

MEDICAL ALARM CONCEPTS HOLDINGS INC
Form 10-Q
February 22, 2010

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

FORM 10-Q

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

For the quarterly period ended December 31, 2009

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

For the transition period from _____ to _____.

MEDICAL ALARM CONCEPTS HOLDING, INC.
(Exact name of registrant as specified in Charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

333-153290
(Commission File No.) (IRS Employee Identification No.)

5215-C Militia Hill Road, Plymouth Meeting, PA 19462
(Address of Principal Executive Offices)

1 (877) 639-2929
(Issuer Telephone number)

(Former Name or Former Address if Changed Since Last Report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every

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Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company filer. See definition of “accelerated filer” and “large accelerated filer” in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

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

State the number of shares outstanding of each of the issuer’s classes of common equity, as of February 22, 2010: 112,059,400 shares of Common Stock.

MEDICAL ALARM CONCEPTS HOLDING, INC.

FORM 10-Q

December 31, 2009

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ITEM 1. Financial Information

MEDICAL ALARM CONCEPTS HOLDINGS, INC.

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Medical Alarm Concepts Holdings, Inc.
(A development stage company)
BALANCE SHEETS

	ASSETS	
	December 31, 2009 (Unaudited)	June 30, 2009
CURRENT ASSETS		
Cash	\$ 2,168	\$ 50,751
Restricted cash	62,500	60,000
Accounts receivable	4,751	-
Vendor deposit	52,744	-
Subscription receivable	-	90,000
Prepaid expenses	349,005	59,644
Total Current Assets	471,168	260,395
Property and Equipment		
Furniture and Fixtures, net of depreciation of \$4,286 and \$2,857	15,714	17,143
Office Equipment, net of depreciation of \$3,589 and \$2,393	8,375	9,571
Property and Equipment, net	24,089	26,714
Security Deposit	-	2,160
Patent, net of accumulated amortization of \$624,997 and \$416,665	1,875,003	2,083,335
TOTAL ASSETS	\$ 2,370,260	\$ 2,372,604
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Derivative liability - warrants	\$ 19,154,319	\$ -
Accounts payable	128,585	94,969
Customer deposits	12,765	-
Deferred revenue	9,751	27,515
Common stock to be issued	115,000	-
Accrued expenses	13,173	12,500
Total Current Liabilities	19,433,593	134,984
Patent payable	2,500,000	2,500,000
Convertible Notes payable – face amount	782,650	729,300
Less original issue and notes payable discount	(243,755)	(440,722)
TOTAL LIABILITIES	22,472,488	2,923,562
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred Stock - at \$0.0001 par value; 50,000,000	3,000	3,000

shares authorized 30,000,000 shares issued and
outstanding

Series B Convertible Preferred Stock – at \$0.0001 par
value; 30,000,000

shares authorized 29,000,000 shares issued and
outstanding

Common stock - at \$0.0001 par value; 800,000,000 shares
authorized

93,509,400 shares issued and outstanding

Additional paid-in capital

Deferred compensation

Deficit accumulated during the development stage

Total Stockholders' Deficit

TOTAL LIABILITIES AND STOCKHOLDERS'

DEFICIT

	2,900	-
	9,351	4,526
	3,036,503	1,255,109
	(640,522)	-
	(22,513,460)	(1,813,593)
	(20,442,173)	(550,958)
	\$ 2,370,260	\$ 2,372,604

See accompanying notes to the financial statements.

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Medical Alarm Concepts Holdings, Inc.
(A development stage company)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ending December 31,		For the six months ending December 31,		For the Period from June 4, 2008 (Inception) Through December 31, 2009
	2009	2008	2009	2008	
Revenue	\$ 332,829	\$ -	\$ 332,829	\$ -	\$ 332,829
Cost of Sales	171,700		171,700		171,700
Gross Profit	161,129		161,129		161,129
Operating expenses					
Advertising	992,479	17,305	1,011,125	38,162	1,148,419
Amortization	104,167	104,166	208,333	208,333	624,998
Travel and entertainment	15,238	75,642	45,112	111,259	220,342
Research and development	-	17,304	57,763	39,404	188,603
Professional fees	103,151	22,000	147,350	88,972	328,316
Compensation	64,897	47,194	125,551	100,969	352,593
General and administrative	80,884	74,656	241,974	161,926	577,691
Total operating expenses	1,360,816	358,267	1,167,208	749,025	3,440,962
Loss from operations	(1,199,687)	(358,267)	(1,676,079)	(749,025)	(3,279,833)
Other Income (Expenses)					
Depreciation	(1,313)	(1,313)	(2,625)	(1,313)	(7,875)
Derivative instrument	(18,554,362)	-	(18,692,835)	-	(18,692,835)
Interest income	-	703	-	4,006	4,274
Interest expense	(159,021)	(25,000)	(328,328)	(50,000)	(537,191)
Other Income (Expense), net	(18,570,696)	(25,610)	(19,023,788)	(47,307)	(19,233,627)
Loss before income taxes	(19,914,383)	(383,877)	(20,699,867)	(796,332)	(22,513,460)

