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June 15, 2015

Community Health Solutions of America, Inc.
1000 118th Avenue N.
St. Petersburg, FL 33716

To the Board of Directors and Stockholders of
Community Health Solutions of America, Inc.

We have audited the accompanying balance sheets of Community Health Solutions of America, Inc. (a corporation) as of December 31, 2014, and 2013, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Health Solutions of America, Inc. as of December 31, 2014, and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Edward Morrow, MBA, CPA, P.A.
Palm Harbor, Florida

Community Health Solutions of America, Inc.
Balance Sheet
As of

	Community Health Solutions of Louisiana December 31, 2014	December 31, 2014	December 31, 2013
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	$ 1,388,395	$ 2,228,913	$ 7,321,049
Accounts Receivable	-	296,706	391,314
Other Receivables	34,000	59,419	8,758,174
Intercompany Receivables	369,563	433,418	258,903
Deposits	2,007,701	2,040,536	2,040,181
Prepaid Expenses	805,439	925,562	6,568,249
Total Current Assets	$ 4,605,098	$ 5,984,555	$ 25,337,870
PROPERTY AND EQUIPMENT			
Fixed Assets	$ 282,172	$ 1,574,555	$ 1,583,542
Less: Accumulated Depreciation	(282,172)	(1,574,555)	(1,583,542)
Total Property and Equipment	$ -	$ -	$ -
OTHER ASSETS			
Intangible Assets (Net)	$ -	$ -	$ 183,492
Investments	-	43,121,094	-
Mortgage Receivable	-	-	326,951
Total Other Assets	$ -	$ 43,121,094	$ 510,444
TOTAL ASSETS	$ 4,605,098	$ 49,105,649	$ 25,848,313
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	$ 836,654	$ 1,300,230	$ 874,160
Other Payables	345,935	1,346,563	1,127,013
Accrued Expenses	757,079	945,369	123,423
Current portion of Long-term Debt	-	-	7,376
Total Current Liabilities	1,939,669	3,592,162	2,131,972
LONG-TERM LIABILITIES			
Notes Payable	$ -	$ 300,000	$ 300,000
Total Long-Term Liabilities	$ -	$ 300,000	$ 300,000
Total Liabilities	$ 1,939,669	$ 3,892,162	$ 2,431,972
STOCKHOLDERS' EQUITY			
Common Stock	$ -	$ 7,650,000	$ 7,650,000
Paid in Capital	2,507,062		
Retained Earnings	158,367	37,563,487	15,766,341
Total Stockholders' Equity	$ 2,665,429	$ 45,213,487	$ 23,416,341
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,605,098	$ 49,105,649	$ 25,848,313

See Accompanying Notes and Auditor's Report

Community Health Solutions of America, Inc.
Statement of Operations and Changes in Shareholders' Equity
for the 12 Months Ended

