MEDICAL ALARM CONCEPTS HOLDINGS INC
Form 10-K
December 18, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from ______ to ______

Commission file number 333-153290

MEDICAL ALARM CONCEPTS HOLDING, INC.

(Exact name of registrant as specified in its charter)

Nevada	**26-3534190**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 W. Church Road
Suite B
King of Prussia , PA 19406
(Address of principal executive offices)

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

Securities registered pursuant to

Securities registered pursuant to Section 12(b) of the Act:	Section 12(g) of the Act: (Title of Each Class)
None	**None**

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Yes No

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

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

The aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant, based upon the closing bid quotation for the registrant's common stock, as reported on the OTC Bulletin Board quotation service, as of December 31, 2014, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $792,520.

As of December 18, 2015, the registrant had 7,598,676 shares of common stock issued and outstanding, respectively.

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Part I

Special Note Regarding Forward-Looking Statements

On one or more occasions, we may make forward-looking statements in this Annual Report on Form 10-K regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events. Words or phrases such as “anticipates,” “may,” “will,” “should,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “targets,” “will continue” or similar expressions identify forward-looking statements. These forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties, including, but not limited to those listed below and those business risks and factors described elsewhere in this report and our other Securities and Exchange Commission filings.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent annual and periodic reports filed with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K and Proxy Statements on Schedule 14A.

References herein to “we,” “us,” “our” or “the Company” refer to Medical Alarm Concepts Holding, Inc. and its subsidiaries.

ITEM 1. Business

General

Medical Alarm Concepts Holding, Inc. (the “Company” or “Medical Alarm”) was formed in June 2008 and, on June 24, 2008 we acquired 100% of the membership interests in Medical Alarm Concepts, LLC, a Delaware limited liability corporation.

Overview

Our principal executive offices are located at 200 West Church Road, Suite B, King of Prussia, PA 19406, and our telephone number is (877) 639-2929. Our website addresses’ are www.medipendant.com, www.ihelpalarm.com and www.medicalalarmconcepts.com.

The Company manufactures medical alarm devices that are used to summon help in the event of an emergency. While these devices are primarily designed for the elderly, there is also a market for those who are physically disabled, as well as for persons living alone.

The Company was organized in mid-2008. The operation was financed with a considerable amount of toxic convertible debt. This type of financing, along with several other issues, prevented the Company from realizing a robust growth rate for its first few years of operation. Since that time, considerable management time has been spent and investor money utilized to turn the Company's operation around.

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The Company's flagship product is called the MediPendant®, which is a personal emergency alarm that is used to summon help in the event of an emergency ***at home***. Since approximately 60% of all medical alarms currently being sold in the United States right now, are first-generation technologies that require the user to speak and listen through a central base station unit, the MediPendant™ has found success by offering a product that has the speaker in the pendant, enabling the user to simply speak and listen directly through the pendant in the event of an emergency.

The MediPendant® is designed to be worn in the bath or shower and offers a 600-foot range, so that the wearer can operate the unit from virtually anywhere within their home or on their property. The product is extremely durable, very reliable, and offers an extremely long battery life. The MediPendant® has voice prompts that alert the user of the operational status of the device. This gives the user some peace of mind during an emergency because they know with certainty that their distress signal has been activated and help is being summoned.

The Company also manufactures the iHelp™ mobile medical alarm device. The iHelp™ is a next-generation medical alarm that utilizes T-Mobile's 2G network. Users of the iHelp™ mobile medical alarm can take the device with them wherever there is cellular service. There is no base station and only requires a cellular signal in order to work.

The company has invested time, manpower, and money into the development of this product. On September 30, 2014, the company signed an agreement for a $300,000 line of credit to enable it to launch the iHelp™, and to build the infrastructure that allowed the Company to buy and track air time from T-Mobile for cellular operation of this unit. The credit line was increased to $500,000 in January 2015. The iHelp™ has enhanced features and functions including an advanced GPS system, the ability to remotely locate a loved one, and a dealer portal that enables dealers to manage their own iHelp™ customer base. A significant amount of time was spent on the backend systems, including the dealer portal. iHelp™ dealers have significant benefits, most importantly the ease of use in ordering product, activating and deactivating customers, tracking their customer usage, and creating and printing a variety of reports to assist in billing and collecting revenues. The iHelp™ dealer program is a turn-key program that offers the dealer the opportunity to provide his/her customers with the latest products without having to change his/her own backend.

The Company is in the process of implementing a new product called the iHelp+™ (iHelp plus 3G). iHelp+™ is a cellular medical alert system that operates on a 3G network. Initially, it will be operating on the AT&T network (GSM - Global), and within a few months it will also be able to operate on the Verizon (CDMA - USA) network as well. It is Bluetooth and Wi-Fi enabled. It has a much broader reach than the iHelp™, as well as additional functions, such as fall detection and geo-fencing (ability to pre-set an area and alert loved ones if the user leaves or enters the pre-set area).

Additionally, the iHelp+™ will be used as the communication device for a wellness bracelet and other Bluetooth-enabled devices used for collecting vital sign data and storing the data in any requested manner in encrypted HIPAA-compliant cloud servers for access by proper parties.

New Product Development

The design and development of wearable ‘biosensor’ devices, such as the iHelp+™ for health and wellness, has garnered much attention in the public and healthcare community during the last few years. This is primarily motivated by increasing healthcare costs and propelled by recent technology advances in miniature bio-sensing devices, micro-computing technology, and wireless communications. The advance of wearable sensor-based systems will potentially transform the future of “telehealth”, personal emergency response (PERS, mPERS) and remote monitoring, by enabling ubiquitous, convenient-to-use, cost-effective and proactive personal health management with real and near real-time monitoring and archiving of personal safety, health, and environmental conditions.

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Beyond the recent emergence of smart mobile wireless and geographic location solutions, these systems will integrate via Bluetooth low energy 4.0 and other technologies with FDA approved medical devices and biosensors. The Company will be able to collect data on vital signs, send this data to HIPAA compliant servers in the cloud, and allow access by caregivers, nurses, doctors, hospitals, and other health organizations. This process can facilitate low-monthly-cost wearable solutions for the implementation of monitoring of users, all day and anywhere, for emergency, health, and activity status changes. This evolution will change the face of the traditional PERS device into a WHAM (**W**earable **H**ealth & **A**larm **M**onitoring) market.

Market Background

Living arrangements have changed greatly in the United States among older people and other potentially vulnerable segments of the population, including those with physical disabilities and/or medical conditions. During the 20th century, one of the most dramatic changes in the lives of the aging in the United States was the rise of the number of aging people living at home alone. In 1910, for example, only 12% of widows age 65 or older lived alone. In 1970, this figure was 70% and today it is estimated to be impressively higher.

In the 21st century, this trend has gained momentum and become stronger than ever, with more of the aging and medically at risk population living alone at present than at any other time in the past, especially with the rise of the aging Baby Boomer population. The Baby Boomers, those born between 1946 and 1964, started turning 65 years old in 2011, with the number of older people set to increase dramatically during the 2010 to 2030 time period. According to a 2009 analysis of U.S. Current Population Survey data, “between 2010 and 2030, the number of people age 65 and older is projected to grow by 31.7 million or 79.2%.” Thus, the older population in 2030 is projected to be twice as large as in 2000, growing from 35 million to 71.5 million, representing 20% of the total U.S. population around the year 2030.

This social dynamic of a rising older population is true in both the United States as well as in many developed nations worldwide. Likewise, social change, technological advancements, and general lifestyle choices have promoted increased independence and the ability to live alone among other potentially vulnerable segments of the population such as those with physical disabilities or medical conditions. These groups can be especially susceptible to health problems and concerns for their physical wellbeing. Experts and even common sense agree that in order to help facilitate independence and safety, more help is needed to provide these people with a point of contact in case of emergency, or the benefit of support in a time of need. It was in response to this situation that the personal emergency response systems (PERS) industry emerged in the United States and developed the first personal medical alarm. The most obvious and common use for personal medical alarms is as a safeguard for the aged and persons with certain medical conditions, in case of an age or health related incident that requires immediate attention, and in which the victim is unable to reach out for assistance via traditional means, including the ability to make a telephone call.

Effective personal emergency response systems with their emergency alert capabilities, are a key technology solution that can greatly help the vulnerable segment of the population live a more free and active life while maintaining the security of being able to access immediate assistance as needed. In fact, there has been a boom in the PERS market in recent years because of the growing aging population worldwide. According to Forrester Research, Inc., the PERS market in the United States has grown at double digit rates, from approximately $350 million in 2004 to $2 billion in 2012 and increasing every year thereafter.

Today, however, while the PERS industry has been around for a long time, much of the technology within the industry has unfortunately remained stagnant. Many of the original PERS solutions are still designed today to provide alerts whereby a push of a button simply triggers a call center operator to respond by calling the device user at home, with two-way voice communication done through a centralized speaker box and not the actual device itself. Thus, traditional PERS solutions currently on the market offer communication between user and a call center only through a speaker box. This greatly inhibits the user’s freedom and limits their mobility to an area near the speaker box.

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Mobile medical alerts have recently been introduced to the market. They are designed for the younger and more active person with medical issues, and also the active elderly adult.

And with the emergence of telehealth and biosensor technology, the market is changing again, to an even younger people with medical issues that need to be tracked on a regular basis.

Medical Alarm Concepts offers a wide range of solutions for the user from a simple at home medical alarm to a mobile device that enables the user to get help anywhere they go. And now, with the introduction of the telehealth product in the first quarter of 2016, users will even be able to get help, before they know they need it.

Market Opportunity

The healthcare industry is the largest industry in the world, with the home healthcare market in developed countries in particular growing rapidly, driven in part by aging baby boomers and a growing shift toward moving some types of healthcare away from the hospital and into the home.

These trends help make the home healthcare sector an increasingly attractive market for successful companies that offer effective solutions in the PERS industry space.

