



**DECISION DIAGNOSTICS CORP.**

# **ANNUAL REPORT FOR OTC PINK**

## **SUPPLEMENTAL DISCLOSURES**

**Annual Report for Period Ended**

**December 31, 2016**

Trading Symbol: **DECN**

CUSIP Number: **243443 108**

# Decision Diagnostics Corp.

## OTC Pink Basic Disclosure Guidelines

### 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

DECISION DIAGNOSTICS CORP. (11/25/2011-present)  
INSTACARE CORP. (through 11/25/2011)

### 2) Address of the issuer's principal executive offices

#### Company Headquarters

Address 1: 2660 TOWNSGATE ROAD

Address 2: SUITE 300

Address 3: WESTLAKE VILLAGE, CA 91361

Phone: 805-446-1973

Email: info@decisiondiagnostics.com

Website(s): www.decisiondiagnostics.com

IR Contact N/A

### 3) Security Information

Trading Symbol: DECN

Exact title and class of securities outstanding: COMMON

CUSIP: **243443 108**

Par or Stated Value: \$0.001

Total shares authorized: 494,995,000 as of: 12/31/2016

Total shares outstanding: 84,639,908 as of: 12/31/2016

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: PREFERRED

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 3,738,500 as of: 12/31/2016

Total shares outstanding: N/A as of: 12/31/2016

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: PREFERRED SERIES "B"

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 2,500 as of: 12/31/2016

Total shares outstanding: 1,000 as of: 12/31/2016

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: PREFERRED SERIES "C"

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 10,000 as of: 12/31/2016

Total shares outstanding: 6,235 as of: 12/31//2016

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: PREFERRED SERIES "D"\*

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 500 as of: 12/31/2016

Total shares outstanding: NONE as of: 12/31/2016

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: PREFERRED SERIES "E"

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 1,250,000 as of: 12/31/2016

Total shares outstanding: 857,540 as of: 12/31/2016

Transfer Agent

Name: ACTION STOCK TRANSFER CORP.

Address 1: 2469 E. FORT UNION BLVD.

Address 2: SUITE 214

Address 3: SALT LAKE CITY, UT 84121

Phone: 801-274-1088

Is the Transfer Agent registered under the Exchange Act?\* Yes:  No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

\* In April 2015 the company completed voluntary disclosure, periodic financial, and management's discussion and analysis filings (postings) with OTCMarkets, for the purposes of becoming a current voluntary filer. The company's filings were reviewed and the company was granted current filer status with OTCMarkets on April 21, 2015 and again on August 22, 2016.

\* In February 2016 the company completed re-designations for its Preferred Series "D" stock. Of note in these re-designations, the company increased the number of Preferred "D" shares authorized from 500 to 1,250 and changed the holding period prior for any contemplated conversions of Preferred "D" shares into common stock shares from twelve (12) months to thirty-six (36) months. These re-designations will be reflected in filings for the period ending March 31, 2017. To date no shares of Preferred Series "D" stock have been issued.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

1:14 reverse stock split of \$0.001 par value common stock effective 11/25/2011

1:25 reverse stock split followed immediately by a 1:25 forward stock split effective August 4, 2016

#### 4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

COMMON STOCK			
Date	Description	Change in Shares	Running Total
12/1/2011	1 for 14 Reverse Split	8,461,032	8,461,032
12/19/2011	New Issuance-Kimberly Binder	75	8,461,107
12/19/2011	New Issuance-Patrick DiParini	200	8,461,307
12/30/2011	10% Stock Dividend	846,669	9,307,976
1/3/2012	DTC Rounding shares	(42)	9,307,934
1/4/2012	New Issuance-Positive Revolution Inc-S-8	100,000	9,407,934
1/11/2012	Converted to Common-Alpha Credit	294,000	9,701,934
	New Issuance-Debt Conv. Andrew		
1/18/2012	Edenbaum	53,354	9,755,288
1/23/2012	DTC Rounding shares	25	9,755,313
3/5/2012	New Issuance-JFS Investments Inc	60,000	9,815,313
3/5/2012	New Issuance-Garden State Securities	60,000	9,875,313
3/5/2012	New Issuance-Excell Advisors	30,000	9,905,313
3/5/2012	Return to Treasury-Positive Revolution	(100,000)	9,805,313
3/5/2012	New Issuance-TPC Holdings Group-ESOP-06	300,000	10,105,313
3/5/2012	New Issuance-Cadence Consulting-ESOP-06	50,000	10,155,313
3/30/2012	New Issuance-Alpha Credit Resources	238	10,155,551
6/27/2012	New Issuance-Rocio C Carazas-ESOP-06	375,000	10,530,551
6/27/2012	New Issuance-Marjolein Imfeld-ESOP-06	375,000	10,905,551
9/26/2012	Converted to Common-Centurion	172,200	11,077,751
10/9/2012	New Issuance-Aubyn Inc-ESOP-06	400,000	11,477,751
11/8/2012	Return to Treasury-Aubyn Inc-ESOP-06	(200,000)	11,277,751
11/8/2012	New Issuance-Mayer & Assoc. Esop-04	650,000	11,927,751
11/8/2012	New Issuance-Mayer & Associates	200,000	12,127,751
11/8/2012	New Issuance-Curing Capital Inc	400,000	12,527,751
11/13/2012	Converted to Common-Centurion	182,000	12,709,751
11/13/2012	New Issuance-Econ Corporate Services	50,000	12,759,751
11/13/2012	New Issuance-Call Van Zant-ESOP-06	100,000	12,859,751

