**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**
**Form 10-K**

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from_______to_______

Commission file number 000-53012

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware<br>(State or other jurisdiction of incorporation or organization) | **90-0687379**<br>(I.R.S. Employer Identification No.) |
| **709 S. Harbor City Blvd., Suite 250, Melbourne, FL**<br>(Address of principal executive offices) | **32901**<br>(Zip Code) |

Registrant's telephone number, including area code **(321) 725-0090**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| N/A | N/A |

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $0.001 per share

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes £ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No £

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer £ Accelerated filer £ Non-accelerated filer £ Smaller reporting company ☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was $15,356,978.

As of March 28, 2013, there were 12,833,462 shares of common stock, par value $0.001 per share, outstanding.

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**
**INDEX TO ANNUAL REPORT ON FORM 10-K**
**Fiscal Year Ended December 31, 2012**

## PART I

This report may contain forward-looking statements within the meaning of Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking state to all comments are based on our management's beliefs and assumptions and on information currently available to our management and involve risks and uncertainties. Forward-looking statements include statements regarding our plans, strategies, objectives, expectations and intentions, which are subject to change at any time at our discretion. Forward-looking statements include our assessment, from time to time of our competitive position, the industry environment, potential growth opportunities and the effects of regulation. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "hopes," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We discuss many of these risks in greater detail in "Risk Factors." Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this report. You should read this report and the documents that we reference in this report and have filed as exhibits to the report completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

### Item 1. Business

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, 2,429,000 common shares were issued to Mr. Michael West and other IVS shareholders 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 an inactive, wholly-owned subsidiary of the Company. The consideration for the disposition was the net liability assumption by the purchaser.

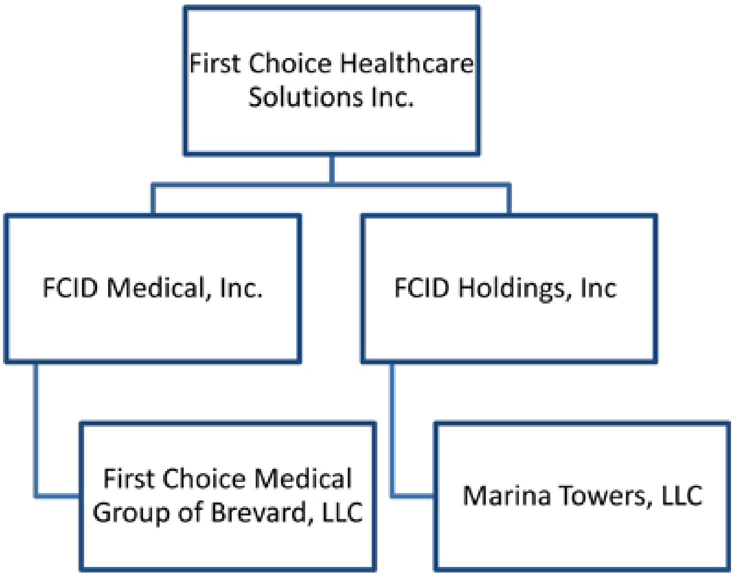
On December 29, 2010, we entered into a Share Exchange Agreement (the "Share Exchange Agreement") with FCID Medical, Inc., a Florida corporation ("FCID Medical") and FCID Holdings, Inc., a Florida corporation ("FCID Holdings)", which together will be referred to herein with FCID Medical as "FCID", and 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 10,000,000 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 April 4, 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. The company changed its name to be more closely aligned with its target market.

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




**Our Business**

The cornerstone of our business plan is developing, via acquisition or restructuring, multi-specialty clinics, into a synergistic, state-of-the-art, efficient medical multi-specialty centers of excellence. The Company has carved a new niche in the multi-billion dollar health care industry by offering a paradigm to the way physicians practice medicine. Our centers of excellence include an optimal mix of synergistic multi-specialty physicians combined with an array of diagnostic capabilities.

**Business Strategy**

We are dedicated to providing the excellent quality and cost effective healthcare services to the communities and patient's we serve. Our steadfast goal is to create an environment of excellent patient care, proactive attitudes and the enthusiastic spirit in every member of our team. We strive to be the unsurpassed provider of orthopedic, neurology and interventional pain medicine services supported by an array of the latest technological and medical ancillary diagnostic tools located within each facility.

Our operational strategy for our medical facilities is devoted to the excellent care of our patients. Our driven willingness to address our patient's needs, ranging from their physical health to their emotional well-being, has helped direct the operating improvements in our business.

Our strategic focus is to expand our healthcare business by making selective employment of physicians and or acquisition of physician practices in other select markets. Our expansion program plans to provide:

- Additional revenues;
- More rapid growth;
- Economies of scale in billing, collection, purchasing, advertising and compliance;
- Increased exposure to our brand.

**First Medical Multi-Specialty Center of Excellence**

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. Since acquiring First Choice Medical Group of Brevard, LLC:

- Monthly patient visits have increased
- Accounts receivable turnaround time has improved
- The number of physicians and healthcare professionals has increased

**New MRI and X-ray Facility**

Following the acquisition of First Choice Medical Group of Brevard, on May 21, 2012, the Company completed a $2.4 million financing with GE Healthcare Financial Services for a state-of-the-art, technologically advanced GE X-ray machine and MRI system. Both the X-ray and MRI systems were installed and fully operational within First Choice Medical Group of Brevard's Center of Excellence on August 22, 2012, and September 27, 2012 respectively.

We are proud to have installed the newest and technologically advanced MRI system in our target market area. The GE MRI Gem Suite system has been certified. The MRI was positioned and installed to capitalize on the river views, which is intended to promote patient relaxation and comfort. This is intended to produce a better study which in turn relates to a better patient experience. The MRI system is housed in a newly constructed expansion space within First Choice Medical Group of Brevard's Center of Excellence. The Center's expansions space, specifically designed for the MRI system, is located within the Company's headquarters building. Billing and patient volume for MRI and X-ray services continues to track on plan.

The Diagnostic Equipment and Facilities Expansion initiative was successful with all of the equipment, systems and the facility fully operational and revenue productive.

Customer service for our medical patients continues to significantly improve.

**A new paradigm medical multi-specialty center of excellence**

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 excellent medical services direct to patients, whom are the 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. One of the keys to our success is our new paradigm of our multi-specialty medical centers of excellence. While adopting the leading edge retail service practices, the Company remains committed to excellent patient service levels intended to achieve predictable and acceptable profit margins.

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

Our business model brings the best retail practices to operating a multi-specialty medical center 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 medical centers of excellence. 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 offers 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 to maintain the continuum of care. 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 employee physicians in multiple multi-specialty medical centers of excellence 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 allows physicians to concentrate exclusively on delivering excellent patient care. The requirements for running the business functions of successful medical centers of excellence are the 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.

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 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 of excellence 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 centers 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 incorporates the best of these technologies. A central management team monitors, directs and controls our multi-specialty medical centers of excellence and all the necessary support subcontractors. We operate a secure paperless system with electronic patient medical records. Test results, X-ray and MRI images, diagnosis, patient notes, visit reports, billing information, insurance coverage, and patient identification information are all contained within the electronic medical record, allowing physicians and staff instant access to every aspect of a patient's medical information from anywhere, in any clinic. The patient billing, accounts receivable and collection functions also are paperless. A majority of our third party payors remit by EFT 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 of excellence, 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 within each of our multi-specialty medical centers of excellence.

**Our headquarters**

Our corporate headquarters is located on the shore of the Indian River, at 709 S. Harbor City Blvd., Suite 250, Melbourne, FL 32901 in Marina Towers, which is owned by Marina Towers, LLC, a wholly owned subsidiary of FCID Holdings, Inc.

FCID Holdings manages our real estate. Marina Towers, LLC operates Marina Towers, a 75,267 square foot Class A six-story office building. The building has operated with a 95% average tenant occupancy and a rent roll that is supported by approximately 75% non-affiliate, high quality, commercial tenants. The building generates revenue and income for the Company that is intended to be available to fund the expansion of our operating businesses.

**Employees**

As of December 31, 2012, we employed a total of 26 employees. None of our employees are covered by a collective bargaining agreement. At the present time, the employment of all employees is "at-will", including but not limited to the physicians.

## Item 1A. Risk Factors

The risk factors discussed below could cause our actual results to differ materially from those expressed in any forward-looking statements. Although we have attempted to list comprehensively these important factors, we caution you that other factors may in the future prove to be important in affecting our results of operations. New factors emerge from time to time and it is not possible for us to predict all of these factors, nor can we assess the impact of each such factor on the 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 statement.

The risks described below set forth what we believe to be the most material risks associated with the purchase of our common stock. Before you invest in our common stock, you should carefully consider these risk factors, as well as the other information contained in this prospectus.

### General Risks Regarding Our Business

**Our Company implemented its unique business model in 2012 and we continue to enhance the strategy of the business plan.**

Our limited operating history in our present format makes it difficult for us to evaluate our future business prospects and make decisions based on estimates of our future performance. To address these risks and uncertainties, we must do the following:

- Successfully execute our business strategy;
- Respond to competitive developments;
- Effectively and efficiently integrate new acquisitions and
- Attract, integrate, retain and motivate qualified personnel.

We cannot be certain that our business strategy will be successful or that we will successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**Our management has limited experience operating a public company.**

Our management has limited experience operating a public company. We plan to comply with all of the rules and regulations which are applicable to public companies. However, if we cannot operate successfully as a public company, your investment may be materially adversely affected.

**We are implementing a strategy to grow our business, which is expensive and may not generate income.**

We intend to grow our business, and we plan to incur expenses associated with our growth and expansion. Although we are taking steps to raise funds through equity offerings to implement our growth strategy, these funds may not be adequate to offset all of the expenses we incur in expanding our business. We will need to generate revenues to offset expenses associated with our growth, and we may be unsuccessful in achieving sufficient revenues, despite our attempts to grow our business. If our growth strategies do not result in sufficient revenues and income, we may have to abandon our plans for further growth and/or cease operations, which could have a material and adverse effect on our business, prospects and financial condition.

**We may need to raise additional capital. If we are unable to raise additional capital, our business may fail.**

If we require additional capital, we may need to borrow money or sell more securities. Under these circumstances, we may be unable to secure additional financing on favorable terms or at all.

Selling additional stock, either privately or publicly, would dilute the equity interests of our stockholders. If we borrow money, we will have to pay interest and may also have to agree to restrictions that limit our operating flexibility. If we are unable to obtain required capital for operations or growth, we may have to curtail business operations which would have a material negative effect on operating results and most likely result in a lower stock price.

**Adverse changes in general domestic and worldwide economic conditions and instability and disruption of credit markets could adversely affect our operating results, financial condition, or liquidity.**

We are subject to risks arising from adverse changes in general domestic and global economic conditions, including recession or economic slowdown and disruption of credit markets. Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession, inflation, energy costs, geopolitical issues, the availability and cost of credit, the United States mortgage market and a declining real estate market in the United States have contributed to increased market volatility and diminished expectations for the United States economy. Added concerns fueled by the United States government financial assistance to certain companies and other federal government's interventions in the United States financial system has led to increased market uncertainty and instability in both United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence, increased unemployment, increased tax rates and governmental budget deficits and debt levels have contributed to volatility of unprecedented levels. We believe our healthcare clinics may be impacted by unemployment rates, the number of under-insured or uninsured patients and other conditions arising from the global economic conditions described above. At this time, it is unclear what impact this might have on our future revenues or business.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide funding to borrowers.

Continued turbulence in the United States and international markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our patients. If these market conditions continue, they may limit our ability, and the ability of our patients, to timely replace maturing liabilities, and access the capital markets to meet liquidity needs, resulting in material and adverse effects on our business, prospects, financial condition and results of operations.

Generally, the majority of the cost of medical care is typically reimbursed by third-party payers such as commercial healthcare insurance companies or government programs, including Medicare and Medicaid. The remaining portion of the cost of medical care is paid by the patient. Accordingly, our operating results may vary based upon the impact of changes in the disposable income of consumers interested in healthcare, among other economic factors. A significant decrease in consumer disposable income in a weak economy may result in a decrease in the number of medical procedures performed and a decline in our revenues and profitability. In addition, weak economic conditions may cause some of our patients to experience financial distress or declare bankruptcy, which may negatively impact our accounts receivable collection experience.

**Since a significant percentage of our operating expenses are fixed, a relatively small decrease in revenues could have a significant negative impact on our financial results.**

A significant percentage of our expenses will be fixed - meaning they do not vary significantly with the increase or decrease in revenues. Such expenses include, but will not be limited to, debt service and capital lease payments, rent and operating lease payments, salaries, maintenance and insurance. As a result, a small reduction in the prices we charge for our services or procedure volume could have a disproportionately negative effect on our financial results.

**Loss of key executives and failure to attract qualified managers and sales persons could limit our growth and negatively impact our operations.**

We depend upon our management team to a substantial extent. In particular, we depend upon Christian Charles Romandetti, our President and Chief Executive Officer for his skills, experience and knowledge of our Company and industry contacts. Mr. Romandetti does not have an employment agreement with the Company and we currently do not have key employee insurance policies covering any of our management team. The loss of Mr. Romandetti or other members of our management team could have a material adverse effect on our business, results of operations or financial condition.

We require medical clinic managers, medical professionals and marketing persons with experience in our industry to operate and market our medical clinic services. It is impossible to predict the availability of qualified persons or the compensation levels that will be required to hire them. The loss of the services of any member of our senior management or our inability to hire qualified persons at economically reasonable compensation levels could adversely affect our ability to operate and grow our business.