	Community Health Solutions of Louisiana December 31, 2014	December 31, 2014	December 31, 2013
Revenue			
Administration Fees	$ 27,322,239	$ 28,783,766	$ 45,221,870
Consulting Fees	-	1,487,289	179,542
Total Revenue	$ 27,322,239	$ 30,271,055	$ 45,401,412
Direct Expenses			
Medical Provider Fees	$ 3,594,082	$ 3,967,582	$ 8,539,289
Consulting Fees	77,481	1,060,701	1,454,784
Third-Party Service Fees	12,114,988	12,580,235	17,276,986
Other Costs	703,513	703,513	-
Total Cost of Revenues	$ 16,490,064	$ 18,312,031	$ 27,271,059
Gross Profit	$ 10,832,175	$ 11,959,024	$ 18,130,353
Operating Expenses			
Sales Expenses	$ 62,742	$ 99,440	$ 254,435
Corporate Employee Compensation	7,402,060	10,050,734	9,803,376
General & Administrative Expenses	4,637,581	5,237,098	6,861,500
Total Operating Expenses	$ 12,102,384	$ 15,387,272	$ 16,919,311
Total Operating Revenue/(Loss)	$ (1,270,209)	$ (3,428,248)	$ 1,211,042
Shared Savings Net Revenue/(Loss)	$ -	$ 1,148,875	$ 2,331,090
Net Operating Revenue/(Loss)	$ (1,270,209)	$ (2,279,372)	$ 3,542,132
Other Income/(Expenses)			
Other Income/(Expense)	$ -	$ (4,643,598)	$ 27,413
Interest Expense/(Expense)	(40,333)	(58,090)	408,288
Management Fees	(120,000)	(150,000)	(736,183)
Gain on Investment	-	79,251	-
Gain on Sale of Discontinued Operations	-	155,722,019	7,500,000
Total Other Expenses	$ (160,333)	$ 150,949,581	$ 7,199,519
Income (Loss) Before Income Taxes	$ (1,430,542)	$ 148,670,209	$ 10,741,651
Penalties and Interest	8,678	13,559	1,504,348
Net Income (Loss) After Taxes	$ (1,439,220)	$ 148,656,651	$ 9,237,303
Beginning Retained Earnings	1,597,588	15,766,341	6,529,038
Paid in Capital	2,507,062	-	-
Unrealized Holding Gain	-	8,080,442	-
Distributions	-	(134,939,946)	-
Ending Retained Earnings	$ 2,665,429	$ 37,563,487	$ 15,766,340

See Accompanying Notes and Auditor's Report

Community Health Solutions of America, Inc.
Statement of Cash Flows
For the 12 Months Ended

	Community Health Solutions of Louisiana December 31, 2014	December 31, 2014	December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	$ (1,439,220)	$ 148,656,651	$ 9,237,303
Adjustments to reconcile Net Income (Loss) to net Cash:			
(Increase) Decrease in:			
Accounts Receivable	$ -	$ 94,608	$ (354,352)
Other Receivables	(3,245,087)	8,698,755	(8,752,679)
Intercompany Receivables (Payables)	(147,864)	(174,516)	5,633,251
Deposits	(355)	(355)	(1,974,870)
Prepaid Expenses	75,835	5,642,687	(1,226,016)
Mortgage Receivable	-	326,951	642,533
Increase (Decrease) in:			
Accounts Payable	685,070	426,070	(597,317)
Other Payables	340,865	337,869	(1,789,296)
Accrued Expenses	691,226	769,828	(345,135)
Depreciation and Amortization (Net)	-	-	559,804
Total Adjustments	$ (1,600,310)	$ 16,121,898	$ (8,204,077)
Net Cash Provided By (Used In) Operating Activities	$ (3,039,531)	$ 164,778,548	$ 1,033,225
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Assets	-	-	(373,132)
Intangible Assets	183,492	183,492	(335,984)
Investments	-	(43,121,094)	-
Net Cash Provided By Investing Activities	183,492	(42,937,602)	(709,116)
CASH FLOWS FROM FINANCING ACTIVITIES			
Paid in Capital	$ 2,507,062	$ -	$ (196,230)
Unrealized Gain on Investments	-	8,080,442	-
Distributions	(73,578)	(135,013,525)	-
Net Cash Provided By Financing Activities	2,433,483	(126,933,082)	(196,230)
NET INCREASE (DECREASE) IN CASH	$ (422,555)	$ (5,092,136)	$ 127,880
CASH AT BEGINNING OF PERIOD	$ 1,810,950	$ 7,321,049	$ 7,193,169
CASH AT END OF PERIOD	$ 1,388,395	$ 2,228,913	$ 7,321,049

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business – Community Health Solutions of America, Inc., was incorporated in Florida in 2003, to obtain and manage state Medicaid and Children Health Insurance Programs (CHIP), and operates as an S Corporation for income tax purposes. CHS was awarded its first CHIP program from the state of Texas to create, grow and manage a medical provider network to meet the medical needs of its members. CHS was awarded the Florida CHIP program in the subsequent year. In 2005, CHS was awarded the South Carolina Medical Home Network (MHN) program, whereby Medicaid participants would select a medical home that would focus on primary care, coordination of services, and appropriate use of the health care system. This strategy envisioned use of managed care techniques long in practice among commercial insurance plans that would result in long-term savings through emphasis on prevention and quality, as well as greater budget predictability.

