

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from     to

COMMISSION FILE NUMBER 000-53012

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**

(Exact Name of small business issuer as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

**90-0687379**  
(I.R.S. Employer  
Identification No.)

**709 S. Harbor City Blvd., Suite 250, Melbourne, FL 32901**  
(Address of principal executive offices) (Zip Code)

Issuer's telephone Number: **(321) 725-0090**

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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

As of May 11, 2012, the issuer had 12,706,795 outstanding shares of Common Stock.

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**PART I**

**ITEM 1. FINANCIAL STATEMENTS.**

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>March 31,</u> 2012	<u>December 31,</u> 2011
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash	\$ 31,505	\$ 528,303
Prepaid expenses	36,387	29,705
Deposits and other - Acquisitions	1,656,333	1,301,032
Deposits - In Escrow	149,852	89,939
Capitalized financing costs, current portion	<u>57,348</u>	<u>57,348</u>
Total current assets	<u>1,931,425</u>	<u>2,006,327</u>
Property, plant and equipment, net of accumulated depreciation of \$1,220,796 and \$1,180,431	<u>4,503,484</u>	<u>4,537,099</u>
Other assets		
Capitalized financing costs, long term portion	195,922	210,259
Deposits	<u>18,528</u>	<u>18,515</u>
Total other assets	<u>214,450</u>	<u>228,774</u>
<b>Total assets</b>	<b><u>\$ 6,649,359</u></b>	<b><u>\$ 6,772,200</u></b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 177,066	\$ 175,699
Notes payable, current portion	93,645	92,392
Unearned revenue	37,405	24,084
Deferred income taxes	<u>-</u>	<u>23,103</u>
Total current liabilities	<u>308,116</u>	<u>315,278</u>
Long term debt:		
Deposits held	47,399	47,399
Revolving line of credit, related party	110,000	-
Notes payable, long term portion	<u>7,414,149</u>	<u>7,435,419</u>
Total long term debt	<u>7,571,548</u>	<u>7,482,818</u>
<b>Total liabilities</b>	<b><u>7,879,664</u></b>	<b><u>7,798,096</u></b>
Stockholders' deficit		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized, Nil issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized, 12,462,750 shares issued and outstanding as of March 31, 2012 and December 31, 2011, respectively	12,463	12,463
Additional paid in capital	6,747,512	6,747,512
Accumulated deficit	<u>(7,990,280)</u>	<u>(7,785,871)</u>
Total stockholders' deficit	<u>(1,230,305)</u>	<u>(1,025,896)</u>
<b>Total liabilities and stockholders' deficit</b>	<b><u>\$ 6,649,359</u></b>	<b><u>\$ 6,772,200</u></b>

See the accompanying notes to these unaudited condensed consolidated financial statements

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<u>Three months ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
Revenues:		
Rental Revenue	\$ 330,216	\$ 311,197
Operating expenses:		
General & Administrative	389,041	163,166
Depreciation	40,365	40,365
Total operating expenses	429,406	203,531
(Loss) income from operations	(99,190)	107,666
Other income (expense):		
Miscellaneous income	750	1,142
Amortization of Financing costs	(14,337)	-
Interest expense, net	(114,736)	(74,332)
Total other income (expense)	(128,322)	(73,190)
(Loss) income before provision for income taxes	(227,512)	34,476
Income taxes (benefit) expense	(23,103)	6,900
<b>NET (LOSS) INCOME</b>	<b>\$ (204,409)</b>	<b>\$ 27,576</b>
Net (loss) income per common share, basic	<u>\$ (0.02)</u>	<u>\$ 0.00</u>
Net (loss) income per common share-fully diluted	<u>\$ (0.02)</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding, basic	<u>12,462,750</u>	<u>12,429,000</u>
Weighted average number of common shares outstanding, fully diluted	<u>12,462,750</u>	<u>12,529,000</u>

See the accompanying notes to these unaudited condensed consolidated financial statements

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended March 31,	
	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (Loss) Income	\$ (204,409)	\$ 27,576
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:		
Depreciation	40,365	40,366
Amortization of financing costs	14,337	-
Changes in operating assets and liabilities:		
Accounts receivable	-	(10,951)
Prepaid expenses and other	(6,682)	(244)
Deposits in escrow	(59,913)	-
Accounts payable and accrued expenses	1,367	19,695
Unearned income	13,321	-
Deferred income taxes	(23,103)	6,900
Net cash (used in) provided by operating activities	(224,717)	83,342
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments on acquisition deposits	(355,301)	-
Purchase of equipment	(6,750)	-
Interest earned on long term deposits	(13)	-
Net cash used in investing activities	(362,064)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from related party line of credit	110,000	-
Net payments on notes payable	(20,017)	(32,128)
Net payments on related party advances	-	(41,872)
Net cash provided by (used in) financing activities	89,983	(74,000)
Net (decrease) increase in cash and cash equivalents	(496,798)	9,342
Cash and cash equivalents, beginning of period	528,303	3,318
Cash and cash equivalents, end of period	\$ 31,505	\$ 12,660
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for interest	\$ 114,762	\$ 74,384
Cash paid during the period for taxes	\$ -	\$ -
Supplemental Disclosure on non-cash investing and financing activities:	\$ -	\$ -

See the accompanying notes to these unaudited condensed consolidated financial statements

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the presentation of the accompanying unaudited condensed consolidated financial statements follows:

General

The following (a) condensed consolidated balance sheet as of December 31, 2011, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the First Choice Healthcare Solutions, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2012 are not necessarily indicative of results that may be expected for the year ending December 31, 2012. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2011 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on March 30, 2012.

Basis of presentation

The Company was incorporated under the laws of Colorado on May 30, 2007, and effective April 4, 2012 was reincorporated in the State Delaware, at which time it changed its name from Medical Billing Assistance, Inc. to First Choice Healthcare Solutions, Inc..

The unaudited condensed consolidated financial statements include the accounts of the Company, including FCID Holdings, Inc., FCID Medical, Inc., and Marina Towers, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition ("ASC 605-10") which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arrangements ("ASC 605-25"). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing 605-25 on the Company's financial position and results of operations was not significant.

Segment Information

Accounting Standards Codification subtopic Segment Reporting 280-10 ("ASC 280-10") establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. ASC 280-10 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein materially represents all of the financial information related to the Company's principal operating segment.

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
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**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 20 to 39 years.

Long-Lived Assets

The Company follows Accounting Standards Codification subtopic 360-10, Property, plant and equipment ("ASC 360-10"). The Statement requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial.

Cash and Cash Equivalents

The Company considers cash to consist of cash on hand and investments having an original maturity of 90 days or less that are readily convertible into cash. As of March 31, 2012, the Company had \$31,505 in cash.

Net income (loss) per share

The Company accounts for net income (loss) per share in accordance with Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"), which requires presentation of basic and diluted earnings per share ("EPS") on the face of the statement of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS.

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. It excludes the dilutive effects of potentially issuable common shares such as those related to our stock options. Diluted net income (loss) share is calculated by including potentially dilutive share issuances in the denominator. Diluted net income (loss) per share for three month period ended March 31, 2012 does not reflect the effects of 100,000 (post-reverse split) shares and 1,875,000 (post-reverse split) shares, respectively, potentially issuable upon the exercise of the Company's stock options (calculated using the treasury stock method) and warrants as of March 31, 2012 as including the options and warrants would be anti-dilutive.

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
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**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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Concentrations of credit risk

The Company's financial instruments that are exposed to a concentration of credit risk are cash and accounts receivable. Effective December 31, 2010 and extending through December 31, 2012, all non-interest-bearing transaction accounts are fully insured by the Federal Deposit Insurance Corporation (FDIC), regardless of the balance of the account. Generally, the Company's cash and cash equivalents in interest-bearing accounts may exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and short-term borrowings, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed. There were no items required to be measured at fair value on a recurring basis in the financial statement as of March 31, 2012.

The company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value. Neither of these statements had an impact on the Company's financial position, results of operations nor cash flows.

Share-Based Compensation

Share-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The Company measures the fair value of the share-based compensation issued to non-employees using the stock price observed in the arms-length private placement transaction nearest the measurement date (for stock transactions) or the fair value of the award (for non-stock transactions), which were considered to be more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete.