**We may have difficulties managing growth which could lead to higher losses.**

Rapid growth could strain our human and capital resources, potentially leading to higher operating losses. Our ability to manage operations and control growth will be dependent upon our ability to raise and spend capital to successfully attract, train, motivate, retain and manage new employees and continue to update and improve our management and operational systems, infrastructure and other resources, financial and management controls, and reporting systems and procedures. Should we be unsuccessful in accomplishing any of these essential aspects of our growth in an efficient and timely manner, then management may receive inadequate information necessary to manage our operations, possibly causing additional expenditures and inefficient use of existing human and capital resources or we otherwise may be forced to grow at a slower pace that could slow or eliminate our ability to achieve and sustain profitability. Such slower than expected growth may require us to restrict or cease our operations and go out of business.

**We may not receive payment from some of our healthcare patients because of their financial circumstances.**

Some of our healthcare provider patients may not have significant financial resources, liquidity or access to capital. If these patients experience financial difficulties they may be unable to pay for the healthcare services that we will provide. A significant deterioration in general or local economic conditions could have a material adverse effect on the financial health of our healthcare provider patients. As a result, this may adversely affect our financial condition and results of operations.

**We may be subject to medical professional liability risks, which could be costly and could negatively impact our business and financial results.**

We may be subject to professional liability claims. Although there currently are no known hazards associated with any of our procedures or technologies when performed or used properly, hazards may be discovered in the future. For example: there is a risk of harm to a patient during an MRI if the patient has certain types of metal implants or cardiac pacemakers within his or her body. Although patients are screened to safeguard against this risk, screening may nevertheless fail to identify the hazard. There also is potential risk to patients treated with therapy equipment secondary to inadvertent or excessive over- or under exposure to radiation—a topic on which the U.S. House of Representatives Committee on Energy and Commerce Subcommittee on Health held a hearing on February 26, 2010. We maintain professional liability insurance with coverage that we believe is consistent with industry practice and appropriate in light of the risks attendant to our business. However, any claim made against us could be costly to defend against, resulting in a substantial damage award against us and divert the attention of our management team from our operations, which could have an adverse effect on our financial performance.

**We may not be able to achieve the expected benefits from future acquisitions, which would adversely affect our financial condition and results.**

We plan to rely on acquisitions as a method of expanding our business. If we do not successfully integrate acquisitions, we may not realize anticipated operating advantages and cost savings. The integration of companies that have previously operated separately involves a number of risks, including:

- Demands on management related to the increase in our size after an acquisition;
- The diversion of management's attention from the management of daily operations to the integration of operations;
- Difficulties in the assimilation and retention of employees;
- Potential adverse effects on operating results and
- Challenges in retaining patients.

We may not be able to maintain the levels of operating efficiency acquired companies have achieved or might achieve separately. Successful integration of each of their operations will depend upon our ability to manage those operations and to eliminate redundant and excess costs. Difficulties in combining operations may not be able to achieve the cost savings and other size-related benefits that we hoped to achieve from these acquisitions, which would harm our financial condition and operating results.

**The healthcare regulatory and political framework is uncertain and evolving.**

Healthcare laws and regulations may change significantly in the future which could adversely affect our financial condition and results of operations. We continuously monitor these developments and modify our operations from time to time as the legislative and regulatory environment changes.

In March 2010, the President signed one of the most significant health care reform measures in decades providing healthcare insurance for approximately 30 million more Americans. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the "PPACA"), substantially changes the way health care is financed by both governmental and private insurers, including several payment reforms that establish payments to hospitals and physicians based in part on quality measures, and may significantly impact our industry. The PPACA requires, among other things, payment rates for services using imaging equipment that costs over $1 million to be calculated using revised equipment usage assumptions and reduced payment rates for imaging services paid under the Medicare Part B fee schedule. We are unable to predict what effect the PPACA or other healthcare reform measures that may be adopted in the future will have on our business.

**Changes in the rates or methods of third-party reimbursements for medical services could result in reduced demand for our services or create downward pricing pressure, which would result in a decline in our revenues and harm to our financial position.**

Third-party payors such as Medicare, Medicaid and commercial health insurance companies, may change the rates or methods of reimbursement for the services we plan to provide and could have a significant negative impact on those revenues. At this time, we cannot predict the impact of rate reductions will have on our future revenues or business. Moreover, patients on whom we will depend for the majority of our medical clinic revenues generally rely on reimbursement from third-party payors. If our patients receive decreased reimbursement, this could result in a reduced demand for our services or downward pricing pressures, which could have a material impact on our financial position.

Future requirements limiting access to or payment for medical services may negatively impact our future revenues or business. If legislation substantially changes the way healthcare is reimbursed by both governmental and commercial insurance carriers, it may negatively impact payment rates for certain medical services. We cannot predict at this time whether or the extent to which other proposed changes will be adopted, if any, or how these or future changes will affect the demand for our services.

**Managed care organizations may prevent their members from using our services which would cause us to lose current and prospective patients.**

Healthcare providers participating as providers under managed care plans may be required to refer medical services to specific medical clinics depending on the plan in which each covered patient is enrolled. These requirements may inhibit their members from using our medical services in some cases. The proliferation of managed care may prevent an increasing number of their members from using our services in the future which would cause our revenues to decline.

**"Stark" Law prohibition on physician referrals may be interpreted so as to limit our prospects.**

The Ethics in Patient Referral Act of 1989, as amended (the "Stark Law"), is a civil statute that generally (i) prohibits physicians from making referrals for designated health services to entities in which the physicians have a direct or indirect financial relationship and (ii) prohibits entities from presenting or causing to be presented claims or bills to any individual, third party payer, or other entity for designated health services furnished pursuant to a prohibited referral. Under the Stark Law, a physician may not refer patients for certain designated health services to entities with which the physician has a direct or indirect financial relationship, unless allowed under an enumerated exception. Under the Stark Law, there are numerous statutory and regulatory exceptions for certain otherwise prohibited financial relationships. A transaction must fall entirely within an exception to be lawful under the Stark Law.

The Stark Law contains significant civil sanctions for violations, including denial of payment, refunds of amounts collected in violation of the Stark Law and exclusion from Medicare or Medicaid programs. In addition, OIG may impose a penalty of $10,000 for submitting an illegal claim or not refunding such a claim on a timely basis and a civil monetary penalty of up to $100,000 for each circumvention arrangement or scheme.

On advise and representations by counsel and independent compliance consultants, we believe that any referrals between or among the company, the physicians providing services and the facilities where procedures are performed will be for services compliant under the Stark Law. If these arrangements are found to violate the Stark Law, we may be required to restructure such services or be subject to civil or criminal fines and penalties, including the exclusion of our company, the physicians, and the facilities from the Medicare and Medicaid programs, any of which events could have a material adverse effect on our business, financial condition and results of operations.

Some states have enacted statutes, similar to the federal Anti-Kickback Statute and Stark Law, applicable to our operations because they cover all referrals of patients regardless of the payer or type of healthcare service provided. These state laws vary significantly in their scope and penalties for violations. Although we have endeavored to structure our business operations to be in material compliance with such state laws, authorities in those states could determine that our business practices are in violation of their laws. This could have a material adverse effect on our business, financial condition and results of operations.

**Advertising restrictions may be interpreted so as to limit our prospects.**

Our healthcare clinic business will be dependent on advertising, which is subject to regulation by the Federal Trade Commission ("FTC"). We believe that we have structured our advertising practices to be in material compliance with FTC regulations and guidance. However, we cannot be certain that the FTC will not determine that our advertising practices are in violation of such laws and guidance.

In addition, the laws of many states restrict certain advertising practices by and on behalf of physicians. Many states do not offer clear guidance on the bounds of acceptable advertising practices or on the limits of advertising provided by management companies on behalf of physicians. Although we have endeavored to structure our advertising practices to be in material compliance with such state laws, authorities in those states could determine that our advertising practices are in violation of those laws.

**Fee-splitting prohibitions in some states may be interpreted so as to limit our prospects.**

Many states prohibit medical professionals from paying a portion of a professional fee to another individual unless that individual is an employee or partner in the same professional practice. If we violate a state's fee-splitting prohibition, we may be subject to civil or criminal fines, and the physician participating in such arrangements may lose his or her licensing privileges. Many states do not offer clear guidance on what relationships constitute fee-splitting, particularly in the context of providing management services for doctors. We have endeavored to structure our business operations in material compliance with these laws. However, state authorities could find that fee-splitting prohibitions apply to our business practices in their states. If any aspect of our operations were found to violate fee-splitting laws or regulations, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Facility licensure requirements in some states may be costly and time-consuming, limiting or delaying our operations.**

State Departments of Health may require us to obtain licenses in the various states in which we have our medical multi-specialty centers of excellence or other business operations. We intend to obtain the necessary material licensure in states where licensure is required. However, not all of the regulations governing the need for licensure are clear and there is limited guidance available regarding certain interpretative issues. Therefore, it is possible that a state regulatory authority could determine that we are improperly conducting business operations without a license in that state. This could subject us to significant fines or penalties, result in our being required to cease operations in that state or otherwise have a material adverse effect on our business, financial condition and results of operations. Although we currently have no reason to believe that we will be unable to obtain the necessary licenses without unreasonable expense or delay, there can be no assurance that we will be able to obtain any required licensure.

**Health Insurance Portability and Accountability Act compliance is critically import to our continuing operations.**

In December 2000, the U.S. Department of Health and Human Services ("DHHS") released final health privacy regulations implementing portions of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). These final health privacy regulations were effective in April 2003, for providers that engage in certain electronic transactions, including the submission of claims for payment. Additionally, DHHS published final standards to protect the security of health-related information in February 2003. Finally, in August 2009 DHHS published interim final breach notification regulations implementing section 13402 of the Health Information Technology for Economic and Clinical Health ("HITECH") Act. The HIPAA privacy and security regulations and the HITECH Act extensively regulate the use and disclosure of individually identifiable health-related information. Our physicians and the Company are covered entities under HIPAA if those entities provide services that are reimbursable under Medicare or other third-party payers (e.g., orthopedic services). Although the covered health care providers themselves are primarily liable for HIPAA compliance, as a "business associate" to these covered entities we are bound indirectly to comply with the HIPAA privacy regulations, and we are directly bound to comply with certain of the HIPAA security regulations. Although we cannot predict the total financial or other impact of these privacy and security regulations on our business, compliance with these regulations could require us to incur substantial expenses, which could have a material adverse effect on our business, financial condition and results of operations. In addition, we will continue to remain subject to any state laws that are more restrictive than the privacy regulations issued under the Administrative Simplification Provisions.

**Our medical business may be reliant upon direct-to-patient marketing.**

The effectiveness of our marketing programs and messages to patients can have a significant impact on our financial performance. The effectiveness of marketing may fluctuate, resulting in changes in the cost of marketing per procedure, and variations in our margins. Less effective marketing programs could materially and adversely affect our business, financial condition and results of operations.

**If we are unable to attract and retain qualified medical professionals, our ability to maintain operations at existing medical centers, to attract patients or to open new medical multi-specialty centers of excellence could be negatively affected.**

We generate our revenues through physicians and medical professionals who work for us to perform medical services and procedures. The retention of those physicians and medical professionals is a critical factor in the success of our medical multi-specialty centers, and the hiring of qualified physicians and medical professionals is a critical factor in our ability to launch new **medical multi-specialty centers of excellence** successfully. However, at times it may be difficult for us to retain or hire qualified physicians and medical professionals. If we are unable consistently to hire and retain qualified physicians and medical professionals, our ability to open new centers, maintain operations at existing medical multi-specialty centers, and attract patients could be materially and adversely affected.

**If technological changes occur rendering our equipment or services obsolete, or increase our cost structure, we may need to make significant capital expenditures or modify our business model, which could cause our revenues or results of operations to decline.**

Industry competitive or clinical factors, among others, may require us to introduce alternate medical technology for the services and procedures we offer than those that may currently be in use in our medical multi-specialty centers. Introducing such technology could require significant capital investment or force us to modify our business model in such a way as to make our revenues or results of operations decline. An increase in costs could reduce our ability to maintain our margins. An increase in prices could adversely affect our ability to attract new patients. If we are unable to obtain or maintain state of the art equipment that is essential to the professional medical services provided by our clinics, our business, prospects, results of operations and financial condition could be materially and adversely affected.

**If we are forced us to lower our procedure prices in order to compete with a better-financed or lower-cost provider of medical healthcare services our medical revenues and results of operations could decline.**

Our clinic will compete with medical clinics and other technologies currently under development. Competition comes from other clinics and from hospitals, hospital-affiliated group entities and physician group practices.

Some of our current competitors, or other companies which may choose to enter the industry in the future, may have substantially greater financial, technical, managerial, marketing or other resources and experience than we do and may be able to compete more effectively. Similarly, competition could increase if the market for healthcare services does not experience growth, and existing providers compete for market share. Additional competition may develop, particularly if the price for services or reimbursement decreases. Our management, operations, strategy and marketing plans may not be successful in meeting this competition.

If more competitors offer healthcare services in our geographic markets, we might find it necessary to reduce the prices we charge, particularly if competitors offer the services at lower prices than we do. If that were to happen or we were not successful in cost effectively acquiring patients for our procedures, we may not be able to make up for the reduced gross profit margin by increasing the number of procedures that we perform, and our business, financial condition and results from operations could be adversely affected.