An MHN is composed of a contracted Primary Care Case Management (PCCM) organization and the primary care physicians enrolled in its network. The PCCM provides the infrastructure for the management of care, with the primary care physicians working with the beneficiary to manage care and authorize services rendered by other providers. The MHN is paid an administrative fee, as well as an amount for "shared savings" that is calculated from a pre-determined formula if savings on claims payments are recognized. Conversely, should the costs associated with the enrolled MHN members exceed what the expected costs would have been in the MCO environment, the MHN is at risk for reimbursing the state up to all of the administrative fees paid to the MHN.

CHS offers clinical and preventive care programs to Commercial, Government and Private health insurers. Programs offered under the CHS umbrella of care include:

- Care Management
- Utilization Management
- Case Management
- Disease Management
- Wellness and Prevention
- 24/7 Nurse Triage Line
- Drug Utilization Management
- Network Development
- Member/Provider Relations
- Claims Adjudication

Basis of Presentation – The financial statements have been prepared in conformity with United States generally accepted accounting principles. All significant inter-company receivables are properly recorded and disclosed in the financial statements.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. In the preparation of these financial statements, estimates and assumptions have been made by management concerning the collectability of inter-company receivables which is the Company's most significant estimate; the selection of useful lives for fixed assets and intangible assets; provisions, if any, necessary for trade receivables, commitments and contingencies and accrued liabilities; the returns and discount rates from long-term assets; income tax valuation allowances; and other similar evaluations. Actual results could differ materially from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents principally consist of bank demand deposits and certificates of deposit having original maturities of twelve months or less at the date of purchase.

Accounts Receivable – Accounts receivable are stated at estimated net realizable values. Allowances are recorded, when necessary, in an amount considered by management to be sufficient to meet probable future losses related to uncollectible accounts.

Investments – At December 31, 2014 and 2013, the Company's investments, comprised of certificates of deposit classified as cash equivalents, bonds or equities and as for sale and reported at fair value in accordance with Accounting Standards Codification (ASC) No. 320, *Investments – Debt and Equity Securities.* These securities are carried at fair market value, with unrealized gains and losses reported in other comprehensive income. Realized gains and losses on investments sold are included in net income and are derived using the specific identification method for determining the cost of services.

The fair value for fixed maturity securities is largely determined by third-party pricing service market prices based on reported trades, benchmark yields, issuer spreads, bids, offers, and estimated cash flows and prepayment speeds. Based on the typical trading volumes and the lack of quoted market prices for fixed maturities, third-party pricing services will normally derive the security prices through recent reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information as outlined above. If there are no recent reported trades, the third-party pricing services may use matrix or model processes to develop a security price where they develop future cash flow expectations based upon collateral performance and discount this at an estimated market rate. Included in the pricing for mortgage-backed and asset-backed securities are estimates of the rate of future prepayments of principal over the remaining life of the securities. Such estimates are derived based on the characteristics of the underlying structure and prepayment speeds previously experienced at the interest rate levels projected for the underlying collateral. Actual prepayment experience may vary from these estimates.

The Company regularly evaluates the amortized cost of investments compared to the fair value of those investments. The Company recognizes impairments of securities when a decline in fair value below the amortized cost basis is considered to be other than temporary. The evaluation includes the intent and ability to hold the security to recovery, and it is considered on an individual security basis, not on a portfolio basis. Impairment losses for mortgage-backed and asset-backed securities are recognized when an adverse change in the amount or timing of estimated cash flows occurs, unless the adverse change is solely a result of changes in estimated market interest rates. The Company also recognizes impairment losses when declines in fair values based on quoted prices are determined to be other than temporary.