The most obvious and common use for personal medical alarms is as a safeguard for the aged and persons with certain medical conditions, not only in case of an age or health related incident that requires immediate attention, but in which the victim is unable to reach out for assistance via traditional means, including the placement of a telephone call. While very few things can prevent falls by aged persons or other unforeseen medical emergencies, medical alarms mitigate the potential harm and expensive hospital stays done by initiating a timely response to such an incident. And tracking devices, like the iHelp+™ for wearable biosensors will be able to monitor people with pre-existing conditions.

In fact, there has been a boom in the PERS market in recent years because of the growing aging population worldwide and in the United States in particular. According to the U.S. Census Bureau, the number of people over 65 in the United States is set to jump from approximately 34 million today to approximately 65 million in 2025. By 2050, this number is projected to reach 86.7 million, with many of them living at home or in an alternative home-type environment. Worldwide, this figure number is expected to double from some 550 million people currently at age 65 years old to over 1.2 billion seniors by the time period around the year 2025.

Not surprisingly, experts in the health care industry expect many of these seniors will want to continue living independently at home for as long as possible. Likewise, more than any aging generation of the past, this population is expected to be more technology-savvy as consumers of healthcare are very interested in playing an active role in personally managing their health and well-being. Importantly, they will likely look to technologies that help them gain access to medical care while being able to remain independent and outside a hospital environment.

Effective personal emergency response systems (PERS), with their emergency alert capabilities, are a key technology solution that can greatly help the vulnerable segment of the population live a more free and active life while maintaining the security of being able to access immediate assistance as needed. According to Forrester Research, Inc., the PERS market in the United States has grown at double digit rates, from approximately $350 million in 2004 to $2 billion in 2012 and increasing every year thereafter

According to statistics from some of the industry's largest providers of traditional PERS solutions, customers of these emergency alert systems are typically individuals over the age of 75 years old whom are predominantly female and live alone, with the actual buyers of PERS systems often being the end user's children who purchase the medical alarms for their parents.

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Regarding purchases of PERS solutions worldwide, the large majority of customers currently pay for their PERS products out-of-pocket, with government reimbursement for PERS items varying from country to country. In the United States, for example, 25% of PERS sales were government reimbursed in 2004, compared to 35% in Germany, just over 50% in France and nearly 100% in the United Kingdom. Furthermore, it is estimated government reimbursement for PERS will ramp up in a number of countries, further fueling demand for these products.

Interestingly, as an approximation of the potential PERS market size in the United States, Lifeline Systems, Inc., the founder of the PERS industry in the U.S. approximately 25 years ago, served 250,000 users in the United States and Canada around the time frame of 1992. Today, Philips Medical Systems' acquisition of Lifeline Medical Alarm has positioned it as the largest provider of traditional PERS systems with over 700,000 monitored accounts, implying that the total market size of users is likely much larger.

Sales and Marketing

The company's marketing efforts are focused in four main areas, 1) Internet sales & marketing, 2) retail distribution, 3) wholesale distribution and 4) international markets.

Internet Sales & Marketing - the Company markets the MediPendant® through its website at www.MediPendant.com and its iHelp™ mobile medical alarm to dealers at www.ihelpalarm.com. Due to the complex sales process for medical alarms, which often require several phone calls among the end user customer's family members before a decision is reached, the MediPendant ®and iHelp™ websites are used mainly for informational purposes with the actual sale typically taking place over the phone with one of our customer service representatives or one of our many dealers. The company uses a variety of techniques, such as Internet paid ad campaigns and social media, in order to drive web traffic to the websites, and initiate potential customer sales calls.

Retail Distribution - During 2012, the company announced its plans to promote the MediPendant® product utilizing an e-commerce marketing strategy program designed specifically for Costco Wholesale Corporation and its members. Costco began offering the MediPendant® to its customers via its website during the spring of 2012. It is anticipated that Costco will be offering the new iHelp+ when it begins its rollout in early 2016.

The Company has relationships with two large health insurance companies. Under the terms of the contract, the MediPendant® is currently being offered to qualified individuals, based on certain criteria, at little or no cost to the individual. The health insurance company is responsible for the monthly monitoring fee, as well as the cost of the equipment. These programs are not only an added benefit and security measure for qualifying individuals living alone with medical issues, but also as a cost-saving method for health insurance companies, by helping to avoid unnecessary ambulance and emergency room visits. We expect to expand this program to other health insurance companies throughout the country, during 2016.

Wholesale Distribution - The Company currently has several relationships with wholesalers who resell the MediPendant® and the iHelp™ in conjunction with their own monitoring services. The company believes its relationships with its strategic partners is good. The company is currently in discussions with several other wholesale groups looking to distribute our products through their own independent channels.

International Markets – The Company also distributes its products in a wholesale manner to selected international markets. To date, the company has made sales in Denmark, Ireland, Bermuda, and the People's Republic of China.

Competition

The market for Personal Emergency Response Systems (PERS) is highly fragmented. Because the vast majority of the market participants are private corporations, only limited information about competitors is available.

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The vast majority of competitors market first generation PERS systems that rely on a centralized base station for communication between the user and the monitoring center. The second largest of these market participants is believed to be Life Alert, which was founded in 1987. The largest participant is thought to be Philips Medical Systems, which several years ago purchased Lifeline Medical Alarms. Additionally, there are dozens of smaller organizations marketing PERS devices and monitoring services.

Mobile Medical Alerts have recently been introduced to the market. They are designed for the younger and more active person with medical issues and also the active elderly adult.

Termination of Patent Purchase Agreement and New Patent Licensing Agreement

On July 10, 2008, the Company entered into a Purchase Agreement and Patent Assignment Agreement (the “Agreement”) effective July 31, 2008. The Company was obligated to pay the seller $2,500,000 on June 30, 2012. The Agreement specifies interest of 6% payable monthly, commencing on July 31, 2008. The seller had the right to reacquire all patents and applications if payment was not made on June 30, 2012; however, this agreement has been extended quarterly since June 30, 2012. The patent purchase agreement refers to patent #RE41845 and RE41392. The scope of the patents are as follows: A personal emergency communication system includes a user-carried portable communication unit having a single button, which when depressed by the user, wirelessly sends a call request signal to a base unit. The base unit initiates a telephone call through a dial-up network to an emergency response center and places an operator at the emergency center responder in wireless voice communication with the portable unit when the call is connected. The telephone number to be called can be stored in at least one of the portable unit and the base unit. A speech synthesizer operating in combination with automated voice messages stored in at least one of the base unit and portable unit system memory are used to advise the user of the status of the call, and to provide the user with verbal confirmation that functional systems of the base unit are operating properly.

In June 2015, the Company made a decision to terminate its patent agreement with Nevin Jenkins, the patent holder. Mr. Jenkins and the Company agreed to a new revised licensing agreement whereby the company still has the ability to order and sell product utilizing the patent. The company feels that the old agreement was too costly, and money would be better served based on its decision of investing in more cellular type mPERS devices. Its new agreement with Mr. Jenkins will enable the Company to continue selling the MediPendant® based on a cost plus structure.

Products

The Company’s primary focus is the sale of its medical alarm and safety alert devices, which are some of the most advanced systems on the market today.

MediPendant®

MediPendant® is the Company's traditional medical alarm product and the world's first monitored two-way voice speakerphone pendant for the PERS (personal emergency response) industry. It allows the user to speak and listen to the operator directly through the pendant. Medical Alarm Concepts' alarm pendant also offers superior range radio frequency capabilities and an enhanced communication range that enable the user to move freely in and about the home, including up to an extended range that is revolutionary in the PERS industry. Specifically, the MediPendant® system enables the device wearer to move up to 600+ feet (line of sight) away from the main base station, a distance that far exceeds competitive offerings on the market today that instead require the user to be within speaking distance of the base station box, a situation that may not be conducive to an emergency if the end user is not at the base station.

As part of the MediPendant® product offering, users receive Medical Alarm Concepts' two-way communication pendant, base station unit and a subscription to the Company's around-the-clock personal response service monitoring center.

Emergency calls made through the Company's MediPendant® device are always handled by certified operators who are available around the clock 24-hours a day and guaranteed to remain on the line with MediPendant® subscribers until the problem is resolved and/or help arrives. Operators are trained to immediately assess the situation and can either connect the caller to a loved-one or dispatch medical personnel to the user's location. All emergency operators are prepared to bring calm, professional, knowledgeable insight to any situation. Additionally, the call center can also maintain an important list of personal information for all MediPendant® users that includes an updated list of medications, health information and the subscriber's contact information including home address for location and dispatch purposes. This personal information and medical history are securely stored by the monitoring center and can be provided to the dispatched authority and emergency responders as necessary.

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***iHelp*™**

The company recently announced the launch of a new, advanced medical alarm device called the iHelp™. The iHelp™ is an advanced mobile medical alert system, designed to be easy to use, lightweight yet durable, but with significantly advanced features. The company has invested time, manpower, and money into the development and launch of this product. The iHelp™ has enhanced features and functions including an advanced GPS system, the ability to remotely locate a loved one, voice prompts, and a dealer portal that enables dealers to manage their own iHelp™ customer base. A significant amount of time was spent on the back end systems, including the dealer portal. iHelp™ dealers have significant benefits, most importantly the ease of use in ordering product, activating and deactivating customers, tracking their customer usage, and creating and printing a variety of reports. The iHelp™ dealer program is a turn-key program that offers the dealer the opportunity to provide his/her customers with the latest products without having to change his/her own "back end" systems.

iHelp + ™ 3G

The iHelp + ™ 3G is currently in the development stage and will be available to the marketplace by 1st Quarter of 2016. The iHelp Plus™ is similar to the iHelp™ in that it is an mPERS product. However, the iHelp +™ will have more advanced features and functions, including the ability to detect if the wearer of the unit falls such as in the shower, will operate on the "3G" networks when available, and be telehealth enabled. The unit will have superior audio quality, an extended battery life, and will operate on both GSM and CDMA networks allowing for use with AT&T, T-Mobile, Verizon, & Sprint providers domestically, therefore enabling extended coverage almost anywhere the user may go.