**Risks related to our real estate assets and operations.**

**Our performance and value are subject to risks associated with our real estate assets and with the real estate industry.**

Since a significant source of our current revenue is our real estate asset, we are subject to the risk that if our property does not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, and the costs associated with our growth, our ability to operate and grow will be materially and adversely affected, which will materially and adversely affect our business, results of operations and financial condition and we may have to reduce or cease operations. The following factors, among others, may adversely affect the revenues generated by our property:

- Competition from other office and commercial properties;
- Local real estate market conditions, such as oversupply or reduction in demand for office or other commercial space;
- Costs to comply with new local, state and federal laws;
- Changes in interest rates and availability of financing;
- Vacancies, changes in market rental rates and the need to periodically repair, renovate and re-let space;
- Increased operating costs, including insurance expense, utilities, real estate taxes, state and local taxes and heightened security costs;
- Civil disturbances, hurricanes and other natural disasters, or terrorist acts or acts of war which may result in uninsured or underinsured losses; and
- Declines in the financial condition of our tenants and our ability to collect rents from our tenants.

**We may face risks associated with the use of debt, including refinancing risk.**

We are subject to the risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest. We anticipate that only a small portion of the principal of our debt will be repaid prior to maturity. Therefore, we are likely to need to refinance at least a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of our existing debt. If principal payments due at maturity cannot be refinanced, extended or repaid with proceeds from other sources, such as new equity capital, our cash flow may not be sufficient to repay all maturing debt when a significant "balloon" payment come due. There is a risk that we may be unable to refinance on favorable terms or at all. This risk is currently heightened because of tightened underwriting standards and increased credit risk premiums. These conditions, which may increase the cost and reduce the availability of debt, may continue or worsen in the future.

**The risks associated with the physical effects of weather could have a material adverse effect on our property.**

The physical effects of weather could have a material adverse effect on our property, operations and business. For example, our property is located on the riverfront in Brevard County Florida. To the extent weather patterns change, our market could experience increases in storm intensity or rising sea-levels that would make the property less desirable to tenants. Over time, these conditions could result in declining demand for office space in our building or the inability of us to operate the building at all. These conditions may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy and increasing the cost of snow removal at our properties. There can be no assurance that weather will not have a material adverse effect on our properties, operations or business.

**Risks related to our common stock.**

**Because our stock is traded on the Over-the-Counter Bulletin Board, it has a limited public trading market. As a result, it may be difficult or impossible for you to liquidate your investment.**

While our common stock currently is listed for trading, the trading volume is limited. We are quoted on the Over-the-Counter Bulletin Board under the trading symbol FCHS. We cannot assure that such a market will improve in the future. The OTC Bulletin Board requires that we be a reporting company under the Securities Exchange Act of 1934. Further, we cannot assure that an investor will be able to liquidate his investment without considerable delay, if at all. If a more active market does develop, the price may be highly volatile. Our limited operating history, lack of profitability, negligible stock liquidity, potential extreme price and volume fluctuations, and regulatory burdens may have a significant impact on the market price of the common stock. It is also possible that the relatively low price of our common stock may keep many brokerage firms from engaging in transactions in our common stock.

**Our common stock is subject to the "penny stock" rules of the SEC and the trading market in our securities is limited, which makes transactions in our common stock cumbersome and may reduce the value of an investment in our common stock.**

The SEC has adopted Rule 3a51-1 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that (i) has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, or (ii) is not registered on a national securities exchange or listed on an automated quotation system sponsored by a national securities exchange. For any transaction involving a penny stock, unless exempt, Rule 15g-9 of the Exchange Act requires:

- that a broker or dealer approve a person's account for transactions in penny stocks; and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- attests that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading, and about the commissions payable to both the broker-dealer and the registered representative. Current quotations for the securities and the rights and remedies and to be available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult

**If we raise additional capital by selling equity or equity-linked securities, the equity interests of our stockholders will be diluted.**

Selling additional common stock or equity-linked securities, either privately or publicly, may be necessary to source sufficient capital to fund our operations or growth. Such issuances of securities will dilute the equity interests of our stockholders.

**We do not expect to pay dividends in the foreseeable future.**

We have not paid dividends on our common stock and do not anticipate paying dividends on our common stock in the foreseeable future. We currently plan to use all funds generated by operations for reinvestment in our operating activities. Investors should not count on dividends in evaluating an investment in our common stock.

**Our largest shareholders hold significant control over our common stock and they may be able to control our Company indefinitely.**

Our largest shareholders currently have beneficial ownership of approximately 60.6% of our outstanding common stock. These significant stockholders therefore have considerable influence over the outcome of all matters submitted to our stockholders for approval, including the election of directors, the approval of significant corporate transactions.

**Possible volatility in our stock price could negatively affect us and our stockholders.**

The price of our common stock could be subject to wide fluctuations in the future as a result of a number of other factors, including the following:

- changes in expectations as to future financial performance or buy/sell recommendations of securities analysts;
- our, or a competitor's, announcement of new products or services, or significant acquisitions, strategic partnerships, joint ventures or capital commitments; and
- the operating and stock price performance of other comparable companies.

In addition, the U.S. securities markets have experienced significant price and volume fluctuations. These fluctuations often have been unrelated to the operating performance of companies in these markets. Broad market and industry factors may lead to volatility in the price of our common stock, regardless of our operating performance. Moreover, our stock has limited trading volume, and this illiquidity may increase the volatility of our stock price.

**If an active, liquid trading market for our common stock does not develop, you may not be able to sell your shares quickly or at or above the price you paid for it.**

Although our common stock currently trades on the Over-the-Counter Bulletin Board, an active and liquid trading market for our common stock has not yet and may not ever develop or be sustained. You may not be able to sell your shares quickly or at or above the price you paid for our stock if trading in our stock is not active.

We cannot offer any assurance that an active trading market for our common stock will continue or how liquid that market may be. As a result, relatively small trades may have a disproportionate impact on the price of our common stock, which may contribute to the price volatility of our common stock and could limit your ability to sell your shares.

The market price of our common stock could also be subject to wide fluctuations in response to many risk factors described in this section and other matters, including:

- changes by securities analysts in financial estimates of our operating results and the operating results of our competitors;
- publications of research reports by securities analysts about us, our competitors or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- retention and departures of key personnel;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- speculation in the press or investment community; and
- natural disasters, terrorist acts, acts of war or periods of widespread civil unrest.

Furthermore, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions, may negatively affect the market price of our common stock. As a result, the market price of our common stock is likely to be similarly volatile and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock. In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could have a material adverse effect on our business.

**Failure to achieve and maintain internal controls in accordance with Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.**

If we fail to maintain adequate internal controls or fail to implement required new or improved controls, as we grow or as such control standards are modified, supplemented or amended from time to time; we may not be able to assert that we can conclude on an ongoing basis that we have effective internal controls over financial reporting. Effective internal controls are necessary for us to produce reliable financial reports and are important in the prevention of financial fraud. If we cannot produce reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and there could be a material adverse effect on our stock price.

## Item 1B. Unresolved Staff Comments

Not applicable.

## Item 2. Properties

Our corporate headquarters is located at 709 S. Harbor City Blvd., Suite 250, Melbourne, FL 32901 in Marina Towers, which is owned by Marina Towers, LLC, a wholly owned subsidiary of FCID Holdings, Inc.

FCID Holdings manages our real estate. Marina Towers, LLC operates Marina Towers, a 75,267 square foot Class A six-story office building. The building has operated with a 95% average tenant occupancy and a rent roll that is supported by approximately 75% non-affiliate, high quality, commercial tenants. The building generates revenue and income for the Company that is intended to be available to fund the expansion of our operating businesses.

We believe that our present facilities will be suitable for the operation of our business for the foreseeable future and should we need to expand, we expect that suitable additional space will be available on commercially reasonable terms, although no assurance can be made in this regard. We also believe our property is adequately covered by insurance.

## Item 3. Legal Proceedings

There are no legal proceedings pending, and we are not aware of any material proceeding contemplated by a governmental authority, to which we are a party or any of our property is subject.

## Item 4. Mine Safety Disclosure

Not applicable

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

**Market Information**

Our common stock is traded in the over-the-counter market under the symbol "FCHS". The following table sets forth the high and low bid, as reported by Nasdaq.com, for our common stock for the calendar periods indicated.

| FISCAL YEAR 2012 | | HIGH | | LOW |
|---|---|---|---|---|
| First Quarter * | $ | 4.04 | $ | 2.60 |
| Second Quarter | $ | 3.00 | $ | 2.70 |
| Third Quarter | $ | 2.95 | $ | 2.25 |
| Fourth Quarter | $ | 2.38 | $ | 1.50 |

| FISCAL YEAR 2011 * | | HIGH | | LOW |
|---|---|---|---|---|
| First Quarter | $ | 4.60 | $ | 3.56 |
| Second Quarter | $ | 4.80 | $ | 2.80 |
| Third Quarter | $ | 4.48 | $ | 2.20 |
| Fourth Quarter | $ | 4.04 | $ | 2.20 |

* Fiscal Year 2011 and 2012 prices adjusted for reverse stock split effective April 4, 2012.

The last reported sales price of our common stock on March 28, 2013 was $1.75. The above quotations do not include retail mark-ups, mark-downs or commissions and represents prices between dealers and not necessarily actual transactions. The past performance of our securities is not necessarily indicative of future performance.

**Shares Outstanding and Holders of Record**

As of March 28, 2013, there were 12,833,462 shares of our common stock outstanding and approximately 62 shareholders of record of our common stock.

**Dividend Policy**

We have not declared or paid any cash dividends on our common stock since our inception. We do not intend to pay cash dividends on our common stock in the foreseeable future. We anticipate we will retain any earnings for use in our operations and development of our business.

**Recent Sales of Unregistered Securities**

On December 14, 2012, the Company entered into a Securities Purchase Agreement with an accredited investor (“Lender”), in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933 (the “Securities Act”), for the sale of an 8% convertible note in the principal amount of $203,500 (the "Note"). The total net proceeds the Company received from this Offering was $200,000. The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on September 18, 2013. The Note is convertible into common stock, at Lender’s option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

On February 19, 2013, the Company entered into a Securities Purchase Agreement with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act for the sale of an 8% convertible note in the principal amount of $103,500 (the "Note"). The total net proceeds the Company received from this Offering was $100,000. The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on November 21, 2013. The Note is convertible into common stock, at Lender’s option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

**Securities Authorized for Issuance Under Equity Compensation Plans**

We have adopted the First Choice Healthcare Solutions, Inc. 2011 Incentive Stock Plan (the "2011 Plan"), pursuant to which 500,000 shares of our common stock are reserved for issuance as awards to employees, directors, consultants, and other service providers. The term of the 2011 Plan is ten years from January 6, 2012, its effective date.

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

**Item 6. Selected Financial Data.**

Not applicable.

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements. Such forward-looking statements are based on current expectations, estimates, and projections about our industry, management beliefs, and certain assumptions made by our management. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", variations of such words, and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed or forecasted in any such forward-looking statements. 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.

**Overview and History**

First Choice Health Care Solutions, Inc. ("we," "FCHS" or the "Company") is an integrated, diversified, multi-specialty, healthcare services company focused on delivering state-of-the art, technologically advanced concierge physician and patient-centric services through the Company's multi-specialty centers for excellence. We provide timely, innovative healthcare solutions which are also uniquely competitive, efficient, and responsively adaptive to the emerging healthcare delivery environment. At present, we operate one medical multi-specialty center of excellence. We also own Marina Towers, a fully occupied, six story Class A office building on prestigious waterfront in Melbourne, Florida. We plan to further expand our centers of excellence via physician buy out and or acquisition in 2013 and future years within Florida and other high value markets.

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, 2,429,000 common shares were issued to Mr. Michael West and other IVS shareholders 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 an inactive, wholly-owned subsidiary of the Company. The consideration for the disposition was the net liability assumption by the purchaser.

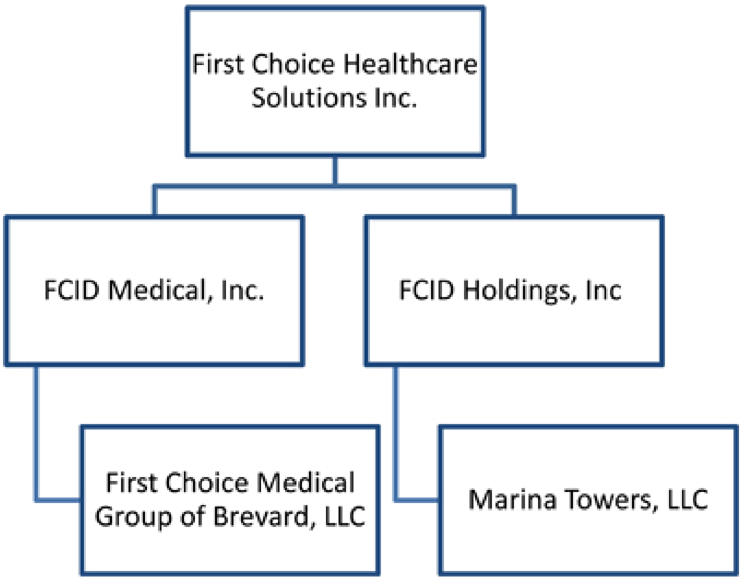
On December 29, 2010, we entered into a Share Exchange Agreement (the "Share Exchange Agreement") with FCID Medical, Inc., a Florida corporation ("FCID Medical") and FCID Holdings, Inc., a Florida corporation ("FCID Holdings)", which together will be referred to herein with FCID Medical as "FCID", and 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 10,000,000 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. The company changed its name to be more closely aligned with its target market.