11/13/2012	New Issuance-Darren Bankstead-ESOP-06	50,000	12,909,751
11/13/2012	New Issuance-Axiom Financial Inc	200,000	13,109,751
12/21/2012	Cancellation-Mayer & Associates LLC	(200,000)	12,909,751
12/21/2012	New Issuance-Mayer & Associates LLC	1,000,000	13,909,751
1/7/2013	New Issuance-Mayer & Associates LLC	50,000	13,959,751
1/7/2013	Converted to Common-Apex Clearing	210,000	14,169,751
1/7/2013	Converted to Common-Apex Clearing	236,600	14,406,351
2/15/2013	New Issuance-TPC Holdings Group-ESOP	1,325,000	15,731,351
2/15/2013	New Issuance-Envisionte LLC-ESOP	700,000	16,431,351
2/15/2013	New Issuance-Bridgeview Capital ESOP	700,000	17,131,351
2/15/2013	New Issuance-Cadence Holdings LLC ESOP	275,000	17,406,351
2/15/2013	New Issuance-AAC Group LLC ESOP	600,000	18,006,351
2/15/2013	New Issuance-Cadence Holdings LLC ESOP	150,000	18,156,351
2/15/2013	New Issuance-St Andrews Inc	1,000,000	19,156,351
2/15/2013	New Issuance-Alan Binder ESOP	100,000	19,256,351
2/15/2013	New Issuance-Dale Richter ESOP	100,000	19,356,351
2/15/2013	New Issuance-Kimberly Binder ESOP	50,000	19,406,351
2/15/2013	New Issuance-Maria Luz Johnson-ESOP	25,000	19,431,351
2/18/2013	Converted to Common-Apex Clearing	324,800	19,756,151
2/22/2013	New Issuance-Robert Herskowitz ESOP	500,000	20,256,151
2/22/2013	New Issuance-Jeff Whitelaw	125,000	20,381,151
2/22/2013	New Issuance-Brent England	75,000	20,456,151
5/9/2013	Converted to Common-Apex Clearing	868,000	21,324,151
5/10/2013	Cancellation-Robert Herskowitz ESOP	(500,000)	20,824,151
5/10/2013	Cancellation-St. Andrews	(1,000,000)	19,824,151
5/10/2013	New Issuance-Chase Financing Inc ESOP	350,000	20,174,151
5/10/2013	New Issuance-Mayer & Associates LLC ESOP	1,000,000	21,174,151
8/7/2013	New Issuance-St Andrews Inc ESOP	500,000	21,674,151
8/15/2013	New Issuance-Robert Herskowitz ESOP	25,000	21,699,151
8/27/2013	Cancellation-Curring Capital	(200,000)	21,499,151
8/27/2013	Cancellation-ACC Group ESOP	(600,000)	20,899,151
8/27/2013	New Issuance-Benjamin Mayer ESOP	950,000	21,849,151
9/20/2013	New Issuance-SLCC Partners LLC	1,000,000	22,849,151
9/20/2013	New Issuance-Envisionte LLC-ESOP	500,000	23,349,151
9/20/2013	New Issuance-Thomas Hanson-ESOP	250,000	23,599,151
9/20/2013	New Issuance-Envisionte LLC-ESOP	250,000	23,849,151
10/2/2013	New Issuance-Joanne Broeders-ESOP	235,300	24,084,451
10/2/2013	Cancellation-Alan Binder ESOP	(100,000)	23,984,451
10/2/2013	New Issuance-Kimberly Binder	100,000	24,084,451
10/2/2013	Converted to Common-COR Clearing	1,078,000	25,162,451
10/28/2013	Converted to Common-Michael Belcher	350,000	25,512,451
10/28/2013	New Issuance	2,798,728	28,311,179
10/30/2013	New Issuance-Benjamin Mayer ESOP	100,000	28,411,179
10/30/2013	New Issuance-Benjamin Mayer	300,000	28,711,179
10/30/2013	New Issuance	166,365	28,877,544
11/11/2013	Conversion-Centurion Credit	980,000	29,857,544
11/11/2013	New Issuance-Benjamin Mayer ESOP	500,000	30,357,544
11/11/2013	New Issuance	125,000	30,482,544
12/4/2013	Conversion-Centurion Credit	1,220,800	31,703,344
12/23/2013	New Issuance-Mark Herskowitz ESOP	175,000	31,878,344

12/23/2013	New Issuance-Benjamin Mayer ESOP	600,000	32,478,344
12/23/2013	New Issuance	1,200,548	33,678,892
1/2/2014	New Issuance	2,709,678	36,388,570
1/15/2014	New Issuance	748,720	37,137,290
1/15/2014	New Issuance	267,105	37,404,395
2/18/2014	Conversion-Alpha Credit	611,940	38,016,335
2/18/2014	Conversion-Michael Belcher	350,000	38,366,335
2/19/2014	Conversion-Mayer & Associates	798,000	39,164,335
3/28/2014	Conversion-Alpha Credit	523,740	39,688,075
3/28/2014	New Issuance	400,000	40,088,075
6/3/2014	Conversion-Alpha Credit	499,996	40,588,071
6/4/2014	Conversion-Mayer & Associates	1,115,660	41,703,731
8/14/2014	Conversion-Alpha Credit	245,000	41,948,731
8/15/2014	Conversion-Mayer & Associates	550,000	42,498,731
9/9/2014	Conversion-Mayer & Associates	775,000	43,273,731
10/28/2014	Conversion	675,010	43,948,741
1/21/2015	New Issuance	1,875,000	45,823,741
1/28/2015	New Issuance	850,000	46,673,741
2/23/2015	Conversion-Alpha Credit	705,124	47,378,865
5/11/2015	New Issuance-Momona Capital	235,000	47,613,865
5/12/2015	Conversion-Mayer & Associates	950,040	48,563,905
5/12/2015	New Issuance-Robert Herskowitz	950,000	49,513,905
5/21/2015	New Issuance-Momona Capital	235,000	49,748,905
6/1/2015	New Issuance-Chase Financing 401K	533,334	50,282,239
6/8/2015	New Issuance-Momona Capital	437,250	50,719,489
6/8/2015	New Issuance-St Andrews	350,000	51,069,489
6/29/2015	New Issuance-Alpha Capital Anstalt	384,537	51,454,026
7/27/2015	New Issuance-Alpha Capital Anstalt	387,907	51,841,933
8/24/2015	New Issuance-Alpha Capital Anstalt	313,022	52,154,955
9/16/2015	Conversion-Mayer & Associates	1,890,000	54,044,955
9/16/2015	Conversion-Robert Herskowitz	1,400,000	55,444,955
10/27/2015	New Issuance-Alpha Capital Anstalt	479,489	55,924,444
12/2/2015	New Issuance-Alpha Capital Anstalt	950,545	56,874,989
12/15/2015	New Issuance-Alpha Capital Anstalt	950,545	57,825,534
12/21/2015	New Issuance-Alpha Capital Anstalt	956,950	58,782,484
2/2/2016	New Issuance-Alpha Capital Anstalt	970,980	59,753,464
2/17/2016	New Issuance-Alpha Capital Anstalt	1,614,248	61,367,712
2/25/2016	New Issuance-Robert Herskowitz	750,000	62,117,712
3/21/2016	New Issuance-Paradigm Capital Holdings	1,400,000	63,517,712
3/21/2016	New Issuance-Robert Herskowitz	200,000	63,717,712
3/29/2016	New Issuance-Alpha Capital Anstalt	404,630	64,122,342
3/29/2016	New Issuance-James J Loures	500,000	64,622,342
4/13/2016	New Issuance-Robert Herskowitz	280,000	64,902,342
4/13/2016	New Issuance-Robert Herskowitz	280,000	65,182,342
4/13/2016	New Issuance-Robert Herskowitz 2011 Irv TR	140,000	65,322,342
4/13/2016	New Issuance-Chase Financial	148,160	65,470,502
4/13/2016	New Issuance-Mark Herskowitz	185,195	65,655,697
4/13/2016	New Issuance-Andrew Schoenzeit	37,040	65,692,737
4/13/2016	New Issuance-Robert Herskowitz 2011 Irv TR	431,376	66,124,113
4/26/2016	New Issuance-LICGO Partners	1,837,500	67,961,613