Accounts Receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

Capitalized financing costs

Capitalized financing costs represent costs incurred in connection with obtaining the debt financing. These costs are amortized ratably and charged to financing expenses over the term of the related debt. The amortization for the three months ended March 31, 2012 and 2011 was \$14,337 and nil, respectively. Accumulated amortization of deferred financing costs were \$33,453 and \$19,116 at March 31, 2012 and December 31, 2011, respectively.

Reclassification

Certain reclassifications have been made to prior periods' data to conform with the current year's presentation. More specifically, the Company reclassified its common stock par value to additional paid-in capital to reflect the reverse stock split as retroactively restated and reclassified its accounts receivable-other to deposits and other-acquisitions. These reclassifications had no effect on reported income or losses.

Recent Accounting Pronouncements

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

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**NOTE 2 — LIQUIDITY**

The Company incurred various non-recurring expenses in the first quarter of 2012 in connection with operating start up costs relating to the acquisition of a medical practice (See note 12). Management believes that ongoing profitable operations of Marina Towers, LLC, the current positive cash balance resulted from the recent refinancing of the mortgage along with successful completion of its business development plan will allow the Company to continue to improve its working capital and will have sufficient capital resources to meet projected cash flow requirements through one year plus a day from the filing date of this report. However, there can be no assurance that the Company will be successful completing its business development plan.

**NOTE 4 — ACCOUNTS RECEIVABLE-OTHER**

Accounts receivable-other is comprised of management services provided for the management of an operating group medical practice through which physician services and medical direction are rendered.

The management services invoiced represented costs incurred to assist the invoiced medical practice. As such, the invoicing was applied towards recovery of such costs, and not as a revenue item on the Statement of Operations.

**NOTE 5 - DEPOSITS - ACQUISITIONS**

On October 5, 2011, FCID Medical, Inc., a wholly owned subsidiary of the Company, entered into a Membership Interest Purchase Agreement ("Agreement") to acquire all of the issued and outstanding membership interests of First Choice Medical Group of Brevard, LLC, a Delaware limited liability company authorized to do business in Florida. As of March 31, 2012 and December 31, 2011, the Company has advanced \$1,148,333 and \$998,032 toward the purchase price, which have been reclassified to deposits and other-acquisitions in the accompanying unaudited condensed consolidated balance sheets.

The closing of the purchase and sale shall occur with ten business days following the date on which the later to occur of the (1) the date on which the Florida Agency for Health Care Administration has informed the Company that all requirements have been met for issuing the license required for a health care clinic as defined and regulated by Florida Statutes and (2) the date on which the parties have met and complied with the requirements under applicable rules and regulations of the Centers for Medicare and Medicaid Services with respect to a change in ownership provider.

If the seller failed or refused to close on the transaction within thirty days after notification that the conditions to close were met, or if the seller failed to meet certain conditions, as defined, within thirty days after notification, the seller would repay to the Company all amounts previously advanced immediately upon demand plus interest at an annual rate of 8%. The seller pledged its assets to the Company as collateral as security.

As described in Note 12 below, on April 2, 2012, subsequent to the date of the financial statements, the Company acquired First Choice Medical Group of Brevard LLC for a total acquisition price of \$2,524,000 comprised of deposits (included \$1,148,333 of deposits-acquisitions and \$508,000 of accounts receivable-other reclassified and applied to deposits and other-acquisitions) as described above, a note payable for \$155,056 and 244,045 shares of the Company's common stock.

**NOTE 6 - DEPOSITS - IN ESCROW**

Deposits held in escrow are comprised of funds deposited to and held by the mortgage lender for payments of property taxes, insurance, replacements and major repairs of the Company's commercial building.

**NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT**

Property, plant and equipment at March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012 (unaudited)	December 31, 2011
Land	\$ 1,000,000	\$ 1,000,000
Building	3,055,168	3,055,168
Building improvements	1,662,362	1,662,362
Office equipment	6,750	-
	5,724,280	5,717,530
Less: accumulated depreciation	(1,220,796)	(1,180,431)
	\$ 4,503,484	\$ 4,537,099

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
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**MARCH 31, 2012**

During the three months ended March 31, 2012 and 2011, depreciation expense charged to operations was \$40,365.

**NOTE 8 - NOTE PAYABLE**

On August 12, 2011, the Company refinanced its existing mortgage note payable as described below providing additional working capital funds. The aggregate amount of the note of \$7,550,000 bears 6.10% interest per annum with monthly payments of \$45,752.61 beginning in October 2011 based on a 30 year amortization schedule with all remaining principal and interest due in full on September 16, 2016. The note is secured by land and the building along with first priority assignment of leases and rents. In addition, the Company's Chief Executive Officer provided a limited personal guarantee.

The principal balance as of March 31, 2012 was \$7,507,794. Interest expense under note for the three months ended March 31, 2012 was \$114,762.

In connection with the refinancing of the mortgage note payable, the Company incurred financing costs of \$286,723. The capitalized financing costs are amortized ratably over the term of the mortgage note payable.

The minimum future cash flow for the note payable at March 31, 2012 is as follows:

	Amount
Nine months ending December 31, 2012	\$ 69,697
Year ended December 31, 2013	98,188
Year ended December 31, 2014	104,348
Year ended December 31, 2015	110,895
Year ended December 31, 2016	7,124,666
Total	\$ 7,507,794

**NOTE 9 - RELATED PARTY TRANSACTIONS**

On February 1, 2012, the Company opened a \$500,000 unsecured, revolving line of credit loan with CCR of Melbourne, Inc, an entity owned and controlled by the Company's Chief Executive Officer. The revolving line of credit loan matures on October 1, 2013 with interest and is paid monthly at a per annum rate of 8.5% beginning March 1, 2012. As of March 31, 2012, \$110,000 was outstanding.

**NOTE 10 - STOCKHOLDERS EQUITY**

On April 4, 2012 (subsequent to the date of the financial statements), the Company affected a four-to-one (4 to 1) reverse stock split of its issued and outstanding shares of common stock, \$0.001 par value (whereby every four shares of Company's common stock will be exchanged for one share of FCHS common stock). All references in the consolidated financial statements and the notes to consolidated financial statements, number of shares, and share amounts have been retroactively restated to reflect the reverse split. The Company has restated from 49,851,000 to 12,462,750 shares of common stock issued and outstanding as of December 31, 2011 to reflect the reverse split.

**NOTE 11 - STOCK OPTIONS AND WARRANTS**

Non Employee Stock Options

The following table summarizes the stock options outstanding and the related prices for the shares of the Company's common stock issued to non employees at March 31, 2012:

	Options Outstanding				Options Exercisable	
	Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)		Weighted Average Exercise Price	Number Exercisable
	\$3.00	100,000	0.75	\$ 3.00	100,000	\$ 3.00

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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Transactions involving stock options issued to non employees are summarized as follows:

	Number of Shares	Weighted Average Price Per Share
Outstanding at December 31, 2010:	100,000	\$ 3.00
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2011:	100,000	3.00
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding at March 31, 2012:	100,000	\$ 3.00

Warrants

The following table summarizes the warrants outstanding and the related prices for the shares of the Company's common stock issued at March 31, 2012:

Prices	Warrants Outstanding		Weighted Price	Warrants Exercisable	
	Outstanding	Weighted Average (Years)		Exercisable	Weighted Price
\$ 3.60	1,875,000	6.75	\$ 3.60	1,875,000	\$ 3.60

Transactions involving stock warrants issued to non employees are summarized as follows:

	Number of Shares	Weighted Average Price Per Share
Outstanding at December 31, 2010:	-	\$ -
Granted	1,875,000	3.60
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2011:	1,875,000	3.60
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding at March 31, 2012:	1,875,000	\$ 3.60

**NOTE 12 - SUBSEQUENT EVENTS**

Acquisition

On April 2, 2012, the Company completed its acquisition of First Choice Medical Group of Brevard, LLC ("First Choice – Brevard"), pursuant to the Membership Interest Purchase Closing Agreement (the "Purchase Agreement"), dated the same date. The Company has been managing the practice of First Choice – Brevard since November 1, 2011, pursuant to a Management Services Agreement (the "Management Agreement").