The evaluation of impairment is a quantitative and qualitative process which is subject to risks and uncertainties such as changes in general economic conditions, the issuer's financial condition or near term recovery prospects, the effects of changes in interest rates or credit spreads, and the recovery period.

Unrealized gains and losses on available-for-sale investments are excluded from earnings and reported as accumulated other comprehensive income (loss), net of tax, unless the losses are determined to be other than temporary. Realized capital gains and losses are determined using the specific identification basis.

Investment income is recorded when earned. Premiums and discounts arising from the purchase of mortgage-backed and asset-backed securities are amortized into investment income over the estimated remaining term of the securities, adjusted for anticipated prepayments. The Company uses the prospective method to account for the impact on investment income of changes in the estimated future cash flows for these securities. Premiums and discounts on other fixed maturity securities are amortized using the interest method over the remaining term of the security.

Property, Equipment, and Capitalized Software – Property, equipment, and capitalized software are recorded at cost, less accumulated depreciation. Capitalized software consists of certain costs incurred in the development of internal-use software, including external direct costs of materials, services and payroll costs of employees devoted to specific software development. Depreciation expense is computed using Section 179 of the Internal Revenue Code. All assets are depreciated fully in accordance with the annual allowances of the Internal Revenue Code.

Amortization of capitalized lease assets is included in depreciation and amortization expense and accumulated depreciation. Amortization of leased assets and leasehold improvements is computed based on the shorter of the life of the lease or the useful lives of the leased assets.

Maintenance and repair costs are charged to expense during the period incurred. Major improvements that extend the lives of the assets are capitalized, and the useful lives are adjusted as necessary.

Fair Value of Financial Instruments – The carrying values of cash and cash equivalents, marketable securities, accounts receivable, and accounts payable and other accrued liabilities approximate fair value.

Valuation of Long-Lived Assets – The Company periodically evaluates the carrying value of long-lived assets when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when indicators of impairment are present and undiscounted cash flows estimated to be generated by the asset are less than the asset's carrying amount. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the related risk.

Capitalization of Expenditures – Expenditures in excess of $10,000 per item for improvements are capitalized and expenditures under $10,000 per item or repairs are expensed to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in other income. Depreciation has been determined using Section 179 of the Internal Revenue Code.

Revenue Recognition – The gross billings that the Company charges its clients under its Client Services Agreements include billings for premiums, case management and provider network administration. All charges by the Company are invoiced monthly based on the client's fee schedule and amount of per member per month charges processed. The Company accounts for its revenues using the accrual method of accounting. Under the accrual method of accounting, the Company recognizes its revenues in the period in which the client members are covered by the related benefits. The Company accrues revenues and unbilled receivables for administrative fees relating to the period of benefit coverage and/or premiums received but claims unpaid at the end of each period. In addition, the related costs of services are accrued as a liability for the same period. Subsequent to the end of each period, such costs are paid and the related service fees are billed.

The Company reports revenues from claims administration fees in accordance with Emerging Issues Task Force ("EITF") No. 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent. The Company reports as revenues, on a gross basis, the total amount billed to clients for professional administrative fees and other services agreed to by clients.* The Company reports revenues on a gross basis for these fees because the Company is the primary obligor and deemed to be the principal in these transactions under EITF No. 99-19.

Income Taxes – The Company operates as an S Corporation for U.S. income tax purposes and accounts for income taxes under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). SFAS 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities, if any, are determined based on the differences between the financial statement and the tax basis of assets and liabilities using enacted tax rates currently in effect. There were no deferred tax assets or liabilities as of December 31, 2014. The Company reports it total Net Income by K-1 (Form 1120-S) to its shareholders who are accountable for the Company's total Net Income with other K-1 reported income or losses.