Income tax provision	-	-	-	-	-
Net loss	\$ (19,914,383)	\$ (383,877)	(20,699,867)	(749,332)	\$ (22,513,460)
Net loss per common share – basic and diluted	\$ (0.31)	\$ (0.01)	(0.38)	(0.02)	\$ (0.48)
Weighted average number of common shares – basic and diluted	63,957,226	45,256,487	54,608,313	45,253,398	47,145,425

See accompanying notes to the financial statements.

MEDICAL ALARM CONCEPTS HOLDINGS, INC.
(A development stage company)
Statements of Cash Flows
(Unaudited)

	For the six months ending December 31, 2009	For the six months ending December 31, 2008	Period From June 4, 2008 (inception) through December 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (20,699,867)	\$ (796,332)	\$ (22,513,460)
Adjustments to reconcile net loss to net cash used in operating activities:			
Preferred stock issued for services	-	3,000	3,000
Common stock issued for services	812,500	-	818,750
Amortization of patent	208,332	208,333	624,997
Amortization of original issue and notes payable discounts	232,627	-	316,490
Depreciation	2,625	1,313	7,875
Change in operating assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(4,751)		(4,751)
Vendor deposit	(52,744)		(52,744)
Prepaid expenses	(289,361)	(15,160)	(349,005)
Security deposit	2,160	5,000	-
Increase (decrease) in:			
Accounts payable	33,616	32,790	128,585
Customer deposit	12,765		12,765
Accrued expenses	673		13,173
Derivative liability	18,879,606	-	18,879,606
Deferred revenue	(17,764)	32,790	9,751
Net Cash Used in Operating Activities	(879,583)	(568,556)	(2,104,968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Furniture & Fixtures	-	(20,000)	(20,000)
Office Equipment	-	(11,964)	(11,964)
Net Cash Used in Operating Activities	-	(31,964)	(31,964)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Restricted cash	(2,500)	-	(62,500)
Collection of subscription receivable	205,000	-	205,000
Proceeds from convertible notes	48,500	-	621,500
Sale of preferred stock	580,000		580,000
Sale of common stock, net of costs	-	18,400	795,100
Net Cash Provided By Financing Activities	831,100	18,400	2,139,100
NET DECREASE IN CASH	(48,583)	(582,120)	2,168

CASH AT BEGINNING OF PERIOD		50,751		734,157		-
CASH AT END OF PERIOD	\$	2,168	\$	152,037	\$	2,168

See accompanying notes to the financial statements.

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MEDICAL ALARM CONCEPTS HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
December 31, 2009 and 2008
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)

NOTE - 1 NATURE OF OPERATIONS

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

On June 24, 2008, the Company merged with Medical Alarm Concepts LLC ("Medical LLC") a Pennsylvania Limited Liability Company. The members of Medical Alarm Concepts LLC received 30,000,000 shares of the Company's common stock or 100% of the outstanding shares in the merger. As of the date of the merger Medical LLC was inactive.

Medical Alarm Concepts Holdings, Inc. ("Medical Holdings" or the "Company"), a development stage company, was incorporated on June 4, 2008 under the laws of the State of Nevada. Initial operations have included organization and incorporation, target market identification, marketing plans, and capital formation. A substantial portion of the Company's activities has involved developing a business plan and establishing contacts and visibility in the marketplace. The Company has not generated any revenues since inception. The Company plans to utilize new technology in the medical alarm industry to provide 24-hour personal response monitoring services and related products to subscribers with medical or age-related conditions.

NOTE - 2 SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

The accompanying interim financial statements for the three and six month periods ended December 31, 2009 and 2008 and the period from June 4, 2008 (Inception) through December 31, 2009 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations realized during an interim period are not necessarily indicative of results to be expected for a full year. These financial statements should be read in conjunction with the information filed as part of the Company's Annual Report on Form 10-K filed with the SEC on October 13, 2009.

Development Stage Company

The Company is a development stage company as defined by section 810-10-20 of the FASB Accounting Standards Codification. The Company has recognized minimal revenue, is still devoting substantially all of its efforts on establishing the business and its planned principal operations have not commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements as well as the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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Fiscal year end

The Company elected June 30 as its fiscal year ending date.