All operations are conducted through our wholly-owned subsidiaries: FCID Medical and FCID Holdings. The wholly-owned subsidiary operating the medical multi-specialty centers of excellence Center of Excellence 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 our business plan is developing, via acquisition or restructuring, multi-specialty clinics, into a synergistic, state-of-the-art, efficient medical multi-specialty centers of excellence. The Company has carved a new niche in the multi-billion dollar healthcare industry by offering a paradigm to the way physicians practice medicine. Our centers of excellence include an optimal mix of synergistic multi-specialty physicians combined with an array of diagnostic capabilities.

**Business Strategy**

We are dedicated to providing the excellent quality and cost effective healthcare services to the communities and patient's we serve. Our steadfast goal is to create an environment of excellent patient care, proactive attitudes and the enthusiastic spirit in every member of our team. We strive to be the unsurpassed provider of orthopedic and neurological services supported by an array of the latest technological and medical ancillary systems located a facility both physically superlative and serene.

Our operational strategy for our medical facilities is devoted to the excellent care of our patients. Our driven willingness to address our patient's needs, ranging from their physical health to their emotional well-being, has helped direct the operating improvements in our business.

Our strategic focus is to expand our healthcare business by making selective acquisitions in other select markets. Our expansion program plans to provide:

- Additional revenues;
- More rapid growth;
- Economies of scale in billing, collection, purchasing, advertising and compliance;
- Increased exposure to our brand.

**First Medical Center of Excellence**

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. Since acquiring First Choice Medical Group of Brevard, LLC:

- Monthly patient visits have increased
- Accounts receivable turnaround time has improved
- The number of physicians and healthcare professionals has increased

**New MRI and X-ray Facility**

Following the acquisition of First Choice Medical Group of Brevard, on May 21, 2012, the Company completed a $2.4 million financing with GE Healthcare Financial Services for a state-of-the-art, technologically advanced GE X-ray machine and MRI system. Both the X-ray and MRI systems were installed and fully operational within First Choice Medical Group of Brevard's Center of Excellence on August 22, 2012, and September 27, 2012 respectively.

We are proud to have installed the newest and technologically advanced MRI system in our target market area. The GE MRI Gem Suite system has been certified. The MRI was positioned and installed to capitalize on the river views, which is intended to promote patient relaxation and comfort. This is intended to produce a better study which in turn relates to a better patient experience. The MRI system is housed in a newly constructed expansion space within First Coice Medical Group of Brevard's Center of Excellence. The Center's expansion space, specifically designed for the MRI system, is located within the Company's headquarters building. Billing and patient volume for MRI and X-ray services continues to track on plan.

The Diagnostic Equipment and Facilities Expansion initiative was successful with all of the equipment, systems and the facility fully operational and revenue productive.

Customer service for our medical patients continues to significantly improve.

**A new paradigm medical Center of Excellence**

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 excellent 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 excellent patient service levels intended to achieve predictable and acceptable profit margins.

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

Our business model brings the best retail practices to operating a multi-specialty medical center 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 medical Center of Excellence. 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 offers 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 employee 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 allows physicians to concentrate exclusively on delivering excellent patient care. The requirements for running the business functions of a successful medical Center of Excellence 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.

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 Center of Excellence 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 incorporates 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 an electronic medical record. It allows 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 EFT 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 medical Centers of Excellence. As we roll out our business model, we expect our administrative core and medical Center of Excellence retail model to transform the economics of multi-specialty medical centers.

**Results of Operations**

The following is a discussion of the results of operations for the year ended December 31, 2012 compared to the year ended December 31, 2011.

We had revenues of $3,805,347 for the year ended December 31, 2012, compared to revenues of $1,304,757 for the year ended December 31, 2011. The substantial increase in revenue of $2,500,590 or 192%, is primarily attributable to the acquisition of First Choice Medical Group of Brevard, LLC, completed in April 2012.

Operating expenses include practice salaries & benefits of $1,257,948 and practice supplies and other operating costs of $500,433 for the year ended December 31, 2012, attributable to our April 2, 2012 acquisition as compared to $0 for the same period last year. In addition, operating expenses include general and administrative expenses for the year ended December 31, 2012 of $2,014,807 compared to $795,732 for the year ended December 31, 2011. The increase of $1,219,075, or approximately 153%, is mainly attributable $595,295 of additional general and administrative costs added as a result of our April 2, 2012 acquisition as discussed above along with higher consulting and payroll costs. Stock based compensation of $6,669,344 for the year ended December 31, 2011 was comprised of common stock and warrants issued in connection with services provided as compared to Nil for the year ended December 31, 2012. Depreciation and amortization increased from $161,461 for the year ended December 31, 2011 to $309,899 for the year ended December 31, 2012. The increase is a direct result of the added property and equipment with our April acquisition

The major components of operating expenses include practice salaries and benefits, practice supplies and other operating costs, depreciation and general and administrative which includes legal, accounting and professional fees associated maintaining with a public entity.

We believe that the general and administrative expenses in current operations has scaled as our revenues increased. Each additional sale or service and corresponding gross profit of such sale or service has minimal incremental 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 in 2011 and added equipment and build out financing for our April 2012 acquisition of First Choice Medical Group of Brevard, LLC in 2012 was $563,391 and $335,389 for the year ended December 31, 2012 and 2011, respectively. The increase in our interest expense was the result of refinancing the mortgage loan in August 2011 on our Marina Towers property together with additional borrowings in 2012.

We had a net loss of $873,363 for the year ended December 31, 2012 compared to net loss of $6,561,242 for the year ended December 31, 2011. This decrease in net loss of $5,687,879 is mainly attributable to reasons as described above including the stock based compensation of $6,669,344 to MedTrx Medical Provider Network, LLC for the year ended December 31, 2011 comprising common stock and warrants issued in connection with the provision of consulting services for creating centers of excellence.

**Liquidity and Capital Resources**

As of December 31, 2012, we had cash or cash equivalents of $67,045.

Net cash used in operating activities was ($788,853) for the year ended December 31, 2012, compared to cash provided by operating activities of $66,341 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 $(2,852,259) for the year ended December 31, 2012, compared to $(1,012,132) for the year ended December 31, 2011. During the year ended December 31, 2012, we purchased $2,782,841 of assets relating to our April 2012 acquisition as compared to Nil in 2011.

Cash flows provided by financing activities was $3,179,854 for the year ended December 31, 2012, compared to net cash provided in financing activities of $1,470,776 for the year ended December 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, 2015 with interest and is paid monthly at a per annum rate of 8.5% beginning March 1, 2012. As of December 31, 2012, $153,330 was outstanding.

The Company entered into an unsecured loan agreement with HS Real Company, LLC ("HSR") on May 17, 2012 for $100,000 at an interest rate of 12% per annum (the "HSR Note"). On August 5, 2012, HSR increased the principal amount to $250,000, and subsequently HSR advanced an additional $50,000 to the Company, bringing the aggregate principal amount of the HSR Note to $300,000, all of which was due and payable to HSR on December 31, 2012. The HSR Note is in default, and the Company will endeavor to reach satisfactory terms with HSR to repay its obligation.

On May 21, 2012, the Company completed a financing with GE Healthcare Financial Services ("GE Capital") for approximately $2.4 million. The financing consists of a master lease for equipment having a total value of approximately $1,990,000 and with $600,000 construction loan. All notes and finance leases have been personally guaranteed by the Company's Chief Executive Officer.

On May 21, 2012, the Company issued a note payable, in the amount of $29,850 due in monthly installments of $593 including interest of 6.99%, due to mature in June 2017, secured by related equipment.

On July 24, 2012, the Company offered an aggregate of $500,000 stock subscriptions for the sale of its common stock at $1.50 per share. As of December 31, 2012, the Company has received $100,000 in net proceeds. This offering has expired.

On August 22, 2012, the Company accepted the delivery of x-ray equipment under the equipment finance leases discussed above. As such, the component piece accepted of $212,389 is due over 60 months at $-0- the first three months; $4,300 for the remaining 57 months including interest at 7.9375% per annum.

On September 27, 2012, the Company accepted the delivery of MRI equipment under the equipment finance leases discussed above. As such, the component piece accepted of $1,771,390 is due over 60 months at $-0- the first three months; $38,152 for the remaining 57 months including interest at 7.9375% per annum.

As of December 31, 2012, the Company drew down an aggregate of $600,000 against the construction loans. The construction loans are payable in 35 monthly payments (first three payments are $nil) including interest at 7.38%, beginning December 2012.

On December 14, 2012, the Company entered into a Securities Purchase Agreement with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933 (the "Securities Act"), for the sale of an 8% convertible note in the original principal amount of $203,500 (the "Note"). The total net proceeds the Company received from this Offering was $200,000. The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on September 18, 2013. The Note is prepayable (with a premium) during the 180-day period after issuance. Beginning 180 days after issuance, the Note is convertible into common stock, at Lender's option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

On February 19, 2013, the Company entered into a Securities Purchase Agreement with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the original principal amount of $103,500 (the "Note"). The total net proceeds the Company received from this Offering was $100,000. The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on November 21, 2013. The Note is prepayable (with a premium) during the 180-day period after issuance. Beginning 180 days after issuance, the Note is convertible into common stock, at Lender's option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

Over the next twelve months we expect to incur significant capital costs to further develop and expand operations. We plan to add another medical Center of Excellence and purchase additional diagnostic equipment for our operations. We expect to need additional capital of approximately $2-3 million to fund the development and expansion of our operations in 2013.

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.

**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.

ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arraignments ("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.

Derivative financial instruments

Accounting Standards Codification subtopic 815-40, Derivatives and Hedging, Contracts in Entity's own Equity ("ASC 815-40") became effective for the Company on October 1, 2009. The Company's convertible debt has conversion provisions based on a discount the market price of the Company's common stock.

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.

Stock 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.

Income tax

The Company accounts for income taxes pursuant to Accounting Standards Codified 740 (“ASC 740”). Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

**Inflation**

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

**Climate Change**

Our opinion is that neither climate change, nor governmental regulations related to climate change, have had, or are expected to have, any material effect on our operations.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements.

**Recent Accounting Pronouncements**

Refer to Note 1. *Organization and Summary of Significant Accounting Policies* in the notes to our consolidated financial statements for a discussion of recent accounting pronouncements.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Not applicable.

**Item 8. Financial Statements and Supplementary Data**

Our Financial Statements begin on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

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

None

**Item 9A. Controls and Procedures**

***Disclosure Controls and Procedures***

We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the ‘‘Exchange Act’’). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective, as of December 31, 2012, in ensuring that material information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel 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. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework.

Based on our assessment, our management has concluded that, as of December 31, 2012, our internal control over financial reporting is effective based on those criteria.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permanently exempt smaller reporting companies.

***Changes in Internal Control over Financial Reporting***

There were no changes in our system of internal control over financial reporting during the fourth quarter of the year ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

For the year ending 2012 our net income from operations, before interest, taxes, depreciation and amortization was $34,171. For the two months ending February 28, 2013, our net income from operations before interest, taxes, depreciation and amortization was approximately $147,000. The results from these first two months of 2013 represents a significant improvement in our operating results over our operating results for 2012. Management believes this is attributable to our ability to increase the business and the benefits received from economies of scale, combined with the strength of our product mix.

*Medtrx Provider Network, LLC.* On February 3, 2012 (the "Effective Date"), First Choice HealthCare Solutions, Inc. (the "Company") entered into a registration rights agreement (the "Registration Rights Agreement") and common stock warrant (the "Warrant") with Medtrx Provider Network, LLC ("Medtrx"). Pursuant to the Warrant, the Company issued to Medtrx, for services provided between June 6, 2011 and December 23, 2011, warrants to purchase up to 1,875,000 shares of common stock at an exercise price of $3.60 for a term of seven years. Pursuant to the Registration Rights Agreement, the Company agreed, subject to the applicable rules, regulations and interpretations of the Securities and Exchange Commission (the "SEC"), to (a) use its reasonable best efforts to file a registration statement with the SEC, covering the resale of the shares of common stock issuable upon exercise of the Warrant (the "Registrable Securities") within 30 days of the earlier of (i) the date when the Company becomes eligible to file a registration statement on Form S-3 covering the Registrable Securities, or (ii) five years from the Effective Date, and (b) cause such registration statement to become and remain continuously effective until eight years after the Effective Date. Pursuant to the Registration Rights Agreement, the Company also granted to Medtrx "piggyback" registration rights, pursuant to which the Company agreed to, at any time and from time to time for a period of eight years commencing on the Effective Date, if the Company proposes to file a registration statement (other than on Form S-4 or Form S-8), provide written notice to Medtrx of such proposed filing and offer to Medtrx the opportunity to register the resale of the Registrable Securities on such registration statement, subject to (a) the applicable rules, regulations and interpretations of the SEC, and (b) with respect to an underwritten offering, the Company's right to exclude any Registrable Securities from a registration statement if in the sole discretion of the managing underwriter or underwriters of such underwritten offering, the inclusion of such Registrable Securities would adversely affect the underwritten offering.

