DECISION DIAGNOSTICS CORP.

ANNUAL REPORT FOR OTC PINK

SUPPLEMENTAL DISCLOSURES

Annual Report for the Period Ended

December 31, 2018

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: 12/31/2018
Total shares outstanding: 134,551,840 as of: 12/31/2018

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: 12/31/2018
Total shares outstanding: N/A as of: 12/31/2018

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: 12/31/2018
Total shares outstanding: 1,000 as of: 12/31/2018*

(*) The company rescinded all outstanding Preferred B shares during 1Q 2018 resulting from criminal issues surrounding the sole Preferred B shareholder. Cancellation and/or reissuance of this class of Preferred shares will become final as of December 31, 2018.

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: 12/31/2018
Total shares outstanding: 7,458 as of: 12/31/2018

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: 1,250 as of: 12/31/2018
Total shares outstanding: 100 as of: 12/31/2018

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: 12/31/2018
Total shares outstanding: 847,540 as of: 12/31/2018*

(*) The company rescinded 271,428 Preferred E shares during 2Q 2018 resulting from criminal issues surrounding a Preferred E shareholder. Additional rescission actions may be expected in 4Q 2018 concerning this Preferred E holder.

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: XX 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. The company had to repeat this process in August 2016.

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

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
1/18/2012	New Issuance-Debt Conv. Andrew 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 Group 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 Herskowiz	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 Herskowiz	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 Herskowittz	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-Cadence Holdings LLC	100,000	75,848,149
7/18/2016	New Issuance-TPC Holdings Group	150,000	75,998,149
7/21/2016	New Issuance-Robert Herskowitz	700,000	76,698,149
7/21/2016	New Issuance-Robert Herskowitz 2011 Irv TR	70,000	76,768,149
7/21/2016	New Issuance-Chase Financial	945,000	77,713,149

8/2/2016	New Issuance-Navesink	625,000	78,338,149
8/29/2016	New Issuance-Alpha Capital Anstalt	954,925	79,293,074
9/7/2016	New Issuance-Chase Financial	945,000	80,238,074
9/19/2016	New Issuance-Alpha Capital Anstalt	521,784	80,759,858
9/19/2016	New Issuance-Mark Herskowitz	805,147	81,565,005
9/19/2016	New Issuance-Marc Berger	400,000	81,965,005
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
1/9/2017	New Issuance-Alpha Capital Anstalt	971,074	85,610,982
1/9/2017	New Issuance-Mark Herskowitz	400,000	86,010,982
3/1/2017	New Issuance-Alpha Capital Anstalt	989,425	87,000,407
3/3/2017	New Issuance-Chase Financial	1,400,000	88,400,407
3/3/2017	New Issuance-Robert Herskowitz	560,000	88,960,407
3/3/2017	New Issuance-R Herskowitz 2011 Irrv. TR	140,000	89,100,407
3/10/2017	Issuance-Mark Herskowitz	400,000	89,500,407
3/21/2017	New Issuance-Alpha Capital Anstalt	355,803	89,856,210
4/19/2017	New Issuance-Paradigm Capital Holdings	400,000	90,256,210
5/10/2017	New Issuance-Navesink	625,000	90,881,210
5/17/2017	New Issuance-OmniVance Advisors LLC	100,000	90,981,210
6/19/2017	New Issuance-Alpha Capital Anstalt	1,096,312	92,077,522
7/11/2017	New Issuance-Robert Herskowitz	1,400,000	93,477,522
7/11/2017	New Issuance-Chase Financial	1,400,000	94,877,522
7/24/2017	New Issuance-Navesink	625,000	95,502,522
7/24/2017	New Issuance-Paradigm Capital Holdings	1,475,000	96,977,522
8/1/2017	New Issuance-Mark Herskowitz	350,000	97,327,522
8/7/2017	New Issuance-Alpha Capital Anstalt	981,067	98,308,589
8/21/2017	New Issuance-Alpha Capital Anstalt	971,043	99,279,632
8/24/2017	New Issuance-R Herskowitz 2011 Irrv. TR	700,000	99,979,632
9/5/2017	New Issuance-Mark Herskowitz	350,000	100,329,632
9/20/2017	New Issuance-Alpha Capital Anstalt	952,043	101,281,675
10/3/2017	New Issuance-Alpha Capital Anstalt	987,640	102,269,315
10/23/2017	New Issuance-Alpha Capital Anstalt	991,943	103,261,258
11/6/2017	New Issuance-Mark Herskowitz	500,000	103,761,258
11/6/2017	New Issuance-Alpha Capital Anstalt	2,878,058	106,639,316
12/4/2017	New Issuance-Alpha Capital Anstalt	1,502,294	108,141,610
12/6/2017	New Issuance-Chase Financing Inc	700,000	108,841,610
12/12/2017	New Issuance-Scott J Weiner	1,000,000	109,841,610
12/19/2017	New Issuance-Robert Herskowitz	1,400,000	111,241,610
12/31/2017	Cancellation-Scott J Weiner	(1,000,000)	110,241,610
1/8/2018	New Issuance-Alpha Capital Anstalt	1,504,281	111,745,891
2/9/2018	New Issuance-Alpha Capital Anstalt	1,496,661	113,242,552
2/23/2018	New Issuance-Robert Herskowitz	1,400,000	114,642,552
2/23/2018	New Issuance-Chase Financing Inc Profit Sh.	980,000	115,622,552
3/5/2018	New Issuance-Alpha Capital Anstalt	1,510,797	117,133,349
4/2/2018	New Issuance-Alpha Capital Anstalt	1,521,904	118,655,253
4/3/2018	New Issuance-Mark Herskowitz	849,123	119,504,376
4/16/2018	New Issuance-Alpha Capital Anstalt	1,513,789	121,018,165
4/23/2018	New Issuance-Alpha Capital Anstalt	1,039,571	122,057,736
5/29/2018	New Issuance-Alpha Capital Anstalt	1,985,374	124,043,110
5/29/2018	New Issuance-Robert Herskowitz	1,550,000	125,593,110
6/11/2018	New Issuance-Chase Financing Inc Profit Sh.	1,050,000	126,643,110