The purchase price for the acquisition was \$2,524,000, of which approximately \$1.15 million was paid in cash, note payable for \$155,056 and the balance, net of closing adjustments including invoiced service fees, was paid by issuing to the members of First Choice – Brevard 244,045 shares of the Company's restricted common stock.

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
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First Choice - Brevard is a multi-specialty medical group including orthopedics (both operative and non-operative), sports medicine, pain management and neurology. The practice is located on the ground level of Marina Towers, a Class A office building owned by the Company.

A preliminary estimate of the fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

Assets acquired:	
Current assets:	_____
Cash	\$ 52,390
Accounts receivable	492,410
Prepaid expenses	3,341
Total current assets	548,141
Property and equipment	1,779,345
Other assets:	
Customer list	300,000
Deposit	8,000
Total acquired assets	2,635,486
Liabilities assumed:	
Accounts payable	111,486
Net assets acquired	\$ 2,524,000

Unaudited Consolidated Pro-Forma Financial Information:

A pro-forma consolidated balance sheet as of April 3, 2012 is as follows:

Assets:	
Current assets:	
Cash	\$ 83,895
Accounts receivable	492,410
Other assets	246,929
Total current assets	823,234
Property and equipment	6,327,879
Other assets	522,450
Total assets	\$ 7,673,563
Liabilities and Stockholders' Deficit:	
Current Liabilities:	
Accounts payable and accrued expenses	\$ 288,551
Other current liabilities	131,050
Total current liabilities	419,601
Long term debt	7,726,604
Stockholders' deficit	(472,642)
Total liabilities and stockholders' deficit	\$ 7,673,563

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**  
**(formerly known as Medical Billing Assistance, Inc.)**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

A pro-forma statement of operations as if acquired as of January 1, 2012 is as follows:

Revenue	\$ 892,204
Operating costs	946,343
Net loss from operations	(54,139)
Other income (expense):	(128,322)
Net loss	(182,461)
Provision for income taxes	(23,103)
Net loss	\$ (159,358)
<u>Reincorporation</u>	

First Choice Healthcare Solutions, Inc., a Delaware corporation (“FCHS”) filed a certificate of merger (the “Certificate of Merger”) of Medical Billing Assistance, Inc., a Colorado corporation (“Medical Billing”), into FCHS. The effective date for the Certificate of Merger was April 4, 2012. Pursuant to the Certificate of Merger, Medical Billing was merged with and into FCHS. The effect of the merger was that Medical Billing reincorporated from Colorado to Delaware (the “Reincorporation”). FCHS is deemed to be the successor issuer of Medical Billing under Rule 12g-3 of the Securities Exchange Act of 1934, as amended.

Contemporaneously with the Reincorporation, the Company changed its name to First Choice Healthcare Solutions, Inc. Otherwise, the reincorporation does not result in any change in the business, management, fiscal year, accounting, location of the principal executive offices, assets or liabilities of the Company, formerly known as Medical Billing Assistance, Inc.

Reverse stock split

Also, in connection with the Reincorporation, April 4, 2012 was the effective date for the Company’s four-to-one (4 to 1) reverse split of the Company’s common stock (whereby every four shares of Company’s common stock will be exchanged for one share of FCHS common stock) (the “Split”). In connection with the Split, a new CUSIP was issued for the common stock - 31949B104.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **FORWARD LOOKING STATEMENTS**

From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but not limited to, press releases, oral statements made with the approval of an authorized executive officer or in various filings made by us with the Securities and Exchange Commission. Words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project or projected", or similar expressions are intended to identify "forward-looking statements". Such statements are qualified in their entirety by reference to and are accompanied by the above discussion of certain important factors that could cause actual results to differ materially from such forward-looking statements.

Management is currently unaware of any trends or conditions other than those mentioned elsewhere in this management's discussion and analysis that could have a material adverse effect on the Company's consolidated financial position, future results of operations, or liquidity. However, investors should also be aware of factors that could have a negative impact on the Company's prospects and the consistency of progress in the areas of revenue generation, liquidity, and generation of capital resources. These include: (i) variations in revenue, (ii) possible inability to attract investors for its equity securities or otherwise raise adequate funds from any source should the Company seek to do so, (iii) increased governmental regulation, (iv) increased competition, (v) unfavorable outcomes to litigation involving the Company or to which the Company may become a party in the future and, (vi) a very competitive and rapidly changing operating environment. The risks identified here are not all inclusive. New risk factors emerge from time to time and it is not possible for management to predict all of such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Unless required by law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. However, readers should carefully review the risk factors set forth herein and in other reports and documents that we file from time to time with the Securities and Exchange Commission, particularly the Annual Reports on Form 10-K, Quarterly reports on Form 10-Q and any Current Reports on Form 8-K.

The financial information set forth in the following discussion should be read in conjunction with the consolidated financial statements of First Choice Healthcare Solutions, Inc. included elsewhere herein.

### **OVERVIEW AND HISTORY**

We were incorporated in the State of Colorado on May 30, 2007 to act as a holding corporation for I.V. Services Ltd., Inc. ("IVS"), a Florida corporation engaged in providing billing services to providers of medical services. IVS was incorporated in the State of Florida on September 28, 1987, and on June 30, 2007, we issued 8,000,000 pre-reverse split common shares (or 2,000,000 post-reverse split common shares) to Mr. Michael West in exchange for 100% of the capital stock of IVS. In the second quarter of 2011, we disposed of IVS, which, at the time, was a wholly-owned subsidiary of the Company that was inactive. The consideration for the disposition was the net liability assumption by the purchaser.

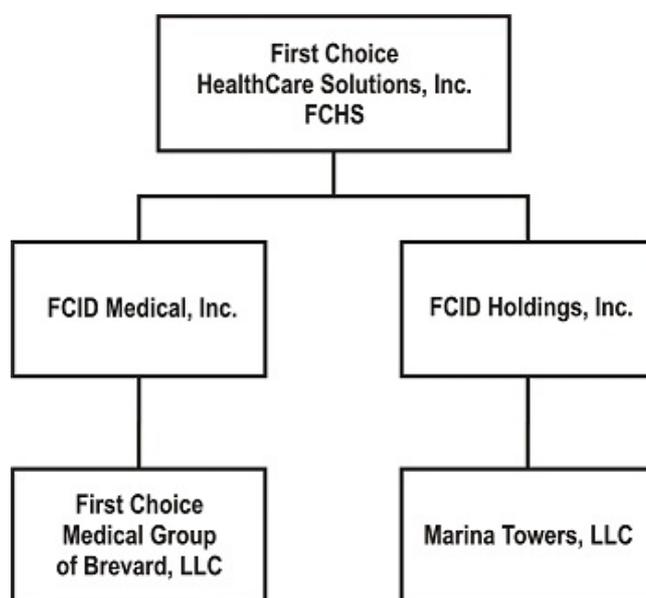
On December 29, 2010, we entered into a Share Exchange Agreement (the "Share Exchange Agreement") with FCID Medical, Inc., a Florida corporation ("FCID Medical") and FCID Holdings, Inc., a Florida corporation ("FCID Holdings"), which together will be referred to herein with FCID Medical as "FCID", and the shareholders of FCID (the "FCID Shareholders"). Pursuant to the terms of the Share Exchange Agreement, the FCID Shareholders exchanged 100% of the outstanding common stock of FCID for a total of 40,000,000 pre-reverse split common shares (or 10,000,000 post-reverse split common shares) of the Company, resulting in FCID Medical and FCID Holdings being 100% owned subsidiaries of the Company (the "Share Exchange").

In connection with the Share Exchange Agreement, in addition to the foregoing and effective on the closing date, Michael West resigned as President, Treasurer and director of the Company. Mr. Steve West resigned as officer of the Company but retained a directorship with the Company and subsequently resigned in 2011. After such resignations, Christian Charles Romandetti was appointed President, Chief Executive Officer and a director of the Company, and Donald Bittar was appointed Chief Financial Officer, Treasurer and Secretary. Currently, Mr. Bittar also is a director.