2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of deposits in bank checking, and savings accounts plus cash invested in certificates of deposits with maturities of 12 months and consisting of the following:

Cash and Cash Equivalants Description	Balance @ 12/31/2014	Balance @ 12/31/2013
Cash	$ 2,228,913	$ 2,165,899
Certificate of Deposit	-	5,155,150
Total Cash & Cash Equivalents	$ 2,228,913	$ 7,321,049

3. ACCOUNTS RECEIVABLE

Accounts Receivable represents monies due from clients in the course of normal business operations. Shared Savings Receivable represents "shared savings" that is calculated from a pre-determined formula when savings on claims payments are recognized. Accounts Receivable at December 31, 2014 and 2013 consist of the following:

Payer Description	Balance @ 12/31/2014	Balance @ 12/31/2013
Molina - HMO	$ -	$ 211,125
SC Department of Health & Human Services-PCMH	2,929	108,037
SC Department of Health & Human Services-MCCW	49,684	27,912
SC Department of Heatlh & Human Services-Pre-admission Screening	16,614	19,654
Centene	-	-
Lurie Children's Hospital	227,480	24,587
Total Accounts Receivable	$ 296,706	$ 391,314

Management has determined that all Accounts Receivable represent current and valid receivables at December 31, 2014.

4. OTHER RECEIVABLES

Other receivables represent amounts due to the Company for operations in the ordinary course of the Company's business. Other receivables at December 31, 2014 and 2013 consist of the following:

Other Receivables Description	Balance @ 12/31/2014	Balance @ 12/31/2013
Officer's Receivable	$ -	$ 8,351,028
Other	25,419	141
Payroll Benefits	-	338
Centene	34,000	-
Premier Servicing, LLC	-	406,667
Total Other Receivables	$ 59,419	$ 8,758,174

Management has determined that all Other Receivables represent current and valid receivables at December 31, 2014. On January 31, 2014, the shareholder paid to Company $8.351 million thereby satisfying the Officer's Receivable outstanding on December 31, 2013.

5. INTERCOMPANY RECEIVABLES, NET

Intercompany receivables, net of payables, represent monies due to or from the Company to or from its various affiliates for monies advanced for its use as determined by the affiliates, including the provision of certain administrative services relative to the Company's operations and in the ordinary course of the Company's business. Intercompany receivables at December 31, 2014 and 2013 consist of the following:

Affiliated Company	Balance @ 12/31/2014	Balance @ 12/31/2013
PEOple Premier, Inc.	$ 6,151	$ 218
Premier Adminstrative Solutions, Inc.	258,068	130,589
Premier Club Holdings, LLC	113,628	-
Premier Business Solutions, LLC	31	-
Premier Insurance Benefits, LLC	-	151,700
PEople Premier II, LLC	62	-
CD Real Estate Holdings, LLC	(624)	(1,500)
CD Residential Real Estate, LLC	2,223	-
CHS-Illinois	406,731	-
CHS-Louisiana	(355,289)	(248,033)
CHS-South Carolina	(251,411)	278,425
CHS-Shared Services	199,969	(30,392)
Clear Processing Solutions, LLC.	5,014	(23,528)
Clear Tec Solutions, LLC.	45,093	(1,082)
Clear Recruiting Solutions, LLC.	3,773	2,505
Total Due from Affiliates	$ 433,418	$ 258,903

Management has determined that all of the monies due or owed related parties are valid receivables and/or payables at December 31, 2014 and that all amounts due and/or owed will be received and/or paid by December 31, 2015.

6. DEPOSITS

Deposits consist mainly of a $2,000,000 cash deposit on a surety bond, issued by an "A" rated insurance company, recoverable after the termination of the Company's Louisiana contract, and the full payment of all claims, if any, filed against the Company's surety bond at January 31, 2016.

