CONSOLIDATED HEALTHCARE SERVICES, LLC

June 5, 2014

Dear Investor:

Enclosed is the year end review package for Consolidated Healthcare Services, LLC's (the "Company's") year ending December 31, 2014. Included in your package are the following items:

- 2014 Year End Review Letter
- Consolidated Financial Statements dated December 31, 2014
- Article Entitled "The Consolidation Beat Goes On: Annual Report on the 20 Largest Outpatient Imaging-Center Chains"
- 2014 Special Correspondence
- Settlement Agreement and Mutual General Releases
- Order Approving Receiver's Ex Parte Application to Approve Settlement Agreement Re Consolidated Healthcare Services, LLC

We hope that these items will contribute to your understanding of the Company's operations. Should you have any questions or comments, please feel free to contact me.

Sincerely,

/s/ Nikolay Feitser

NIKOLAY FEITSER
Executive Vice President

Enclosures

CONSOLIDATED HEALTHCARE SERVICES, LLC

June 3, 2015

This is the year end review of Consolidated Healthcare Services, LLC's (the "Company's") operations for the calendar year 2014, and a forward look at certain aspects of the Company's operations for the calendar year 2015. Enclosed are the following financial statements:

- Consolidated Balance Sheets prepared as of December 31, 2013 and December 31, 2014; and

- Consolidated Statements of Operations prepared for the calendar years ending December 31, 2013 and December 31, 2014.

The enclosed 2014 financial statements are unaudited, as audited financial statements are not required for the Company, and the Company wishes not to incur unnecessary expense.

As of December 31, 2014, the Company owned and operated 26 diagnostic MRI imaging centers (in Florida, Georgia, Oklahoma, and Texas), and 1 diagnostic CT imaging center (in Florida). The Company's diagnostic imaging centers experienced an overall increase from 42,731 scans during the 2013 calendar year (with 26 diagnostic imaging centers at year end) to 44,354 scans during the 2014 calendar year (with 27 diagnostic imaging centers at year end).

The Company has continued to experience pervasive cost reduction efforts directed at the advanced diagnostic imaging business, including utilization review measures, pre-authorization measures, and reimbursement rate cuts. Most recently, the Company has experienced "pathway of treatment" cost reduction efforts, which have the effect of diverting patients in need to less expensive imaging procedures (e.g., x-ray and ultrasound) prior to, and perhaps in lieu of, more expensive imaging procedures (e.g., CT and MRI).

At the national level, the greatest impact on the diagnostic imaging business, in general, and on the Company, in particular, through the 2014 calendar year and continuing into the 2015 calendar year, has been the ongoing rollout of ObamaCare, due to its cost cutting measures and its direct and indirect reimbursement rate cuts, implemented directly through the Medicare and Medicaid programs, and indirectly through private medical insurance companies. In essence, ObamaCare has been funded, in part, through reimbursement rate cuts targeted, in part, at the advanced diagnostic imaging business. For example, in 2014, Medicare implemented reimbursement rate cuts which ranged as high as 38%, on a procedure by procedure basis. In addition, in 2015, Medicare implemented reimbursement rate cuts which averaged 14%, on a procedure by procedure basis.

Private medical insurance companies, which often base their reimbursement rates, at least in part, on Medicare reimbursement rates, have continued to follow suit, as have other governmental agencies.

At the state level, the greatest impact on the diagnostic imaging business, in general, and on the Company, in particular, through the 2014 calendar year and continuing into the 2015 calendar year, has been the reimbursement rate cuts implemented by the State of Texas Workers' Compensation Commission. These reimbursement rate cuts averaged 38%, on a procedure by procedure basis.

In the State of Florida, the spectre of further Personal Injury Protection (PIP) reform remains ever present. The current system, with its direct and indirect reimbursement rate cuts and caps, has been reformed repeatedly, and may be reformed yet again, at the behest of the automobile insurance companies.

The inevitable consequences of such pervasive reimbursement rate cuts are decreasing revenues, and closures and consolidations of diagnostic imaging centers. The enclosed article entitled "The Consolidation Beat Goes On: Annual Report on the 20 Largest Outpatient Imaging-Center Chains," published annually by Radiology Business, describes more fully this evolutionary phenomenon in the diagnostic imaging business.

The Company has permanently closed its re-opened diagnostic imaging centers in Boynton Beach, Florida, and West Palm Beach, Florida. In addition, the Company has closed its diagnostic imaging centers in Duncanville, Texas, Las Colinas, Texas, Texas City, Texas, and Tulsa, Oklahoma. These closures were implemented in order to stem operating losses at these diagnostic imaging centers. The Company will continue to monitor the economic performance of its diagnostic imaging centers, on a center by center basis. Under appropriate circumstances, the Company may re-evaluate the closure of these diagnostic imaging centers.