7/3/2018	New Issuance-Alpha Capital Anstalt	1,520,646	128,163,756
7/30/2018	New Issuance-WilCo	625,000	128,788,756
7/30/2018	New Issuance-WilCo	625,000	129,413,756
8/23/2018	New Issuance-Chase Financing Inc Profit Sh.	490,000	129,903,756
8/23/2018	New Issuance-Chase Financing	700,000	130,603,756
8/27/2018	New Issuance-Mark Herskowitz	816,326	131,420,082
10/9/2018	New Issuance-Alpha Capital Anstalt	1,031,758	132,451,840
11/26/2018	New Issuance-Chase Financing Inc Profit Sh.	700,000	133,151,840
11/26/2018	New Issuance-Chase Financing Inc Profit Sh.	1,400,000	134,551,840

PREFERRED B STOCK

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

PREFERRED C STOCK

Date	Description	Change in Shares	Running Total
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
4/19/2017	Conversion-Paradigm Capital	(80)	6,155
4/19/2017	New Issuance-LICGO Partners	157	6,312
5/10/2017	Conversion-Navesink Device	(125)	6,187
7/24/2017	Conversion-Navesink Device	(125)	6,062
7/24/2017	Conversion-Paradigm Capital	(295)	5,767
7/25/2017	New Issuance-LICGO Partners	196	5,963
9/28/2017	New Issuance-Gerald Hickson	300	6,263
10/23/2017	New Issuance-LICGO Partners	210	6,473
1/18/2018	New Issuance-LICGO Partners	210	6,683
5/11/2018	New Issuance-LICGO Partners	210	6,893
7/30/2018	Conversion-Navesink Device	(125)	6,768
7/30/2018	Conversion-Navesink Device	(125)	6,643
7/31/2018	New Issuance-LICGO Partners	500	7,143
7/31/2018	New Issuance-LICGO Partners	210	7,353
7/31/2018	New Issuance-Sovereign Partners LLC	105	7,458

PREFERRED D STOCK

Date	Description	Change in Shares	Running Total
12/31/2017	New Issuance-Sovereign Partners	40	40
7/31/2018	New Issuance-Navesink Device Initiatives	50	90
7/31/2018	New Issuance-Paradigm Capital	10	100