On February 19, 2013, the Company entered into a Securities Purchase Agreement with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the original principal amount of $103,500 (the "Note"). The total net proceeds the Company received from this Offering was $100,000. The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on November 21, 2013. The Note is prepayable (with a premium) during the 180-day period after issuance. Beginning 180 days after issuance, Beginning 180 days after issuance, the Note is convertible into common stock, at Lender's option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

Effective March 20, 2013, Mr. Lazar resigned as a director of the Company. His resignation expressed that the reason was personal and not by reason of any disagreement with the Company financial or otherwise.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

#### Directors and Executive Officers

Set forth below are the names of the directors and officers of the Company, all positions and offices with the Company held, the period during which he has served as such, and the business experience during at least the last five years:

| Name | Age | Positions and Offices Held |
|---|---|---|
| Christian Charles Romandetti | 52 | President, Chief Executive Officer and Director |
| Donald Bittar | 71 | Chief Financial Officer, Treasurer and Secretary, and Director |
| Colin Halpern | 75 | Director |
| Mel Lazar | 73 | Director, resigned March 20, 2013 |

**Christian Charles Romandetti, President and Chief Executive Officer and Director**

Mr. Romandetti was named President and Chief Executive Officer of the Company in 2010. Since 2003 to the present, he has been the Managing Member of Marina Towers, LLC, now one of the Company's subsidiaries. He is also the Managing Member of C&K, LLC, a property holding company. From 2004 to 2005, he was a director of Sunrise Bank, a bank in which he was a founding director. Since 2007 to the present, Mr. Romandetti has been involved as a consultant to various medical practices, including MRI centers. Prior to 2003, Mr. Romandetti he as an executive officer for numerous companies in the real estate, marine, automotive and construction products industries. Because of Mr. Romandetti's experience with Marina Towers, LLC, and his role in the management of the operations of the Company since 2010, the Company believes that Mr. Romandetti is well-qualified to continue as a director of the Company.

**Donald Bittar, Chief Financial Officer, Treasurer and Secretary, and Director**

Mr. Bittar was named Chief Financial Officer, Treasurer and Secretary of the Company in 2010 and, effective January 6, 2012 was elected to the Board of Directors. He previously was President and Chairman of Associated Mortgage of North America, Inc. from 1999. Prior to that, he served as President of DA Bittar and Associates Inc., a management and technology consulting firm, from 1980. Prior to that, Mr. Bittar served as President and Chairman of Marine Telephone, Inc., from 1969.

Since 1969, Mr. Bittar has taught finance, management and information technology classes in undergraduate and graduate schools. Currently, he is teaching as an Adjunct Professor in the Graduate School of Business and the College of Business, Florida Institute of Technology. He has been a frequent speaker at the National Association of Mortgage Bankers, National Council of Savings Institutions, Council of Presidents, New England Bankers Association and the National Corporate Cash Managers Association. Mr. Bittar received an MBA from Long Island University in 1964 and is resident of Melbourne, Florida. The Company believes that Mr. Bittar is well-qualified to continue as a director of the Company because of his financial expertise and involvement with the financial matters of the Company,.

**Mel Lazar, Director, resigned March 20, 2013**

Mr. Lazar, was the managing partner of the accounting firm of Lazar Levine and Felix LLP ("LLF"), which he founded in 1968. In 2009, the firm was merged into ParenteBeard LLC and he continues as an employee and consultant of the firm. Since 2002, Mr. Lazar has been a Board Member and Audit Committee Chairman of several public companies, including: Arbor Realty Trust, Inc., where he continues to serve, and Enzo Biochem, Inc., from which he retired in 2010. Mr. Lazar has more than 40 years of experience in auditing, reviewing, initial public offerings (IPO) registrations, all periodic filings, and SEC compliance matters. Mel has overseen implementing, testing and continued compliance with Section 404 internal control requirements. He has coordinated internal auditors, financial staff, outside consultants, and independent auditors in first year and continuing 404 compliance. LLF was an early member of the Public Companies Practice Section of the American Institute of Certified Public Accountants (AICPA) and the Public Companies Accounting Oversite Board (PCAOB). Mr. Lazar received a Bachelor of Business Administration (BBA) from the City College of New York (now Baruch College) in 1960 and became a Certified Public Accountant (CPA) in 1964

Mr. Lazar resigned stating his personal schedule would not allow him to the time to fulfill the duties of a Board member.

**Colin Halpern, Director**

Mr. Halpern is the Non-Executive Vice Chairman of Domino's Pizza Group UK & IRL plc, the holder of the Domino's Pizza Master Franchise Agreement for the UK and Republic of Ireland. Mr. Halpern acquired the Domino's Pizza Master Franchise Agreement in 1993 through International Franchise Systems Inc. In November 1999, with Mr. Halpern as Chairman, the company was taken public and listed on London Stock Exchange. Mr. Halpern is the Managing Director of HS Real Company LLC, Chairman of Calumet Holdings LLC, Dayenn Limited and Non-Executive Director of several other companies. Mr. Halpern is an accomplished corporate executive and director who will bring extensive governance experience to the Board.

**Family Relationships**

There is no family relationship between any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer.

**Involvement in Certain Legal Proceedings**

To our knowledge, during the last ten years, none of our directors and executive officers (including those of our subsidiaries) has:

- Had a bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.

- Been convicted in a criminal proceeding or been subject to a pending criminal proceeding, excluding traffic violations and other minor offenses.

- Been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities.

- Been found by a court of competent jurisdiction (in a civil action), the SEC, or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

- Been the subject to, or a party to, any sanction or order, not subsequently reverse, suspended or vacated, of any self-regulatory organization, any registered entity, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

**Committees of the Board of Directors**

There are no committees of the Board of Directors.

**Changes in Nominating Process**

There are no material changes to the procedures by which security holders may recommend nominees to our Board of Directors.

**Shareholder Recommendations for Board Nominees**

The Board does not have a Governance or Nominating Committee that is tasked with identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next annual meeting of shareholders. Until such committee is formed, the shareholder recommendations for Board nominees would be directed to the entire Board, who will consider the qualifications of the person recommended based on a variety of factors, including:

- the appropriate size and the diversity of our Board;
- our needs with respect to the particular talents and experience of our directors;
- the knowledge, skills and experience of nominees, including experience in technology, business, finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board;

- experience with accounting rules and practices;
- whether such person qualifies as an “audit committee financial expert” pursuant to the SEC Rules;
- appreciation of the relationship of our business to the changing needs of society; and
- the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 (the “34 Act”) requires our officers and directors and persons owning more than ten percent of the Common Stock, to file initial reports of ownership and changes in ownership with the Securities and Exchange Commission (“SEC”). Additionally, Item 405 of Regulation S-K under the 34 Act requires us to identify in its Form 10-K and proxy statement those individuals for whom one of the above referenced reports was not filed on a timely basis during the most recent year or prior years. Based solely on our review of the copies of such reports furnished to us or written representations that no other reports were required, we believe that all Section 16(a) filing requirements applicable to our officers, directors and greater than ten (10%) percent beneficial owners have been complied with during the year ended December 31, 2012 and through the date hereof

**Code of Ethics**

We have adopted a Code of Ethics which applies to our directors and our officers and other employees. We intend to disclose in a current report on Form 8-K filed with the SEC any amendment to the Code of Ethics or waiver of any of the provisions of the Code of Ethics granted to any director of officer.

**Options/SAR Grants and Fiscal Year End Option Exercises and Values**

We have a stock option plan and incentive compensation plan for officers, directors and employees, and no stock options, restricted stock or SAR grants were granted or were outstanding at any time prior to or during the fiscal year ended December 31, 2012.

**Limitation on Liability and Indemnification of Directors and Officers**

Our certificate of incorporation provides that no director or officer shall have any liability to the company if that person acted in good faith and with the same degree of care and skill as a prudent person in similar circumstances.

Our certificate of incorporation and bylaws provide that we will indemnify our directors and officers and may indemnify our employees or agents to the fullest extent permitted by law against liabilities and expenses incurred in connection with litigation in which they may be involved because of their offices or positions with us. However, nothing in our certificate of incorporation or bylaws protects or indemnifies a director, officer, employee or agent against any liability to which that person would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of that person’s office or position. To the extent that a director has been successful in defending any proceeding brought against him, the law of the State of Colorado (and the Delaware General Corporation Law, which will govern such matters upon the effective date of the Company’s re-incorporation in Delaware) provides that the director shall be indemnified against reasonable expenses incurred by him in connection with the proceeding.

**Board Meetings; Committee Meetings; and Annual Meeting Attendance**

During 2012, the Board of Directors held 2 regular meetings in person and 2 special telephonic meetings. Each regular and telephonic meeting was attended by all of the members of the Board.

The Board does not have a policy regarding director attendance at annual meetings. We did not have an in person annual meeting of shareholders in 2012.

**Item 11. Executive Compensation**

The following table sets forth, for the year ended December 31, 2012, certain compensation paid by the Company, including salary, bonuses and certain other compensation, to our Chief Executive Officer and Chief Financial Officer. There were no other executive officers whose total annual compensation exceeded $100,000 during the year ended December 31, 2012.

| Name and Principal Position | Year | Salary | Bonus | Stock Awards | Option Awards | Other | Total |
|---|---|---|---|---|---|---|---|
| Chris Romandetti, CEO | 2012 | $ 168,000 | $ 9,000 | - | - | $ 60,108 | $ 237,108 |
| Donald Bittar, CFO | 2012 | $ 12,350 | - | - | - | - | $ 12,350 |

**Employment Agreements**

The Company is not party to any employment agreements.

**Compensation of Directors**

During the year ended December 31, 2012, no compensation was paid to any director of the Company for services as director.

**Outstanding Equity Awards at 2012 Fiscal Year-End**

The Company had no outstanding equity awards as of December 31, 2012.

**Potential Payments upon Termination or Change in Control**

We do not have any contract, agreement, plan or arrangement that provides for any payment to any of our Named Executive Officers at, following, or in connection with a termination of the employment of such Named Executive Officer, a change in control of the Company or a change in such Named Executive Officer's responsibilities.

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

The following sets forth the number of shares of our $.0.001 par value common stock beneficially owned by (i) each person who, as of March 28, 2013, was known by us to own beneficially more than five percent (5%) of its common stock; (ii) our individual Directors and (iii) our Officers and Directors as a group. A total of 12,833,462 common shares were issued and outstanding as of March 28, 2013.

| Name and Address of Beneficial Owner | Amount Nature of Beneficial Ownership (1) (2) | Percent of Class |
|---|---|---|
| Christian Charles Romandetti (3) | 7,550,000 | 58.8 |
| GIRTFT LLC (4) | 5,750,000 | 44.8 |
| Marina Towers Holdings, LLC (5) | 1,800,000 | 14.0 |
| Donald A. Bittar | 0 | 0 |
| MedTRX Provider Network, LLC (6) | 1,875,000 | 14.6 |
| Colin Halpern | 30,000 | * |
| | | |
| All Officers and Directors as a Group (three persons) | 7,580,000 | 59.1 |

* less than 1%

(1) All ownership is beneficial and of record, unless indicated otherwise.
(2) The Beneficial owner has sole voting and investment power with respect to the shares shown.
(3) Mr. Romandetti's beneficial ownership is solely through GIRTFT LLC and Marina Towers Holdings, LLC.
(4) GIRTFT LLC is a limited liability company for which Mr. Romandetti is the Managing Member.
(5) Marina Towers Holdings, LLC is a limited liability company for which Mr. Romandetti is the Managing Member.
(6) Represents shares issuable upon exercise of warrants with an exercise price of $3.60.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

*Guggenheim Life and Annuity Company.* On August 12, 2011 Marina Towers, LLC, a Florida limited liability company ("Marina Towers") an indirect and wholly-owned subsidiary of Medical Billing Assistance, Inc., a Colorado company (the "Company") entered into a Loan Agreement (the "Loan Agreement") with Guggenheim Life and Annuity Company, a Delaware life insurance company ("Guggenheim"). The closing of the Loan occurred on August 17, 2011 (the "Closing Date"). Under the Loan Agreement, Guggenheim has committed to make a loan in the aggregate amount of $7,550,000.00 to Marina Towers with an interest rate of 6.10% per annum (the "Loan"). The closing of the Loan occurred on August 15, 2011 (the "Closing Date"). The maturity date of the Loan is September 16, 2016 (the "Maturity Date"). The Loan is evidenced by that certain Consolidated, Amended and Restated Promissory Note, dated August 12, 2011 (the "Note") and is secured primarily by: (i) that certain first priority Consolidated, Amended and Restated Mortgage and Security Agreement, dated August 12, 2011, encumbering the real and personal property (the "Property") of Marina Towers (the "Mortgage"); and (ii) that certain first priority Assignment of Leases and Rents, dated August 12, 2011, from Marina Towers, as assignor, to Guggenheim as assignee, pursuant to which Marina Towers assigned to Guggenheim all of Marina Towers' right, title and interest in and to certain leases and rents as security for the Loan.

The proceeds of the Loan were used to: (i) repay and discharge existing loans relating to the Property; (ii) pay all past-due basic carrying costs, if any, with respect to the Property; (iii) make deposits into the reserve funds, or any escrow accounts established pursuant to the loan documents, on the Closing Date in the amounts set forth in the Loan Agreement; (iv) pay costs and expenses incurred in connection with the closing of the Loan; (v) fund any working capital requirements of the Property; and (vi) distribute the balance, if any, to Marina Towers.

Pursuant to the Loan Agreement, Marina Towers does not have the right to prepay the Loan, in whole or in part, prior to the Maturity Date. After the payment date occurring three months prior to the Maturity Date, Marina Towers may, provided no event of default has occurred and is continuing, at its option and upon thirty days' prior notice to Guggenheim, prepay the Loan in whole on any date without payment of any prepayment penalty or premiums.