Interestingly, closures and consolidations of diagnostic imaging centers owned by competitors of the Company may continue to present acquisition opportunities for the Company. The Company has monitored and will continue to monitor closures of diagnostic imaging centers owned by competitors, as well as troubled but operating diagnostic imaging centers for acquisition opportunities that would be beneficial to the Company, contingent on funding acceptable to the Company.

The Company has opened a new diagnostic CT imaging center in Aventura, Florida. This diagnostic imaging center, which will offer x-ray imaging, should be beneficial to the Company in response to recently experienced "pathway of treatment" cost reduction efforts.

Due to marketplace demands, the Company's business plan anticipated the sequential replacement of its oldest diagnostic imaging equipment. The Company has had limited success in replacing and complementing its oldest diagnostic imaging equipment, however, it has been unable to engage in an orderly plan of sequential replacement.

Complicating the Company's diagnostic imaging equipment needs is a material increase in the cost of cryogen, required to operate the Company's high field MRI scanners, due to material shortages in the cryogen market. The Company has been able to successfully maintain its supply of cryogen, albeit at a materially higher cost.

The Company continues to seek accreditation for its diagnostic imaging centers with respected accrediting bodies: the American College of Radiology (ACR) and the Intersocietal Accreditation Commission (IAC MRI). Each of the Company's diagnostic imaging centers are accredited by one or more of these bodies.

The Company has closed its sole behavioral health clinic in Aventura, Florida, due to its lack of profitability, caused in part by reimbursement difficulties.

Looking ahead, the Company will continue to seek to advantageously manage its "footprint" of diagnostic imaging centers, by contracting in unprofitable markets, and expanding in profitable markets. The Company will also continue to seek to adjust its payor mix in favor of more profitable diagnostic imaging procedures, while also continuing to engage in its own internal cost cutting measures, in order to enhance the Company's profitability.

The Company acknowledges and appreciates your ongoing support. Rest assured that the Company will continue to exert its best efforts in order to maximize the value of your investment in the Company.

Sincerely,

/s/ Peter Solodko

PETER SOLODKO
Chief Executive Officer

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Consolidated Healthcare Services, LLC and Subsidiaries
Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash	$ 153,152	$ 248,376
Accounts receivable, net	8,249,182	7,070,791
Prepaid expenses and other current assets	305,961	120,828
Current portion of loan costs, net	-	28,704
Total current assets	8,708,295	7,468,699
Other assets:		
Property and equipment, net	5,533,005	5,483,179
Related party receivables,net	982,029	637,729
Loan costs,net	-	7,178
Security deposits	167,902	159,367
Total other assets	6,682,936	6,287,453
	$ 15,391,231	$ 13,756,152
LIABILITES AND MEMBERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, other	$ 1,287,751	$ 1,451,564
Current portion of related party debt	231,507	2,213
Accounts payable	4,101,460	2,947,283
Accrued expenses	1,498,444	1,120,549
Total current liabilities	7,119,162	5,521,609
Long term liabilities:		
Line of credit	-	$ 2,090,395
Term loan	3,000,000	
Long term debt, other	6,169,786	4,685,846
Long term debt, related party	8,850,251	8,677,453
Accrued Interest, long term	58,264	-
Accounts payable, long term	237,133	465,629
Total long-term liabilities	18,315,434	15,919,323
Members' deficit:		
Members' equity	(9,065,646)	23,328,765
Member subscription receivable	-	(30,040,916)
Total Consolidated Healthcare Services, LLC members' deficit	(9,065,646)	(6,712,151)
Non-controlling interest	(977,719)	(972,629)
Total members' deficit	(10,043,365)	(7,684,780)
	$ 15,391,231	$ 13,756,152

Internally prepared without audit, for discussion purposes only

Consolidated Healthcare Services, LLC and Subsidiaries
Consolidated Statements of Operations

	Year Ended December 31, 2014	Year Ended December 31, 2013
Revenues:		
Gross patient revenues	$ 78,234,160	$ 73,080,262
Contractual adjustments	(58,579,876)	(52,828,017)
Patient refunds	(136,351)	(79,488)
Net revenues	19,517,933	20,172,757
Expenses:		
Operating expenses	18,944,071	17,965,936
Depreciation and amortization	1,199,312	1,247,938
Total operating expenses	20,143,383	19,213,874
Operating (loss) income	(625,450)	958,883
Other income (expense):		
Other income	(82,408)	199,586
Interest expense	(1,644,063)	(1,130,582)
Loss on sale of fixed assets	(31,098)	(32,289)
Gain on settlement	24,434	-
Total other income (expense)	(1,733,135)	(963,285)
Net (loss) income including the non-controlling interest	$ (2,358,585)	$ (4,402)
Net loss (income) attributable to the non-controlling interest	5,090	(3,700)
Net (loss) income attributable to controlling interest	(2,353,495)	(8,102)

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