ITEM 1A. Risk Factors

Please consider the following risk factors and other information in this prospectus relating to our business before deciding to invest in our common stock. An investment in our securities involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this prospectus before making an investment decision. Our business, prospects, financial condition or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. The trading price of our securities could decline due to any of these risks, and, as a result, you may lose all or part of your investment. Before deciding whether to invest in our securities you should also refer to the other information contained in this prospectus.

Risks Related to Our Business and Industry

Our investors may lose their entire investment because our financial status creates a doubt whether we will continue as a going concern.

The Company has a working capital deficit, did not generate cash from its operations, has had stockholders' deficit, and had operating losses for the past two years. These circumstances, among others, raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to generate sufficient revenues, the Company's cash position may not be enough to support the Company's daily operations. While the Company believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues.

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

If we are unable to successfully execute any material part of our growth strategy, our future growth and ability to make profitable investments in our business would be harmed.

Our success depends on our ability to expand our business while maintaining profitability. We may not be able to sustain our growth or achieve profitability on a quarterly or annual basis in future periods. Our future growth and profitability will depend upon a number of factors, including, without limitation:

- the level of competition in our industry;
- our ability to offer new products and to extend existing brands and products into new markets, including international markets;
- our ability to identify, acquire and integrate strategic acquisitions;
- our ability to remain competitive in our pricing;
- our ability to maintain efficient, timely and cost-effective production and delivery of our products;
- the efficiency and effectiveness of our sales and marketing efforts in building product and brand awareness and cross-marketing our brands;
- our ability to identify and respond successfully to emerging trends in our industry;
- the level of consumer acceptance of our products; and
- general economic conditions and consumer confidence.

We may not be successful in executing our growth strategy, and even if we achieve our targeted growth, we may not be able to sustain profitability. Failure to successfully execute any material part of our growth strategy would significantly impair our future growth and our ability to make profitable investments in our business.

Our disclosure controls and procedures have been found to be ineffective and we do not have sufficient and skilled accounting personnel with an appropriate level of technical accounting knowledge and experience to identify and remedy material weaknesses in such controls and procedures.

Ronnie Adams, our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of our fiscal year ended June 30, 2015 pursuant to Rules 13a-15(b) or 15d-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation, Mr. Adams concluded that our disclosure controls and procedures were ineffective as of June 30, 2015 to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms.

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It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control system over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer/Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included an assessment of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on this evaluation, our Chief Executive Officer/Chief Financial Officer concluded as of June 30, 2015 that our internal controls over financial reporting were ineffective due to the material weakness identified.

A material weakness in internal controls is a deficiency in internal control, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a material misstatement of the Company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. In the course of making our assessment of the effectiveness of internal controls over financial reporting, we identified the following material weaknesses in our internal control over financial reporting: the Company is lacking qualified resources to perform the internal audit functions properly and, in addition, the scope and effectiveness of the Company's internal audit function are yet to be developed; we currently do not have an audit committee; and the Company is relatively inexperienced with certain complexities within US GAAP and SEC reporting. The Company did not have sufficient and skilled accounting personnel with an appropriate level of technical accounting knowledge and experience in the application of generally accepted accounting principles accepted in the United States of America commensurate with the Company's disclosure controls and procedures requirements, which resulted in a number of deficiencies in disclosure controls and procedures that were identified as being significant. The Company's management believes that the number and nature of these significant deficiencies, when aggregated, was determined to be a material weakness.

Our Board of Directors is currently composed of two members: Ronnie Adams and Allen Polsky. All board actions require the approval of a majority of the directors in attendance at a meeting at which a quorum is present. We currently do not have an audit committee. We intend, however, to establish an audit committee of the board of directors as soon as practical. We envision that the audit committee will be primarily responsible for reviewing the services performed by our independent auditors, evaluating our accounting policies and our system of internal controls. Currently such functions are performed by our Board of Directors. The Board has determined that none of the board members qualifies as a “financial expert” as defined by SEC rules implementing Section 407 of the Sarbanes-Oxley Act. Neither Mr. Adams nor Mr. Polsky meet the definition of an “independent” director set forth in Rule 4200(a) (15) of the Market Place Rules of the Nasdaq Stock Market, which is the independence standard that we have chosen to report under.

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We face intense competition and competitive pressures, which could adversely affect our results of operations and financial condition.

Our business is highly competitive. We compete with many other suppliers, some of which are larger than we are, have greater financial and other resources, employ brands that are more established, have greater consumer recognition or are more favorably perceived by consumers or retailers than our brands. Some of our competitors have invested and continue to invest heavily to achieve increased production and marketing efficiencies. In addition, our products may be subject to competition from lower-cost imports that intensify the price competition faced in various markets. Some of our competitors are privately owned and have more latitude to operate than we do as a public company. If we do not successfully compete with these competitors on factors such as new product development, innovation, brand, delivery, customer service, price, and quality, our customers may consider other products. Competitive pressures from our competitors could adversely affect our results of operations and financial condition.

We source our products from third-party suppliers located in Asia, which reduces our control over the manufacturing process and may cause variations in quality or delays in our ability to fill orders.

We source all of our Medical Alert parts and materials from third party suppliers located in Asia. We depend on these suppliers to deliver products that are free from defects, comply with our specifications, meet health, safety and delivery requirements, and are competitive in cost. If our suppliers deliver products that are defective or that otherwise do not meet our specifications, our return rates may increase, and the reputation of our products and brands may suffer. In addition, if our suppliers do not meet our delivery requirements or cease doing business with us for any reason, we might miss our customers' delivery deadlines, which could in turn cause our customers to cancel or reduce orders, refuse to accept deliveries, demand reduced prices, or change suppliers. The overseas sourcing of product subjects us to the numerous risks of doing business abroad, including but not limited to, rapid changes in economic or political conditions, civil unrest, political instability, war, terrorist attacks, international health epidemics, work stoppages or labor disputes, currency fluctuations, increasing export duties, trade sanctions and tariffs, and variations in product quality. We may also experience temporary shortages due to disruptions in supply caused by weather or transportation delays. Even if acceptable alternative suppliers are found, the process of locating and securing such alternatives is likely to disrupt our business, and we may not be able to secure alternative suppliers on acceptable terms that provide the same quality product or comply with all applicable laws. Any of these events would cause our business, results of operations, and financial condition to suffer. The Company had only one supplier during the years ended June 30, 2014 and 2013, respectively, and have two suppliers in the year ended June 30, 2015. If relations with either of these suppliers become unfavorable or if we are unable to purchase our product from either of these suppliers for any reason whatsoever, whether within or not within our control, we will need to find other suppliers on at least the same terms and conditions as our current suppliers.

We may not be able to timely and effectively implement controls and procedures required by Section 404 of the Sarbanes-Oxley Act of 2002.

We are subject to Section 404 of the Sarbanes-Oxley Act of 2002. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act of 2002 are significantly more stringent than those required of a privately-held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable. If we are not able to implement the additional requirements of Section 404 in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our common stock.

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Requirements associated with being a public company have, and will continue to, increase our costs significantly and divert significant resources and management attention.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the other rules and regulations of the SEC. We have made, and will continue to make, changes in our corporate governance, corporate internal controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems to manage our growth and our obligations as a public company. However, the expenses that will be required in order to adequately manage our obligations as a public company are material. Compliance with the various reporting and other requirements applicable to public companies will also require considerable time and attention of management. We cannot predict or estimate the amount of the additional costs we may incur, the timing of such costs, or the degree of impact that our management’s attention to these matters will have on our business. In addition, the changes we make may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis. In addition, being a public company could make it more difficult or more costly for us to obtain certain types of insurance, including directors’ and officers’ liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our board committees or as executive officers.

Many of our competitors are not subject to these requirements, because they do not have securities that are publicly traded on a U.S. securities exchange or other securities exchanges. As a result, these competitors are not subject to the risks identified above. In addition, the public disclosures that we are required to provide pursuant to the SEC’s rules and regulations may furnish our competitors with greater competitive information regarding our operations and financial results than we are able to obtain regarding their operations and financial results, thereby placing us at a competitive disadvantage.

Risks Related to Our Operations

Our independent auditors have expressed substantial doubt about our ability to continue as a going concern.

Our independent registered public accounting firm has included in our financial statements an explanatory paragraph regarding the substantial doubt about our ability to continue as a going concern. The Company had working capital deficit of $808,693, a stockholders’ deficit of $808,693, did not generate cash from its operations, and had operating loss for past two years. Failure to generate sufficient cash flows from operations raise additional capital or reduce discretionary spending will have a material adverse effect on our ability to achieve our intended business objectives. While management has a plan but not the requirement to fund ongoing operations, there is no assurance that its plan will be successfully implemented. As a result, you may lose the entire value of your investment in our company.

Projections: In the event the company is not successful in reaching its revenue targets, additional funds may be required, and we may not be able to proceed with our business plan for the development and marketing of our core services. Should this occur, we may be forced to suspend or cease operations. Management intends to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan, raise additional money, and generate sufficient revenues.

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Liquidity: While the Company is attempting to generate sufficient revenues, the Company's cash position may not be enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering, or by alternative methods. While the Company believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan, raise additional money, and generate sufficient revenues.

Business Changes: Our ability to adapt to Industry changes in technology, or market circumstances, may drastically change the business environment. If we are unable to recognize these changes in good time, are late in adjusting our business model, or if circumstances arise such as pricing actions by competitors, then this could have a material adverse effect on our growth ambitions, financial condition and operating results

IT Security Threats: The global increase in security threats and higher levels of professionalism in computer crime have increased the importance of effective IT security measures, including proper identity management processes to protect against unauthorized systems access. Our systems, networks, products, solutions and services remain potentially vulnerable to attacks, which could potentially lead to the leakage of confidential information, improper use of our systems and networks, which could in turn materially adversely affect our financial condition and operating results.

Employees: The attraction and retention of talented employees in sales and marketing, research and development, finance and general management, as well as of specialized technical personnel, is critical to our success and could also result in business interruptions. There can be no assurance that we will be successful in attracting and retaining all the highly qualified employees and key personnel needed in the future.