The Loan Agreement is guaranteed by Christian C. Romandetti, the Company's Chief Executive Officer, pursuant to that certain Guaranty Agreement, dated August 12, 2011, made by Mr. Romandetti for the benefit of Guggenheim (the "Guaranty"). Pursuant to the non-recourse Guaranty, Mr. Romandetti agreed to a limited personal guarantee to Guggenheim the payments and performance of the obligations of and liabilities of Marina Towers pursuant to the Loan Agreement.

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, 2015 with interest at a per annum rate of 8.5% beginning March 1, 2012. As of December 31, 2012, $153,340 was outstanding.

**Director Independence**

None of the directors of the Company qualifies as independent directors under the NASDAQ listing standards and Rule 10C-1 of the Exchange Act.

**Item 14. Principal Accounting Fees and Services**

The following table sets forth the fees that the Company accrued or paid to RBSM, LLP during fiscal 2011 and 2012.

| | 2012 | 2011 |
|---|---|---|
| Audit Fees(1) | $ 29,000 | $ 22,500 |
| Audit-Related Fees(2) | $ 1,137 | |
| Tax Fees(3) | $ 6,500 | $ 178 |
| All Other Fees | | |
| Total | $ 36,637 | $ 22,678 |

(1) Audit fees relate to professional services rendered in connection with the audit of the Company's annual financial statements and internal control over financial reporting, quarterly review of financial statements included in the Company's Quarterly Reports on Form 10-Q, and audit services provided in connection with other statutory and regulatory filings.

(2) Audit-related fees relate to professional services rendered in connection with assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements, including due diligence.

(3) Tax fees relate to professional services rendered for tax compliance, tax advice and tax planning for the Company.

**Pre-Approval Policies and Procedures**

We do not have an audit committee and as a result our entire board of directors performs the duties of an audit committee. Our board of directors evaluates the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

| Exhibit No. | Description |
|---|---|
| 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 | Securities Purchase Agreement, made as of December 14, 2012, with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the principal amount of $203,500, with note as an exhibit thereto.+ |
| 10.12 | Securities Purchase Agreement, made as of February 19, 2013, with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the principal amount of $103,500, with note as an exhibit thereto.+ |
| 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) revised by the list included as Exhibit 21.1(a) to the Company's Annual Report and Form 10-K, filed with the SEC on March 30, 2012. |

| | |
|---|---|
| 31.1 | Certification of CEO pursuant to Sec. 302+ |
| 31.2 | Certification of CFO pursuant to Sec. 302+ |
| 32.1 | Certification of CEO pursuant to Sec. 906+ |
| 32.2 | Certification of CFO pursuant to Sec. 906+ |
| EX-101.INS | XBRL INSTANCE DOCUMENT+ |
| EX-101.SCH | XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT+ |
| EX-101.CAL | XBRL TAXONOMY EXTENSION CALCULATION LINKBASE+ |
| EX-101.DEF | XBRL TAXONOMY EXTENSION DEFINITION LINKBASE+ |
| EX-101.LAB | XBRL TAXONOMY EXTENSION LABELS LINKBASE+ |
| EX-101.PRE | XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE+ |

+filed herewith

**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: April 1, 2013

By: *\/s/ Christian Charles Romandetti*
Christian Charles Romandetti,
President and Chief Executive Officer

Date: April 1, 2013

By: */s/ Donald A. Bittar*
Donald A. Bittar
Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Name | Capacity | Date |
|---|---|---|
| */s/ Christian Charles Romandetti*<br>Christian Charles Romandetti | Director, Chief Executive Officer and President<br>(Principal Executive Officer) | April 1, 2013 |
| */s/ Donald A. Bittar*<br>Donald A. Bittar | Director, Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) | April 1, 2013 |
| ______________<br>Colin Halpern | Director | April _, 2013 |

**Exhibits Index**

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| 3.2 | Bylaws 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) 3.2(a) |
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| EX-101.DEF | XBRL TAXONOMY EXTENSION DEFINITION LINKBASE+ |
| EX-101.LAB | XBRL TAXONOMY EXTENSION LABELS LINKBASE+ |
| EX-101.PRE | XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE+ |

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**
**(formerly known as Medical Billing Assistance, Inc.**
**DECEMBER 31, 2012 AND 2011**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

| CONTENTS | PAGE NO. |
|---|---|

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders
First Choice Healthcare Solutions, Inc.
Melbourne, Florida

We have audited the accompanying consolidated balance sheets of First Choice Healthcare Solutions, Inc. (the “Company”), as of December 31, 2012 and 2011 , and the related consolidated statements of operations, stockholders' deficit, and cash flows for the period in the two years ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States).

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of First Choice Healthcare Solutions, Inc. and Subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the period in the two years ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ RBSMLLP

New York, NY
March 28, 2013

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**
**(formerly known as Medical Billing Assistance, Inc.)**
**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2012 AND 2011**

| | 2012 | 2011 |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash | $ 67,045 | $ 528,303 |
| Cash-restricted | 221,148 | 89,939 |
| Accounts receivable | 527,867 | - |
| Prepaid and other current assets | 69,970 | 29,705 |
| Deposits – Acquisitions | - | 998,032 |
| Accounts receivable, other | - | 303,000 |
| Capitalized financing costs, current portion | 57,348 | 57,348 |
| Total current assets | 943,378 | 2,006,327 |
| Property, plant and equipment, net of accumulated depreciation of $1,465,939 and $1,180,431 | 8,756,631 | 4,537,099 |
| Other assets | | |
| Capitalized financing costs, long term portion | 152,911 | 210,259 |
| Patient list, net of accumulated amortization of $24,391 | 275,609 | - |
| Deposits | 2,719 | 18,515 |
| Total other assets | 431,239 | 228,774 |
| Total assets | $ 10,131,248 | $ 6,772,200 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | $ 576,209 | $ 175,699 |
| Notes payable, current portion | 990,586 | 92,392 |
| Convertible note payable, net of unamortized debt discount of $160,543 | 43,537 | - |
| Unearned revenue | 39,438 | 24,084 |
| Deferred income taxes | - | 23,103 |
| Total current liabilities | 1,649,770 | 315,278 |
| Long term debt: | | |
| Deposits held | 47,399 | 47,399 |
| Revolving line of credit, related party | 153,330 | - |
| Notes payable, long term portion | 9,410,296 | 7,435,419 |
| Derivative liability | 171,987 | - |
| Total long term debt | 9,783,012 | 7,482,818 |
| Total liabilities | 11,432,782 | 7,798,096 |
| 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, 12,706,795 and 12,462,750 shares issued and outstanding as of December 31, 2012 and 2011, respectively | 12,707 | 12,463 |
| Additional paid in capital | 7,244,993 | 6,747,512 |
| Common stock subscriptions | 100,000 | - |
| Accumulated deficit | (8,659,234) | (7,785,871) |
| Total stockholders' deficit | (1,301,534) | (1,025,896) |
| Total liabilities and stockholders' deficit | $ 10,131,248 | $ 6,772,200 |

See the accompanying notes to these consolidated financial statements

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

| | Year ended December 31, 2012 | 2011 |
|---|---|---|
| Revenues: | | |
| Net patient service revenue | $ 2,645,310 | $ - |
| Rental Revenue | 1,160,037 | 1,304,757 |
| Total Revenue | 3,805,347 | 1,304,757 |
| | | |
| Operating expenses: | | |
| Practice salaries and benefits | 1,257,948 | - |
| Practice supplies and other operating expenses | 500,433 | - |
| General and administrative | 2,014,807 | 795,732 |
| Stock based compensation | - | 6,669,344 |
| Depreciation and amortization | 309,899 | 161,461 |
| Total operating expenses | 4,083,087 | 7,626,537 |
| | | |
| Net (loss) from operations | (277,740) | (6,321,780) |
| | | |
| Other income (expense): | | |
| Miscellaneous income | 3,000 | 41,762 |
| Gain on settlement of debt | - | 67,365 |
| Loss on change in fair value of derivative liability | (987) | - |
| Amortization financing costs | (57,348) | (19,116) |
| Interest expense, net | (563,391) | (335,389) |
| Total other income (expense) | (618,726) | (245,378) |
| | | |
| Net (loss) income before provision for income taxes | (896,466) | (6,567,158) |
| Income taxes (benefit) | (23,103) | (5,916) |
| NET (LOSS) | $ (873,363) | $ (6,561,242) |
| Net (loss) per common share, basic | $ (0.07) | $ (0.53) |
| Net (loss) per common share-fully diluted | $ (0.07) | $ (0.53) |
| Weighted average number of common shares outstanding, basic | 12,644,784 | 12,429,740 |
| Weighted average number of common shares outstanding, fully diluted | 12,644,784 | 12,429,740 |

See the accompanying notes to these consolidated financial statements

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC.**
**(formerly known as Medical Billing Assistance, Inc.)**
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**
**TWO YEARS ENDED DECEMBER 31, 2012**

| | Preferred stock | | Common stock | | Additional Paid in | Common Stock | Accumulated | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Capital | Subscriptions | Deficit | Total |
| Balance, December 31, 2010 | - | $ - | 12,429,000 | $ 12,429 | $ 78,202 | $ - | $ (1,224,629) | $ (1,133,998) |
| Stock based compensation | - | - | - | - | 6,553,244 | - | - | 6,553,244 |
| Common stock issued for services rendered | - | - | 33,750 | 34 | 116,066 | - | - | 116,100 |
| Net loss | - | - | - | - | - | - | (6,561,242) | (6,561,242) |
| Balance, December 31, 2011 | - | - | 12,462,750 | 12,463 | 6,747,512 | - | (7,785,871) | (1,025,896) |
| Common stock issued to acquire First Choice Medical Group, Inc., net of fair value of 70,529 shares of common stock to be returned from post-acquisition adjustments | - | - | 244,045 | 244 | 497,481 | | - | 497,725 |
| Common stock subscriptions received | - | - | - | - | - | 100,000 | - | 100,000 |
| Net loss | - | - | - | - | - | - | (873,363) | (873,363) |
| Balance, December 31, 2012 | - | $ - | 12,706,795 | $ 12,707 | $ 7,244,993 | $ 100,000 | $ (8,659,234) | $ (1,301,534) |

See the accompanying notes to these consolidated financial statements

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

| | Year ended December 31, 2012 | 2011 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Loss | $ (873,363) | $ (6,561,242) |
| Adjustments to reconcile net loss to cash provided by operating activities: | | |
| Depreciation | 309,899 | 161,461 |
| Amortization of financing costs | 57,348 | 19,116 |
| Amortization of debt discount in connection with convertible note | 10,457 | - |
| Stock based compensation | - | 6,669,344 |
| Gain on settlement of debt | - | (67,365) |
| Loss on change in fair value of debt derivative | 987 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (329,375) | - |
| Accounts receivable-other | (205,000) | (303,000) |
| Prepaid expenses and other | (40,265) | (21,894) |
| Restricted funds | (131,209) | 63,748 |
| Accounts payable and accrued expenses | 419,417 | 111,591 |
| Unearned income | 15,354 | 498 |
| Deferred income taxes | (23,103) | (5,916) |
| Net cash (used in) provided by operating activities | (788,853) | 66,341 |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash received from acquisition (advances and deposits made on acquisitions) | 48,761 | (998,032) |
| Payments on long term deposits | - | (14,100) |
| Cash payments for acquisition | (143,366) | - |
| Purchase of equipment | (2,773,450) | - |
| Reduction in long term deposits | 15,796 | |
| | - | - |
| Net cash used in investing activities | (2,852,259) | (1,012,132) |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from related party line of credit | 190,000 | - |
| Proceeds from issuance of notes payable, net of financing costs | 2,871,058 | 1,634,172 |
| Proceeds from convertible note payable | 203,500 | - |
| Proceeds from common stock subscription | 100,000 | - |
| Net payments on notes payable | (184,704) | (92,465) |
| Net payments on related party advances | - | (70,931) |
| Net cash provided by financing activities | 3,179,854 | 1,470,776 |
| | | |
| Net (decrease) increase in cash and cash equivalents | (461,258) | 524,985 |
| Cash and cash equivalents, beginning of period | 528,303 | 3,318 |
| | | |
| Cash and cash equivalents, end of period | $ 67,045 | $ 528,303 |
| | | |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for interest | $ 467,670 | $ 336,456 |
| Cash paid during the period for taxes | $ - | $ - |
| | | |
| Supplemental disclosure on non-cash investing and financing activities: | | |
| Common stock issued in connection with acquisition of First Choice Medical Group, Inc. | $ 497,725 | $ - |

See the accompanying notes to these consolidated financial statements

## NOTE 1 – ORGANIZATION, BUSINESS AND PRINCIPLES OF CONSOLIDATION

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

Basis and business presentation

First Choice Healthcare Solutions, Inc., a Delaware corporation (the "Company" or "FCHS") filed a certificate of merger (the "Certificate of Merger") of Medical Billing Assistance, Inc., a Colorado corporation incorporated on May 30, 2007 ("Medical Billing"), into the Company. 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 the Company. The effect of the merger was that Medical Billing reincorporated from Colorado to Delaware (the "Reincorporation"). The Company 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. to more closely align the company's name with its target market. Otherwise, the reincorporation does not result in any change in the business, management, fiscal year, accounting, and location of the principal executive offices, assets or liabilities of the Company, formerly known as Medical Billing Assistance, Inc.