Cash Equivalents

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

Property and equipment

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

Patent

The Company has adopted the guidelines as set out in section 330-30-35-6 of the FASB Accounting Standards Codification for patent costs. Under the requirements as set out, the Company capitalizes and amortizes patent costs associated with the licensed product the Company intends to sell pursuant to the Purchase Agreement and the Patent Assignment Agreements, entered into on July 10, 2008 effective July 30, 2008, over their estimated useful life of four years. The costs of defending and maintaining patents are expensed as incurred. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Impairment of long-lived assets

The Company follows section 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's reviews its long-lived assets, which include furniture and fixtures, office equipment, and patent, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated or amortized over the newly determined remaining estimated useful lives. The Company determined that there were no impairments of long-lived assets as of September 30, 2009 or 2008.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair

value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

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- Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable and accrued liabilities, approximate their fair values because of the short maturity of these instruments.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at September 30, 2009 or 2008, nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the interim period ended September 30, 2009 or 2008.

Revenue Recognition

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

Discount on debt

The Company has allocated the proceeds received from convertible debt instruments between the underlying debt instruments and has recorded the beneficial conversion feature as equity in accordance with paragraph 810-10-05-4 of the FASB Accounting Standards Codification. The conversion feature and certain other features were not considered embedded derivative instruments at December 31, 2009. The Company has also recorded the resulting discount on debt related to the warrants and is amortizing the discount using the effective interest rate method over the life of the debt instruments.

Financial instruments

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

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

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

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Stock-based compensation for obtaining employee services and equity instruments issued to parties other than employees for acquiring goods or services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification and accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of section 505-50-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

Net loss per common share

Net loss per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic loss per share is computed by taking net loss divided by the weighted average number of common shares outstanding for the period. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period to reflect the potential dilution that could occur from common shares issuable through stock options, warrants, and convertible debt, which excludes 3,940,750 shares of common stock issuable under warrants and 1,956,825 shares of common stock issuable under the conversion feature of the convertible notes payable for the interim period ended December 31, 2009, no share equivalents were outstanding for the interim period ended December 31, 2008 or for the period from June 4, 2008 (inception) through December 31, 2009, respectively. These potential shares of common stock were not included as they were anti-dilutive.

Recently Issued Accounting Pronouncements

In June 2003, the Securities and Exchange Commission (“SEC”) adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”), as amended by SEC Release No. 33-9072 on October 13, 2009. Commencing with its annual report for the fiscal year ending June 30, 2010, the Company will be required to include a report of management on its internal control over financial reporting. The internal control report must include a statement

- o of management’s responsibility for establishing and maintaining adequate internal control over its financial reporting;
- o of management’s assessment of the effectiveness of its internal control over financial reporting as of year end; and
- o of the framework used by management to evaluate the effectiveness of the Company’s internal control over financial reporting.

Furthermore, it is required to file the auditor’s attestation report separately on the Company’s internal control over financial reporting on whether it believes that the Company has maintained, in all material respects, effective internal control over financial reporting.

In June 2009, the FASB approved the “FASB Accounting Standards Codification” (the “Codification”) as the single source of authoritative nongovernmental U.S. GAAP to be launched on July 1, 2009. The Codification does not

change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered non-authoritative. The Codification is effective for interim and annual periods ending after September 15, 2009.

In August 2009, the FASB issued the FASB Accounting Standards Update No. 2009-04 "Accounting for Redeemable Equity Instruments - Amendment to Section 480-10-S99" which represents an update to section 480-10-S99, distinguishing liabilities from equity, per EITF Topic D-98, Classification and Measurement of Redeemable Securities. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

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In August 2009, the FASB issued the FASB Accounting Standards Update No. 2009-05 “Fair Value Measurement and Disclosures Topic 820 – Measuring Liabilities at Fair Value”, which provides amendments to subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of liabilities. This update provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: 1. A valuation technique that uses: a. The quoted price of the identical liability when traded as an asset b. Quoted prices for similar liabilities or similar liabilities when traded as assets. 2. Another valuation technique that is consistent with the principles of topic 820; two examples would be an income approach, such as a present value technique, or a market approach, such as a technique that is based on the amount at the measurement date that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The amendments in this update also clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this update also clarify that both a quoted price in an active market for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-08 “Earnings Per Share – Amendments to Section 260-10-S99”, which represents technical corrections to topic 260-10-S99, Earnings per share, based on EITF Topic D-53, Computation of Earnings Per Share for a Period that includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock and EITF Topic D-42, The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-09 “Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees”. This update represents a correction to Section 323-10-S99-4, Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee. Additionally, it adds observer comment Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees to the Codification. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-12 “Fair Value Measurements and Disclosures Topic 820 – Investment in Certain Entities That Calculate Net Assets Value Per Share (or Its Equivalent)”, which provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures-Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update permit, as a practical expedient, a reporting entity to measure the fair value of an investment that is within the scope of the amendments in this update on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of Topic 946 as of the reporting entity’s measurement date, including measurement of all or substantially all of the underlying investments of the investee in accordance with Topic 820. The amendments in this update also require disclosures by major category of investment about the attributes of investments within the scope of the amendments in this update, such as the nature of any restrictions on the investor’s ability to redeem its investments at the measurement date, any unfunded commitments (for example, a contractual commitment by the investor to invest a specified amount of additional capital at a future date to fund investments that will be made by the investee), and the investment strategies of the investees. The major category of investment is required to be determined on the basis of the nature and risks of the investment in a manner consistent with the guidance for major security types in U.S. GAAP on investments in debt and equity securities in paragraph 320-10-50-1B. The disclosures are required for all investments within the scope of the amendments in this update regardless of whether the fair value of the investment is measured using the practical expedient. The Company does