4/26/2016	Conversion-Mayer & Associates	200,200	68,161,813
5/2/2016	New Issuance-Robert Herskowitz	472,106	68,633,919
5/5/2016	New Issuance-Alpha Capital Anstalt	998,099	69,632,018
5/17/2016	New Issuance-Alpha Capital Anstalt	422,669	70,054,687
5/17/2016	New Issuance-Navesink	625,000	70,679,687
5/18/2016	New Issuance-LICGO Partners	525,000	71,204,687
5/18/2016	Conversion-Mayer & Associates	220,000	71,424,687
6/1/2016	New Issuance-Alpha Capital Anstalt	814,314	72,239,001
6/6/2016	New Issuance-Mark Herskowitz	1,000,000	73,239,001
6/6/2016	New Issuance-Chase Financing Inc Profit Sh.	1,050,000	74,289,001
6/6/2016	New Issuance-Robert Herskowitz	280,000	74,569,001
6/6/2016	New Issuance-Robert Herskowitz 2011 Irv TR	70,000	74,639,001
6/8/2016	New Issuance-Alpha Capital Anstalt	484,148	75,123,149
6/27/2016	New Issuance-Navesink	625,000	75,748,149
7/18/2016	New Issuance-TPC Holdings Group	150,000	75,998,149
7/21/2016	New Issuance-Robert Herskowitz	690,000	76,688,149
7/21/2016	New Issuance-Robert Herskowitz 2011 Irv TR	70,000	76,758,149
7/21/2016	New Issuance-Chase Financial	945,000	77,703,149
8/2/2016	New Issuance-Navesink	625,000	78,328,149
8/29/2016	New Issuance-Alpha Capital Anstalt	954,925	79,283,074
9/7/2016	New Issuance-Chase Financial	945,000	80,228,074
9/19/2016	New Issuance-Alpha Capital Anstalt	521,784	80,749,858
9/19/2016	New Issuance-Mark Herskowitz	805,147	81,555,005
9/19/2016	New Issuance-Marc Berger	400,000	81,955,005
11/21/2016	New Issuance-Alpha Capital Anstalt	957,485	82,922,490
12/6/2016	New Issuance-Alpha Capital Anstalt	962,118	83,884,608
12/12/2016	New Issuance-LICGO Partners	755,300	84,639,908

PREFERRED B STOCK

<u>Date</u>	<u>Description</u>	<u>Change in Shares</u>	<u>Running Total</u>
3/23/2011	New Issuance-Centurion Credit Resources	1,000	1,000

PREFERRED C STOCK

<u>Date</u>	<u>Description</u>	<u>Change in Shares</u>	<u>Running Total</u>
1/4/2012	New Issuance-Michael Belcher	1,250	1,250
8/27/2013	New Issuance-Lathrop Gage LLC	1,500	2,750
10/28/2013	Conversion-Michael Belcher	(70)	2,680
2/18/2014	Conversion-Michael Belcher	(70)	2,610
12/30/2015	New Issuance-Navesink Device Initiatives	1,475	4,085
3/21/2016	New Issuance-Paradigm Capital	800	4,885
4/26/2016	New Issuance-LICGO Partners	1,050	5,935
4/26/2016	New Issuance-Paradigm Capital	325	6,260
5/17/2016	Conversion-Navesink Device	(125)	6,135
5/18/2016	New Issuance-LICGO Partners	300	6,435
5/18/2016	New Issuance-Paradigm Capital	50	6,485
6/27/2016	Conversion-Navesink Device	(125)	6,360
8/2/2016	Conversion-Navesink Device	(125)	6,235

## PREFERRED E STOCK

Date	Description	Change in Shares	Running Total
5/17/2011	New Issuance-Centurion Credit	135,000	1,095,300
1/11/2012	Converted to Common	(21,000)	1,074,300
3/30/2012	New Issuance-Alpha Credit Resources	124,700	1,199,000
9/26/2012	Converted to Common	(12,300)	1,186,700
11/13/2012	Converted to Common	(13,000)	1,173,700
1/7/2013	Converted to Common	(15,000)	1,158,700
1/7/2013	Converted to Common	(16,900)	1,141,800
2/18/2013	Converted to Common	(23,200)	1,118,600
5/9/2013	Converted to Common	(62,000)	1,056,600
10/2/2013	Converted to Common	(77,000)	979,600
11/11/2013	Conversion-Centurion Credit	(70,000)	909,600
12/4/2013	Conversion-Centurion Credit	(87,200)	822,400
1/15/2014	Conversion-Alpha Credit	(53,480)	768,920
2/18/2014	New Issuance-Mayer & Associates	125,000	893,920
2/18/2014	Conversion-Alpha Credit	(43,710)	850,210
2/19/2014	Conversion-Mayer & Associates	(57,000)	793,210
3/28/2014	Conversion-Alpha Credit	(37,400)	755,810
6/3/2014	Conversion-Alpha Credit	(35,714)	720,096
6/4/2014	Conversion-Mayer & Associates	(79,690)	640,406
8/14/2014	Conversion-Alpha Credit	(17,500)	622,906
8/15/2014	Conversion-Mayer & Associates	(39,285)	583,621
9/9/2014	Conversion-Mayer & Associates	(55,357)	528,264
10/28/2014	Conversion-Mayer & Associates	(30,358)	497,906
1/21/2015	New Issuance-Robert Herskowitz	100,000	597,906
1/21/2015	New Issuance-Mayer & Associates	135,000	732,906
1/21/2015	New Issuance-Alpha Credit Resources	67,860	800,766
2/23/2015	New Issuance-Alpha Credit Resources	(50,366)	750,400
5/12/2015	Conversion-Mayer & Associates	(67,860)	682,540
5/12/2015	New Issuance-Robert Herskowitz	30,000	712,540
7/27/2015	New Issuance-Chase Financing	75,000	787,540
9/16/2015	Conversion-Mayer & Associates	(135,000)	652,540
9/16/2015	Conversion-Robert Herskowitz	(100,000)	552,540
9/16/2015	New Issuance-Chase Financing	135,000	687,540
2/25/2016	New Issuance-Robert Herskowitz	100,000	787,540
3/21/2016	New Issuance-Mayer & Associates	14,300	801,840
4/26/2016	Conversion-Mayer & Associates	(14,300)	787,540
4/26/2016	New Issuance-Mayer & Associates	14,300	787,540
5/18/2016	Conversion-Mayer & Associates	(14,300)	773,240
6/6/2016	New Issuance-Mark Herskowitz 401K Trust	100,000	873,240
6/6/2016	New Issuance-Chase Financing Inc Profit Sh.	35,000	908,240
6/6/2016	New Issuance-Chase Financing	100,000	1,008,240
6/6/2016	Conversion-Chase Financing Inc Profit Sh.	(75,000)	933,240
7/21/2016	Conversion-Chase Financing Inc	(67,500)	865,740
7/21/2016	Conversion-Robert Herskowitz	(30,000)	835,740
9/7/2016	Conversion-Chase Financing Inc	(67,500)	768,240
9/19/2016	New Issuance-Chase Financing Inc Profit Sh.	75,000	843,240



- A. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

See above

## 5) Financial Statements

**SEE FINANCIAL STATEMENTS ATTACHED TO THIS DISCLOSURE STATEMENT**

## 6) Describe the Issuer's Business, Products and Services

### Overview

Decision Diagnostics Corp. is a worldwide prescription and non-prescription diagnostics and home testing products distributor and the manufacturer of the Genstrip 50 and GenUltimate! glucose test strips, both Class II medical devices for at-home use for the measurement of glucose. The company also has its GenSure! glucose test strip, a product for off-shore sales, and GenChoice! glucose test strip, both alternative test strips now in advanced development. The GenSure! product has completed its clinical trials, and is currently in registration and is seeking a CE mark in the EU, and will be launched in late May 2015. The GenChoice! product will enter clinical trials in mid-April 2017. At the conclusion of the clinical trials, the GenChoice! product will be registered in the EU and an application for 510K pre-market will be filed with the FDA.