On December 29, 2010, First Choice Healthcare Solutions, Inc., formerly known as Medical Billing Assistance, Inc., entered into a share exchange agreement (the "Agreement") with FCID Holdings, Inc. and FCID Medical, Inc., acquiring 100% of the outstanding common stock of FCID Holdings, Inc. and FCID Medical, Inc. through the issuance of 10,000,000 shares of its common stock. The transaction was accounted for as a reverse acquisition as the shareholders of FCID Holdings, Inc. and FCID Medical, Inc. retained the majority of the outstanding common stock of Medical Billing Assistance, Inc. after the share exchange. Effective with the Agreement, First Choice Healthcare Solutions, Inc.'s stockholders' equity was retroactively recapitalized as that of FCID Holdings, Inc. while 100% of the assets and liabilities of First Choice Healthcare Solutions, Inc. valued at $(100,550), consisting of cash $242, investment in subsidiary of $(66,286), accounts payable of $16,677, notes payable of $16,600, interest payable of $1,079, and other liabilities of $150 were recorded as being acquired in the reverse acquisition for its 2,429,000 outstanding common shares on the acquisition date. Subsequent to the December 29, 2010 recapitalization, First Choice Healthcare Solutions, Inc., FCID Holdings, Inc. and FCID Medical, Inc. remain separate legal entities (with First Choice Healthcare Solutions, Inc. as the parent of FCID Holdings, Inc. and FCID Medical, Inc.). All references to the "Company" or "we" or "us" or "our" refer to First Choice Healthcare Solutions, Inc. and its Subsidiaries unless otherwise differentiated. For accounting purposes, FCID Holdings, Inc. and Subsidiaries is treated as the surviving entity and accounting acquirer, although First Choice Healthcare Solutions, Inc. was the legal acquirer. Accordingly, the Company's historical financial statements are those of FCID Holdings, Inc. and Subsidiaries.

All references to common stock, share and per share amounts have been retroactively restated to reflect the reverse capitalization as if the transaction had taken place as of the beginning of the earliest period presented.

FCID Holdings, Inc. was incorporated in the State of Florida on February 25, 2010. FCID Holdings, Inc. was formed to act as a holding corporation for other business entities as needed, including Marina Towers, LLC, a Florida limited liability company that owns and manages a commercial real estate office building. Marina Towers, LLC was formed in the State of Florida on July 24, 2003. Effective September 30, 2010, in an acquisition classified as a transaction between parties under common control, FCID Holdings, Inc. acquired all the outstanding membership interests of Marina Towers, LLC (12,000,000 FCID Holdings, Inc. common shares were issued for 60 Class A and 40 Class B membership interests of Marina Towers, LLC), making Marina Towers, LLC a wholly owned subsidiary of FCID Holdings, Inc.

The consolidated financial statements include the activity of Marina Towers, LLC from the date of its formation as if the transaction between the parties under common control had taken place as of the beginning of the earliest period presented.

On April 2, 2012, The Company, First Choice Healthcare Solutions, 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 $2,360,848, as adjusted, of which approximately $1.15 million was paid in cash, accounts receivable due the Company of $508,000 and the balance, net of closing adjustments including invoiced service fees, was paid by issuing to the members of First Choice – Brevard 173,516 shares, as adjusted, of the Company's restricted common stock.

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 in 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 | $ 48,761 |
| Accounts receivable | 325,300 |
| Total current assets | 374,061 |
| | |
| Property and equipment | 1,731,590 |
| | |
| Other assets: | |
| Customer list | 300,000 |
| Total acquired assets | 2,405,651 |
| | |
| Liabilities assumed: | |
| Accounts payable | 44,802 |
| | |
| Net assets acquired | $ 2,360,849 |

The consolidated financial statements include the accounts of the Company, including FCID Holdings, Inc., FCID Medical, Inc., First Choice Medical Group of Brevard, LLC and Marina Towers, LLC which are all wholly-owned subsidiaries of FCHS. All significant intercompany balances and transactions have been eliminated in consolidation.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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 Arraignments ("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.

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. As of December 31, 2012 and 2011, the Company wrote off $267,148 and –0- and charged to operations respectively.

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 years ended December 31, 2012 and 2011 was $57,348 and $19,116, respectively. Accumulated amortization of deferred financing costs were $76,464 and $19,116 at December 31, 2012 and 2011, respectively.

Concentrations of Credit Risk

The Company's consolidated financial instrument that is exposed to a concentration of credit risk is cash equivalents. 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 does not exceed FDIC insurance limits. The financial stability of these institutions is periodically reviewed by senior management.

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 two operating segments (see Note 12).

Long-Lived Assets

The Company follows FASB ASC 360-10-15-3, "Impairment or Disposal of Long-lived Assets," which established a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

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.

Cash

The Company considers cash to consist of cash on hand and temporary investments having an original maturity of 90 days or less that are readily convertible into cash.

Comprehensive Income

The Company does not have any items of comprehensive income in any of the years presented.

Net loss per share

The Company accounts for net 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 loss per share is computed by dividing net 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 issued convertible debt, warrants and stock options. Diluted net loss per share for years ending December 31, 2012 and 2011 does not reflect the effects of 2,029,686 and 100,000 shares, respectively, potentially issuable upon the conversion of our convertible note payable or the exercise of the Company's stock options and warrants (calculated using the treasury stock method) as of December 31, 2012 and 2011 as including such would be anti-dilutive.

Stock 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.

As of December 31, 2012 and 2011, the Company had $-0- and 100,000 non-employee options outstanding to purchase shares of common stock.

Derivative financial instruments

Accounting Standards Codification subtopic 815-40, Derivatives and Hedging, Contracts in Entity's own Equity ("ASC 815-40") became effective for the Company on October 1, 2009. The Company's convertible debt has conversion provisions based on a discount the market price of the Company's common stock.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2012 and 2011. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash and accounts payable. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

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.

Gain on Settlement of Debt

On June 17, 2011, the Company disposed of I.V. Services, Ltd., Inc., a previous wholly-owned subsidiary the Company acquired in December 2010 for nil proceeds and with the acquirer assuming the net liabilities of $67,365. I.V. Services, Ltd. Inc. was inactive with no operations and or insignificant transactions. The Company considered the net liabilities assumed by the acquirer as settlement of debt. As such, in conjunction with the disposal, the Company recognized $67,365 as income for the current period operations.

Reclassification

Certain reclassifications have been made to prior periods' data to conform to 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 updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

## NOTE 3 — LIQUIDITY

The Company incurred various non-recurring expenses in 2012 in connection with operating startup costs relating to the acquisition of a medical practice (See above). Management believes the positive yearend earnings before interest, taxes, depreciation and amortization and the continuing trend of positive growth before interest, taxes, depreciation and amortization through February 2013 will support improved liquidity. The Company believes that ongoing profitable operations of Marina Towers, LLC., the current positive cash balance along with the 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. Liquidity may also be supported with the $500,000 line of credit through CCR of Melbourne which as of December 31, 2012 has only used approximately $157,000 of the available line. However, there can be no assurance that the Company will be successful completing its business development plan.

## NOTE 4 - 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 December 31, 2011, the Company had paid $998,032 toward the purchase price, which had been classified as deposits and other-acquisitions in the accompanying unaudited condensed consolidated balance sheets.

As described in Note 1 above, on April 2, 2012, the Company acquired First Choice Medical Group of Brevard LLC for a total acquisition price of $2,360,849 comprised of deposits (included $1,141,398 of deposits-acquisitions and $508,000 of accounts receivable-other reclassified and applied to deposits and other-acquisitions at close) as described above, a note payable for $88,794 and 173,516 shares (as adjusted) of the Company's common stock.

## NOTE 5 — ACCOUNTS RECEIVABLE-OTHER

Accounts receivable-other as of December 31, 2011 was 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. The balance has been paid in full as of December 31, 2012.

## NOTE 6 - CASH - RESTRICTED

Cash-restricted is 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. The majority of the restricted funds are reserved for tenant improvements.

## NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT

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

| | 2012 | 2011 |
|---|---|---|
| Land | $ 1,000,000 | $ 1,000,000 |
| Building | 3,055,168 | 3,055,168 |
| Building improvements | 1,691,625 | 1,662,362 |
| Medical office improvement | 1,410,028 | - |
| Automobiles | 29,849 | - |
| Computer equipment | 186,549 | - |
| Medical equipment | 2,039,393 | - |
| MRI center | 705,118 | - |
| Office equipment | 104,840 | - |
| | 10,222,570 | 5,717,530 |
| Less: accumulated depreciation | (1,465,939) | (1,180,431) |
| | $ 8,756,631 | $ 4,537,099 |

During the year ended December 31, 2012 and 2011, depreciation expense charged to operations was $309,899 and $161,461, respectively.

## NOTE 8 – LINE OF CREDIT, RELATED PARTY

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, 2015 with interest at a per annum rate of 8.5% beginning March 1, 2012. As of December 31, 2012, $153,330 was outstanding. The Company paid $6,339 as related party interest for the year ended December 31, 2012.

## NOTE 9 – CONVERTIBLE NOTE PAYABLE

On December 14, 2012, the Company entered into a Securities Purchase Agreement with an accredited investor (Lender), in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the original principal amount of $203,500 (the "Note"). The total net proceeds the Company received from this Offering was $200,000.

The Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on September 18, 2013. The Note is prepayable (with a premium) during the 180-day period after issuance. Beginning 180 days after issuance, the Note is convertible into common stock, at Lender's option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. In the event the Company prepays the Note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 120% if prepaid 31 days following the closing through 60 days following the closing, (iii) 123% if prepaid 61 days following the closing through 90 days following the closing and (iv) 135% if prepaid 91 days following the closing through 180 days following the closing. After the expiration of 180 days following the date of the Note, the Company has no right of prepayment.

Lender has agreed to restrict its ability to convert the Notes and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock.

The Company has identified the embedded derivatives related to the above described Note. These embedded derivatives included certain conversion features and reset provision. The accounting treatment of derivative financial instruments requires that the Company record fair value of the derivatives as of the inception date of Lender's Note and to fair value as of each subsequent reporting date.

At the inception of the Note, the Company determined the aggregate fair value of $171,000 of embedded derivatives. The fair value of the embedded derivatives was determined using the Binomial Lattice Option Pricing Model based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 103.09%, (3) weighted average risk-free interest rate of 0.13 % (4) expected life of 0.76 years, and (5) estimated fair value of the Company's common stock of $2.14 per share.

The determined fair value of the debt derivative of $171,000 was charged as a debt discount to the Note.

At December 31, 2012, the Company marked to market the fair value of the debt derivative and determined a fair value of $171,987. The Company recorded a loss from change in fair value of debt derivatives of $987 for the year ended December 31, 2012. The fair value of the embedded derivatives was determined using Binomial Lattice Option Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 100.50%, (3) weighted average risk-free interest rate of 0.16%, (4) expected life of 0.72 year, and (5) estimated fair value of the Company's common stock of $2.19 per share.

The charge of the amortization of debt discount and costs for the year ended December 31, 2012 was $10,457.

**NOTE 10 - NOTES PAYABLE**

Notes payable as of December 31, 2012 and 2011 are comprised of the following:

| | 2012 | 2011 |
|---|---|---|
| Mortgage payable | $ 7,444,580 | $ 7,527,811 |
| Note payable, GE Capital (construction), MRI | 450,604 | - |
| Note payable, GE Capital (construction), 2 | 153,340 | - |
| Note Payable, GE Capital (MRI) | 1,806,932 | - |
| Note Payable, GE Capital (X-ray) | 213,126 | - |
| Note payable, Auto | 27,300 | - |
| Note payable, HS Real, LLC. | 300,000 | - |
| Note payable, Dr. Richard Newman | 5,000 | - |
| | 10,400,882 | 7,527,811 |
| Less: current portion | (990,586) | (92,392) |
| | $ 9,410,296 | $ 7,435,419 |

Mortgage 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.

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.

Note payable, equipment financing

On May 21, 2012, the Company completed a financing with GE Healthcare Financial Services ("GE Capital") for approximately $2.4 million.

The financing consists of a master lease for equipment having a total value of approximately $1,990,000 and two construction loans totaling $600,000.

As of December 31, 2012, the Company drew down $450,000 against the first construction loan. This construction loan is payable in 35 monthly payments (first three payments are $nil) including interest at 7.38%, beginning the earlier of a) December 2012 or b) total advances have been made ($450,000). Interest of $604 has accrued in addition to the principal balance.

On September 24, 2012, the Company drew down $150,000 against the second construction loan. This construction loan is payable in 35 monthly payments (first three payments are $nil) including interest at 7.38%, beginning the earlier of a) December 2012 or b) total advances have been made in the amount of $150,000. Interest of $3,340 has accrued in addition to the principal balance.

The Company entered into an aggregate of $2,288,679 equipment finance leases subject to delivery and acceptance. All notes and finance leases have been personally guaranteed by the Company's Chief Executive Officer.

On August 22, 2012, the Company accepted the delivery of x-ray equipment under the equipment finance leases discussed above. As such, the component piece accepted of $212,389 is due over 60 months at $-0- the first three months; $4,300 for the remaining 57 months including interest at 7.9375% per annum. Interest of $737 has accrued in addition to the principal balance.

On September 27, 2012, the Company accepted the delivery of MRI equipment under the equipment finance leases discussed above. As such, the component piece accepted of $1,771,390 is due over 60 months at $-0- the first three months; $38,152 for the remaining 57 months including interest at 7.9375% per annum. .. Interest of $35,542 has accrued in addition to the principal balance.

