its relations with the local doctors and community involvement.

PIV, PIN, PIC, (Florida)

In the first quarter the centers continue to be mainly operated by previous owners providing billing and modality reading services. The Company is working to achieve its necessary permitting to take over all operations of the centers.

Overall Operating Results:

For the three months ended March 31, 2015, revenues from medical scans services were \$1,300,442 compared to \$457,965 for the three months ended March 31, 2014, an increase of 184 % or \$842,477. The increase in revenue was owing to the additional revenue of PIV, PIN, and PIC as well as an increase in scan volume for SMI.

For the three months ended March 31, 2015 revenues from teleradiology services was \$520,075 compared to \$737,972 for the three months ended March 31, 2014, a decrease of 29.5 % or \$217,897. The decrease in revenue from teleradiology services of 29.5% is related to revenues carried in Canadian dollar and a client which stopped service mid 2014. The exchange rate used to convert CTS revenues carried in Canadian dollars for the three months ended March 31, 2014 was 0.9062, while the exchange rate used to convert CTS revenue carried in Canadian dollars for the three months ended March 31, 2015 was 0.8058, a difference of 11.1%. The remaining 18.4% decrease in revenue was due to a loss of a major customer in August 2014.

For the three months ended March 31, 2015, cost of sales relating to radiology services were \$951,466 compared to \$705,495 for the three months ended March 31, 2014, an increase of 35% or \$245,971. The increase in cost of sales was due to the overall increase in revenues, as well as the company change in allocating medical imaging technicians wages as part of cost of services starting in the three months ended March 31, 2015.

Operating expenses for the three months ended March 31, 2015 and March 31, 2014, totalled \$993,179 and \$442,711, respectively.

During the three months ended March 31, 2015, we incurred \$135,724 in depreciation expenses, \$142,895 in legal and professional fees including \$34,683 in consulting fees pertaining to 4,200,000 stock options issued, \$188,802 in general and administrative costs, \$18,313 in management fees including \$13,213 in management fees pertaining to 1,600,000 stock options issued, \$9,516 in advertising and promotion, \$331,771 for labor including \$34,683 in employee compensation pertaining to 4,200,000 stock options issued, and \$157,643 for rent and insurance.

During the three months ended March 31, 2014, we incurred \$62,745 in amortization and depreciation expenses, \$41,226 in legal and professional fees, \$54,523 in general and administrative costs, \$4,422 in management fees, \$16,523 in advertising and promotion, \$190,480 for labor, and \$50,882 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 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 \$1,820,517 and \$1,195,937 of revenues for the three months ended March 31, 2015, and 2014, 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 March 31, 2015, our assets totalled \$5,918,584 which consisted of cash balances, accounts receivable, pre - paid expenses, deposits, intangible assets and computer and office equipment. As of March 31, 2015, our total liabilities consisted of accounts payable and accrued liabilities of \$978,785, obligations under capital lease of \$636,564, promissory notes of \$228,050, and non-related party convertible notes of \$2,414,431 (net of discount). As of March 31, 2015, we had an accumulated deficit of \$2,425,567 and a working capital deficit of \$2,438,861.

As of March 31, 2015 the Company had promissory notes to non-related parties for a total amount of \$228,050. \$15,050 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. \$13,000 of the promissory notes is due on demand and does not accrue interest. \$200,000 of the promissory notes calls for weekly payments of \$28,000 towards the principal balance and interest. The final payment was due May 26, 2015.

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 9 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 at 1% 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.

On February 17, 2015 the Company sold, through private placement to accredited investor, an additional series C note in the principal amount of \$20,000, and has issued 20,000 shares of common stock of the company accordingly.

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 have a material impact on the Company's condensed consolidated financial position, results of operations or cash flows.

Item 3 – Quantitative and Qualitative Analysis of Market Risks

There are no material changes in the market risks faced by us from those reported in our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4T. – Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report, management carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Limitations on Effectiveness of Controls and Procedures

Our management, which includes our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Controls over Financial Reporting

In connection with the evaluation of our internal controls, our principal executive officer and principal financial officer have determined that during the period covered by this quarterly report, there have been no changes to our internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II

ITEM 1. 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 1A. Risk Factors

Not Applicable

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

The Company issued 20,000 shares in February 2015 at a per share price of \$0.052 to purchasers of \$20,000 of a convertible note issued in February of 2015.

The Company issued 200,000 shares in January 2015 at a per share price of \$0.0517 for services.

These securities were issued in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act and Regulation D thereunder.

ITEM 3. Defaults Upon Senior Securities

None

ITEM 4. Mine Safety Disclosures

None

ITEM 5. Other Information

None

ITEM 6. Exhibits

(a) Exhibits.

Exhibit No.	Description
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*
32.1	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*

* Filed herewith.

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: June 17, 2015

MEDICAL IMAGING CORP.

By: /s/ Richard Jagodnik
Richard Jagodnik
Chief Financial Officer (Principal Financial Officer)

Date: June 17, 2015

Certification of Principal Executive Officer

I, Mitchell Geisler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Medical Imaging Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 17, 2015

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

Certification of Principal Financial Officer

I, Richard Jagodnik, certify that:

- 1 I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Medical Imaging Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 17, 2015

By: /s/ Richard Jagodnik
Richard Jagodnik
Chief Financial Officer

**Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Medical Imaging Corp. (the "Company") for the period ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mitchell Geisler, as Chief Executive Office of the Company, and Richard Jagodnik, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of each such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Date: June 17, 2015

By: /s/ Richard Jagodnik
Richard Jagodnik
Chief Financial Officer

Date: June 17, 2015

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.