### **Merger, Re-Incorporation and Name Change**

On or about February 13, 2012, we obtained stockholder consent for (i) the approval of an agreement and plan of merger (the "Merger Agreement") with First Choice Healthcare Solutions, Inc., ("FCHS Delaware"), a Delaware corporation formed exclusively for the purpose of merging with the Company, pursuant to which (a) the Company's state of incorporation changed from Colorado to Delaware (the "Reincorporation") (b) the Company's name changed from Medical Billing Assistance, Inc. to First Choice Healthcare Solutions, Inc. (the "Name Change"), and (c) every four shares of Company's common stock was exchanged for one share of FCHS Delaware common stock (effectively resulting in a four-to-one reverse split of the Company's common stock) (the "Reverse Split"), and (ii) the approval of the Medical Billing Assistance, Inc. 2011 Incentive Stock Plan. The effective date for the Reincorporation and the Reverse Split was April 4, 2012.

All of our operations are conducted out of our wholly-owned subsidiaries: FCID Medical and FCID Holdings. The wholly-owned subsidiary operating the multi-specialty medical clinic is owned by FCID Medical. We have real estate holdings through FCID Holdings, Inc., under which Marina Towers, LLC is wholly-owned subsidiary. A diagram of our corporate structure is set forth below:



## **Our Business**

The cornerstone of the FCID Medical business plan is to develop and acquire efficient, specialized healthcare clinical units. The Company is carving a new niche in the multi-billion dollar medical clinical service industry with this new paradigm, professional multi-specialty medical centers. These multi-specialty medical centers include an optimal mix of synergistic multi-specialty physicians combined with an array of diagnostic capabilities.

### **First Medical Clinic Acquisition**

On October 5, 2011, FCID Medical, Inc., a wholly owned subsidiary of the Company, entered into a management agreement to manage the medical practice of First Choice Medical Group of Brevard, LLC. On April 2, 2012, we completed the acquisition of the practice and acquired all of the issued and outstanding membership interests of First Choice Medical Group of Brevard, LLC.

### **A new paradigm medical clinic**

Some retail business models have been successful with broad customer demographics, easy service provider substitution, intense competition and continuing lower profit margins. We view medical centers as a retail-oriented business delivering medical services direct to consumers. Unlike transportation, fast food, electronics and other retailers, medical centers, generally, have not been quick to adapt themselves to operating successfully with lower profit margins and growing competition. The successful retail businesses recognized the importance of embracing information technology, telecommunication and functional economies of scale to allow high service levels to continue, while retaining acceptable profit margins. Their corporate cultures include a commitment to insuring the best possible customer experience through consistent, predictable and superior service levels in every aspect of their business. They have learned to become profitable in the face of lower margins and increasing competition.

The key to our success is our new paradigm multi-specialty medical centers. While adopting the leading edge retail service practices, the Company remains committed to high patient service levels intended to achieve predictable and acceptable profit margins.

### **Excellent medical service levels with a human touch**

Our business model is intended to bring the best retail practices to operating a multi-specialty medical centers successfully with a 'human touch'. Patients want their pain, fear and concerns acknowledged and considered. They want to be treated with dignity and respect. From the patient's first interaction with us, making an appointment to see a doctor, our strategic and tactical goals are to provide the best possible patient healthcare experience through consistent, predictable and superior service levels in every aspect of our clinics. On time appointments, accurate and current patient information, attention to detail and careful patient follow up are part of our commitment to an excellent patient experience. Management actively monitors the daily service level objectives for every aspect of the patient experience from the initial appointment through the end of treatment. Clinic staff is encouraged and rewarded for exceeding their service level objectives.

## **Medical service mix**

Like other successful business models for professional medical services, ours is designed to offer the most synergistic and profitable medical service mix. By their nature, some combinations of medical specialties can be more revenue positive than others. Physicians need access to diagnostic equipment like, X-Ray, MRI and physical therapy. Patients expect their physicians to have access to the best diagnostic and service delivery equipment. Without diagnostic services many medical practices will find it difficult to maintain their current margins of profitability. We combine medical specialties and diagnostic services at our locations to maintain or increase the capability for profit. While one specialty may have high reimbursements for their professional service but insufficient volume to profitably support the necessary diagnostic equipment, another medical specialty may have a lower professional service reimbursement but high volume diagnostic equipment use. Operating independently, each specialty group would face retreating profit margins and a significant challenge to maintain high service levels with adequate equipment and current technologies. However, operating together, they create the optimal mix of professional service fee income and diagnostic equipment procedure income. Since the combination is more profitable than either of its components, there is a most favorable opportunity to sustain profit margins that will allow the facility to maintain high service levels with leading edge equipment and state of the art technologies.

In recruiting, selecting and hiring physicians, we employ physicians with the highest patient care reviews always making superior quality of service our number one priority. Our expansion plan is to employ physicians in multiple multi-specialty medical centers located in other geographic markets. In future facilities, we will work to maintain the optimal combination of medical specialties we believe will support the most profitable mix of professional service fees. This business model, in turn, is most likely to provide our physicians with the best diagnostic equipment available, our patients with the best possible medical experience and our Company with the potential when combining physicians and diagnostic equipment to maintain attractive profit margins. The model is also designed to allow physicians to concentrate exclusively on delivering excellent patient care. The requirements for running the business functions of a successful medical clinic are the sole responsibility of the business management team and not the physicians.

## **Scalable back office and economies of scale**

Fixed cost legacy administrative functions have subjected many established medical centers to a downward spiral of diminishing profit margins and losses. In legacy medical centers, administrative management, billing, compliance, accounting, marketing, advertising, scheduling, customer service, record keeping functions represent fixed overhead for the practice. The fixed administrative overhead of a practice has the effect of reducing profit margins as the practice experiences declining revenues as a result of lower patient volumes from increasing competition, lower pricing, lower reimbursements or patient migration to competitors.

We intend to achieve and sustain profitability, in part, first by introducing economies of scale to our nonclinical administrative functions and second to scale these economies, with similar profit margins, to higher operating volumes from future multi-specialty medical centers. Nonclinical administrative functions operating with economies of scale are intended to improve the profit margin for our medical clinic retail model. More significantly, our administrative functions are readily scalable to allow profit margins at relatively low clinic volume and also with larger numbers of physicians and locations.

A key to our success is our ability to employ a highly experienced team of business managers supported by an array of professional, experienced and compliant subcontractors. Using the best project management practices, our business managers contract services for the billing, compliance, accounting, marketing, advertising, legal, information technology and record keeping functions. The cost of our 'back office operation' scales quickly in direct relation to our volume, allowing us to sustain profit margins with a cost effective and scalable back office. As the number of physicians increases so do the economies of scale for our back office. The economies of scale support selecting the best and not the lowest cost subcontractors, while allowing our multi-specialty medical centers to operate cost effectively with higher service levels.

Developing and operating additional multi-specialty medical centers in other geographic areas will take advantage of the economies of scale for our administrative back office functions. Our plan calls for opening up multiple clinics in multiple states and cities at a pace that will allow us to maintain the same levels of quality and acceptable profitability from each location. We believe that the scalable structure of our administrative back office functions will efficiently support our expansion plans.

## **High technology infrastructure supporting excellent human touch patient experiences**

Successful retail models in other industries already effectively use telecommunications, remote computing, mobile computing, cloud computing, virtual networks and other leading-edge technologies to manage geographically diverse operating units. These technologies create the infrastructure to allow a central management team to monitor, direct and control geographically disbursed operating units and subcontractors, including national operations.

The FCHS business model is designed to incorporate the best of these technologies. Each day, a central management team monitors, directs and controls our multi-specialty medical centers and all the necessary support subcontractors. We operate a paperless system with electronic patient medical records. Test results, X-ray images, MRI, diagnosis, patient notes, visit reports, billing information, insurance coverage, and patient identification information are all contained in an electronic medical record. This will allow physicians and staff instant access to every aspect of a patient's medical information from anywhere, in any clinic, and remotely with mobile computing devices. The patient billing, accounts receivable and collection functions also are paperless. A majority of our third party payors remit by EDI and wire transfers. Accordingly, every aspect of the business is positioned to achieve high productivity and lower administrative headcounts and per capita expenses.

We intend to grow by replicating our multi-specialty medical centers, supported by our standardized policies, procedures and clinic setup guidelines. The administrative functions can be quickly scaled to handle multiple additional clinics. As we roll out our business model, we expect our administrative core and clinic retail model to transform the economics of multi-specialty medical centers.

## **Results of Operations**

### **Three months ended March 31, 2012 compared to three months ended March 31, 2011:**

The following discussion involves our results of operations for the three months ended March 31, 2012 compared to the three months ended March 31, 2011.