The U.S. FDA, in a manner similar to prescription drugs, regulates diagnostic test kits and at-home patient testing products a similar but somewhat streamlined process, to the regulation of prescription medicine. The regulatory standard used for the Genstrip 50 was the 510k pre-market and post-market processes. The same process will be used for the GenChoice! test strip beginning in late May 2017. Previous to this change in business model, from 2005 and until 2013, the company contracted with independent pharmacies for use of their prescription drug distribution licenses. At that time the company made market and sold brand name over the counter pharmaceutical items with a concentration in legacy diabetic test strips. The brand name products we distributed, for the most part, did not require a doctor's prescription for anything other than insurance benefit compliance. Our previous business model worked well in the previous regulated environment, although the financial benefits were stressed by major changes made to the Federal Medicare plan that have lead to substantially lower rates of reimbursement and ultimately an unprofitable business model.

Our subsidiaries, Pharma Tech Solutions, Inc., PDA Services, Inc. and PharmaTech Sensor Development Corp. operate in several healthcare products channels. In addition our subsidiary Decision IT Corp. engages in the acquisition and holding of Intellectual Property including Patents and Trademarks and specialty manufacturing equipment acquired for our Korean contract manufacturer of our GenUltimate! and our in development GenSure! and GenChoice! products. Our newest subsidiary Pharmatech Sensor Development Corp. manages an inventory credit line to finance inventory purchases of our Genstrip 50 and GenUltimate! products. The company has discontinued its GenStrip 50 product and ended the selling of the last of the inventory in November 2016.

From time to time, when economic conditions warrant and given market conditions, we distribute other brand name prescription and non-prescription diagnostics products, as well as several lines of ostomy, wound care and post-surgery medical products, although these healthcare channels have also undergone two major market changes and disruptions since July 2013 and we have determined that we will maintain our contacts but will refrain from competing. Our main product was the Genstrip 50 and currently the GenUltimate! both of improved performance and a rebranding and redevelopment of the original Shasta Technologies Genstrip. Both of these glucose test strips are of our manufacture. We maintain FDA registered contract manufacturers in Pennsylvania and Korea. The original GenStrip was cleared for market by the FDA on November 30, 2012. By virtue of our written agreements with Shasta in 2011, we were granted an irrevocable license to prosecute their 510k application with the U.S. FDA, and we succeeded. We introduced the original Genstrip in March 2013. We then acquired Genstrip from Shasta Technologies LLC on March 20, 2014 and in late June 2014 we made the first branding changes. We began work on the GenUltimate! product in July 2015 and introduced this improved test strip (vs. our GenStrip) in April 2016. The original Shasta Genstrip and our Genstrip 50 have been discontinued.

Shasta Technologies LLC, the original specifications provider of GenStrip, had an extremely difficult relationship with the US FDA and was the subject of a detailed and damning FDA Warning Letter on April 8, 2014, and when they refused to respond to this Warning Letter, the FDA then broadcast a worldwide Safety Notice on April 29, 2014, effectively ending Shasta's ability to be a product design specifier and manufacturer, due to a total lack of regulatory adherence in the highly regulated medical device industry. It is confusing to consider what Shasta could possibly been thinking. The company's acquisition of Genstrip (now GenUltimate!) was fortuitous in its timing given the finality and outcome of Shasta Technologies' troubles with the FDA.

The worldwide market for at-home blood glucose testing is an estimated \$12.5 billion. GenUltimate! competes directly with one of the largest worldwide platform manufacturers the venerable Johnson & Johnson (Lifescan Inc.). GenUltimate! were developed for use on their OneTouch Ultra legacy system for at-home blood glucose testing, a system currently used daily by over 3 million diabetes afflicted Americans. GenUltimate! competes in the overall at-home testing market by offering an economical solution to former users of the legacy platform provider's product. The company's GenUltimate! product, designed to meet new European Union standards is a much improved version. Our business model is unique to this market channel as our major business focus is directed toward diabetics who have attempted a change of their glucose monitoring platforms (systems) or those currently using the J&J legacy products but are dealing with escalating prices and lower insurance reimbursements. At the time of the introduction of GenStrip in March 2013, J&J controlled just under 30% of this market and 100% of its own Lifescan, Inc. OneTouch Ultra market.

Throughout 2012 in anticipation of the introduction of Genstrip, we evaluated our brand-name distribution model, a model that provided streams of revenue but extremely low profit margins, and over the course of the last 30 months we have phased out sales of those brand name products that had been a backbone of our distribution business. In addition the brand name products distribution business created a situation where we were selling products that competed directly with our GenUltimate!. Phasing out these brand name products lowered our order intake but allowed us to become a manufacturer, at a higher level in the greater market channel.

The company will continue to direct its marketing efforts to ambulatory and semi-ambulatory older Americans afflicted with diabetes and complications caused by diabetes and old age. The company, originally a medical IT company with proprietary IT product lines, acquired its medical products distribution business in late 2004 through a merger with Phoenix, Arizona based CareGeneration, Inc. We have grown the original CareGeneration concept through subsequent acquisitions of private businesses and strategic partnerships with larger private pharmacies.

On November 1, 2011 we completed the acquisition of Diagnostic Newco LLC from its owner Kimberly Binder. Diagnostic Newco LLC was a design company that specialized in product packaging design, medical products advertising design and graphic art. Ms. Binder has joined the staff of the company's Pharma Tech Solutions, Inc. subsidiary specifically for these purposes, and has worked closely with the contract manufacturers for GenUltimate!, making subtle changes to packaging design and more recently integrating the new FDA UDI product identification data system, among other responsibilities. She is also responsible for the package design for new diagnostic products the company is currently working on, including the upcoming GenSure! and GenChoice! products. Ms. Binder is also owner of GenstripDirect LLC and Full Circle Diabetes LLC, her own distribution companies, which she operates separately from her (Decision Diagnostics Corp. and Pharma Tech Solutions, Inc.) company related responsibilities.

We also intend to acquire additional private companies, or partner with small engineering companies that have developed technology requiring either regulatory approval, distribution expertise or both. In December 2011 we made another small acquisition, to acquire the services of Mr. Patrick Deparini. We are moving quickly to achieve our goal of becoming a vertically integrated, full service value added provider of products and services to an ever-growing market. The at-home diabetes testing market continues to grow as diabetics continue to be diagnosed and treated. The market for diabetes testing products is expected to grow from a current \$22.5+ billion worldwide base in 2016 to over \$25 billion in 2018. We also intend to make a capital investment later in 2017 in our Korean contract manufacturer and advanced development partner.

The company's current proprietary product offering, cleared by the FDA for commercial distribution on November 30, 2012, is its newer version GenUltimate! blood glucose diagnostic test strip for at-home testing. Genstrip, the original product, is a product originally conceived by Shasta Technologies LLC, who proved incapable of attaining the necessary regulatory approvals after two attempts, 2009 and 2010/2011. In addition the original Shasta concept could not clear the FDA 510K process and had to undergo major design changes and a new 510K application that was eventually sponsored by this company. The original Shasta product was acquired by our Pharma Tech subsidiary on March 20, 2014, and fits into a diagnostic product niche, fitting nicely into the world-wide self-test (home test) market that has been growing at a 15% annual rate. Since GenUltimate! is a rather unique product offering, employing a brand name razor blade only model (diagnostic test strip) into a razor (diagnostic meter) -- razor blade (diagnostic test strip) market, the Genstrip 510(k) application made for unusual challenges for the FDA and an educational challenge and opportunity for the company. In fact, the company only recently (March 15, 2016) concluded its dealings with the FDA pre and post market review staff, an on-going process that was begun on a sour note by Shasta in October 2009. The company believes that future product offerings that will be regulated by the FDA will be a much smoother process, particularly since receipt of this landmark March 15

ruling by the U.S. FDA, covering our third party developed diagnostics. Since the company plans additional similar products in the future for other diagnostic platforms, in fact a product announced still in the current reporting year, the Genstrip/GenUltimate! experience, however slow and unresponsive it was, has provided lessons and experience which is already being put to use.