Warranty and product liability: We may from time to time be subject to warranty and product liability claims with regard to product performance and effects. We could incur product liability losses as a result of repair and replacement costs in response to customer complaints or in connection with the resolution of contemplated legal proceedings relating to such claims. Successful claims for damages may be made that are in excess of our insurance coverage. Our insurance could become more expensive and there is no assurance that insurance will still be available on acceptable terms. In addition to potential losses arising from claims and related legal proceedings, product liability claims could affect our reputation and relationships with key customers. As a result, product liability claims could materially impact our financial condition and operating results.

Product Offerings: In order to develop additional revenues, we have plans to invest in product(s) that are synergistic with our current product. Investing in these products could expose us to adaptive technologies or business models that may or may not be successful. They may not be timely nor cost-effective, and there is no assurance the desired results will be achieved. We may need to increase our inventory levels, increase our accounts receivables, and be exposed to bad debt and obsolete inventory, and this would negatively impact our operations and balance sheet.

Acquisitions: We are looking for acquisitions that will increase our revenues, cash flow, and profits. There is a risk that we will not have the ability to properly integrate these businesses, products, or services with our current business line. We are not certain that we will be able to successfully identify suitable acquisition candidates, AND negotiate these deals on terms acceptable to us. In addition, successful integration may involve operational changes, additions, and significant expenses. We may need to borrow money and leveraging ourselves for acquisitions could limit our financial flexibility in the future. If we fail to successfully manage our new product(s) and/or acquisitions, our business may suffer.

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Risks Related to Our Common Stock

The market price of our common stock may decline.

Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. The trading price of our shares has been subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the consumer goods market in general;
- operating and stock price performance of other companies that investors deem comparable to the Company;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving the Company;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;

- the volume of shares of our common stock available for public sale;
- any major change in our board or management;
- sales of substantial amounts of common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

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Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Specifically, forward-looking statements may include statements relating to:

- our future financial performance;
- changes in the market for our products;
- our expansion plans and opportunities; and
- other statements preceded by, followed by or that include the words "estimate," "plan," "project," "forecast," "intend," "expe "anticipate," "believe," "seek," "target" or similar expressions.

These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause our actual results, performance, or achievements to differ materially from any expected future results, performance, or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These risks and uncertainties include, but are not limited to:

- the level of demand for our products;
- competition in our markets;
- our ability to grow and manage growth profitably;

- our ability to access additional capital;
- changes in applicable laws or regulations;
- our ability to attract and retain qualified personnel;
- the possibility that we may be adversely affected by other economic, business, and/or competitive factors; and
- other risks and uncertainties indicated in this prospectus, including those under “Risk Factors.”

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There is no assurance that our expectations will be realized. If one or more of these risks or uncertainties materialize, or if our underlying assumptions prove incorrect, actual results may vary materially from those expected, estimated, or projected. Such risks and uncertainties also include those set forth under "Risk Factors" herein and in the documents herein. Our forward-looking statements speak only as of the time that they are made and do not necessarily reflect our outlook at any other point in time. Except as required by law or regulation, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or for any other reason. However, your attention is directed to any further disclosures made on related subjects in our subsequent annual and periodic reports filed with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K and Proxy Statements on Schedule 14A.

References herein to "Medical Alarm," "we," "us," "our," "the Company," "our company," and "our business" refer to Medica Alarm Concepts Holding, Inc.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

Our business office is located at 200 West Church Road Suite B, King of Prussia, PA 19406. This office is leased. We believe the facilities we are now using are adequate and suitable for business requirements.

ITEM 3. Legal Proceedings

There are no legal claims currently pending or threatened against us that in the opinion of our management would be likely to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 4. Mine Safety Disclosures

Not applicable.

Part II

ITEM 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchasers of Equity Securities

Market Information

Our common stock has been quoted on the OTC Bulletin Board system under the symbol "MDHI" since January 2, 2009.

The market price of our common stock will be subject to significant fluctuations in response to variations in our quarterly operating results, general trends in the market, and other factors, over which we have little or no control. In addition, broad market fluctuations, as well as general economic, business and political conditions, may adversely affect the market for our common stock, regardless of our actual or projected performance. See Item 1A – "Risk Factors."

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The following table sets forth the range of the high and low sales prices per share of our common stock for the fiscal quarters indicated.

Fiscal Year 2015	High	Low
First Quarter	$0.50	$0.30
Second Quarter	$0.47	$0.15
Third Quarter	$0.35	$0.10
Fourth Quarter	$0.17	$0.11

Fiscal Year 2014	High	Low
First Quarter	$1.76	$1.12
Second Quarter	$1.28	$0.64
Third Quarter	$1.12	$0.15
Fourth Quarter	$0.52	$0.22

* Price Not available for Period

Holders

As of December 1, 2015, there were approximately 215 shareholders of record of our common shares.

Dividend Policy

Our policy is to reinvest earnings in order to fund future growth. Therefore, we have not paid, and currently do not plan to declare dividends on our common stock. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future.

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

Equity Compensation Plan Information

We do not have any equity compensation plans under which equity securities of the Company are authorized for issuance and we have not granted any stock options.

ITEM 6. Selected Financial Data

Not applicable.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the notes thereto in Part II, Item 8 to this Annual Report on Form 10-K. This discussion contains forward-looking statements reflecting our current expectations. Actual results and the timing of events may differ significantly from those projected in forward- looking statements due to a number of factors, including those set forth in Item 1A "Risk Factors" of this Annual Report on Form 10-K.

Given these uncertainties, readers of this filing and investors are cautioned not to place undue reliance on such forward-looking statements.

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Results of Operations

Revenue

Revenue generated during the years ended June 30, 2015 and 2014 were $1,147,099 and $1,153,693, respectively; representing a 1% or $6,594 decrease in the year ended June 30, 2015 comparing with last year, resulting from a change in strategic business direction toward more widespread product distribution and away from reliance on only a few resellers and distributors. The Company believes this change in business direction will lead to stronger growth and margins and higher overall sales during future periods. During 2015 and 2014, revenue was generated from sales to distributors, resellers and from direct sales to consumers who pay the Company for monthly monitoring services.

Cost of Revenue

Cost of revenue incurred during years ended June 30, 2015 and 2014 were $366,702 and $324,503, respectively, representing a 13% or $42,199 increase in the year ended June 30, 2015 comparing with last year. The increase of cost of sales was mainly due to higher cost of sales products sold during current fiscal year as compared with previous fiscal year.

Gross Profit

Gross profit generated during fiscal 2015 and 2014 was $780,397 and $829,190, representing 6% or $48,793 decrease in the year ended June 30, 2015 comparing with last year. The gross profit margin for 2015 and 2014 were 68% and 72%, respectively.

Selling Expenses

Selling expenses incurred during fiscal 2015 and 2014 was $305,738 and $212,133, respectively, representing $93,605 or 44% increase in the year ended June 30, 2015 comparing with last year. During fiscal 2015, the Company shifted its sales emphasis more toward brand marketing, which contributed to the increase in sales expenses.

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General and Administrative

General and administrative expenses for fiscal 2015 and 2014 were $987,035 and $1,695,423, respectively; representing 42% or $708,388 decrease in the year ended June 30, 2015 comparing with last year,. During the year ended June 30, 2014, the Company issued 1,493,669 shares of common stock to management pursuant to Global Settlement Agreement and recorded stock compensation expense of $ 955,948. The Company also issued 50,000 shares of common stocks to a shareholder for consulting services during the year ended June 30, 2014 which was valued at $38,500.

During the year ended June 30, 2015, the Company issued 1,375,000 shares of common stock to consultants for services performed. Those shares were valued at $305,039 which was amortized over service period.

Change in Fair Value of Derivative Instrument

Changes in fair value of derivative instrument generated $1,514,947 income during fiscal 2014; while expense generated from the changes in fair value of derivative instrument during 2015 was $11,335.

Interest Expense

Interest expense for fiscal 2015 and 2014 were $117,350 and $189,220, respectively. The $71,870 or 38% decrease in interest expense was mainly due to the decrease of loan amount. The Company also recorded interest expense of $8,436 and $22,320 for the year ended June 30, 2015 and 2014, respectively, on credit line from related parties.

Gain from Termination of Patent Agreement

On July 10, 2008, the Company entered into a Purchase Agreement and Patent Assignment Agreement (the "Agreement") effective July 31, 2008. The Company was obligated to pay the seller $2,500,000 on June 30, 2012. The Agreement specifies interest of 6% payable monthly, commencing on July 31, 2008. The seller had the right to reacquire all patents and applications if payment was not made on June 30, 2012. This agreement had been extended quarterly since June 30, 2012. This patent was recorded as an intangible asset and amortized over its estimated useful life. In June 2015, the Company made decision to terminate the Agreement. Upon termination of this Agreement, the loan payable of $2,500,000 and unamortized balance of intangible asset of $1,023,804 were written off and a gain of $1,476,196 was recorded.

Net Income (*Loss*)

Net income for 2015 and 2014 was $826,699 and $225,041, respectively, for the reasons stated above.

Liquidity and Capital Resources

As of June 30, 2015 and 2014, we had $1,335 and $7,673 in cash, respectively.

During fiscal 2015 and 2014, operating activities used net cash of $466,372 and $25,684, respectively. Main reasons for the $440,688 change in net cash used in operating activities were outlined below:

1. Net income generated during 2015 and 2014 was $826,699 and $225,041;
2. Stock issued for services was $284,370 and $994,448 in 2015 and 2014, respectively;
3. Changes in fair value of derivative instrument during 2014 generated non-cash income of $1,514,947; while during 2015 such changes incurred net non-cash loss of $11,335;
4. During 2015, termination of patent purchase agreement generated non-cash income of 1,476,197; there was no transaction of similar nature during 2014;
5. During fiscal 2015 and 2014, the increase of accounts receivable generated net cash outflow of $62,924 and 33,249, respectively.
6. During 2015, the changes of deferred revenue generated net cash outflow of $11,533 while, it has generated net cash inflow of $105,206 during 2014.

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During fiscal 2015 and 2014, investing activities used net cash of $30,000 and $0, respectively.