Comparing our operations, we had revenues of \$330,216 for the three months ended March 31, 2012, compared to revenues of \$311,197 for the three months ended March 31, 2011. The increase in revenue of \$19,019 or 6%, is primarily attributable to an increase in revenue generated by escalation increases from our Marina Towers.

Operating expenses, which include general and administrative expenses for the three months ended March 31, 2012, were \$429,406 compared to expenses of \$203,531 for the three months ended March 31, 2011. The increase of \$225,875, or 111%, is mainly attributable to legal, accounting and other professional expenses incurred in connection with our operation as a public entity. Depreciation of our building remained constant at approximately \$40,000 for the three months ended March 31, 2012 and 2011, respectively.

The major components of operating expenses include general and administrative, legal, accounting and professional fees associated with maintaining a public entity.

We believe that the general and administrative expenses in current operations should scale as our revenues develop. Each additional sale or service and corresponding gross profit of such sale or service have minimal offsetting operating expenses. Thus, additional sales could contribute to profit at a higher rate of return on sales as a result of not needing to expand operating expenses at the same pace as sales.

Interest expense, primarily composed of our mortgage interest on our building was \$114,736 and \$74,332 for the three months ended March 31, 2012 and 2011, respectively. The increase in our interest expense was due to our higher mortgage loan on our Marina Towers we put in place in the later part of 2011.

We had a net loss of \$204,409 for the three months ended March 31, 2012 compared to net income of \$27,576 for the three months ended March 31, 2011. This decrease in net income of \$231,985 is mainly attributable to reasons as described above.

## **Liquidity and Capital Resources**

As of March 31, 2012, we had cash or cash equivalents of \$31,505.

Net cash used in operating activities was \$224,717 for the three months ended March 31, 2012, compared to cash provided by operating activities of \$83,342 for the same period last year. We anticipate that overhead costs in current operations will remain fairly constant as revenues develop.

Net cash flows used in investing activities was \$362,064 for the three months ended March 31, 2012, compared to \$-0- for the three months ended March 31, 2011.

Cash flows provided by financing activities was \$89,983 for the three months ended March 31, 2012, compared to net cash used in financing activities of \$74,000 for the three months ended March 31, 2011.

On February 1, 2012, the Company opened a \$500,000 unsecured, revolving line of credit loan with CCR of Melbourne, Inc, an entity owned and controlled by the Company's Chief Executive Officer. The revolving line of credit loan matures on October 1, 2013 with interest and is paid monthly at a per annum rate of 8.5% beginning March 1, 2012. As of March 31, 2012, \$110,000 was outstanding.

Over the next twelve months we expect significant capital costs to further develop operations. We plan to buy diagnostic equipment to be used in our operations. We anticipate raising funds in an estimated amount of \$2-3 million for the development of our operations.

We believe that we have sufficient capital in the short term through one year plus a day from the filing date of this report for our current level of operations. This is because we have sufficient revenues generated from Marina Towers and First Choice Medical Group of Brevard to allow us to maintain operations.

There can be no assurance that our cash flow will increase in the near future from anticipated new business activities, or that revenues generated from our existing operations will be sufficient to allow us to continue to pursue new customer programs or profitable ventures.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements.

#### **INFLATION**

It is our opinion that inflation has not had, and is not likely to have, a material effect on our operations.

#### **CRITICAL ACCOUNTING POLICIES**

##### Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

##### Long-Lived Assets

The Company follows Accounting Standards Codification subtopic 360-10, Property, plant and equipment (“ASC 360-10”). The Statement requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

##### Share-Based Compensation

Share-based compensation issued to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The Company measures the fair value of the share-based compensation issued to non-employees using the stock price observed in the arms-length private placement transaction nearest the measurement date (for stock transactions) or the fair value of the award (for non-stock transactions), which were considered to be more reliably determinable measures of fair value than the value of the services being rendered. The measurement date is the earlier of (1) the date at which commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty’s performance is complete.

#### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

N/A.

#### **ITEM 4. CONTROLS AND PROCEDURES.**

*Evaluation of Disclosure Controls and Procedures.* Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to our management to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

*Changes in Internal Control Over Financial Reporting.* During the most recent quarter ended March 31, 2012, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) ) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

### **ITEM 1. LEGAL PROCEEDINGS.**

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

### **ITEM 1A. RISK FACTORS.**

N/A.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

On April 2, 2012, we completed the acquisition of First Choice Medical Group of Brevard, LLC and, as a portion of the consideration for the purchase of the membership interests of First Choice Medical Group of Brevard, LLC, issued to the holders of the membership interests 244,045 post-reverse split shares of restricted common stock.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES.**

None.

### **ITEM 5. OTHER INFORMATION.**

None.

**ITEM 6. EXHIBITS.**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
3.1	Articles of Incorporation of Medical Billing Assistance, Inc. (the “Company”) (incorporated by reference to the Company’s Form SB-2 Registration Statement as filed December 20, 2007)
3.1(a)	Certificate of Incorporation of First Choice Healthcare Solutions, Inc. (incorporated by reference to Appendix B to the Company’s Information Statement on Schedule 14c, filed with the SEC on March 13, 2012)
3.2	By-laws of the Company (incorporated by reference to the Company’s Form SB-2 Registration Statement as filed December 20, 2007)
3.2(a)	By-laws of First Choice Healthcare Solutions, Inc. (incorporated by reference to Appendix C to the Company’s Information Statement on Schedule 14c, filed with the SEC on March 13, 2012)
4.1	Medical Billing Assistance, Inc. 2011 Incentive Stock Plan (incorporated by reference to Appendix E to the Company’s Information Statement on Schedule 14c, filed with the SEC on March 13, 2012)
10.1	Share Exchange Agreement, dated December 29, 2010, by and between the Company, FCID Medical, Inc., and FCID Holdings, Inc. (incorporated by reference to the Company’s Form SB-2 Registration Statement as filed December 20, 2007)
10.2	Investment Agreement, dated as of January 26, 2011, by and between the Company and Kodiak Capital Group, LLC (“Kodiak”) (incorporated by reference to Exhibit 10.1 to the Company’s current report on Form 8-K, filed with the SEC on February 1, 2011)
10.3	Registration Rights Agreement, dated as of January 26, 2011, by and between the Company and Kodiak (incorporated by reference to Exhibit 10.2 to the Company’s current report on Form 8-K, filed with the SEC on February 1, 2011)
10.4	Amendment, dated January 26, 2011, by and between the Company and Kodiak (incorporated by reference to Exhibit 10.1 to the Company’s current report on Form 8-K, filed with the SEC on May 5, 2011)
10.5	Loan Agreement, dated as of August 12, 2011, between Marina Towers, LLC (“Marina”) and Guggenheim Life and Annuity Company (“Guggenheim”) (incorporated by reference to Exhibit 10.1 to the Company’s current report on Form 8-K, filed with the SEC on August 22, 2011)
10.6	Florida Consolidated, Amended and Restated Promissory Note, dated August 12, 2011, made by Marina to Guggenheim (incorporated by reference to Exhibit 10.2 to the Company’s current report on Form 8-K, filed with the SEC on August 22, 2011)
10.7	Guaranty Agreement, dated as of August 12, 2011, made by Christian C. Romandetti for the benefit of Guggenheim (incorporated by reference to Exhibit 10.3 to the Company’s current report on Form 8-K, filed with the SEC on August 22, 2011)
10.8	Common Stock Warrant, issued December 23, 2011, to MedTrx Provider Network, LLC (incorporated by reference to Exhibit 10.1 to the Company’s current report on Form 8-K, filed with the SEC on February 13, 2012)
10.9	Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to the Company’s current report on Form 8-K, filed with the SEC on February 13, 2012)
10.10	Agreement and Plan of Merger, made as of February 13, 2012, by and between the Company and First Choice Healthcare Solutions, Inc. (incorporated by reference to Appendix A to the Company’s Information Statement on Schedule 14c, filed with the SEC on March 13, 2012)
10.11	Loan Agreement, dated February 1, 2012, between FCID of Medical, Inc. and CCR of Melbourne, Inc.+
10.12	Revolving Line of Credit Promissory Note, dated February 15, 2012, in the amount of \$500,000, issued by FCID Medical, Inc. to CCR of Melbourne, Inc.+
10.13	Guaranty, provided by the Company to CCR of Melbourne, Inc.+
14	Code of Ethics (incorporated by reference to Exhibit 14 to the Company’s Annual Report on Form 10-K, filed with the SEC on March 30, 2012)
21.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 to the Company’s Annual Report on Form 10-K, filed with the SEC on April 15, 2011)
21.1(a)	List of Subsidiaries, revised (incorporated by reference to Exhibit 21.1(a) to the Company’s Annual Report on Form 10-K, filed with the SEC on March 30, 2012)

31.1	Section 302 Certification of Principal Executive Officer+
31.2	Section 302 Certification of Principal Financial Officer+
32.1	Section 906 Certification of Principal Executive Officer+
32.2	Section 906 Certification of Principal Financial Officer+
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Calculation Linkbase Document *
101.LAB	XBRL Taxonomy Labels Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document *
101.DEF	XBRL Definition Linkbase Document *

+filed herewith

\*Attached as Exhibit 101 to this report are the following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) related notes to these financial statements tagged as blocks of text. The XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed "filed" or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, and is not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of those sections.

