

**iMedicor likely to assess capital and exit options during 2Q, CEO says**  
**by Milt Capps in Nashville, Tennessee**  
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**iMedicor** (OTCBB: VMCI), the Nanuet, New York-based healthcare information portal provider, welcomes suitors and is likely to assess its capital requirements and exit options in 2Q13, said Fred Zolla, its co-founder, chairman and CEO.

Contingent upon the results of its internal assessment, the company "absolutely" welcomes representatives of potential buyers, as well as potential investors for a 2013 raise that, if undertaken, is likely to have a target "north of USD 15m", said Zolla. It currently has no plans to mandate bankers, he said. An eventual sale to a strategic bidder now seems its most likely exit route, he said when asked.

The timing of its assessment of strategy and priorities has been heavily shaped by its results expectations after bringing recently signed customers onboard, Zolla confirmed when asked.

Since its founding in 2001, it has received more than USD 22m in outside investment, and during the past 12 years it has used more than USD 24m of its stock for acquisitions and other purposes, he confirmed. Its largest single shareholder is individual investor Chandler Coddington, who holds 28% of its stock, he said.

Driven partly by changes in recent years for healthcare information technology standards and regulatory compliance obligations, iMedicor decided to "bite the bullet" and broaden its products and services, the CEO said. It was founded as an advanced videoconferencing technology and services business, and then evolved toward providing online healthcare educational programming. It subsequently began concentrating on providing clinicians a secure portal for healthcare information exchange with strong social-media components, Zolla explained.

It recently acquired **iPenMD**, which offers an electronic medical record (EMR) platform which is augmented by digital-pen transcription-capture technology, the company said in its 24 January press release. The transaction was a USD 600,000 all-stock deal, Zolla said today. iPenMD has a reseller agreement with **Shareable Ink** that allows iMedicor to integrate Shareable's pen technology into iPenMD's Next-EMR medical-records offering, Zolla confirmed, adding that iMediCor and Shareable plan to discuss their potential long-term relationship in coming weeks. When asked by this news service, Zolla said he believes that pen offerings from **LiveScribe** and others could be competitive for use with iMediCor's platform.

iMedicor's own "SocialHIE" (social health information exchange) layer of technology supports secure-messaging functionality for professionals using its social networks and communities features, which can complement any electronic medical record (EMR) system in the market, according to Zolla.

iMedicor also continues its health IT consulting practice, which has in recent years emphasized helping primary-care physicians secure federal HITECH grants for IT. It provides marketing to dental-services firms as well, he said today.

Its market cap was approximately USD 12m this afternoon; it has 16 employees and approximately USD 500,000 in available cash, he said. In March, the company will relocate to facilities associated with the New Jersey Institute of Technology, at Newark, he said.

In 2007, iMedicor acquired **NuScribe**, a voice recognition and web-based tools provider for the healthcare, medical and pharmaceutical sectors, in a USD 9m all-stock transaction. The company's original name, **VEMICS**, was the acronym for visually enhanced multipoint interactive communications systems. It became iMedicor in 2009, said Zolla.

Competitors potentially include such majors as **Allscripts** and **Cerner**, Zolla acknowledged, adding that he does not sense that they are currently focused on the social and communications layer in the same manner as iMedicor.

iMedicor's advisors include attorneys David A. Weinstein in New Jersey and Sam Fortenbaugh in New York City, said Zolla. It banks with Chase and its accountants are Demetrius Berkower, he confirmed.