Note payable, Auto

On May 21, 2012, the Company issued a note payable, in the amount of $29,850, due in monthly installments of $593 including interest of 6.99%, due to mature in June 2017, secured by related equipment.

Promissory note dated May 17, 2012

The Company entered into an unsecured loan agreement with HS Real Company, LLC ("HSR") on May 17, 2012 for $100,000 at an interest rate of 12% per annum (the "HSR Note"). On August 5, 2012, HSR increased the principal amount to $250,000, and subsequently HSR advanced an additional $50,000 to the Company, bringing the aggregate principal amount of the HSR Note to $300,000, all of which was due and payable to HSR on December 31, 2012. The HSR Note is in default, and the Company will endeavor to reach satisfactory terms with HSR to repay its obligation.

Note payable, Newman

In connection with the acquisition as described in Note 1 above, the Company assumed a $45,000 non-interest bearing, unsecured note payable to Dr. Richard Newman at $5,000 per month, maturing on January 1, 2013 and paid in full.

Aggregate maturities of long-term debt as of December 31, 2012 are as follows:

| For the twelve months ended December 31, | | Amount |
|---|---|---|
| 2013 | $ | 990,586 |
| 2014 | | 732,570 |
| 2015 | | 710,269 |
| 2016 and after | $ | 7,967,457 |
| Total | S | 10,400,882 |

## NOTE 11 - RELATED PARTY TRANSACTIONS

As more fully described in Note 8 above, CCR of Melbourne, Inc., an entity owned and controlled by the Company's Chief Executive Officer, provides a $500,000 unsecured, revolving line of credit to the Company.

## NOTE 12 - CAPITAL STOCK

Preferred stock

The Company is authorized to issue 1,000,000 shares $0.01 par value preferred stock. As of December 31, 2012 and 2011, none was issued and outstanding.

Common stock

The Company is authorized to issue 100,000,000 shares of $0.001 par value common stock. As of December 31, 2012 and 2011, 12,706,795 and 12,462,750 shares were issued and outstanding, respectively.
On April 4, 2012, 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.

In April 2012, the Company issued an aggregate of 244,045 shares of its common stock in connection with the acquisition of First Choice Medical Group of Brevard, LLC.

In July 2012, the Company sold 66,666 shares of common stock as part of a stock subscription agreement which expired December 2012. The Company received $100,000 in July 2012. The shares were issued in February 2013.
In December 2011, the Company issued 33,750 shares of its common stock for services rendered. The shares of common stock were valued at $116,100, which was estimated to be approximate the fair value of the Company's common shares during the period covered by the service provided.

## NOTE 13 - STOCK OPTIONS AND WARRANTS

Non- Employee Stock Options

There were no outstanding non-employee stock options outstanding as of December 31, 2012. 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 | (100,000) | (3.00) |
| Outstanding at December 31, 2012: | - | $ - |

Warrants

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

| | Warrants Outstanding | | | Warrants Exercisable | |
|---|---|---|---|---|---|
| Prices | Outstanding | Weighted Average (Years) | Weighted Price | Exercisable | Weighted Price |
| $ 3.60 | 1,875,000 | 6.00 | $ 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 December 31, 2012: | 1,875,000 | $ 3.60 |

During the year ended December 31, 2011, the Company issued 1,875,000 warrants to purchase the Company stock in connection with the services rendered at the exercise price of $3.60 per share for a term of seven years with an expected life of five years from date of grant. The warrants were fully vested at the time of issuance.
The fair value of the warrants for the year ended December 31, 2011 was determined using the Black Scholes option pricing model with the following assumptions:

| | |
|---|---|
| Dividend yield: | -0-% |
| Volatility | 194.26% |
| Risk free rate: | 0.97% |

The determined fair value of the warrants of $6,553,244 was charged to operations during the year ended December 31, 2011. While this was a significant event for the Company, it was a non-cash expense for services rendered during the 2011 fiscal year. The stated aggregate cash exercise price for the warrants is $6,750,000. The warrants are exercisable only for cash as there is no cashless exercise feature.

**NOTE 14 - SEGMENT REPORTING**

The Company reports segment information based on the “management” approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company’s reportable segments. The Company has two reportable segments: Marina Towers, LLC and FCID Medical, Inc.

The Marina Towers, LLC segment derives revenue from the operating leases of its owned building, whereas FCID Medical segment derives revenue for medical procedures performed.

Information concerning the operations of the Company's reportable segments is as follows:

Summary Statement of Operations for the year ended December 31, 2012:

| | Marina Towers | FCID Medical | Corporate | Intercompany Eliminations | Total |
|---|---|---|---|---|---|
| Revenue: | | | | | |
| Net Patient Service Revenue | $ - | $ 2,645,310 | $ - | $ - | $ 2,645,310 |
| Rental revenue | 1,459,092 | - | - | (299,055) | 1,160,037 |
| Total Revenue | 1,459,092 | 2,645,310 | - | (299,055) | 3,805,347 |
| Operating expenses: | | | | | |
| Practice salaries & benefits | - | 1,257,948 | - | - | 1,257,948 |
| Practice supplies and other operating expenses | - | 799,488 | - | (299,055) | 500,433 |
| General and administrative | 457,392 | 595,295 | 962,120 | - | 2,014,807 |
| Depreciation and amortization | 161,818 | 148,081 | - | - | 309,899 |
| Total operating expenses | 619,210 | 2,800,812 | 962,120 | (299,055) | 4,083,087 |
| Net income (loss) from operations: | 839,882 | (155,502) | (962,120) | - | (277,740) |
| Interest expense | (463,205) | (80,805) | (19,381) | - | (563,391) |
| Amortization of financing costs | (57,348) | - | - | - | (57,348) |
| Other income (expense) | 3,000 | - | (987) | - | 2,013 |
| Net Income (loss): | 322,329 | (236,307) | (982,488) | - | (896,466) |
| Income taxes | (8,307) | 6,090 | 25,320 | - | 23,103 |
| Net income (loss) | $ 314,022 | $ (230,217) | $ (957,168) | $ - | $ (873,363) |

Summary Statement of Operations for the year ended December 31, 2011:

| | Marina Towers | FCID Medical | Corporate | Intercompany Eliminations | Total |
|---|---|---|---|---|---|
| Revenue: | | | | | |
| Rental Revenue | $ 1,362,940 | $ - | $ - | $ (58,183) | $ 1,304,757 |
| Total Revenue | 1,362,940 | - | - | (58,183) | 1,304,757 |
| Operating expenses: | | | | | |
| General and administrative | 426,495 | - | 427,420 | (58,183) | 795,732 |
| Stock based compensation | - | - | 6,669,344 | - | 6,669,344 |
| Depreciation and amortization | 161,461 | - | - | - | 161,461 |
| Total operating expenses | 587,956 | - | 7,096,764 | (58,183) | 7,626,537 |
| Net income (loss) from operations: | 774,984 | - | (7,096,764) | - | (6,321,780) |
| Interest expense | (336,456) | - | 1,067 | - | (335,389) |
| Amortization of finance costs | (19,116) | - | - | - | (19,116) |
| Other income (expense) | 41,762 | - | 67,365 | - | 109,127 |
| Net Income (loss): | 461,174 | - | (7,028,332) | - | (6,567,158) |
| Income taxes | (415) | - | 6,331 | - | 5,916 |
| Net income (loss) | $ 460,759 | $ - | $ (7,022,001) | $ - | $ (6,561,242) |

Assets:

| | Marina Towers | FCID Medical | Corporate | Intercompany Eliminations | Total |
|---|---|---|---|---|---|
| Assets: | | | | | |
| At December 31, 2012: | $ 4,938,954 | $ 5,388,716 | $ 8,702 | $ - | $ 10,131,248 |
| At December 31, 2011: | $ 4,956,962 | $ - | $ 1,815,238 | $ - | $ 6,772,200 |
| | | | | | |
| Assets acquired | | | | | |
| Year ended December 31, 2012 | $ 29,263 | $ 2,753,578 | $ - | $ - | $ 2,782,841 |
| Year ended December 31, 2011 | $ - | $ - | $ - | $ - | $ - |

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

Service contracts

The Company carries various service contracts on its office building for repairs, maintenance and inspections. Certain contracts are long term and non-cancellable. The Company's future minimum payments under no cancellable service contracts by year from December 31, 2012 forward are approximately: 2013 $11,000, 2014 $6,500, total $17,500.

Employment and Consulting Agreements

The Company has consulting agreements with outside contractors, certain of whom are also Company stockholders. The Agreements are generally expire one year or less.

Litigation

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not aware of any such legal proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

**NOTE 16 – (LOSS) INCOME PER SHARE**

The following table presents the computation of basic and diluted loss per share:

| | 2012 | 2011 |
|---|---|---|
| Net loss income available for common shareholders | $ (873,363) | $ (6,561,242 |
| Basic net loss per share | $ (0.07) | $ (0.53) |
| Weighted average common shares outstanding-basic | 12,644,784 | 12,429,740 |
| Diluted net loss share | $ (0.07) | (0.53) |
| Weighted average common shares outstanding-Diluted | 12,644,784 | 12,429,740 |

During the year ended December 31, 2012 and 2011, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be anti-dilutive, thereby decreasing the net loss per common share.

## NOTE 17 - INCOME TAXES

The Company has adopted Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences primarily include stock compensation and other equity-related non-cash charges, capitalized financing costs, the basis difference of derivative liabilities and certain accruals.

Due to the reverse acquisition of First Choice Healthcare Solutions, Inc. by FCID Holdings, Inc. on December 29, 2010, the net operating loss carry forwards of First Choice Healthcare Solutions, Inc. incurred prior to that date may not be useable for income tax purposes. As through September 30, 2010 FCID Holdings, Inc. was inactive, and FCID Holdings, Inc.'s active subsidiary is a limited liability company and through September 30, 2010 passed no income through to FCID Holdings, Inc. for federal and state income tax purposes, FCID Holdings, Inc. through September 30, 2010 incurred no income tax at the corporate level.

At December 31, 2012, as described above, the Company did not have available for federal income tax purposes a net operating loss carry forward that may be used to offset future taxable income. Components of deferred tax assets as of December 31, 2012 are comprised primarily of stock based compensation. No income taxes were recorded on the earnings in 2012 as a result of the utilization of any carry forwards.
Deferred net tax assets consist of the following at December 31, 2012 and 2011:

| | 2012 | 2011 |
|---|---|---|
| Deferred tax asset | $ - | $ - |
| Less valuation allowance | (-) | (-) |
| Net deferred tax asset | $ 0 | $ 0 |

The provision for income taxes consists of the following:

| | 2012 | 2011 |
|---|---|---|
| Current tax (benefit) | $ - | $ 23,103 |
| Adjustment for prior year accrual | (23,103) | (29,019) |
| Net provision (benefit) | $ (23,103) | $ (5,916) |

The provision for Federal taxes differs from that computed by applying Federal statutory rates to the loss before any Federal income tax (benefit), as indicated in the following:

| | 2012 | 2011 |
|---|---|---|
| Federal statutory rate | 35.0% | 35.0% |
| State income taxes net of Federal benefit | - | - |
| | 35.0% | 35.0% |

The Company files income tax returns in the U.S. Federal jurisdiction, and various state jurisdictions. The Company is no longer subject to U.S. Federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2009.

The Company follows the provision of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no increase in the liability for unrecognized tax benefits. The Company has no tax position for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Company had no accruals for interest and penalties at December 31, 2012 and 2011.

**NOTE 18 - SUBSEQUENT EVENTS**

On February 19, 2013, the Company entered into a Securities Purchase Agreement with an accredited investor, in reliance upon the exemption from registration under Section 4(2) of the Securities Act, for the sale of an 8% convertible note in the original principal amount of $103,500 (the "Note"). The total net proceeds the Company received from this Offering was $100,000. All interest and principal must be repaid on November 21, 2013. The Note is prepayable (with a premium) during the 180-day period after issuance. Beginning 180 days after issuance, the Note is convertible into common stock, at lender’s option, at a 39% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion.

On February 1, 2013, 30,000 shares of common stock were issued to Colin Halpern as compensation for his initial term of service as a member of the Board of Directors.

On February 1, 2013, 30,000 shares of common stock were issued to Mel Lazar as compensation for his initial term of service as a member of the Board of Directors. Mr. Lazar resigned.

**EXHIBIT 31.1**

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

I, Christian Charles Romandetti, certify that:

(1) I have reviewed this annual report on Form 10-K of First Choice Healthcare Solutions, Inc., Inc. for the fiscal year ended December 31, 2012;

(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: April 1, 2013

/s/ Christian Charles Romandetti
Christian Charles Romandetti, President and Chief Executive Officer

**EXHIBIT 31.2**

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

I, Donald A. Bittar, certify that:

(1) I have reviewed this annual report on Form 10-K of First Choice Healthcare Solutions, Inc. for the fiscal year ended December 31, 2012;

(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: April 1, 2013

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

**EXHIBIT 32.1**

**CERTIFICATION OF THE CHIEF 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 Annual Report of First Choice Healthcare Solutions, Inc., (the ''Company'') on Form 10-K for year ended December 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: April 1, 2013

/s/ Christian Charles Romandetti
Christian Charles Romandetti
President and Chief Executive Officer

**EXHIBIT 32.2**

**CERTIFICATION OF THE CHIEF FINANCIAL 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 Annual Report of First Choice Healthcare Solutions, Inc., (the ''Company'') on Form 10-K for the year ended December 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: April 1, 2013

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