7. PREPAID EXPENSES

Prepaid expenses consist of expenses that are paid in advance for premiums, bonding fees, computer licensing, administration fees and various other consulting fees. Prepaid expenses at December 31, 2014 and 2013 consist of the following:

Expense Description		Balance @ 12/31/2014		Balance @ 12/31/2013
Administration Fees	$	854	$	-
Conferences		-		4,800
Insurance		-		249,865
Information Technology System, Processing & Consulting		123		5,433,633
Healthy Rewards Program		29,188		-
Management Fees		120,000		
Performance Bonds		2,083		-
Travel & Other		-		41,522
Shared Savings Advance - Urgent Care		773,314		725,605
Software		-		112,824
Total Prepaid Expenses	$	925,562	$	6,568,249

8. PROPERTY, EQUIPMENT AND ACCUMULATED DEPRECIATION

Expenditures in excess of $10,000 per item for improvements are capitalized and expenditures under $10,000 per item or repairs are expensed to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in other income. Depreciation has been determined using Section 179 of the Internal Revenue Code whereby all assets are fully depreciated using the conventions set forth annually by the Internal Revenue Service. For fiscal year 2014 and 2013, the maximum deduction was $500,000 and the limit on capital purchases was $2,000,000 for qualified expenditures.

Property, equipment, and capitalized software, along with accumulated depreciation and amortization consisted of the following:

Expense Description		Balance @ 12/31/2014		Balance @ 12/31/2013
Building and Leasehold Improvements	$	754,402	$	754,402
Computer Hardware & Software		589,598		589,598
Equipment		-		20,998
Furniture & Fixtures		218,544		218,544
Office Equipment		12,011		-
Less: Accumulated Depreciation/Amortization		(1,574,555)		(1,583,542)
Total Property and Equipment	$	-	$	-

9. OTHER PAYABLES

Other Payables represent expenses incurred in the normal course of business operations. All other payables are considered current liabilities and will be paid within one year of incurring them. At December 31, 2014 and 2013, accrued expenses consisted of the following items:

Expense Description	Balance @ 12/31/2014	Balance @ 12/31/2013
Providers Payable	$ 676,009	$ 676,009
Healthy Rewards Program	345,935	73,513
Shared Savings Settlement	324,471	324,471
Building Improvements Payable	149	8,224
Other Payables	-	44,797
Total Other Payables	$ 1,346,563	$ 1,127,013

10. ACCRUED EXPENSES

Accrued expenses represent expenses incurred in the normal course of business operations outside of typical vendors. All accrued expenses are considered current liabilities and will be paid within one year of incurring them. At December 31, 2014 and 2013, accrued expenses consisted of the following items:

Expense Description	Balance @ 12/31/2014	Balance @ 12/31/2013
Employee Leasing Costs	$ 729,389	$ 81,405
Legal Fees	-	15,926
Consulting Fees	125,152	22,500
Taxes	90,767	-
Other Office Expenses	60	3,592
Total Accrued Expenses	$ 945,369	$ 123,423

11. RELATED PARTY TRANSACTIONS

On January 1, 2012, the Company entered into a sales agreement with Clear Tec Solutions, LLC. (CTS), an affiliate, whereby it exchanged certain internally-developed and customized software (Consensus), valued at $12,000,000 and a related data warehouse valued at $4,000,000, for specified Information Technology (IT) services. The proceeds of this sale were offset against Accounts Payable due to CTS and incurred in the course of normal business operations for IT services provided and relating to member services provided under the Company's agreement with South Carolina and Louisiana. Invoiced amounts for IT services provided by CTS are submitted monthly and the balance owed by CTS for Consensus is reduced accordingly. This process resulted in a prepaid expense of $4,727,902 for IT fees as of December 31, 2013 from the original receivable balance that was computed at a discounted rate of $1.90 per member per month. All Federal income taxes incurred from the sales agreement were properly computed, and paid in full to the United States Department of the Treasury.

On December 31, 2015, debt totaling $4,653,598 was written off for Clear Tech Solutions, LLC and Premier Insurance Benefits, LLC, related companies. The income relating to the debt forgiven was properly reported by each entity.

12. BUSINESS CONCENTRATIONS

A significant portion of business written by the Company is for state governmental programs. Accordingly, the occurrence of adverse economic conditions, an adverse regulatory climate, or a disaster in the state could have a material adverse effect on the Company's business, although no such conditions have been encountered in the past.