not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

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Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

NOTE – 3 GOING CONCERN

As reflected in the accompanying financial statements, the Company had a deficit accumulated during the development stage of \$22,513,460 at December 31, 2009, and had a net loss of \$19,914,383 and cash used in operations of \$879,583 for the interim period ended December 31, 2009, respectively.

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

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

NOTE – 4 CONVERTIBLE NOTES PAYABLE

On March 30, 2009, the Company sold two convertible promissory notes in the aggregate principal amount of \$467,500. The aggregate gross proceeds of the notes were \$425,000. The notes do not bear interest, but instead were issued at an aggregate discount of \$42,500. The notes are due and payable April 30, 2010. The notes can convert into shares of the Company's common stock, par value \$0.001, at \$0.40 per share.

On June 15, 2009, the Company sold convertible promissory notes in the aggregate principal amount of \$261,800. The aggregate gross proceeds of the sales were \$238,000. The notes do not bear interest, but instead were issued at an aggregate discount of \$23,800. The notes are due and payable July 15, 2010. The notes can convert into shares of the Company's common stock, par value \$0.001, at \$0.40 per share.

On July 15, 2009, the Company sold convertible promissory notes in the aggregate principal amount of \$53,350. The aggregate gross proceeds of the sales were \$48,500. The notes do not bear interest, but instead were issued at an aggregate discount of \$4,850. The notes are due and payable August 15, 2010. The notes can convert into shares of the Company's common stock, par value \$0.001, at \$0.40 per share.

As of December 31, 2009, there was an aggregate of \$782,650 in principal amount (face value at maturity) of term promissory notes outstanding.

NOTE – 5 DERIVATIVES AND FAIR VALUE

The Company has evaluated the application of Section 815-15-25 of the FASB Accounting Standards Codification (Section 815-15-25) to the Warrants to purchase common stock issued with the March 30, 2009, June 15, 2009, July 15, 2009 and December 7, 2009 Convertible Notes and service agreements. Based on the guidance in Section 815-15-25, the Company concluded these instruments were required to be accounted for as derivatives as of July 1, 2009 due to the down round protection feature on the conversion price and the exercise price. The Company records

the fair value of these derivatives on its balance sheet at fair value with changes in the values of these derivatives reflected in the statements of operations as “Gain (loss) on derivative liabilities.” These derivative instruments are not designated as hedging instruments under Section 815-15-25 and are disclosed on the balance sheet under Derivative Liabilities.

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NOTE - 6 STOCKHOLDERS' DEFICIT

Series A Convertible Preferred Stock

The Company issued Series A Convertible Preferred Stock totaling \$3,000 on July 18, 2008 (the "Series A") for services performed. The holders of Series A were issued 30,000,000 shares of preferred stock, having a stated value of \$0.0001 per share.

The Series A has no voting rights, bears no dividends and is convertible at the option of the holder after the date of issuance at a rate of 1 share of common stock for every preferred share issued however, the preferred shares cannot be converted if conversion would cause the holder to own more than 5% of the issued and outstanding common stock.

Series B Convertible Preferred Stock

The Company issued 29,000,000 Series B Convertible Preferred Stock on November 25, 2009 (the "Series B") for \$580,000. The Series B preferred stock has a par value of \$0.0001 per share.

The Series B has no voting rights, bears no dividends and is convertible at the option of the holder after the date of issuance at a rate of 1 share of common stock for every preferred share issued however, the preferred shares cannot be converted if conversion would cause the holder to own more than 5% of the issued and outstanding common stock.

Common stock

On June 24, 2008 the Company issued 30,000,000 of its common stock at their par value of \$0.0001 in exchange for all outstanding membership units of Medical Alarm Concepts, LLC held by the Company's members.

For the period from June 6, 2008 through June 15, 2008, the Company sold 15,000,000 shares of its common stock at \$0.05 per share for \$750,000 to six (6) individuals.