During fiscal 2015, the Company lent $30,000 to one of employees. There was no transaction in similar nature during previous year. The loan was made pursuant to a secured promissory note that calls for the entire amount of the loan to be paid in full on or before December 31, 2015. The loan does not bear interest and payments of principal are to be made as soon as possible or in incremental amounts acceptable to the Company. Repayment of the loan is secured by 60,000 common shares of the Company owned by the employee that have been pledged as collateral.

During fiscal 2015 and 2014, financing activities generated net cash inflow of 490,034 and $27,500, respectively. The increase of $462,534 was mainly due the following reasons.

1. During 2015, proceeds from credit line generated net cash inflow of $388,000; there was no transaction in similar nature during 2014
2. During 2015, proceeds from note payable, net of repayment were $81,294, comparing to $5,000 during fiscal 2014.

We believe we can satisfy our cash requirements for the next twelve months with our current cash flow from business operations, although there can be no assurance to that effect. If we are unable to satisfy our cash requirements, we may be unable to proceed with our plan of operation. We do not anticipate the purchase or sale of any significant equipment. We also do not expect any significant additions to the number of employees. The foregoing represents our best estimate of our cash needs based on current planning and business conditions. In the event we are not successful in reaching our initial revenue targets, additional funds may be required, and we may not be able to proceed with our business plan for the development and marketing of our core services. Should this occur, we may be forced to suspend or cease operations.

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

Going Concern

The Company has working capital deficit, did not generate cash from its operations, had stockholders' deficit, and had operating losses for the past two years. These circumstances, among others, raise substantial doubt about the Company's ability to continue as a going concern. While the Company is attempting to generate sufficient revenues, the Company's cash position may not be enough to support the Company's daily operations. While the Company believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues. We may incur operating losses in the foreseeable future. Therefore, our auditors have raised substantial doubt about our ability to continue as a going concern.

Off-Balance Sheet Arrangements

At June 30, 2015, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise had we engaged in such relationships.

ITEM 8. Financial Statements and Supplementary Data

The full text of our audited consolidated financial statements as of June 30, 2015 and 2014 begins on page F-1 of this annual report.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not available.

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ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

Ronnie Adams, our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of our fiscal year ended June 30, 2015 pursuant to Rules 13a-15(b) or 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation, Mr. Adams concluded that our disclosure controls and procedures were ineffective as of June 30, 2015 to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

In order to rectify our ineffective disclosure controls and procedures, we are developing a plan to ensure that all information will be recorded, processed, summarized and reported accurately, and as of the date of this report, we have taken the following steps to address our ineffective disclosure controls and procedures:

- We will continue to educate our management personnel to comply with the disclosure requirements of the Exchange Act and Regulation S-K; and ·
- We will increase management oversight of accounting and reporting functions in the future.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions

Management's Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control system over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer/Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included an assessment of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on this evaluation, our Chief Executive Officer/Chief Financial Officer concluded as of June 30, 2015 that our internal controls over financial reporting were ineffective due to the material weakness identified.

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A material weakness in internal controls is a deficiency in internal control, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a material misstatement of the Company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. In the course of making our assessment of the effectiveness of internal controls over financial reporting, we identified the following material weakness in our internal control over financial reporting:

The Company is lacking qualified resources to perform the internal audit functions properly. In addition, the scope and effectiveness of the Company's internal audit function are yet to be developed.
The Company is relatively inexperienced with certain complexities within US GAAP and SEC reporting.

Remediation Initiative

- We are committed to establishing the disclosure controls and procedures but due to limited qualified resources in the region, we were not able to hire sufficient internal audit resources by June 30, 2015. However, internally we established a central management center to recruit more senior qualified people in order to improve our internal control procedures. Externally, we are looking forward to engaging an accounting firm to assist the Company in improving the Company's internal control system based on the COSO Framework. We also will increase our efforts to hire the qualified resources.
- We intend to establish an audit committee of the board of directors as soon as practicable. We envision that the audit committee will be primarily responsible for reviewing the services performed by our independent auditors, evaluating our accounting policies and our system of internal controls.

Conclusion

The Company did not have sufficient and skilled accounting personnel with an appropriate level of technical accounting knowledge and experience in the application of generally accepted accounting principles accepted in the United States of America commensurate with the Company's disclosure controls and procedures requirements, which resulted in a number of deficiencies in disclosure controls and procedures that were identified as being significant. The Company's management believes that the number and nature of these significant deficiencies, when aggregated, was determined to be a material weakness.

Despite of the material weaknesses and deficiencies reported above, the Company's management believes that its consolidated financial statements included in this report fairly present in all material respects the Company's financial condition, results of operations and cash flows for the periods presented and that 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.

This Annual Report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management’s report in this Annual Report.

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Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-

15(f) under the Exchange Act) during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

None.

Part III

ITEM 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

Our executive officers and directors and their respective ages as of June 30, 2014 are as follows:

Name	Age	Position
Ronnie Adams	66	Chief Executive Officer, President, and Chairman of the Board of Directors
Allen Polsky	70	Director

Set forth below is a brief description of the background and business experience of our executive officers and directors for the past five years.

Ronnie Adams

Ronnie Adams serves as our CEO, President, Chief Financial Officer, and Director. He has also served as President and Chief Financial Officer of a NASDAQ company that he started from inception and grew to over $60 million. Mr. Adams was the recipient of the prestigious Entrepreneur of the Year Award in 1996, sponsored by Dow Jones, NASDAQ, and Ernst & Young.

Allen Polsky

Allen Polsky has 30 years of experience in the security and life safety industry and currently serves as Medical Alarm Concepts' Vice President of Strategic Alliances. Prior to joining MAC, he was a Senior Security consultant for JM resources, a structured wiring company. He was also a co-founder of Connective Home Acquisition.

Family Relationships

There are no family relationships among our directors or executive officers.

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Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our officers, directors and certain persons holding more than 10 percent of a registered class of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. Officers, directors and certain other shareholders are required by the SEC to furnish the Company with copies of all Section 16(a) forms they file. To the best of the Company's knowledge, based solely upon a review of the copies of such reports. The Company's quarterly report on Form 10-Q for quarterly period ended March 31, 2013 was filed with the SEC on May 29, 2014. The Company's annual report on Form 10-K for fiscal year ended June 30, 2013 was filed with the SEC on July 17, 2014. The Company's quarterly report on Form 10-Q for period ended September 30, 2013, December 31, 2013 and March 31, 2014 were filed with the SEC on September 12, September 25 and October 8, 2014, respectively, all other required filings were not made on a timely basis.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics (the "Code") that is applicable to all employees, consultants and members of the Board of Directors, including the Chief Executive Officer, Chief Financial Officer and Secretary. This Code embodies our commitment to conduct business in accordance with the highest ethical standards and applicable laws, rules and regulations. We will provide any person a copy of the Code, without charge, upon written request to the Company's Secretary. Requests should be addressed in writing to Mr. Ronnie Adams at the Company's mailing address.

Director Nominees Recommended by Stockholders

We have not implemented any changes to the procedures by which stockholders may recommend nominees to our board of directors since we last disclosed those procedures in our most recent proxy statement filed with the SEC.

Board Composition; Audit Committee and Financial Expert

Our Board of Directors is currently composed of two members: Ronnie Adams and Allen Polsky. All board actions require the approval of a majority of the directors in attendance at a meeting at which a quorum is present.

We currently do not have an audit committee. We intend, however, to establish an audit committee of the board of directors as soon as practical. We envision that the audit committee will be primarily responsible for reviewing the services performed by our independent auditors, evaluating our accounting policies and our system of internal controls. Currently such functions are performed by our Board of Directors.

The Board has determined that none of the board members qualifies as a “financial expert” as defined by SEC rules implementing Section 407 of the Sarbanes-Oxley Act. Neither Mr. Adams nor Mr. Polsky meet the definition of an “independent” director set forth in Rule 4200(a) (15) of the Market Place Rules of the Nasdaq Stock Market, which is the independence standard that we have chosen to report under.

Board meetings and committees; annual meeting attendance.

During fiscal year 2014, the Board of Directors had one meeting in total. All members of the Board of Directors attended the meetings. All members of the Board of Directors are required to attend the annual meetings of securities holders. On December 18, 2013, all members of the Board of Directors attended the meeting of the Board of Directors.

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ITEM 11. Executive Compensation

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named executive officer during the years ended June 30, 2015 and 2014 in all capacities for the accounts of our executive officers, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO):

Summary Compensation Table

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named executive officer during the years ended June 30, 2015 and 2014 in all capacities for the accounts of our executive officers, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO):

Summary Compensation Table

Name and principal position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Nonqualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($) (j)
Ronnie Adams CEO	2015	$56,800	Nil	Nil	Nil	Nil	Nil	$ 6,040	$62,840
	2014	$56,800	Nil	Nil	Nil	Nil	Nil	$ 6,040	$62,840
Allen Polsky	2015	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2014	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000

Option Grants.

There were no individual grants of stock options to purchase our common stock made to the executive officers named in the Summary Compensation Table through June 30, 2015.

Aggregated Option Exercises and Fiscal Year-End Option Value.

There were no stock options exercised during period ending June 30, 2015 by the executive officers named in the Summary Compensation Table.

Long-Term Incentive Plan (“LTIP”) Awards.

There were no awards made to the named executive officers in the last completed fiscal year under any LTIP.

Compensation of Directors

Directors are permitted to receive fixed fees and other compensation for their services as directors. The Board of Directors has the authority to fix the compensation of directors.

Employment Agreements

We do not have any employment agreements in place with our executive officers and directors.

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ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth as of December 17, 2015, certain information with respect to the beneficial ownership of our common stock by (i) each of our executive officers, (ii) each person who is known by us to beneficially own more than 5% of our outstanding common stock, and (iii) all of our directors and executive officers as a group. Percentage ownership is calculated based on 7,598,676 shares of our common stock outstanding as of November 23, 2015. None of the shares listed below are issuable pursuant to stock options or warrants of the Company.