## SIGNATURES

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

### FIRST CHOICE HEALTHCARE SOLUTIONS, INC.

Date: May 15, 2012

By: /s/ Christian Charles Romandetti  
Christian Charles Romandetti,  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 15, 2012

By: /s/ Donald A. Bittar  
Donald A. Bittar  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)



LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of the 1<sup>ST</sup> day of February, 2012, by and between CCR OF MELBOURNE, INC., whose address is 709 S. Harbor City Boulevard, Suite 250, Melbourne, Florida 32901 (the "Lender") and FCID MEDICAL, INC., whose address is 709 S. Harbor City Boulevard, Suite 250, Melbourne, Florida 32901. (the "Borrower").

WITNESSETH:

WHEREAS, Borrower has requested that Lender grant a revolving line of credit loan in the current principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the "Loan") for the purpose of financing Borrower's working capital and for other general corporate purposes.

WHEREAS, Borrower and Lender wish to enter into this Agreement in order to set forth the terms and conditions of the Loan.

NOW, THEREFORE, in consideration of the Premises and the sum of TEN DOLLARS (\$10.00) each to the other in hand paid, the receipt and sufficiency of which is hereby acknowledged, Borrower and Lender do hereby agree as follows:

ARTICLE I  
LOAN DOCUMENTS

Prior to or simultaneously with the execution of this Agreement, Borrower shall execute and deliver, or cause to be executed and delivered, to Lender the following documents (hereinafter collectively and together with this Agreement referred to as "Loan Documents"), all in a form reasonably satisfactory to Lender:

1. Note. A Revolving Line of Credit Note (the "Note") of even date payable to the order of Lender executed by Borrower, in the principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00). All of the terms and provisions of the Note shall be satisfactory to Lender and Borrower.
2. Other Documents. Such other documents as may be reasonably required by Lender in connection with the Loan including, but not limited to, a loan closing statement, corporate authorization documents, a compliance agreement, a waiver of jury trial, and an IRS Form W-9.

ARTICLE II  
REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower hereby represents and warrants to Lender as follows:

1. Incorporation, Good Standing, and Due Qualification. Borrower is a corporation duly incorporated, validly existing, and in good standing and has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged.
2. Corporate Power and Authority. The execution, delivery, and performance by the Borrower of the Loan Documents have been duly authorized by all necessary corporate action and do not and will not (1) require any consent or approval of the members of the Borrower; (2) contravene the Borrower's charter or bylaws; (3) to Borrower's knowledge, violate any provision of any law, rule, regulation (including, without limitation, Regulations U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to the Borrower; (4) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease, or instrument to which the Borrower is a party or by which it or its properties may be bound or affected; (5) result in, or require, the creation or imposition of any lien, upon or with respect to any of the properties now owned or hereafter acquired by the Borrower; or (6) cause the Borrower to be in default under any (i) to Borrower's knowledge, such law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award or; (ii) any such indenture, agreement, lease, or instrument.

3. Validity of Loan Documents. The Loan Documents constitute valid and binding obligations of Borrower, enforceable against Borrower in accordance with their terms.

4. Conflicting Transactions of Borrower. The consummation of the transactions hereby contemplated and the performance of the obligations of Borrower under and by virtue of the Loan Documents will not result in any breach of, or constitute a default under, any mortgage, security deed, deed of trust, lease, bank loan or credit agreement, or other instrument to which Borrower is a party or by which Borrower may be bound or affected.

5. Pending Litigation. Except as specifically set forth below in this paragraph, there are no actions, suits, or proceedings pending, or to the knowledge of Borrower involving the validity or enforceability of any of the Loan Documents, at law or in equity, or before or by any governmental authority, except actions, suits and proceedings which are fully covered by insurance or which, if adversely determined, would not substantially impair the ability of Borrower to perform each and every one of its obligations under and by virtue of the Loan Documents; and to the Borrower's knowledge, it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority.

6. Brokerage Commissions. Any brokerage commissions due, and of which Borrower is aware, in connection with the transaction contemplated hereby have been paid in full and any such commissions coming due in the future will be promptly paid by Borrower. Borrower agrees to and shall indemnify Lender from any liability, loss, cost, damage, claim or expense arising by reason of any such brokerage commissions. This provision shall survive the repayment of the Loan made in connection herewith and shall continue in full force and effect so long as the possibility of such liability, loss, cost, damage, claim or expense exists.

7. Accuracy of Information. Lender's commitment to make the Loan is based on the accuracy of Borrower's representations and statements. Neither this Loan Agreement nor any documents, financial statements, credit information, certificate or statement required herein to be furnished to Lender contains any untrue statement of a fact or omits to state a fact material to this Loan Agreement or to Lender's decision to enter into this Loan Agreement or to make the Loan. Lender shall have the option to declare this Loan Agreement to be breached if there shall have been any material misrepresentation, misstatement, omission or any material error in any statement, document or other submission delivered to Lender, or if there shall have been a material adverse change in the status of facts submitted to Lender, or Borrower becomes insolvent or bankrupt.

8. Set-Offs. Borrower does not have any defenses, counterclaims or set-offs with respect to any Loan proceeds disbursed or to be disbursed or otherwise advanced or to be advanced hereunder.

9. Continuation and Investigation. The warranties and representations contained herein shall be and remain true and correct so long as any of Borrower's obligations hereunder have not been satisfied, or so long as part of the Loan shall remain outstanding, and each request by Borrower for a disbursement or extension of the Loan shall constitute an affirmation that the foregoing representations and warranties remain true and correct as of the date thereof. All representations, warranties, covenants and agreements made herein or in any certificate or other document delivered to Lender by or on behalf of Borrower pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf, and shall survive the making of any or all of the Loan disbursements contemplated hereby.

### ARTICLE III COVENANTS OF BORROWER

Borrower hereby covenants and agrees with Lender as follows:

1. Loan Agreement. To duly and punctually perform, observe and comply with all of the terms, provisions, conditions, covenants and agreements on Borrower's part to be performed, observed and complied with hereunder and under the Loan Documents and any other documents and instruments executed and delivered by Borrower to Lender in connection herewith. Borrower will not suffer or permit any Event of Default to exist hereunder or thereunder. To the extent required by GAAP, Borrower will promptly give notice in writing to Lender of the occurrence of any material litigation or proceedings affecting Borrower and whether or not Borrower's liability, if any, is covered by insurance.

2. Expenses. To pay all costs of closing the Loan contemplated hereunder and all reasonable expenses of Lender with respect thereto, including but not limited to reasonable attorneys' fees and documentary stamps.

3. Negative Covenants. The Borrower represents and warrants that the Borrower or its subsidiaries will duly pay or discharge all taxes or other claims which may become a lien on any of its property or assets, excepting to the extent that such items are being appropriately contested in good faith (in which case an adequate reserve for payment shall be maintained).