On June 9, 2008, the Company issued 25,000 shares of its common stock at its fair market value of \$0.25 per share or \$6,250 to its attorneys, for services rendered.

For the period from June 23, 2008 through June 30, 2008, the Company sold 160,800 shares of its common stock at \$0.25 per share for \$40,200 to twenty-five (25) individuals.

For the period from July 1, 2008 through July 11, 2008, the Company sold 73,600 shares of its common stock at \$0.25 per share for \$18,400 to 17 individuals.

On November 12, 2008, the Company issued 4,000 shares of its common stock at its fair market value of \$0.25 per share or \$1,000 to two individuals.

On October 1, 2009, the Company issued 50,000 shares of its common stock at its fair market value of \$0.25 per share or \$12,500 for services.

On November 25, 2009, the Company issued 200,000 shares of its common stock at its fair market value of \$0.25 per share or \$50,000 for services.

On November 25, 2009, the Company issued 45,000,000 shares of its common stock for anti-dilution protection.

On December 1, 2009, the Company issued 3,000,000 shares of its common stock at its fair market value of \$0.25 per share or \$750,000 for services.

Warrants

On March 30, 2009, together with the sale of convertible promissory notes discussed in Note 4, the Company issued warrants to purchase 2,337,500 shares of the Company's common stock. The warrants are exercisable over five years at an exercise price of \$0.45 per share. The fair value of these warrants granted, estimated on the date of grant, was \$302,940, which has been recorded as a discount to the convertible notes payable, using the Black-Scholes option-pricing model.

On June 15, 2009, together with the sale of convertible promissory notes discussed in Note 4, the Company issued warrants to purchase 1,309,000 shares of the Company's common stock. The warrants are exercisable over five years at an exercise price of \$0.45 per share. The fair value of these warrants granted, estimated on the date of grant, was \$155,345, which has been recorded as a discount to the convertible notes payable, using the Black-Scholes option-pricing model.

On July 15, 2009, together with the sale of convertible promissory notes discussed in Note 4, the Company issued warrants to purchase 294,250 shares of the Company's common stock. The warrants are exercisable over five years at an exercise price of \$0.45 per share. The fair value of these warrants granted, estimated on the date of grant, was \$22,983, which has been recorded as a discount to the convertible notes payable, using the Black-Scholes option-pricing model.

On December 2, 2009 the Company issued 26,869,000 Class B warrants of common stock with an exercise price of \$0.02 per share. The 5 year warrants vest over 4 quarters with a 6 month lockup. The fair value of these warrants granted, estimated on the date of grant, was \$467,188, which has been recorded as a prepaid expense that will be amortized over a period of one year, using the Black-Scholes option-pricing model.

In addition, 2,000,000 Series B warrants were issued for investor relations services under same terms as of July 15, 2009. The warrants triggered a reset event of the Series A warrants and the convertible note to the \$0.02 price.

Financial assets are considered Level 3 under paragraph 820-10-35-37 of the FASB Accounting Standards Codification when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial liabilities consist of the warrants for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. The Company has valued the freestanding warrants that contain down round provisions using a lattice model, with the assistance of a valuation consultant, for which management understands the methodologies. This model incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates, as well as assumptions about future financings, volatility, and holder behavior as of December 7, 2009 and December 31, 2009. The primary assumptions include projected annual volatility of 210% and holder exercise targets at 200% of the projected exercise price for the warrants, decreasing as the warrants approach maturity. The fair value of the derivatives as of December 31, 2009 was estimated by management to be \$19,154,318.

The foregoing assumptions will be reviewed quarterly and are subject to change based primarily on management's assessment of the probability of the events described occurring. Accordingly, changes to these assessments could materially affect the valuation.

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NOTE – 7 CONTINGENCIES

Litigation

On or about November 24, 2009, LogicMark LLC, a Virginia corporation, filed a lawsuit in U.S. Federal Court for the Eastern District of Virginia against Medical Alarm Concepts Holdings Inc., Medical Alarm Concepts LLC, and Mr. Nevin Jenkins, an individual residing in Florida. The complaint essentially alleges that (a) MAC's Medipendant product infringes on several claims of a patent which LogicMark recently purchased from a bankrupt British company; (b) Mr. Jenkins, the inventor of the patents which MAC has acquired failed to include certain inventorship information in his patent application with the U.S. Patent and Trademark Office; and (c) MAC misrepresented in its advertising and marketing of the Medipendant product that MAC was the first company to market a monitored Personal Emergency Response System product. MAC has denied the claims asserted in the lawsuit and filed its own infringement claims against LogicMark LLC. MAC will vigorously defend against the LogicMark claims and believes the lawsuit will be successfully resolved. The lawsuit has had no adverse impact on MAC's business operations as it continues to manufacture and market its product and is distributing the Medipendant to dealers and customers.