On March 16, 2012, the Company entered in to a settlement agreement with the South Carolina Department of Health and Human Services (SCDHHS), whereby SCDHHS released certain withheld shared savings payments and acknowledged SCDHHS errors in their computation of the shared settlement payments to the Company resulting in a shared savings liability to the Company of $1,730,510 for the year ended December 31, 2012. Repayment of this liability began in 2013, with $324,471 being withheld from each quarterly shared settlement payment during the year.

In the first quarter of 2014, SCDHHS recalculated the amount of the net savings through the third quarter of 2012, resulting in an actual savings of $1,494,363 by the Company. The Company is having an independent actuarial firm review the SCDHHS net savings calculations to determine if they were properly calculated. Inconsistencies in the calculation will be brought to SCDHHS for further review. Prior amounts to be withheld by the SCDHHS were offset against this recognized savings, resulting in a receivable of $826,888 to the Company. All receivables were received and recognized in the first quarter of 2014.

For the year ended December 31, 2014, more than 90% of the Company's total revenues were derived from state regulated programs. The Company is actively marketing its services to generate new customers and revenue resulting in some additional expense without current revenue being realized and recorded in the statement of operations.

Major competitors are Medical Care Organizations, including First Choice by Select Health, Absolute Total Care, Blue Choice Health Plan of South Carolina, and Absolute Total Care in South Carolina and Amerigroup, LaCare, Louisiana Health Connections, and United Healthcare Community Plan in Louisiana.

13. SIGNIFICANT EVENTS

On July 26, 2013, Community Health Solutions of America, Inc. (CHS) entered into an agreement with Molina Healthcare, Inc. (Molina) to sell certain CHS South Carolina (SC) assets, including the rights to convert CHS's non-risk Medicaid members into SC's full-risk Medicaid program effective January 1, 2014, plus the right to apply for a SC 2014 Medicaid Dual Eligible contract. The conversion of such members was contingent on three conditions: the successful receipt by Molina of a HMO license issued by the South Carolina Department of Insurance, the award to Molina Healthcare of a full-risk Medicaid managed care contract by the South Carolina Department of Health and Human Services, and the state's conversion to a full-risk Medicaid managed care program.

Each of these three conditions was satisfied by January 01, 2014. On January 01, 2014, CHS's approximately 137,000 South Carolina Medicaid non-risk members were converted to Medicaid full-risk members. As of April 01, 2014, which was the end of the converted members' choice period, approximately 88% of the converted members choose to be enrolled with Molina. 1668

The remaining 12% of converted members selected to be enrolled into other HMO Medicaid plans operating in South Carolina or dropped out of SC's Medicaid program.

The conversion right's Total Sales Price was based on SC's April 01, 2014 MCO Final Enrollment report received during April 2014 which reported that 120,521 converted Medicaid members were enrolled with Molina. The conversion right Total Sales Price of approximately $57.2 million has been paid to CHS or deposited into a jointly held bank money market escrow account in five payments: $7.5 million was received by CHS on July 26, 2013, $33.6 million was received by CHS on January 07, 2014, and $10.5 million was received by CHS on April 17, 2014. The interim and final withhold amounts of $4.5 million and $1.1 million were deposited on January 07, 2014 and April 17, 2014, respectively, into a CHS and Molina jointly held bank money market account whose balance, less any amount used to offset losses incurred by Molina resulting from the conversion, will be released and paid to CHS on the eighteenth month anniversary of the effective date of the FAD contract.

Community Health Solutions of America, Inc.
Notes to December 31, 2014 and 2013 Financial Statements

Conversion Right Calculation Summary:

Closing Payment (7/26/13)	$7,500,000
MCO Purchase Price Interim Payment to Sellers	33,556,800
MCO Purchase Price Final Payment	10,465,926
Interim Withhold Amount	4,561,867
Final Withhold Amount	1,162,882
Total	$57,247,475

Additionally, on January 1, 2014 the shareholders of Company transferred their common stock interest to Premier Business Solutions Group, LLC (PBSG).