Until our receipt of the landmark March 2016 ruling from the FDA, two years (and growing) was a standard development to market timeline for in-vitro diagnostic products similar to Genstrip/ GenUltimate! We are confident that new products will enjoy a much speedier FDA review process. As a result of previous delays and failures by Shasta Technologies in completing its FDA approval application [510(k)] and then problems Shasta encountered in prosecuting its two original applications with FDA staff, the company changed its contractual responsibilities and obligations in June 2011 to include program management, regulatory process management, management of the manufacturing forecasting and distribution processes, and new products planning and development. Further (eventually fatal) on-going problems encountered by Shasta, which on their face proved irresolvable, presented the company with an opportunity. On March 20, 2014 our Pharma Tech Solutions, Inc. subsidiary acquired the intellectual property, the marks, and the GenStrip cleared 510(k). Subsequently we accomplished a rebranding of the original Genstrip product (GenUltimate!), built manufacturing protocols, implemented a robust Quality System throughout 2014 and 2015, and then developed the improved GenUltimate! product. GenUltimate! has become the only product of the original Genstrip line that will be packaged to conform with the FDA UDI standards, and was released as UDI compliant as of September 24, 2016. Manufacturing of Genstrip 50 ended and on-going sales will continue under the GenUltimate! brand, and will include the FDA UDI packaging.

In June 2010 the company was approached by the largest retailer in the world for the distribution and sale of the Genstrip product, then about to enter the 510k regulatory review process, at over 5,000 retail stores worldwide. A contract with this retailer was negotiated in September 2010 and subsequently renegotiated and renewed in April 2011, and as soon as the retail contract was agreed to and as a means to conduct market research, the company began seeking pre-conditioned letters of intent (pre-orders) for Genstrip, while continuing the prosecution of the 510(k) application on behalf of Shasta Technologies before the FDA. Discussions with this retailer and other similarly situated retailers had been on a litigation induced hiatus since our litigation with Lifescan, Inc. began in earnest in late March 2013. Lifescan Inc., the diabetes testing division of Johnson & Johnson sued the company in three separate suits, all in Federal court, beginning in September 2011. These suits proved costly in that their intended purpose was to keep the Genstrip product off of retail market shelves. Until these suits were settled in May 2016, the company's marketing abilities were severely limited. The settlements provided a hard-fought victory for the company. During the remainder of 2016, we settled these lawsuits in a novel manner, where Johnson & Johnson paid the company a settlement amount, rare in matters where the payor initiated the strike suit in the first place. J&J, as a part of the settlement, also granted the company licenses to three of J&J patents (one subsequently lost through final action by the US Supreme court), the larger value gained from this 5-year legal battle. In March 2016, prior to its settlement, the company's Pharma Tech Solutions, Inc. and Decision IT Corp. subsidiaries brought suit against Lifescan, Inc. in Nevada Federal court for patent infringement, the company alleging that Lifescan, Inc.'s OneTouch Ultra product was and had been infringing both of the company's patents. In March 2017, after a protracted battle with J&J where they tried to invalidate the company's lawsuit, the court in a major ruling agreed that the company will be allowed to move forward (a major victory so early in the suit) and will also be allowed to allege the Doctrine of Equivalents, a legal doctrine that would preclude J&J from twisting words through its pleadings and expert reports to escape justice. In January 2016 the US Supreme court ruled that the Doctrine of Laches, a defense used by many Defendants in patent infringement suits could not be used. This ruling further deprived J&J of defenses against the company's patent infringement claims.

Currently the diabetes testing market is dominated by four large pharmaceutical manufacturers who provide very similar and equally focused products, selling at essentially equal prices. Genstrip's original introduction, even with the fits and starts, employed a business model different than those models employed by the major market players. Recent successes in the on-line marketplace has allowed the company to alter the market dynamics, lowering average price (which has occurred) or allowing for increased testing by diabetics for a lesser price, thereby affecting all market segments. The company's major market focus is to pharmacy chains, grocery chains with in-store pharmacies, large all purpose retailers with in-store pharmacies, and group buying and chain pharmacy organizations. Although this has been part of the company's plans in the recent past, the difficult litigation as well as the advent of the July 2013 and July 2016 changes to Medicare (and followed by private insurers) and the October 2016 reimbursement engineering, pharmacy business models are now blurred. Thus the company successfully added on-line sales to its business model.

The company has also implemented a very successful "direct to diabetic" business model and has (independently or along with our distributors) executed on-line agreements with several of the largest retail chains, diabetic supply co-operatives, group purchasing organizations, as well as on-line mass merchandisers such as Amazon.com, Ebay, Walmart, Jet.com and approximately 500 other on-line cooperatives. The company considers this rapid adoption to be a huge success gained in a very short period of time.

The company in the past has also offered information technology solutions in several medical care market channels by providing physicians with information at the point of care. Our products, unlike those from many other medical information companies, make use of smart cell phones such as the Apple iPhone, the Palm Pre, the Google Droid and a wide selection of Microsoft Windows based smart phones and operate in either in a wireless or “wired” mode, which allow physicians to carry, access and update their patients’ histories, also known as electronic medical records or EMR, medication data, and best care guidelines - *all at the point of care*, or from any other location the physician may be located. In addition, the company’s products employ proprietary mathematical game theory features adapted by the company for medical use that allow acceptance of diagnoses and treatment protocols where the medical information may have originated from one or several locations and one time or several times. Since the advent of “Obamacare,” promising products like our own struggled to gain market acceptance in a reimbursement challenged market. The company cannot yet venture opinions or forecasts for its IT products now that the new administration While we have kept up with the evolving regulatory changes, we do not foresee implementation of our products and networks in the near future.

In October 2014 we adopted a value added/private label business model to address the issues brought to our market by the radical reimbursement changes by the federal Medicare program. We also hired a market executive with over 40 years of experience to implement our new strategy. We have doubled down on this strategy and now employ not only the services of the aforementioned expert, but also additional partners and colleagues of his including the professional who put together the “big box” pharmacy private label plan for diabetic test strips. In March 2016 also retained a product source company called Retail Monster, to represent our products to large drug chains (“big box pharmacy”), large retailers, chain grocers and the like. Unfortunately the arrangement with Retail Monster did not succeed, primarily because a group of company shareholders and persons claiming to be shareholders poisoned our relationship Retail Monster. After these incursions by shareholders and persons claiming to be shareholders and although the relationship with Retail Monster remained cordial, the two companies decided to end the engagement on December 31, 2016. Nonetheless, the efforts being expended in the “big-box” arena are greatly aided by the company’s recent success with the explosively growing on-line Marketplaces, many sponsored by the large retail pharmacies and retail stores. These Marketplaces are fast growing sister organizations to these retailers. The company’s recent successes in the on-line Marketplaces has given the company a beachhead in this market as the uncertainty brought on by the J&J lawsuits has (finally) waned. In mid-March 2016 the largest US retailer agreed to raise the company’s standing to the highest retail “rung” by offering a new supplier contract.