NOTE – 8 SUBSEQUENT EVENTS

The Company has evaluated all events that occur after the balance sheet date as of December 31, 2009 through February 22, 2010, the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there was certain reportable subsequent event to be disclosed as follows:

In January 2010, the Company converted 11,000,000 Series A preferred stock into 11,000,000 common shares.

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

This section of the Registration Statement includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our predictions.

Overview

Plan of Operation

Medical Alarm Concepts has taken the proven PERS system and upgraded it with a new state-of-the-art technology. We are introducing a 2-way voice speakerphone pendant that connects to a monitored call center. No other PERS system on the market today offers two-way voice communication directly through the pendant. In an emergency, the current systems require the user to be NEAR the base station in order to communicate with the monitoring center. This leaves the user confined to a one-room radius of the base station at all times. Our system enables the user to communicate directly through their wearable pendant, leaving them free to move anywhere in and around the home.

Our primary focus is in the sale of our medical devices. We intend to link, install and monitor the medical alarm systems to a pre-designated central station. Our home communicator connects to a telephone line and our medical pendant, when activated, sends an automated digital telephone signal to a monitoring facility. Within seconds a highly trained monitoring professional follows a proscribed response protocol to quickly assess the situation and provide an appropriate response. This may include calling the police, fire, or ambulance to respond to the situation, or calling family, friends, or neighbors.

In addition, we also have a retail division that allows individuals who prefer not to pay the monthly fee, to make a one-time purchase of the unit. The unit will connect them to a designated personal contact or simply to 911.

Results of Operations

For the period from inception through December 31, 2009, we had revenue in the amount of \$332,829. Expenses for the period from inception to December 31, 2009 totaled \$3,440,962 resulting in a Net loss of \$22,513,460.

Capital Resources and Liquidity

As of December 31, 2009, we had \$2,168 in cash.

We believe we cannot satisfy our cash requirements for the next twelve months with our current cash and unless we receive financing proceed, we may be unable to proceed with our plan of operations. We do not anticipate the purchase or sale of any significant equipment. We also do not expect any significant additions to the number of employees. The foregoing represents our best estimate of our cash needs based on current planning and business conditions. Additional funds are required, and unless we received proceeds from financing, we may not be able to proceed with our business plan for the development and marketing of our core services. Should this occur, we will suspend or cease operations.

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

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Recent Accounting Pronouncements

In June 2003, the Securities and Exchange Commission (“SEC”) adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”), as amended by SEC Release No. 33-9072 on October 13, 2009. Commencing with its annual report for the fiscal year ending June 30, 2010, the Company will be required to include a report of management on its internal control over financial reporting. The internal control report must include a statement

- o of management’s responsibility for establishing and maintaining adequate internal control over its financial reporting;
- o of management’s assessment of the effectiveness of its internal control over financial reporting as of year end; and
- o of the framework used by management to evaluate the effectiveness of the Company’s internal control over financial reporting.

Furthermore, it is required to file the auditor’s attestation report separately on the Company’s internal control over financial reporting on whether it believes that the Company has maintained, in all material respects, effective internal control over financial reporting.

In June 2009, the FASB approved the “FASB Accounting Standards Codification” (the “Codification”) as the single source of authoritative nongovernmental U.S. GAAP to be launched on July 1, 2009. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered non-authoritative. The Codification is effective for interim and annual periods ending after September 15, 2009.

In August 2009, the FASB issued the FASB Accounting Standards Update No. 2009-04 “Accounting for Redeemable Equity Instruments - Amendment to Section 480-10-S99” which represents an update to section 480-10-S99, distinguishing liabilities from equity, per EITF Topic D-98, Classification and Measurement of Redeemable Securities. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In August 2009, the FASB issued the FASB Accounting Standards Update No. 2009-05 “Fair Value Measurement and Disclosures Topic 820 – Measuring Liabilities at Fair Value”, which provides amendments to subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of liabilities. This update provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: 1. A valuation technique that uses: a. The quoted price of the identical liability when traded as an asset b. Quoted prices for similar liabilities or similar liabilities when traded as assets. 2. Another valuation technique that is consistent with the principles of topic 820; two examples would be an income approach, such as a present value technique, or a market approach, such as a technique that is based on the amount at the measurement date that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The amendments in this update also clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this update also clarify that both a quoted price in an active market for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-08 “Earnings Per Share – Amendments to Section 260-10-S99”, which represents technical corrections to topic 260-10-S99, Earnings per share, based on EITF Topic D-53, Computation of Earnings Per Share for a Period that includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock and EITF Topic D-42, The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