PREFERRED E STOCK

Date	Description	Change in Shares	Running Total
8/1/2008	New Issuance-Centurion Credit	14,900	14,900
11/5/2008	New Issuance-Centurion Credit	21,225	36,125
12/16/2008	New Issuance-Centurion Credit	30,785	66,910
1/15/2009	New Issuance-Centurion Credit	40,000	106,910
3/31/2009	New Issuance-Centurion Credit	23,000	129,910
3/31/2009	New Issuance-Centurion Credit	19,000	148,910
4/1/2009	Converted to Common	(14,900)	134,010
5/13/2009	New Issuance-Centurion Credit	17,800	151,810
6/2/2009	New Issuance-Centurion Credit	25,000	176,810
7/8/2009	New Issuance-Centurion Credit	25,000	201,810
8/13/2009	New Issuance-Centurion Credit	13,000	214,810
9/11/2009	New Issuance-Centurion Credit	12,600	227,410
10/7/2009	New Issuance-Centurion Credit	20,000	247,410
11/4/2009	New Issuance-Centurion Credit	16,700	264,110
11/18/2009	New Issuance-Centurion Credit	60,000	324,110
11/20/2009	Converted to Common	(92,010)	232,100
11/23/2009	Converted to Common	(59,800)	172,300
12/7/2009	Converted to Common	(25,000)	147,300
12/8/2009	New Issuance-Centurion Credit	720,000	867,300
1/20/2010	Converted to Common	(25,000)	842,300
2/16/2010	Converted to Common	(13,000)	829,300
3/17/2010	Converted to Common	(12,600)	816,700
4/16/2010	Converted to Common	(20,000)	796,700
5/25/2010	Converted to Common	(16,700)	780,000
6/4/2010	Converted to Common	(60,000)	720,000
7/19/2010	Converted to Common	(10,000)	710,000
8/4/2010	New Issuance-Centurion Credit	200,000	910,000
1/26/2011	Converted to Common	(54,500)	855,500
3/8/2011	New Issuance-Centurion Credit	240,000	1,095,500
5/17/2011	Converted to Common	(135,200)	960,300
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	801,840
5/18/2016	Conversion-Mayer & Associates	(14,300)	787,540
6/6/2016	New Issuance-Mark Herskowitz 401K Trust	100,000	887,540
6/6/2016	New Issuance-Chase Financing Inc Profit Sh.	35,000	922,540
6/6/2016	New Issuance-Chase Financing	100,000	1,022,540
6/6/2016	Conversion-Chase Financing Inc Profit Sh.	(75,000)	947,540
7/21/2016	Conversion-Chase Financing Inc	(67,500)	880,040
7/21/2016	Conversion-Robert Herskowitz	(30,000)	850,040
9/7/2016	Conversion-Chase Financing Inc	(67,500)	782,540
9/19/2016	New Issuance-Chase Financing Inc Profit Sh.	75,000	857,540
1/9/2017	New Issuance-Chase Financing Inc Profit Sh.	105,000	962,540
3/3/2017	Cancellation	(105,000)	857,540
3/3/2017	New Issuance-Chase Financing	50,000	907,540
3/3/2017	New Issuance-Chase Financing Inc Profit Sh.	70,000	977,540
3/3/2017	Conversion-Chase Financing	(100,000)	877,540
5/17/2017	New Issuance-Chase Financing	100,000	977,540
7/11/2017	Conversion-Robert Herskowitz	(100,000)	877,540
7/11/2017	Conversion-Chase Financing	(100,000)	777,540
8/24/2017	New Issuance-Chase Financing	50,000	827,540
8/24/2017	New Issuance-Chase Financing Inc Profit Sh.	50,000	877,540
12/6/2017	New Issuance-Chase Financing	(50,000)	827,540
12/12/2017	New Issuance-Robert Herskowitz	100,000	927,540
12/19/2017	Conversion-Robert Herskowitz	(100,000)	827,540
1/18/2018	New Issuance-Robert Herskowitz	100,000	927,540
2/23/2018	Conversion-Robert Herskowitz	(100,000)	827,540
2/23/2018	Conversion-Chase Financing Inc Profit Sh.	(70,000)	757,540
4/16/2018	New Issuance-Chase Financing Inc Profit Sh.	100,000	857,540
5/11/2018	New Issuance-Chase Financing Inc Profit Sh.	100,000	957,540
6/11/2018	Conversion-Chase Financing Inc Profit Sh.	(75,000)	882,540
7/31/2018	New Issuance-Chase Financing Inc Profit Sh.	100,000	982,540
7/31/2018	New Issuance-Chase Financing Inc Profit Sh.	100,000	1,082,540
8/23/2018	Conversion-Chase Financing Inc Profit Sh.	(35,000)	1,047,540
8/23/2018	Conversion-Chase Financing	(50,000)	997,540
11/26/2018	Conversion-Chase Financing Inc Profit Sh.	(50,000)	947,540
11/26/2018	Conversion-Chase Financing Inc Profit Sh.	(100,000)	847,540