Since March 2015 when we first we acquired special intellectual property and specialty manufacturing equipment which will shall serve our business interests now and into the future. We have increasingly turned to Alpha Capital Anstalt (“Alpha”) and Licgo Partners and their sister fund Navesink Device Initiatives, whereby these organizations either purchased an 18-month 15% OID derivative instruments or Preferred C stock units, to facilitate the acquisition of intellectual property or manufacturing equipment, or to finance our growth. In 1Q, 2Q and 4Q 2016 we completed additional financing transactions with both Alpha and Licgo. Our most recent transactions with Alpha also financed an inventory credit line for the company so that we can meet the requirements of the largest retailers and maintain at least \$400,000 in stock on hand at any time. Alpha also financed our acquisition of new specialty manufacturing equipment to facilitate our contract manufacturer in Korea as they develop our new GenChoice! product.

In the Fall of 2014 the company announced its Discretion cloud wireless glucose monitoring product concepts, which will be manufactured for the company according to spec by its Korean contract manufacturer. In April 2015 the company entered into discussions with [HMD Biomedical, Inc.](#) in Taiwan for the importing of HMD’s FDA cleared “Cloudia,” product as a placeholder until the company’s Discretion Messenger product for children will be ready. We ended our discussions with HMD Biomedical in October 2016, after determining that the “Cloudia” product was not robustly developed enough for North American markets and to further develop this product would require another 510(k) approval from the U.S. FDA. The company was concerned that a revised “Cloudia” might not be able to meet the more stringent ISO 15197:2013 and FDA Guidance 2014 requirements. To that end, the company’s exclusive agent in Korea was contacted by the Korean government, who apparently are willing to finance the Discretion Messenger initiative through its advanced development, clinical trials and FDA prosecution. Different than, for example, an NIH grant, this grant from the Korean government, if accepted by the company, would include investment in the company’s contract manufacturer as well. The company has recently completed a further development of it’s MD@Hand product, allowing diabetic users of the company’s Discretion products to monitor and track their diabetes treatment and testing on their smart cell phones. The company plans to spin-off its other MD@Hand and Residenceware technologies in a larger M&A transaction now in process.

The company entered into two international agreements in the latter part of 2016. The first agreement, executed through the company’s exclusive Korean agent, allows for delivery of the GenUltimate! product in quantity to the Korean market. As of this writing, the Korean partners have ordered and paid for over 40,000 pieces (units) of GenUltimate! Another almost 20,000 pieces (units) are on order for April 2017. The company’s second international agreement is through a South American financier who has businesses in Bolivia and Spain. This group has placed orders for approximately \$17 million in GenUltimate! product, GenUltimate! meters and the company’s new (2017) Firefly! Lancets. Almost 11,000 pieces (units) of GenUltimate!, 3,000 GenUltimate! meters and cases of lancets have been delivered to Bolivia. In addition, the South America financier has funded the company’s regulatory applications (through a Spanish pharmaceutical company) with the EU, to gain “CE” marking for its GenUltimate! and GenSure!

products in return for the Spanish distribution rights to these two products. And lastly, the South American financier has notified the company that he and those closely associated with him wished to subscribe to a \$3.25 million to \$5.0 million capital investment in the company. As of this writing the company has not concluded this capital investment but intends to speak to this issue in the upcoming 1Q 2017 Quarterly Report..

We have received multiple inquiries from companies interested in perhaps collaborating with the company for the implementation of its cell phone centric technologies MD@Hand and MD@Work. However, the market available for products similar to MD@Hand and MD@Work has changed since its introduction in 2009. The legal challenges to the new health care law and the federal government's inability to enact regulations have altered the landscape, again. We remain in discussions with multiple concerns for the marketing of our MD@ products, and any agreement we may enter will require us to provide contract software programming, providing a new source of revenue for the company. In addition to any proposed partnerships, we continue to discuss alternative propositions with other interested companies ranging from clinical laboratories, service organizations owned or aligned with medical health insurers, a medical content provider and legacy healthcare systems companies. There remains sustained interest in our MD@ technology. We may or may not entertain additional proposed partnerships for our implementation of the cell phone centric technologies, which has been hindered, as has the overall market, by the slow implementation of regulations, protocols and data formats by the Federal government, as well as a change in previously announced Federal government monetary incentives.

In May 2010, we entered into agreement with Shasta Technologies, Inc. and Broadtree, Inc. This agreement granted our Pharma Tech Solutions, Inc. subsidiary the exclusive marketing rights to a new diagnostic product not yet on the market named Shasta Genstrip ("Genstrip"). The Genstrip product was developed to compete against the market leader in the then \$6.5 billion at home testing market. Shasta was in default of this 2010 Agreement. Penalties under that agreement and monies owed totaled in excess of \$2 million in "delay" penalties, which they were unable to pay. In April 2011, the company renegotiated its agreement changing its many roles and adding responsibility for regulatory approval, manufacturing and forecasting, international sales and additional sales markets in the U.S. Shasta defaulted under this agreement as well. On March 20, 2014 we acquired the GenStrip intellectual property, its marks and the cleared 510(k). Shasta defaulted on this agreement as well. On April 30, 2014 we first implemented our FDA mandated Quality Plan and are now operating as the manufacturer (operator) of the GenUltimate! test strip. We have implemented subsequent Quality Plans with our Korean contract manufacturer for our GenUltimate! product.

In August 2016 the company settled an insurance matter with Gotham Insurance, an IP Defense insurer, and Shasta covering legal fees associated with the 2011 and 2012 lawsuits brought by Lifescan, Inc. This settlement included a stipulation by Shasta to cease contacting and sharing confidential documents with persons who identified themselves as DECN shareholders. Several of these persons who contacted Shasta also contacted the aforementioned Retail Monster management. The stipulation gained in insurance settlement with Shasta does not preclude the company from pursuing Shasta, its principals and these "shareholders" in its omnibus lawsuit brought against Shasta et al. in 2014. The company plans to amend its 2014 complaint to name additional Defendants including those persons who owned stock in the company who may have traded stock in the market based on information and documents provided by Shasta.

We currently employ seven professionals at or locally managed through our executive business office located at 2660 Townsgate Road, Suite 300, Westlake Village, California 91361. In addition, we maintain two full-time and seven part-time positions located throughout the United States. We also maintain a Quality Assurance office in York, PA and our exclusive agent in Seoul, Korea maintains another office as a means to fulfill our quality commitments to the FDA. Our telephone number is (805) 446-1973 and our website addresses are [www.decisiondiagnostics.com](http://www.decisiondiagnostics.com) and [www.pharmatechdirect.com](http://www.pharmatechdirect.com) and [www.genultimate.com](http://www.genultimate.com).