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In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-09 “Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees”. This update represents a correction to Section 323-10-S99-4, Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee. Additionally, it adds observer comment Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees to the Codification. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-12 “Fair Value Measurements and Disclosures Topic 820 – Investment in Certain Entities That Calculate Net Assets Value Per Share (or Its Equivalent)”, which provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures-Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update permit, as a practical expedient, a reporting entity to measure the fair value of an investment that is within the scope of the amendments in this update on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of Topic 946 as of the reporting entity’s measurement date, including measurement of all or substantially all of the underlying investments of the investee in accordance with Topic 820. The amendments in this update also require disclosures by major category of investment about the attributes of investments within the scope of the amendments in this update, such as the nature of any restrictions on the investor’s ability to redeem its investments at the measurement date, any unfunded commitments (for example, a contractual commitment by the investor to invest a specified amount of additional capital at a future date to fund investments that will be made by the investee), and the investment strategies of the investees. The major category of investment is required to be determined on the basis of the nature and risks of the investment in a manner consistent with the guidance for major security types in U.S. GAAP on investments in debt and equity securities in paragraph 320-10-50-1B. The disclosures are required for all investments within the scope of the amendments in this update regardless of whether the fair value of the investment is measured using the practical expedient. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Critical Accounting Policies and Estimates

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (“GAAP”). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Use of Estimates: In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates.

Revenue Recognition: Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is assured. We had no revenue for the twelve months ended December 31, 2009 and 2007, respectively.

Stock-Based Compensation:

The Company accounts for its stock-based compensation under the provisions of SFAS No.123(R) Accounting for Stock Based Compensation. Under SFAS No. 123(R), the Company is permitted to record expenses for stock options and other employee compensation plans based on their fair value at the date of grant. Any such compensation cost is charged to expense on a straight-line basis over the periods the options vest. If the options had cashless exercise provisions, the Company utilizes variable accounting.

Common stock, stock options and common stock warrants issued to other than employees or directors are recorded on the basis of their fair value, as required by SFAS No. 123(R), which is measured as of the date required by EITF Issue 96-18, Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. In accordance with EITF 96-18, the stock options or common stock warrants are valued using the Black-Scholes model on the basis of the market price of the underlying common stock on the valuation date, which for options and warrants related to contracts that have substantial disincentives to nonperformance is the date of the contract, and for all other contracts is the vesting date. Expense related to the options and warrants is recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period. Where expense must be recognized prior to a valuation date, the expense is computed under the Black-Scholes model on the basis of the market price of the underlying common stock at the end of the period, and any subsequent changes in the market price of the underlying common stock up through the valuation date is reflected in the expense recorded in the subsequent period in which that change occurs.

In December 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. SFAS No. 148 also amends the disclosure requirements of SFAS No. 123(R), requiring prominent disclosure in annual and interim financial statements regarding a company's method for accounting for stock-based employee compensation and the effect of the method on reported results.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for Smaller Reporting Companies.

Item 4T. Controls and Procedures

a) Evaluation of Disclosure Controls. Howard Teicher, our Chief Executive Officer, and Ronnie Adams, our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of our fiscal quarter ended December 31, 2009 pursuant to Rule 13a-15(b) of the Securities and Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate to allow timely decisions regarding required disclosure. Based on his evaluation, Mr. Teicher concluded that our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in the reports 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's rules.

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

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(b) Changes in internal control over financial reporting. In order to rectify our ineffective disclosure controls and procedures, we are developing a plan to ensure that all information will be recorded, processed, summarized and reported accurately, and as of the date of this report, we have taken the following steps to address the above-referenced material weaknesses in our internal control over financial reporting:

- We will continue to educate our management personnel to comply with the disclosure requirements of Securities Exchange Act of 1934 and Regulation S-K; and
- We will increase management oversight of accounting and reporting functions in the future.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On or about November 24, 2009, LogicMark LLC, a Virginia corporation, filed a lawsuit in U.S. Federal Court for the Eastern District of Virginia against Medical Alarm Concepts Holdings Inc., Medical Alarm Concepts LLC, and Mr. Nevin Jenkins, an individual residing in Florida. The complaint essentially alleges that (a) MAC's Medipendant product infringes on several claims of a patent which LogicMark recently purchased from a bankrupt British company; (b) Mr. Jenkins, the inventor of the patents which MAC has acquired failed to include certain inventorship information in his patent application with the U.S. Patent and Trademark Office; and (c) MAC misrepresented in its advertising and marketing of the Medipendant product that MAC was the first company to market a monitored Personal Emergency Response System product. MAC has denied the claims asserted in the lawsuit and filed its own infringement claims against LogicMark LLC. MAC will vigorously defend against the LogicMark claims and believes the lawsuit will be successfully resolved. The lawsuit has had no adverse impact on MAC's business operations as it continues to manufacture and market its product and is distributing the Medipendant to dealers and customers.