Title of class	Name and Address of Beneficial Ownership	Amount and Nature of Beneficial Owner	Percentage of class	
Common Stock	Ronald Adams 200 West Church Road, Suite B King of Prussia, PA 19406	634,164	8.35	%
Common Stock	Alan Polsky 200 West Church Road, Suite B King of Prussia, PA 19406	227,478	3.00	%
Common Stock	All officers and directors as a group (2 persons)	861,642	11.35	%
Common Stock	Biotech Debt Liquidation Fund, LLC 1156 Clement Street San Francisco, CA 94118	492,662	6.49	%
Common Stock	Alliance Media Group, Inc. 295 NW Common Loop Suite 115257 Lake City, Fl 32055	500,000	6.58	%
Common Stock	Adrian Neilan Ballinamona, Askeaton, Co Limerick, Ireland	500,000	6.58	%
Common Stock	Robert McGuire 4430 Haskell Ave Encino, Ca 91436	699,934	9.21	%
Common Stock	JTT-EMS LTD 801-6081 No. 3 Road Richmond, B.C., V6y 2B2	488,184	6.43	%

Change in Control

None.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

See Note 6,7,8,11 to consolidated financial statements.

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ITEM 14. Principal Accountant Fees and Services

Fees Paid to Independent Public Accountants for 2015 and 2014.

Audit Fees

For the Company's fiscal years ended June 30, 2015 and 2014, we were billed approximately $42,500 and $45,000, respectively, for professional services rendered for the audit and review of our financial statements.

Audit-Related Fees

There were $4,000 and $0 billed for audit related services for the years ended June 30, 2015 and 2014.

Tax Fees

For the Company's fiscal years ended June 30, 2015 and 2014, we were not billed for professional services rendered for tax compliance, tax advice, and tax planning.

All Other Fees

None.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

Since we did not have a formal audit committee, our board of directors served as our audit committee. We have not adopted pre-approval policies and procedures with respect to our accountants in 2015. All of the services provided and fees charged by our independent registered accounting firms in 2015 were approved by the board of directors.

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Part IV

ITEM 15. Exhibits and Financial Statement Schedules

Exhibit No.	Description	Incorporated by Reference in Document
3.1	Amendment to the Articles of Incorporation Filed on September 24, 2009 with the Nevada Secretary of State	Filed as Exhibit 3.1 to the Form 8-K filed on September 30, 2009 and incorporated herein by reference.
3.2	Amendment of Articles of Incorporation Filed on January 13, 2014	Filed as Exhibit 3.1 to the Form 8-K filed on January 16, 2014 and incorporated herein by reference.
31.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
32.1	Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith.

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MEDICAL ALARM CONCEPTS HOLDIN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Signatures

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

Date: December 18, 2015

MEDICAL ALARM CONCEPTS HOLDING, INC.

By: /s/ Ronnie Adams
Ronnie Adams
Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial and Accounting Officer)

By: /s/ Allen Polsky
Allen Polsky
Director

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ronnie Adams Ronnie Adams	Chief Executive Officer and Chief Financial Officer (Principal Executive Officer, Principal Financial and Accounting Officer)	December 18, 2015
/s/ Allen Polsky Allen Polsky	Director	December 18, 2015

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MEDICAL ALARM CONCEPTS HOLDING, INC.

CONSOLIDATED FINANCIAL STATEMENTS

Index to Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of

Medical Alarm Concepts Holding, Inc.

We have audited the accompanying consolidated balance sheets of Medical Alarm Concepts Holding, Inc. (the “Company”) as of June 30, 2015 and 2014 and the related consolidated statements of operations, stockholders’ deficit, and cash flows for the years then ended. The Company’s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Medical Alarm Concepts Holding, Inc. as of June 30, 2015 and 2014 and the results of their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As disclosed in Note 3 to the accompanying consolidated financial statements, the Company had working capital deficit of $808,693, a stockholders’ deficit of $808,693, did not generate cash from its operations, and had operating loss for past two years. These circumstances, among others, raise substantial doubt about the Company’s ability to continue as a going concern. Management's plans in regard to these matters are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Paritz & Company, P.A.

Hackensack, New Jersey,

December 18, 2015

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MEDICAL ALARM CONCEPTS HOLDING, INC.

CONSOLIDATED BALANCE SHEETS

	June 30, 2015	June 30, 2014
ASSETS		
CURRENT ASSETS		
Cash	$1,335	$7,673
Accounts receivable net of allowance of $9,123 and $7,906	98,659	36,952
Inventory	67,995	22,839
Loan to employee	30,000	—
Prepaid expenses	76,664	—
Total current assets	274,653	67,464
NON-CURRENT ASSETS		
Property and equipment, net	—	461
Intangible assets, net	—	1,099,036
Total non-current assets	—	1,099,497
Total assets	$274,653	$1,166,961
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Derivative liability	$—	$30,766
Accounts payable	92,751	67,305
Deferred revenue	368,864	380,397
Due to related party	20,740	—
Note payable - other	86,294	5,000
Credit line payable - related party	388,000	—
Accrued expenses and other current liabilities	126,697	194,025
Convertible notes payable - related party	—	25,908
Patent payable	—	2,500,000
Total current liabilities	1,083,346	3,203,401
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred Stock: $0.0001 par value; 100,000 shares authorized; 688 shares issued and outstanding as of June 30, 2015 and 2014, respectively	—	—
Series B Convertible Preferred Stock: $0.0001 par value; 62,500 shares authorized; 9,938 shares issued and outstanding as of June 30, 2015 and 2014, respectively	1	1
Common stock: $0.0001 par value; 20,000,000 shares authorized; 6,998,676 and 5,623,676 shares issued and outstanding on June 30, 2015 and 2014, respectively	700	562
Additional paid-in capital	12,576,891	12,203,981
Stock to be issued	28,000	—
Accumulated deficit	(13,414,285)	(14,240,984)
Total stockholders' deficit	(808,693)	(2,036,440)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$274,653	$1,166,961

See accompanying notes to the consolidated financial statements.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

Consolidated Statements of Operations

	For the year ended June 30,	
	2015	2014
Revenue	$1,147,099	$1,153,693
Cost of revenue	366,702	324,503
Gross profit	780,397	829,190
Operating expenses		
Selling expense	305,738	212,133
General and administrative	987,035	1,695,423
Total operating expenses	1,292,773	1,907,556
Loss from operations	(512,376)	(1,078,366)
Other (income) expenses		
Change in fair value of derivative instrument	11,335	(1,514,947)
Gain from termination of patent agreement	(1,476,196)	—
Interest expense - related party	8,436	22,320
Interest expense	117,350	189,220
Total other income	(1,339,075)	(1,303,407)
Income before income tax	826,699	225,041
Income tax provision	—	—
Net income	$826,699	$225,041
Net income per common share - basic and diluted	$0.13	$0.06
Weighted average number of common shares - basic and diluted	6,206,090	3,787,467

See accompanying notes to the consolidated financial statements.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

Consolidated Statements of Stockholders' Deficiency

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Stock to	Additional Paid-in	Deficit	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	be issued	Capital	Accumulated	Deficit
Balance at June 30, 2013	688	$ —	9,938	$ 1	1,696,813	$ 170	$—	$9,127,788	$(14,466,025)	$(5,338,066)
Conversion of convertible notes to Common Stock	—	—	—	—	2,123,930	212	—	314,607	—	314,819
Common Stock issued for repayment of Note payable - related party	—	—	—	—	36,250	4	—	28,996	—	29,000
Issuance of common stocks for services	—	—	—	—	1,543,669	154	—	994,294	—	994,448
Forgiveness of credit line	—	—	—	—	—	—	—	618,844	—	618,844
Derivative liability classified to additional paid-in capital upon conversion of related convertible notes	—	—	—	—	—	—	—	909,918	—	909,918
Accrued interest and debt discount classified to additional paid-in capital upon conversion	—	—	—	—	—	—	—	107,656	—	107,656

and forgiveness of debt										
Stock issued for cash	—	—	—	—	123,014	12	—	76,888	—	76,900
Stock issued for payment of interest	—	—	—	—	100,000	10	—	24,990	—	25,000
Net income	—	—	—	—	—	—	—	—	225,041	225,041
Balance at June 30, 2014	688	—	9,938	1	5,623,676	562	—	12,203,981	(14,240,984)	(2,036,440)
Net income	—	—	—	—	—	—	—	—	826,699	826,699
Issuance of common stocks for services	—	—	—	—	1,375,000	138	28,000	304,901	—	333,039
Forgiveness of convertible note - related party	—	—	—	—	—	—	—	25,908	—	25,908
Derivative liability classified to additional paid-in capital upon forgiveness of related convertible notes	—	—	—	—	—	—	—	42,101	—	42,101
Balance at June 30, 2015	688	$ —	9,938	$ 1	6,998,676	$ 700	$ 28,000	$ 12,576,891	$ (13,414,285)	$ (808,693)

See accompanying notes to the consolidated financial statements.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

Consolidated Statements of Cash Flows

	For the year ended June 30, 2015	2014
Net income	$826,699	$225,041
Adjustments to reconcile net income to net cash used in operating activities:		
Common stock issued for services	284,370	994,448
Common stock issued for interest	—	25,000
Change in fair value of derivative instrument	11,335	(1,514,947)
Write-off of patent	(1,476,197)	—
Amortization of patent	75,233	78,503
Non-cash interest expense	—	28,991
Bad debt expense	1,217	7,906
Inventory markdown	2,856	—
Depreciation	461	5,253
Change in operating assets and liabilities		
Accounts receivable	(62,924)	(33,249)
Inventory	(48,012)	3,297
Prepaid expense	(27,995)	32,661
Accounts payable	25,446	(4,318)
Accrued expenses and other current liabilities	(67,328)	20,524
Deferred revenue	(11,533)	105,206
Net Cash Used in Operating Activities	(466,372)	(25,684)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to employee	(30,000)	—
Net Cash Used in Investing Activities	(30,000)	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable - other	81,294	5,000
Proceeds from issuance of common stock	—	22,500
Proceeds from credit line - related party	388,000	—
Advance from related party	20,740	—
Net Cash Provided By Financing Activities	490,034	27,500
NET INCREASE (DECREASE) IN CASH	(6,338)	1,816
CASH AT BEGINNING OF YEAR	7,673	5,857
CASH AT END OF YEAR	$1,335	$7,673

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest expense	$113,250	$125,000
Cash paid for income taxes	$—	$—
Conversion of convertible notes to common stock	$—	$314,819
Common Stock issued for repayment of Note payable - related party	$—	$29,000
Derivative liability classified to additional paid-in capital upon conversion of related convertible notes	$—	$909,918
Issuance of common stock previously classified as stock to be issued	$—	$54,400
Forgiveness of credit line payable classified to additional paid in capital	$—	$618,844
Convertible note - related party and related derivative liability classified to additional paid in capital upon forgiveness	$68,009	$—
Stock issued for services record as prepaid expenses	$48,669	$—
Accrued interest and debt discount classified to additional paid-in capital upon conversion and forgiveness of debt	$—	$107,656

See accompanying notes to the consolidated financial statements.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 NATURE OF OPERATIONS

On June 4, 2008, Medical Alarm Concepts Holding, Inc. (the "Company") was incorporated under the laws of the State of Nevada. The Company was formed for the sole purpose of acquiring all of the membership units of Medical Alarm Concepts LLC, a Pennsylvania limited liability company ("Medical LLC").