ARTICLE IV  
SPECIFIC PROVISIONS

1. Financial Statements and Records. Borrower shall, with reasonable promptness, deliver such additional financial or other data in reasonably the same form as they are maintained by Borrower and reasonably satisfactory to Lender as the Lender may reasonably request, provided, that Borrower has a reasonable time to produce such information. The Lender is hereby authorized to deliver a copy of any financial statements or any other information relating to the business operations or financial condition of the Borrower which may be furnished to it or come to its attention pursuant to this Agreement or otherwise, to any regulatory body or agency having jurisdiction over the Lender or to any person which shall, or shall have the right or obligation, to succeed to all or any part of the Lender's interest in the Note or other Loan Documents.

2. Advances. Lender shall endeavor to fund advances within ten (10) days after Lender's receipt of a written request from Borrower which specifies the amount of the request, acknowledges the current outstanding balance of the Loan (which figure is not binding on Lender if inaccurate), and specifies the intended use of the requested funds. All advances shall be subject to Lender's approval of such uses in Lender's sole discretion.

3. Financials and SEC Reportings. It is also agreed that Lender's obligation to make any fundings under the Loan is contingent upon Borrower's parent company (and any publicly traded affiliates) being fully compliant with all Securities and Exchange Commission financial and reporting requirements.

ARTICLE V  
EVENTS OF DEFAULT

An occurrence of any of the following events shall constitute an Event of Default hereunder entitling Lender to the remedies set forth in the Note: (i) failure by Borrower to pay principal or interest under the Loan Documents when due; (ii) failure by Borrower to pay any other amount owed under the Loan Documents within ten (10) days after written notice from Lender thereof; (iii) breach of any other covenants of Borrower under the Loan Documents which is not cured within thirty (30) days after written notice from Lender thereof; (iv) any representation or warranty of Borrower under the Loan Documents is false in any material respect thereof when made and not thereafter cured within ten (10) days; (v) Default by Borrower of any other agreement with Lender which has not been cured within the time period set forth therein (including any hedging agreement executed with the Lender); (vi) failure by Borrower to pay amounts owed to any creditor other than Lender under a written agreement calling for payment of money, provided that the applicable notice and/or grace period in such written agreement have expired; (vii) bankruptcy or insolvency (whether voluntary or involuntary) of Borrower; (viii) dissolution, liquidation, merger, consolidation, termination or suspension of business of Borrower; (ix) a change in control materially adversely affecting Borrower; (x) a reasonable determination by Lender of the occurrence of a material adverse change in the financial condition of Borrower; (xi) if secured, any material impairment or deterioration of the value of any collateral; or (xii) the sale of all or substantially all of the assets of Borrower other than in the ordinary course of business.

ARTICLE VI  
GENERAL CONDITIONS

The following conditions shall be applicable throughout the term of this Agreement:

1. Rights of Third Parties. All conditions of the obligations of Lender hereunder, including the obligation to make advances, are imposed solely and exclusively for the benefit of Lender, its successors and assigns, and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make advances in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by Lender at any time if in its sole discretion it deems it desirable to do so.

2. Evidence of Satisfaction of Conditions. Any condition of this Agreement which requires the submission of evidence of the existence or nonexistence of a specified fact or facts implies as a condition the existence or nonexistence, as the case may be, of such fact or facts, and Lender shall at all times be free independently to establish to its reasonable satisfaction such existence or nonexistence.

3. Assignment. Lender shall have the unconditional right to assign all or any part of its interest hereunder to any third parties, but Borrower may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of Lender.

4. Successors and Assigns Included in Parties. Whenever in this Agreement one of the parties hereto is named or referred to, the heirs, legal representatives, successors, and assigns of such parties shall be included, and all covenants and agreements contained in this Agreement by or on behalf of the Borrower or by or on behalf of Lender shall bind and inure to the benefit of their respective heirs, legal representatives, successors and assigns whether so expressed or not.

5. Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

6. Invalid Provisions to Affect No Others. In fulfillment of any provision hereof or any transaction related hereto at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be held for naught as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect.

7. Number and Gender. Whenever the singular or plural number, masculine or feminine, or neuter gender is used herein, it shall equally include the other. References herein to Borrower shall include all of the corporate borrowers, unless the context indicates reference to any Borrower or only Borrower.

8. Amendments. Neither this Agreement nor any provision hereof may be changed, waived, discharged, or terminated orally, but only by instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

9. Documentary Stamp Taxes, etc. Throughout the term of the Loan, the Borrower shall be obligated to and shall pay all applicable documentary stamp taxes required to be paid at any time on the Loan, whether on any original or renewal promissory note or otherwise, together with any and all penalties due thereon. Borrower by the execution hereof does hereby guarantee said prompt payment. This provision shall in any event survive any payment of the Loan, return of any promissory note evidencing the Loan or any guarantee of its return.

10. Attorneys' Fees. Should any litigation arise between, among or involving any of the parties concerning or arising out of this Agreement, including, but not limited to, actions for damages, specific performance, declaratory, injunctive or other relief, and whether at law or in equity, and including appellate and bankruptcy proceedings as well as at the trial level, the prevailing party in any such litigation or proceeding shall be entitled to recover reasonable attorneys' fees and costs.

11. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Florida.

12. Venue and Waiver of Demand for Jury Trial. Borrower and Lender hereby consent and agree that, in any actions predicated upon this Agreement, venue is properly laid in Brevard County, Florida, at the discretion of Lender, and that the Circuit Court for Brevard County, Florida shall have full jurisdiction to determine all issues arising out of or in connection with the execution and enforcement of this Agreement. Borrower waives to the fullest extent permitted under the laws of the State of Florida, any right, power or privilege to demand a jury trial with respect to any and all issues arising out of or in connection with the execution and/or enforcement of this Agreement.

IN WITNESS WHEREOF, Borrower and Lender have hereunto caused these presents to be executed on the date first above written.

WITNESSES:

"LENDER"  
CCR OF MELBOURNE, INC.

/s/ \_\_\_\_\_  
/s/ \_\_\_\_\_  
Two witnesses as to Lender

By: /s/ Christian C. Romandetti  
Christian C. Romandetti, President

"BORROWER"  
FCID MEDICAL, INC.

/s/ \_\_\_\_\_  
/s/ \_\_\_\_\_  
Two witnesses as to Borrower

By: /s/ Christian C. Romandetti  
Print Name: Christian C. Romandetti  
Title: President



REVOLVING LINE OF CREDIT  
PROMISSORY NOTE

\$500,000.00 February 15, 2012

FOR VALUE RECEIVED, the undersigned, FCID MEDICAL, INC. (the "Borrower"), promises to pay to the order of CCR OF MELBOURNE, INC. (the "Lender"), having a mailing address of 709 S. Harbor City Boulevard, Suite 250, Melbourne, Florida 32901, the principal sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), or such sum as is then outstanding, together with interest from the date hereof at the applicable interest herein after set forth. Said principal and interest shall be payable in lawful money of the United States of America which shall be legal tender in payment of all debts at the time of payment, said principal and interest to be paid over a term, at the times, and in the manner following, to-wit:

Interest Rate.

Interest shall accrue on the unpaid principal amount hereof from time to time outstanding at the fixed rate of eight and one-half percent (8.50%) per annum.

Interest shall be calculated on the basis of a three hundred sixty (360) day year and charged for the actual number of days elapsed in an interest period. In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed by applicable law, as amended from time to time, and in the event any such payment is paid by the Borrower or received by the Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the Lender, in writing, that the Borrower elects to have such excess returned to it for its worth.

Interest Payments.

Monthly interest payments (each a "Monthly Interest Payment") shall be due on the first business day of each calendar month for the immediately preceding calendar month. The first Monthly Interest Payment shall be due and payable on March 1, 2012, with subsequent monthly interest payments being due on the first day of each consecutive month thereafter.

Maturity Date.

On October 1, 2013 (herein referred to as the "Maturity Date"), all outstanding principal, accrued and unpaid interest, and any and all other sums due hereunder shall be paid by Borrower to Lender.

It is expressly understood and agreed that this Note constitutes a line of credit equal to the face amount hereof, which is available to the Borrower. It is anticipated that the sums borrowed under this Note may from time to time be repaid, in part or in full, and thereafter re-borrowed. In such case, this Note shall remain an enforceable obligation to the extent that additional funds are available hereunder, notwithstanding the earlier repayment hereof.

Each payment when made shall be applied first to the payment of interest, second to the payment of sums due hereunder other than interest or principal (i.e., late payment and similar charges), and then to the payment of principal.