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 AND MANAGEMENT'S DISCUSSION AND ANALYSIS ATTACHED TO THIS DISCLOSURE STATEMENT

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

Disclosure

Overview

Decision Diagnostics Corp. is a worldwide prescription and non-prescription diagnostics and home testing products distributor and the manufacturer of GenUltimate! glucose test strips, a Class II medical device for at-home use for the measurement of glucose, the PetSure! glucose test strip for the glucose testing of dogs and cats, a test strip designed to work with the Zoetis AlphaTrak and AlphaTrak II glucometers, a legacy meter, and the GenUltimate! 4Pets Glucose system a proprietary glucose measuring system inclusive of the company's GenUltimate! 4Pets test strip and Avantage meter, for the testing of dogs, cats and horses. The company also has its GenSure! glucose test strip, a product for off-shore sales which is complete and available for sales, but will primarily be sold as an international private label market entry. In addition, the company's GenChoice! glucose test strip has completed its clinical trials and filed a 510K application with the U.S. FDA for its clearance. The company has already had two formal correspondences with the FDA and has been notified that its 510K application has progressed past the initial review phase. Regarding additional product development, the company has completed advanced development work and concept and feasibility testing of its GenUltimate! TBG test strip and Precise meter and are ready to begin patient testing (first level clinical trials) in the next 90 days. In association with the company's advanced development engineers, company CEO Keith Berman asked the engineers to change the chemistry foundation of the GenUltimate! TBG system to work in an identical manner with the company's GenUltimate test strip, thereby allowing the company to offer three products, each serving its own somewhat unique purposes, all running on the same test strip foundation, an already FDA cleared device.

As an off-shore product GenSure! a test strip that runs on two existing legacy meters, and if sold, will only be sold in select international markets where the product will not encounter certain performance criteria issues created by the legacy metering platform that the GenSure! test strip runs on. The GenSure! product, although sharing many similarities with the company's GenUltimate! product, does not have the capability of chemistry or feature upgrade and as a result is viewed in the market and by DECN as a small niche product. Further, there is no market in the U.S. for GenSure! and the legacy manufacturer is pulling the legacy predicate product out of the EU and those countries that follow the guidance of ISO 15197:2013 and ISO 15197:2015. We have identified international distributors for this product but the international markets for GenSure! has become limited.

Resources permitting, as we progress into 2019, we intend to register the company's GenChoice! and GenUltimate! TBG products in the EU, because these products do meet ISO guidelines without further development. The GenUltimate! TBG meter, which will undergo 510K prosecution for its metering system, is next up for FDA clearance. The test strip, a close relative of the company's GenUltimate! test strip which is already FDA cleared. The company has contracted with the expert organization that is writing the 510K document and a credentialed IRB who completed the GenChoice! clinical trial data and who will follow the same clearance path for the GenUltimate! TBG system.

The U.S. FDA, in a manner similar to prescription drugs, regulates diagnostic test kits and at-home patient testing products in 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 was used for the GenChoice! product and will be used for GenUltimate! TBG products beginning with the 510k clearance with the FDA during the summer of 2019. Both the GenChoice! and GenUltimate! TBG products will be sold internationally while the U.S. FDA 510k applications are pending. This is a process that several American manufacturers are following to get market penetration in advance of the slower moving FDA 510K clearance process.

Previous to the company becoming a research, development and manufacturing company, we did play a small part in the distribution of legacy diabetic test strips and meters. 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 led to substantially lower rates of reimbursement and ultimately an unprofitable business model. The company's current business model is to provide its own technologies, competing against legacy manufacturers on the basis of lower price and elevated product performance.