The Company utilizes new technology in the medical alarm industry to provide 24-hour personal response monitoring services and related products to subscribers with medical or age-related conditions.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant inter-company transactions and balances among the Company and its subsidiary are eliminated upon consolidation.

Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates and assumptions include the collectability of accounts receivable and deferred taxes and related valuation allowances. Certain of our estimates, including evaluating the collectability of accounts receivable, could be affected by external conditions, including those unique to our industry, and general economic conditions. It is possible that these external factors could have an effect on our estimates that could cause actual results to differ from our estimates. We re-evaluate all of our accounting estimates at least quarterly based on these conditions and record adjustments when necessary.

Cash

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash and cash equivalents.

Accounts receivable and allowance for doubtful accounts receivable

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable credit losses in our existing accounts receivable. We extend credit to our customers based on an evaluation of their financial condition and other factors. We generally do not require collateral or other security to support accounts receivable. We perform ongoing credit evaluations of our customers and maintain an allowance for potential bad debts if required. We determine whether an allowance for doubtful accounts is required by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations. In these cases, we use assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. We may also record a general allowance as necessary. Direct write-offs are taken in the period when we have exhausted our efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that we should abandon such efforts.

Inventory

The Company values inventory, consisting of purchased products, at the lower of cost or market. Cost is determined on the first-in and first-out (“FIFO”) method. The Company regularly reviews its inventories on hand and, when necessary, records a provision for excess or obsolete inventories based primarily on current selling price and spot market prices. The Company recorded inventory markdown of $2,856 and $0 for the year ended June 30, 2015 and 2014, respectively.

Property and equipment

Property and equipment includes furniture and fixtures and office equipment which are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of furniture and fixtures and office equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over their estimated useful life of seven (7) and five (5) years, respectively. Upon sale or retirement of office equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Patent

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has adopted the guidelines as set out in section 330-30-35-6 of the FASB Accounting Standards Codification (“ASC”) for patent costs. Under the requirements as set out, the Company capitalizes and amortizes patent costs associated with the licensed product the Company intends to sell pursuant to the Purchase Agreement and the Patent Assignment Agreements, entered into on July 10, 2008 and effective July 30, 2008, over their estimated useful life. From July 30, 2008 to March 31, 2011, the patent cost was amortized over the period of six years. The company changed the estimated useful life of patent from six years to twenty years. From April 1, 2011, the unamortized balance of patent costs will be amortized over the remaining period of useful life. The costs of defending and maintaining patents are expensed as incurred. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Impairment of long-lived assets

The Company follows section 360-10-05-4 of the FASB ASC for its long-lived assets. The Company’s reviews it long-lived assets, which include property and equipment, and patent, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset’s expected future undiscounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated or amortized over the newly determined remaining estimated useful lives. The Company determined that there were no impairments of long-lived assets as of June 30, 2015 and 2014.

Convertible instruments and derivative financial instruments

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 810-10-05-4 of the FASB ASC and paragraph 815-40-25 of the FASB ASC. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the Statement of Operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the conversion date and then the related fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

On January 1, 2009, the Company adopted Section 815-40-15 of the FASB ASC ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. The adoption of Section 815-40-15 has affected the accounting for (i) certain freestanding warrants that contain exercise price adjustment features and (ii) convertible bonds issued by foreign subsidiaries with a strike price denominated in a foreign currency.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB 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 pursuant to 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 (3) 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 (3) 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, accounts receivable, inventory, prepaid expenses, accounts payable, deferred revenues and accrued liabilities, approximate their fair values because of the short maturity of these instruments. The Company’s convertible notes payable approximate the fair value of such instruments based upon management’s best estimate of interest rates that would be available to the Company for similar financial arrangements at June 30, 2015 and 2014.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The derivative liability which consists of embedded conversion feature and warrants issued in connection with our convertible debt, classified as a level 3 liability, are the only financial liability measured at fair value on a recurring basis. (See Note 9)

Income Taxes

The Company accounts for income taxes under the provisions of FASB ASC Topic 740, “Income Tax,” which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are measured using the enacted tax rate expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company establishes a valuation when it is more likely than not that the assets will not be recovered.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Revenue Recognition

The Company’s revenues are derived principally from utilizing new technology in the medical alarm industry to provide 24-hour personal response monitoring services and related products to subscribers with medical or age-related conditions. The Company applies paragraph 605-10-S99-1 of the FASB ASC for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement that the services have been rendered to the customer, the sales price is fixed or determinable, and collectability is reasonably assured.

All revenues from subscription arrangements are recognized ratably over the term of such arrangements. The excess of amounts received over the income recognized is recorded as deferred revenue on the consolidated balance sheet.

Shipping and handling costs

The Company accounts for shipping and handling fees in accordance with paragraph 605-45-45-19 of the FASB ASC. While amounts charged to customers for shipping products are included in revenues, the related costs are classified in cost of goods sold as incurred.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock-based compensation

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards. However, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

The Black-Scholes option valuation model is used to estimate the fair value of the warrants or options granted. The model includes subjective input assumptions that can materially affect the fair value estimates. The model was developed for use in estimating the fair value of traded options or warrants. The expected volatility is estimated based on the most recent historical period of time equal to the weighted average life of the warrants or options granted.

Net income per common share

Net income per common share is computed pursuant to section 260-10-45 of the FASB ASC. Basic net income per common share is computed by taking net income divided by the weighted average number of common shares outstanding for the period. Diluted net income per common share is computed by dividing net income by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through stock options, warrants, and convertible debt. These potential shares of common stock were not included as they were anti-dilutive.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB ASC to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Cash flows reporting

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The Company adopted paragraph 230-10-45-24 of the FASB ASC for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method (“Indirect method”) as defined by paragraph 230-10-45-25 of the FASB ASC to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company evaluates subsequent events through the date when the financial statements are issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recent Accounting Pronouncements

In April 2015, the FASB updated the guidance within ASC 835, *Interest*. The update provides guidance on simplifying the presentation of debt issuance cost. The amendments require debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The new guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years, with early adoption permitted. The Company is currently assessing the impact on its consolidated financial statements.

There were no other recent accounting pronouncements that have had a material effect on the Company’s financial position or results of operations

NOTE 3 GOING CONCERN

These consolidated financial statements are presented on the basis that we will continue as a going concern. The going concern concept contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has working capital deficit of $808,693, did not generate cash from its operations, had stockholders' deficit of $808,693 and had operating losses for past two years. These circumstances, among others, raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to generate sufficient revenues, the Company's cash position may not be enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INTANGIBLE ASSETS

On July 10, 2008, the Company entered into a Purchase Agreement and Patent Assignment Agreement (the “Agreement”) to be effective July 31, 2008. The Company was obligated to pay the seller $2,500,000 on June 30, 2012. The Agreement specifies interest of 6% to be payable monthly, commencing on July 31, 2008. The seller will reacquire all patents and applications if payment was not made on June 30, 2012. This agreement had been extended quarterly since June 30, 2012.

The patent was amortized over its estimated useful life. Amortization of patent aggregated $75,233 and $78,503 for the year ended June 30, 2015 and 2014 respectively.

In June 2015, the Agreement was terminated. The loan payable of $2,500,000 and unamortized balance of intangible asset of $1,023,804 were written off and a gain of $1,476,196 was recorded upon termination of the Agreement. The Company subsequently signed a new agreement with patent holder on November 18, 2015. Based on the new agreement, the company has the ability to order and sell the MediPendant® product utilizing the patent and pay $25 per unit purchased for license fee.

Patent, stated at cost, less accumulated amortization consisted of the following:

	June 30, 2015	June 30, 2014
Patent	$ —	$ 2,500,000
Less: accumulated amortization	—	(1,400,964)
	$ —	$ 1,099,036

NOTE 5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The following table presents accrued expenses and other current liabilities.

	June 30, 2015	June 30, 2014
Accrued expenses	$114,397	$181,725
Other current liabilities	12,300	12,300
Total	$126,697	$194,025

NOTE 6 - CREDIT LINE – RELATED PARTY

On January 6, 2012, the Company and Biotech Development Group, LLC. ("Biotech"), a shareholder, entered into a credit line agreement ("Credit Line Agreement"), pursuant to which, Biotech agreed to give the Company a line of credit to borrow up to $500,000. The principal balance is due on December 31, 2012. This credit line bears interest at 8% per annum and due quarterly. On May 18, 2012, the credit line was increased to $750,000. On June 11, 2013, the due date of the credit line was extended to December 31, 2014. The Company recorded interest expense on the credit line of $22,320 for the year ended June 30, 2014. On December 10, 2013, the balance of credit line, including accrued interest, was forgiven. Since the credit line is from a related party, the amount forgiven was recorded in additional paid-in capital. (See Note 8)

On September 30, 2014, the Company entered into a line of credit with a company, which is partially owned by the Company's CEO. Under the line of credit agreement, the Company will be able to borrow up to $300,000 with the rate of interest of 6.5% per annum. The maturity date of the credit line is September 30, 2017. The Company has the option to extend the maturity date for one year to September 30, 2018. On January 31, 2015, the limit on the line of credit was increased to $500,000 with same interest rate and due date. The Company recorded accrued interest on the credit line of $8,436 for the year ended June 30 ,2015.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - CONVERTIBLE NOTES PAYABLE

The convertible notes are convertible into shares of the Company's common stock at a fixed conversion price equal to the lesser of the fixed conversion price of $0.002, or seventy five percent (75%) of the average of the closing bid price of the common stock as reported by Bloomberg LP for the principal market for the 5 trading days preceding the conversion date.