As a part of the company's strategic plans, we have applied (to register) for seven Trademarks with the USPTO. The company's Genstrip product is a registered Trademark of Shasta Technologies LLC. Our applications were filed with the USPTO in 1Q and 2Q 2015 and 3Q 2016. The company intends to use these Marks, as granted, to brand new products, rebranding of existing products, and the establishment of a family of Marks associated with our company and its place in our industry. As December 31, 2016 the company has received registration confirmation from the USPTO for the following Marks:

"Alltara!"  
"GenUltimate!"  
"GenSure!"  
"GenChoice!"  
"GenAccord!"  
"GenCambre!"  
"Firefly!"

Beginning in the 4<sup>th</sup> Quarter 2015 and through 2nd Quarter 2016 the company suffered severe inventory shortage of the Genstrip 50 product at various times, owing to the timing of the various settlements with Johnson & Johnson by Shasta and a contract manufacturer, Conductive Technologies, Inc. For some period of time Conductive was unable, due to their settlement with Johnson & Johnson, to ship to the company certain quantities of the Genstrip 50 product. This problem began to clear up in late May 2016, and with the advent of adding the GenUltimate! product from Korea, shortages have been alleviated. The company's capacity for GenUltimate! production is now 625,000 packages per month (50 count and 100 count packages), for the new GenSure! product 250,000 packages per month (25 count and 50 count packages) and the new GenChoice! product 400,000 packages per month (50 count and 100 count packages). Recently, a mega- retailer has requested minimum inventories of finished product of 350,000. We expect other retailers to make similar requests.

### Contingencies and Litigation

We transact commerce in several medical products market channels. We also transact commerce by licensing our proprietary medical software that functions by moving confidential medical data through our proprietary medical information technology devices and networks. Our original Genstrip product required initial regulatory approval by the USFDA as well as on-going USFDA approvals during the product life cycle. Further, Genstrip required medical patient trials and competes directly with a major platform manufacturer. We insure against any claims made against the company for our Genstrip product.

Healthcare, especially those segments where the company competes, is a very litigious. Competing companies often use litigation as a marketing tool, bringing litigation as a means to protect market share and limit market exposure. The medical industry is also intertwined. From time to time, we may become involved in claims and litigation that arise out of the normal course of business, such as litigation that emerges from disputes over damaged, missing or contaminated product, litigation that arises over payment disputes or claims of fair value. We may also become involved in disputes that arise over the business or business practices of our suppliers, payers and customers. It is not uncommon in our industry to find that a litigant has filed claims in multiple jurisdictions involving the same transaction or a single transaction. The company maintains substantial insurance coverage against suits that may arise over issues of damaged, recalled or counterfeit product and other product liability issues. The company has also been a victim of the unapproved acts of prior management. These acts have resulted in claims from individuals and entities since the Board relieved former management of duty in 2006. Nonetheless, these claims have resulted in the use of management time and company resources to investigate, litigate, or settle. In addition, the company accrues contingent legal fees and product liability fees. As of September 30, 2016, our accrual was \$240,000 and \$245,069.

From time to time, the company may also be subject to demands from individuals or entities. These demands and disputes may consume management time and company resources. Other than as noted below, if there is such a disclosure, there are no pending matters at the current time that in management's judgment may be considered potentially material to us.

We were in litigation with Lifescan Inc. a subsidiary of Johnson & Johnson beginning in September 2011. Lifescan had maintained throughout that our Genstrip product infringed on three of their patents. One of these patents has become the subject of peripheral litigation activities, and two Appeals (one for each side) to the U.S. Appeals Court for the Federal Circuit (the patents appeals court). In January 2016 the Court of Appeals for the Federal Circuit ruled in its Mandate that this one foundational patent and the claims made by the assignee Lifescan, Inc. was struck (killed) due to obviousness (a clever wording meant to obscure a connection between the Lifescan, Inc. invention and earlier generation technologies dating back to the late 1970s). Throughout this Appeal process, and a litigation process waged through the USPTO, the company prevailed. Recently, as a result of certain claims and allegations made by Lifescan after the close of the USPTO final determination (in favor of the company), the office of the Solicitor General has intervened against Lifescan Inc. in the Federal Circuit court and was of great assistance in getting the Lifescan, Inc. patent revoked. Nonetheless the seeming baseless allegations and claims made by Lifescan against the company have taken their toll, limited our ability to sell Genstrip 50 to large entities ("big box stores") and greatly extended the court processes.

In the Spring of 2013, fearing the impact of the Genstrip product in an open market, Lifescan took it upon themselves to violate a court protective order and prepared and sent out thirty page certified (veiled threat) letters to customers of the company and the customers of the company's customers, making it clear to these entities that should they do business with the company, or buy Genstrip product from others doing business with the company, they could or would be added as defendants to the patent infringement suit. Most independent pharmacies in the U.S. sell less than a case (24 boxes) of a single brand of glucose test strips monthly. It is easy to ascertain that an independent pharmacy would choose not to "poke the bear" and risk a several hundred thousand dollar defense, rather than halting sales of Genstrip. Some large retailers were visited or called by Lifescan management and provided with face to face veiled threats. Lifescan even calculated that by breaching the protective order, the sanctions they would be assessed would amount to far less than the business loss they would otherwise suffer. Slowly however, the litigation environment enjoyed by Lifescan changed.

In December 2014 counsel for Lifescan wrote a letter to the trial judge who is hearing all three patent matters. This letter outlined a series of issues involving Lifescan's lead damages "expert" during litigation proceedings. Lifescan's expert claimed educational and qualification credentials that were not true at the time of the "expert" testimony, and are not true even today. This expert also assisted Lifescan's counsel in at least one other case, and other companies' counsels in unrelated cases. Testimony from this expert, in each instance, allowed the Plaintiffs in these cases to secure court rulings to the detriment of the Defendants. In the company's case this expert was used twice and assisted Lifescan to receive preferential treatment from the court for setting of a litigation bond to cover potential damages, wherein the "expert" through testimony limited the scope and calculation of damages in the setting of the damages protection afforded by the litigation bond and the damages resulting from Lifescan's violation of the court protective order. Lifescan's letter admonition came over a year after their successful use of this "expert."

In March 2016 the company filed suit in the Federal District Court of Nevada against Lifescan, Inc., Lifescan Scotland, Ltd. and Johnson & Johnson, citing infringement of two patents owned by the company. After an exchange of demand letters and posturing by the Defendants, including Defendant's Motion to Dismiss, the company prevailed in an important early determination by the trial judge. At a hearing in March 2017 the Federal judge denied Lifescan's Motion to Dismiss, granted the company's request to allege the Doctrine of Equivalents and set dates beginning in early April 2017 and ending in early November 2017 that could set the stage for a ruling. Sometime in June 2017 the company expects to amend its suit a second time and name other "infringers" as well as adding additional counts to the suit. Federal rules for patent infringement suits have changed, and these suits are now adjudicated over an 18-24 month period. The trial judge's ruling in mid-March seems to foot with this schedule. In addition, if the schedule set by the judge does not end the litigation, there are five scheduled Mediations in front of a Federal Judge Magistrate pushing the process along.