Our Current Business Foundation

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! as well as our GenSure! and GenChoice! products. Our newest subsidiary Pharmatech Sensor Development Corp. manages our investment in specialty manufacturing machinery and testing laboratories, as well as an inventory credit line to finance inventory purchases of our GenUltimate! and PetSure! products. The company will endeavor to expand the credit line for the management of our GenChoice! and GenUltimate! TBG products in 2019. The company has discontinued its earlier GenStrip 50 product and ended the selling of the last of the inventory in November 2016. All of the GenStrip 50 test strips have subsequently reached expiration dates.

In March 2017 the company was approached by its Korean partner, The Bio Co., Ltd to design and fund a new product which the company calls GenUltimate! TBG. This product represents a major improvement in diabetic glucose monitoring. The GenUltimate! TBG system will be the first of its kind +/- 8% system. Current ISO (2015) and FDA (2014) guidelines call for glucose monitoring systems to meet a +/- 15% standard, whereby the meter and strip must be within +/- 15% of a reference method in repeated testings 95% of the time. GenUltimate! and GenChoice! are +/- 15% test strips, but in each case 97+% of the time in repeated samplings. GenUltimate! TBG is designed to meet the written standards of the ISO and FDA at +/- 8%, 97% of the time – effectively setting a new standard. The company has been funding the development of this system product since 2017, as well as a test strip only derivative version for use with a legacy meter sold overseas. In October 2018 the company implemented a strategic change to its development and manufacturing processes whereby we will standardize around two technology foundations, our GenUltimate! technology and our GenChoice! technology. PetSure! was the first marketable product to make use of the GenChoice! technology foundation, and is currently selling in pet testing channels. GenUltimate! TBG will be the first enhancement of our GenUltimate! technology foundation. The company believes that these changes in our product development processes will lead to quicker to market products and streamlined and less costly manufacturing processes. .

As of this writing, GenUltimate! TBG system is not yet available for sale or distribution in the U.S. or Puerto Rico.

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. Until these markets "settle down," if they do, we have determined that we will maintain our contacts but currently refrain from competing.

Our main product was the Genstrip 50 and its successor brand the GenUltimate!, both of improved performance and design improvements and a rebranding and development (from scratch) of the original Shasta Technologies Genstrip. Both of these glucose test strips are of our manufacture. We have maintained FDA registered contract manufacturers in Pennsylvania and South Korea. We ended our association with the contract manufacturer in Pennsylvania as of March 31, 2017. 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. This was no small feat. 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 owing to Shasta's poisoned relationship with the FDA. We began work on the GenUltimate! product in July 2015 and introduced this test strip (vs. our GenStrip) in April 2016. The original Shasta Genstrip and our Genstrip 50 have been discontinued. All GenUltimate! product is manufactured to our specifications and under our oversight in Korea.

Historical Construct

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 (Enforcement) Warning Letter on April 8, 2014, and when they refused to respond to this Warning Letter in an expected fashion, the FDA then broadcast a worldwide Safety Notice on April 29, 2014, the FDA version of the Death Penalty. This second letter effectively ended 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 have possibly been thinking. The company's acquisition of Genstrip (now GenUltimate!) was fortuitous in its timing given the finality and outcome of Shasta Technologies' fatal troubles with the FDA.

The worldwide market for at-home blood glucose testing is an estimated $17.2 billion as of 2017, inclusive of the 2013 and 2016 changes to the Federal Medicare programs which gutted almost one-third of the U.S. market. The current GenUltimate! competes directly with one of the largest worldwide platform manufacturers the venerable Johnson & Johnson Lifescan Inc. Ultra legacy product. J&J, which had owned Lifescan for more than 25 years, recently sold its Lifescan division and its venerable products to Platinum, a private equity firm. GenUltimate! (and the earlier GenStrip 50) were developed for use with the Lifescan OneTouch Ultra legacy system for at-home blood glucose testing, a system currently used daily by over 3 million diabetes afflicted Americans and 5.8 million diabetics world-wide. 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 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 (if any) insurance reimbursements. At the time of the introduction of GenStrip in March 2013, J&J controlled just under 40% of this market and 100% of its own Lifescan, Inc. OneTouch Ultra market. Their overall market share has since dropped below 30%. In October 2018 Lifescan, Inc. was sold to a large California based private equity firm in an asset sale arrangement. This event gave impetus to the changes we have made to our GenUltimate! TBG system, the first and only evolutionary enhancement to be offered to the Lifescan Ultra family of products still in use by over 4 million diabetics worldwide.