During the year ended June 30, 2014, convertible notes with total face amount of $314,819 were converted pursuant to Global Settlement Agreement. (See Note 8)

On November 2, 2014, the holder of convertible note informed the Company that it will no longer be seeking repayment of $25,908. Since the holder of convertible note was a related party, the Company recorded the forgiveness of the debt and related derivative liability as additional paid-in capital.

The following table summarizes the convertible promissory notes movement of fiscal 2015 and 2014:

Balance at June 30, 2013	$340,727
Issued	—
Converted	(314,819)
Total	25,908
Less: debt discount	—
Balance at June 30, 2014	25,908
Forgiveness	(25,908)
Balance at June 30, 2015	$—

NOTE 8 – STOCKHOLDERS' EQUITY

During the fiscal year ended June 30, 2014, 123,014 shares of common stocks were issued to investors for $76,900 cash. $54,400 was received during the year ended June 30, 2013 and was classified as the liability for common stock to be issued, which was included in accrued expense and other current liabilities at June 30, 2013 and reclassified to equity upon issuance of the shares.

On December 10, 2013, the Company entered into a Global Settlement Agreement (the "Agreement"). Pursuant to the term of a Global Settlement Agreement ("GSA") among the Company, Biotech and the management team, as defined:

1. Biotech forgave any outstanding borrowings of the Company under the Credit Line referred to in Note 6 for no consideration.
2. Outstanding convertible notes aggregating $314,819 were converted into 2,123,930 shares of the Company's common stock.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

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3. The management team agreed to forfeit its rights to future anti-dilution of its ownership position in exchange for 1,493,669 shares of the Company's common stock. The shares issued were valued at $0.64 per share which is the market price in December 10, 2013 and recorded as stock compensation expense.

Both parties also agreed on the following terms: 1) the management team agreed to modify its September 19, 2011 agreement with the Company giving up all anti-dilution rights, 2) the Company agreed to take steps to increase the number of authorized shares to accommodate the debt conversions and would complete a reverse split of its shares, 3) The Company would file a registration statement with the SEC, and 4) the Company would continue to file past due periodic reports with the SEC on Forms 10-Q and 10-K in order to return the Company to full reporting status, a process that is already well underway.

On February 5, 2014 the Company issued 50,000 shares of common stock to a shareholder as compensation for consulting services provided to the Company. Those shares were valued at the quoted market price for total $38,500 and recorded as expense.

On February 5, 2014, the Company issued 36,250 shares of common stock to a related note holder as repayment of promissory note of $29,000.

On June 26, 2014, the Company issued 100,000 shares of common stock to a patent holder for payment of interest. (See Note 4)

During fiscal year ended June 30, 2015, 1,375,000 shares were issued as compensation to service providers, which were valued at fair market value on the date of issuance and amortized over service period on a straight-lined basis.

NOTE 9 - DERIVATIVE LIABILITY AND FAIR VALUE

The Company has evaluated the application of ASC 815 Derivatives and Hedging (formerly SFAS No. 133) and ASC 815-40-25 to the Warrants to purchase common stock issued with the Convertible Notes and service agreements. Based on the guidance in ASC 815 and ASC 815-40-25, the Company concluded these instruments were required to be accounted for as derivatives due to the down round protection feature on the conversion price and the exercise price. The Company records the fair value of these derivatives on its balance sheet at fair value with changes in the values of these derivatives reflected in the statements of operations as “Gain (loss) on derivative liabilities.” These derivative instruments are not designated as hedging instruments under ASC 815 and are disclosed on the balance sheet under Derivative Liabilities.

The Company accounted for the issuance of the convertible debentures in accordance with ASC 815” Derivatives and Hedging.” The debentures are convertible into an indeterminate number of shares for which the Company cannot determine if it has sufficient authorized shares to settle the transaction with. Accordingly, the embedded conversion option is a derivative liability and is marked to market through earnings at the end of each reporting period.

During the year ended June 30, 2015, the balance of convertible notes, $25,908, were forgiven (See Note 7) The fair value of derivative liability at the date of forgiveness was added to additional paid-in capital.

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MEDICAL ALARM CONCEPTS HOLDING, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – NOTE PAYABLE –OTHER

Note payable - Other consists of the following:	As of June 30,	
	2015	2014
Celtic Bank	$15,690	$—
On Deck Capital, Inc.	70,604	—
A vendor	—	5,000
	$86,294	$5,000

On November 1, 2013, the Company issued a $30,000 promissory note to a vendor who provide monitoring services to the Company. The note is non-interest bearing and due on June 1, 2014. The note will be paid in six installment payments with $5,000 due on the first day of each month from January to June 2014. Based on the note, all subscribers monitoring agreements owned or newly originated by the Company must be monitored by the note holder until the terms of the agreement are satisfied. This note is guaranteed by the CEO of the Company. As of June 30, 2014, unpaid balance was $5,000 which was paid in July 2014.

In June 2015, the company obtained a loan of $75,000 from On Deck Capital, Inc. with interest at 55% per annual and due on June 2, 2016.

During the year ended June 30, 2015, the Company obtained various loans from Celtic Bank with interest rate from 1% to 2.75% per month and due in six months from the borrowing date.

NOTE 11 - RELATED PARTY TRANSACTIONS

Interest expenses for credit line were $8,436 and $22,320 for the years ended June 30, 2015 and 2014, respectively, zero amount was paid during the years ended June 30, 2015 and 2014. (See Note 6)

On December 10, 2013, the Company issued 1,493,669 shares of common stock to management team per Global Settlement Agreement. (See Note 8)

On June 14, 2013, the Company issued a $29,000 promissory note to a family member of the Company's CEO. The note is non-interest bearing and due on June 13, 2014. The note was converted to 36,250 shares of common stock on February 5, 2014.

On February 5, 2014 the Company issued 50,000 shares of common stock to a shareholder as compensation for consulting services provided to the Company. Those shares were valued at the quoted market price for total $38,500 and recorded as expense.

On September 30, 2014, the Company entered into a line of credit with Medi Pendant of New York, Inc. ("MNY"), which is partially owned by the Company's CEO. Under the line of credit agreement, the Company will be able to borrow up to $300,000 with the rate of interest of 6.5% per annum. The maturity date of the credit line is September 30, 2017. The Company has the option to extend the maturity date for one year to September 30, 2018.

On November 2, 2014, the holder of convertible note informed the Company that it will no longer be seeking repayment of $25,908. Since the holder of convertible note was a related party, the Company recorded the forgiveness of the debt and related derivative liability as additional paid-in capital.

On January 31, 2015, the limit on the line of credit was increased to $500,000 with same interest rate and due date. As of June 30, 2015, outstanding balance under the line of credit was $388,000. The company also agreed to issue 200,000 shares of common stock to one of the owner of MNY to exchange for the increase of line of credit. These shares were value at the market value of $28,000 which was the fair market value at the grant date and recorded as shares to be issued since those share were issued in the subsequent period.

During the year ended June 30, 2015, the Company's CEO advanced $20,740 to the Company. The amount is non-interest bearing and due on demand.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – INCOME TAX

The reconciliation of income tax benefit at the U.S. statutory rate of 34% for the years ended June 30, 2015 and 2014 to the Company's effective tax rate is as follows:

	Year ended June 30,	
	2015	2014
U.S. federal statutory rate	34.00 %	34.00 %
State income tax, net of federal benefit	9.99 %	9.99 %
Permeant difference – change in fair value of derivative instrument and non-cash interest expense	0.60 %	(296.14%)
Change in valuation allowance	(49.59)%	252.15 %
Income tax provision (benefit)	0.00 %	0.00 %

The benefit for income tax is summarized as follows:

	Year ended June 30,	
	2015	2014
Federal:		
Current	$—	$—
Deferred	284,932	438,568
State and local:		
Current	—	—
Deferred	83,720	128,862
Change in valuation allowance	(368,652)	(567,430)
Income tax provision (benefit)	$—	$—

The tax effects of temporary differences that give rise to the Company's net deferred tax liability as of June 30, 2015 and 2014 are as follows:

	As of June 30,	
	2015	2014
Net operating losses carried forward	$4,416,080	$4,784,732

Less: valuation allowance	(4,416,080)	(4,784,732)
Deferred tax assets	$—	$—

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As of June 30, 2015, the Company had approximately $ 10 million of federal and state net operating loss carryovers ("NOLs") which begin to expire in 2028. Utilization of the NOLs may be subject to limitation under the Internal Revenue Code Section 382 should there be a greater than 50% ownership change as determined under regulations.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the assessment, management has established a full valuation allowance against the entire deferred tax asset relating to NOLs for every period because it is more likely than not that all of the deferred tax asset will not be realized.

The Company files U.S. federal and states of Pennsylvania tax returns that are subject to audit by tax authorities beginning with the year ended June 30, 2008.The Company's policy is to classify assessments, if any, for tax and related interest and penalties as tax expense.

NOTE 13 - CONCENTRATION AND CREDIT RISK

Sales to one customer accounted for approximately 19% and 19% of the Company's revenue for the year ended June 30, 2015 and 2014, respectively.

The Company had only two and one supplier during the years ended June 30, 2015 and 2014, respectively.

NOTE 14 – SUBSEQUENT EVENT

On October 19, 2015, the Company issued 400,000 to two consultants for services performed per consulting agreements and 200,000 shares to one of the owner of MNY for compensation of increasing the line of credit to $500,000.

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