On May 20, 2016 the company settled all of Lifescan's patent infringement claims as well as the company's Anti-trust and false advertising counter-claims against Lifescan, Inc. and Johnson & Johnson. Neither side in these litigations was a clear winner. The company's products were artificially denied a market for almost 3 years, but on the other hand, the company did receive rare settlement monies and other compensation from Lifescan in a suit where Lifescan was the Plaintiff. The amount of the settlement monies received by the company was confidential, as is often the case when Plaintiffs dismiss or lose a complex case, but confidentiality aside, the entire settlement was structured as a license agreement whereby Lifescan, Inc. granted licenses to the company for its test strip patents in return for accommodations regarding the anti-trust and false advertising claims made by the company. The licenses to the Lifescan Inc. patents were of great value to the company in the overall settlement, as will be seen later in 2017.

A. Date and State (or Jurisdiction) of Incorporation:

INCORPORATED IN THE STATE OF NEVADA ON MARCH 2, 2001 AS ATR SEARCH CORPORATION

B. the issuer's primary and secondary SIC Codes;

5122, 7371

C. the issuer's fiscal year end date;

DECEMBER 31

D. principal products or services, and their markets;

GenUltimate! Test Strips for use with Johnson & Johnson Lifescan glucometer, and GenSure! and GenChoice! glucose test strips. MD@Hand medical communication and EMR software for use with smart cell phones.

**7) Describe the Issuer's Facilities**

We currently maintain an executive office at 2660 Townsgate Road, Suite 300, Westlake Village, CA 91361. The space consists of approximately 2,300 square feet. The monthly rental for the space is \$2,170 per month on a month-to-month basis. Our Pharma Tech subsidiary maintains a facility for quality assurance and control of its FDA QSR at 750 Borom Road, York, PA and an office maintained by its exclusive agent in Seoul, Korea also for FDA QSR purposes .

## 8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Our executive officers, directors, and key employees are:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Keith Berman	63	Chief Financial Officer and Director
William Lyons	63	Director
Robert Jagunich	69	Director

Our shareholders elect our directors and our Board of Directors appoints our officers. As of the date of this filing, we have not held an annual meeting. All current directors have been held over until such time the annual meeting is held. Vacancies in our board are filled by the board itself. Set forth below are brief descriptions of the recent employment and business experience of our executive officers and directors.

**Keith Berman** has served as President, Chief Financial Officer, Secretary, Treasurer and Director of the Company since January of 2003. For over the past 37 years, Mr. Berman has been involved in the development of and marketing of medical products, particularly medical devices and in-vitro diagnostics. From July 1999 to present, Mr. Berman has held the position of President, founder and director of Caredecision.net, Inc. a private company engaged in e-health technology development. From March 2001 through June 2002 Mr. Berman also held the Position of President and Director of Medicius, Inc. From January 1996 to June 1999 Mr. Berman was the President and founder of Cymedix, the operating division of Medix Resources, Inc., now Ramp Corp. (RCO). Cymedix was a pioneer company in what was then known as i-health (Internet healthcare) now the e-health industry. Mr. Berman's professional background provides the Company with business management experience and an in depth knowledge of our industry. Mr. Berman received a BA in 1975 and an MBA in 1977, from Indiana University.

**Robert Jagunich** has served as a Director of the Company since January of 2003. Mr. Jagunich has 29 years of experience in the medical systems and device industry. From August 1992 to present, he has held the position of President at New Abilities Systems, a privately held manufacturer of advanced electronic systems used in rehabilitation. He also provides consulting services to companies such as Johnson and Johnson and has served as a senior executive in such publicly held companies as Laserscope and Acuson. From April 1996 to December 1997 Mr. Jagunich acted as a director of Cymedix Corporation, the operating entity of Medix Resources, Inc., and later, Ramp Corp. (formerly AMEX:RCO). Mr. Jagunich's professional focus on medical devices as well as the professional relationships he has



developed throughout his career provides the Company with opportunities to expand current markets and utilize additional product resources not previously available. He received his BS in 1969, and his MS and MBA in 1971, from the University of Michigan.

**William Lyons** has served as a Director of the company from January 2003 through October 2003 and most recently from January 2010 to the present time. Mr. Lyons is currently President and COO of Beacon Medical, Inc. a company specializing in the development, manufacturing, marketing and distribution of medical devices and instruments targeted primarily to the Plastic Surgery medical specialty. Prior to that, Mr. Lyons was co-founder, Executive Vice President and Director of BioElectronics Corporation. Mr. Lyons has successfully performed as President or Executive Vice President of several healthcare start-up communication technology and digital integration corporations. Mr. Lyons has also served in various executive positions for several fortune 500 companies such as American Sterilizer Company, Everest and Jennings and Allscrips. Mr. Lyon's professional experience with start-up companies in the medical technology industry as well as his knowledge in finance provide the Company with guidance in capital formation and sustainability. He holds an MBA in finance and a BA in Philosophy.

Mr. Berman, officer and director, works full-time for the company. Messrs. Jagunich and Lyons attend meetings of the board of directors when held and provides 20% and 25% respectively of their business time in professional capacities to the Company.

The following table sets forth information the remuneration of our Principal Executive officer for year ended December 31, 2016, and for the years ended December 31, 2015, 2014:

#### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Earnings (\$)	All Other Compensation (\$)	Total (\$)
Keith Berman, CFO and PEO	2014	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	2015	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
	2016	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Mr. Berman has served as Chief Financial Officer since January 2003 and as Principal Executive Officer since August 2006. During the fiscal years ended December 31, 2014 and 2015 and through September 30, 2016, Mr. Berman has received no cash compensation. Mr. Berman has not received any form of compensation as a result of our limited cash flow; Mr. Berman has agreed to accept stock and stock option awards as his compensation until such time the Company has the necessary resources available to provide a traditional compensation plan.

Name of Beneficial Owner, Officer or Director	Number of Shares	Percent of Outstanding Shares of Common Stock*
Keith Berman, Chief Financial Officer and Director	480,103	0.06%
Robert Jagunich, Director	929,301	1.10%
William Lyons, Director	-	-
Directors and Officers as a Group	1,409,404	1.67%
Barbara Asbell 7061 Los Coyotes Camarillo, CA 93012	1,162,590	1.37%
Directors, Officers and Beneficial Owners as a Group	2,571,994	3.03%

\* Category percentages vary from totals due to rounding.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

None

## 9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Thomas C. Cook

Firm: Law Offices of Thomas C. Cook, LTD.

Address 1: 1980 Festival Plaza Drive, Ste. 530

Address 2: Las Vegas, NV 89135

Phone: (702) 524-9151

Email: tcesq@aol.com

## 10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

### CERTIFICATION

I, Keith Berman, certify that;

- (1) I have reviewed this disclosure statement and Annual Reports for the periods ended December 31, 2016 and December 31, 2015;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) reevaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2017

/s/Keith Berman

Keith Berman

Principal Executive Officer and a Director

(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Keith Berman, the Principal Executive Officer of Decision Diagnostics Corp., and Principal Financial Officer of Decision Diagnostics Corp., hereby certifies, that, to his knowledge, the Annual Report of Decision Diagnostics Corp. for the periods ended December 31, 2016, and December 31, 2015, fully complies with the requirements of this Disclosure Statement and of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Annual Report and this disclosure fairly presents in all material respects the financial condition and results of operations of Decision Diagnostics Corp. and its subsidiaries.

Date: March 30, 2017

/s/Keith Berman

Keith Berman

Principal Executive Officer and  
Principal Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to Decision Diagnostics Corp. and will be retained by Decision Diagnostics Corp. and furnished to any regulatory body or OTC Markets, Inc. or their staff upon request.