Item 1A. Risk Factors.

Not required to be provided by smaller reporting companies.

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

As a second closing to the offering that closed on November 25, 2009, on January 27, 2010 we entered into subscription agreements (the "Subscription Agreements") for the sale of 9,450,000 shares of Series B Preferred Stock for an aggregate gross amount of \$189,000. The sale of the Series B Preferred Stock was issued in reliance upon the exemption from securities registration afforded by Rule 506 of Regulation D as promulgated by the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") or Section 4(2) of the Securities Act.

On November 25, 2009, we entered into a subscription agreements with each of the Purchasers (the "Subscription Agreement"), a copy of which is attached hereto as Exhibit 4.1. Pursuant to the Subscription Agreement, we executed and agreed to deliver to the Purchasers shares of Series B Convertible Preferred Shares (the "Series B Preferred Stock") in the aggregate principal amount of \$580,000 and a per share purchase price of \$0.02 for the issuance of an aggregate of 29,000,000 shares of Series B Preferred Stock. The Series B Preferred Stock has conversion rights that enable the holder of each share of Series B Preferred Stock to convert into one share of our common stock for each share of Series B Preferred Stock owned. Additionally, the holders of the Series B Preferred Stock have voting rights on an as-converted basis for all matters that require shareholder approval. Lastly, the Series B Preferred Stock has a liquidation preference. A copy of the Certificate of Designation for our Series B Preferred Stock is attached hereto as Exhibit 4.2. The sale of the Series B Preferred Stock was issued in reliance upon the exemption from securities registration afforded by Rule 506 of Regulation D as promulgated by the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") or Section 4(2) of the Securities Act.

On November 24, 2009, we issued shares of our common stock to certain individuals and entities listed below pursuant to anti-dilution protection for the management of the Company in accordance with the terms of the financing agreement entered into on November 25, 2009. Specifically, we issued a total of 45,000,000 shares of common stock to certain entities as follows:

- Allan Polsky: 4,550,000 shares
- Paul Green: 4,400,000 shares
- Jennifer Loria: 5,550,000 shares

- Ronnie Adams: 14,500,000 shares
- Howard Teicher: 14,500,000 shares
- Nicholas Cannone: 600,000 shares
- Two-Way Venture: 900,000 shares

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These shares were issued in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended (the 'Act'). These shares of our Common Stock qualified for exemption under Section 4(2) of the Securities Act of 1933 since the issuance shares by us did not involve a public offering. The offering was not a 'public offering' as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of shares offered. We did not undertake an offering in which we sold a high number of shares to a high number of investors. In addition, these shareholders had the necessary investment intent as required by Section 4(2) since they agreed to and received share certificates bearing a legend stating that such shares are restricted pursuant to Rule 144 of the 1933 Securities Act. This restriction ensures that these shares would not be immediately redistributed into the market and therefore not be part of a 'public offering.' Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act of 1933 for this transaction.

In January, certain of our Series A Preferred Shareholders converted 11,000,000 shares of their shares of Series A Preferred Stock into 11,000 shares of common stock. These shares were issued in reliance on the exemption under Section 4(2) of the Securities Act of 1933, as amended (the 'Act'). These shares of our Common Stock qualified for exemption under Section 4(2) of the Securities Act of 1933 since the issuance shares by us did not involve a public offering. The offering was not a 'public offering' as defined in Section 4(2) due to the insubstantial number of persons involved in the deal, size of the offering, manner of the offering and number of shares offered. We did not undertake an offering in which we sold a high number of shares to a high number of investors. In addition, these shareholders had the necessary investment intent as required by Section 4(2) since they agreed to and received share certificates bearing a legend stating that such shares are restricted pursuant to Rule 144 of the 1933 Securities Act. This restriction ensures that these shares would not be immediately redistributed into the market and therefore not be part of a 'public offering.' Based on an analysis of the above factors, we have met the requirements to qualify for exemption under Section 4(2) of the Securities Act of 1933 for this transaction.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Exhibits

31.1 Certifications pursuant to Section 302 of Sarbanes Oxley Act of 2002

31.2 Certifications pursuant to Section 302 of Sarbanes Oxley Act of 2002

32.1 Certifications pursuant to Section 906 of Sarbanes Oxley Act of 2002

32.2 Certifications pursuant to Section 906 of Sarbanes Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDICAL ALARM CONCEPTS HOLDING, INC.

Date: February 22, 2010

By: /s/ Howard Teicher
Howard Teicher
Chief Executive Officer,
Chief Financial Officer