The Lender may, at its option, collect a late charge not to exceed five percent (5.0%) of any payment not timely paid, to reimburse Lender for expenses of servicing the delinquent payment.

The Borrower does not intend or expect to pay, nor does the Lender intend or expect to charge, accept or collect any interest greater than the highest legal rate of interest which may be charged under the laws of the State of Florida. If, from any circumstances whatsoever, fulfillment of any provision of this Note, at the time performance of said provision shall be due, shall involve transcending the limit of validity prescribed by the statutes of the State of Florida governing usury or any other law of the State of Florida, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity so that in no event shall exaction be possible under this Note in excess of the limit of such validity, but such obligation shall be fulfilled to the limit of such validity. If, under any circumstances whatsoever, interest in excess of the limit of such validity will have been paid by the Borrower in connection with the indebtedness evidenced by this Note, such excess shall be applied to the unpaid and outstanding principal due under this Note, and not to the payment of interest. The provisions of this paragraph shall control every other provision of all other agreements executed by Borrower or Lender in connection with this transaction.

It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration, whether principal, interest or money owing for advancements by the Lender pursuant to the terms of the Mortgage securing this Note, shall bear interest at the highest rate allowed by law or at eighteen percent (18%) per annum, whichever is less, until paid.

Borrower understands and agrees that Borrower shall be liable for any and all documentary stamp taxes due in connection with the execution and delivery of this Note. Borrower agrees to pay same (including penalties, if any) immediately upon demand and agrees to indemnify Lender from, and hold Lender harmless against, any losses, costs, damages or expenses incurred by Lender in connection with same.

If an Event of Default, as understood and defined in the "Loan Agreement," be made in the payment of any of the sums or interest mentioned herein, or if an Event of Default be made in the performance of or compliance with any of the covenants and conditions contained herein, then in any or all of such events, at the option of the Lender and subject to the applicable notice and cure periods contained in the "Events of Default" section in the Loan Agreement, the entire amount of principal of this Note, together with all interest then accrued, shall become and be immediately due and payable. Failure on the part of the Lender to exercise any right granted herein shall not constitute a waiver of such right or preclude the subsequent exercise thereof.

In the event this Note is placed in the hands of any attorney for collection, Borrower will pay, on demand, all reasonable costs and expenses arising therefrom, including, without limitation, reasonable attorneys' fees, together with all reasonable attorneys' fees, costs and expenses incurred by the Lender at or before the trial level and in any appellate or bankruptcy proceedings.

The maker, endorsers and guarantors hereof, if any, and all others who may be or become liable for all or any part of the obligation represented by this Note, severally waive presentment for payment, protest, and notice of protest and non-payment, and consent to any number of renewals or extensions of time of payment hereof. Any such renewals or extensions of time may be made without notice to any of said parties and without affecting their liability. In addition, Lender may release any person or entity liable for the repayment of the indebtedness represented hereby without releasing any other person or entity obligated on or for the repayment of the indebtedness evidenced by this Note.

If and whenever this Note shall be assigned and transferred, or negotiated, the holder hereof shall be deemed the "Lender" for all purposes under this Note.

This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. It is the intention of the parties hereto that the terms and provisions of this Note are to be construed in accordance with and governed by the laws of the State of Florida, except as such laws may be preempted by any federal law controlling the rate of interest which may be charged on account of this Note. Time is of the essence in interpreting the terms and provisions of this Note .

The rights, remedies and powers of Lender, as provided in this Note, are cumulative and concurrent, and may be pursued singly, successively or together against Borrower, any guarantor hereof and any other security given at any time to secure the payment hereof, all at the sole discretion of Lender.

Borrower hereby consents and agrees that, in any actions predicated upon this Note, venue is properly laid in Brevard County, Florida, and that the Circuit Court in and for Brevard County, Florida, shall have full jurisdiction to determine all issues arising out of or in connection with the execution and enforcement of this Note. Borrower waives to the fullest extent for itself, its successors and assigns and all persons now or at any time liable for payment of this Note, to the fullest extent permitted under the laws of the State of Florida, any right, power, privilege or prerogative to demand a jury trial with respect to any and all issues arising out of or in connection with the execution, delivery and/or enforcement of this Note, (including but not limited to any claims, cross-claims or third party claims).

The term "Borrower" as used herein in every instance shall include the Borrower's successors, legal representatives and assigns, including all subsequent grantees, either voluntarily by act of the Borrower or involuntarily by operation of law and shall denote the singular and/or plural and the masculine and/or feminine and natural and/or artificial persons, whenever and wherever the contexts so requires or properly applies. If comprised of two or more persons or entities, all references to the "Borrower" shall be deemed to refer to each one of said persons or entities in their joint and several capacities. The term "Lender" as used herein in every instance shall include the Lender's successors, legal representatives and assigns, as well as all subsequent assignees, endorsees and holders of this Note, either voluntarily by act of the parties or involuntarily by operation of law.

**FCID MEDICAL, INC.**

By: /s/Christian C. Romandetti

By: Print Name: Christian C. Romandetti

Title: President

Borrower's Address:

709 S. Harbor City Blvd., Suite 250  
Melbourne, FL 32901



GUARANTY

Dated: February 15, 2012

For sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce CCR OF MELBOURNE, INC. ("Lender") to accept that certain Revolving Line of Credit Promissory Note (the "Note") of even date herewith in the original principal amount of \$500,000.00 from FCID MEDICAL, INC. ("Borrower"), and the Loan Agreement dated of even date herewith (the "Loan Agreement"), the undersigned hereby unconditionally guaranties to Lender the prompt payment of all amounts due on the Note and Loan Agreement as and when the same shall become due whether by acceleration, extension or otherwise and the due and prompt performance of all obligations under the Note and the Loan Agreement. Lender may extend or renew any indebtedness or release any lien or collateral securing same, or waive any rights thereunder, or release any accommodation party or party secondarily liable thereon, all without the acknowledgement and consent of the undersigned and without thereby releasing or diminishing its rights against the undersigned hereunder. The undersigned waives notice of acceptance of this Guaranty, notice of any extensions of credit or other acts by Lender and waives diligence, presentment, demand, notice, protest and suit by Lender in respect to the indebtedness hereby guaranteed, and Lender may enforce this Guaranty without first suing the Borrower or any other party or proceeding against any security it may have. The undersigned agrees to pay all costs and expenses, including reasonable attorney fees and other legal expenses whether incurred at or before the trial level and/or in any appellate, bankruptcy or administrative proceeding, paid or incurred by Lender in connection with the enforcement of this Guaranty. This Guaranty shall bind and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

Signed, sealed and delivered  
in the presence of:

**"GUARANTOR"**

MEDICAL BILLING  
ASSISTANCE, INC.

By: /s/ Christian C. Romandetti  
Print Name: Christian C.  
Romandetti  
Title: President

Print Name:  
Print Name:

STATE OF FLORIDA  
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of February, 2012, by Christian C. Romandetti, as President of MEDICAL BILLING ASSISTANCE, INC., on behalf of the corporation. Said person (check one)  is personally known to me,  produced a driver's license (issued by a state of the United States within the last five (5) years) as identification, or  produced other identification, to wit: \_\_\_\_\_.

/s/ Julie L. Hardesty  
Print Name: Julie L. Hardesty  
Notary Public, State of Florida  
Commission No.: DD876139



**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christian Charles Romandetti, certify that:

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

Date: May 15, 2012

/s/Christian Charles Romandetti  
Christian Charles Romandetti,  
President and Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Donald A. Bittar, certify that:

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

Date: May 15, 2012

/s/ Donald A. Bittar  
Donald A. Bittar  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)



**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER**  
**PURSUANT TO 18 U.S. C. SECTION 1350**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of First Choice Healthcare Solutions, Inc. (the “Company”) on Form 10-Q for quarter ended March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christian Charles Romandetti, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: May 15, 2012

/s/ Christian Charles Romandetti  
Christian Charles Romandetti,  
President and Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER**  
**PURSUANT TO 18 U.S. C. SECTION 1350**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of First Choice Healthcare Solutions, Inc. (the "Company") on Form 10-Q for quarter ended March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald A. Bittar, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: May 15, 2012

/s/ Donald A. Bittar  
Donald A. Bittar  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