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 36 months we 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 had been distributing legacy products that competed directly with our GenUltimate! Phasing out these brand name products lowered our order (revenues) 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.

We began our transition into these medical products channels on November 1, 2011 when 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 subsequently 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 GenSure! and the upcoming GenChoice! and GenUltimate! TBG products. Ms. Binder is also owner of Genstrip Direct 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. The market for diabetes testing products is already in the tens of billions of dollars continues to grow rapidly. We have earmarked additional capital investment in 2019 for our Korean contract manufacturer and advanced development partner, who recently opened a second manufacturing line, primarily for the manufacture of GenUltimate! and its offspring, the GenUltimate! 4Pets and the GenUltimate TBG.

The company's current proprietary product offering, cleared by the FDA for commercial distribution on November 30, 2012, and now in its later branded version, the 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 on the basis of performance, and had to undergo major design changes and a new 510K application that was eventually sponsored by us. 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 concluded its dealings with the FDA in March 2016, but has had subsequent issuespre and post market review staff, an on-going process that was begun on a very sour note by Shasta in October 2009 and ended even more sourly in early 2014. The company believes that upcoming product offerings such as the GenChoice! and GenUltimate! TBG products, will also be regulated by the FDA but we hope will go through a much smoother review and comment process, particularly since receipt of a directed landmark ruling by the U.S. FDA, covering our third party developed diagnostics (developed, in development

and to be developed). 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 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! In fact the long review periods and stifling performance standards established have contributed to a large decline in new products offerings in the USA and the industry since 2014. Nonetheless, we are confident that our 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 510k approval application, 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 that we seized. 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 (as 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 version 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 continued under the GenUltimate! brand, and includes 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 March 2013. Lifescan Inc., until October 2018, 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. In fact, even as of this writing, the company faces market obstacles brought about by the original litigation with Lifescan, Inc. The company believes there will be additional limitations as long as Johnson & Johnson and/or their successors spend large sums to discredit the company and its products. However, it should be noted that Johnson & Johnson announced in January 2018 that their entire diabetic business (three divisions, multiple products) had been put up for sale, and offers for some or all of their businesses had been received. The sale closed in October 2018 with the completion of an asset sale to a large California based private equity firm.

The settlements we did achieve with J&J provided a hard-fought victory for the company, particularly since in 2015 Shasta had admitted to patent infringements of all three J&J diabetic medical device patents that were being adjudicated. We settled these lawsuits in a novel manner, where Johnson & Johnson paid the company a settlement amount in cash, in those lawsuits where the company was a defendant, a rarity in matters where the Plaintiff (J&J) had initiated the strike suit in the first place. J&J, as a part of the settlement, also granted the company licenses to three J&J patents (including one patent that J&J subsequently lost as a result of 3rd party prosecution by the company, 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 April 2016 the company amended its original suit to include allegations under the Doctrine of Equivalents.

"The doctrine of equivalents is a legal rule in many (but not all) of the world's patent systems that allows a court to hold a party liable for patent infringement even though the infringing device or process does not fall within the literal scope of a patent claim, but nevertheless is equivalent to the claimed invention(s)."

Further, in January 2016 the US Supreme Court ruled that the Doctrine of Laches, a defense used by many Defendants in patent infringement suits could no longer be used. This ruling further deprived J&J of one of its most important defenses against the company's current patent infringement claims. All of this action did not dissuade the Nevada District Court trial judge from granting J&J a Motion for Summary Judgment in October 2018. As a result of this ruling, the company filed an appeal to the U.S. Court of Appeals for the

Federal Circuit in Washington, DC (the patent court). That appeal is nearing the point where a court ordered mediation and oral arguments are to be scheduled. Oral arguments to the patent court judge panel are expected in June 2019.

The Current Business

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. Our 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 current 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, and for its pet testing products, on-line sales and chain pet supply stores and retail pet outlets. Although this has been part of the company's plans in the recent past, the difficult litigation with Johnson & Johnson as well as the advent of the July 2013 and July 2016 changes to Medicare reimbursement (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, Sears, Jet.com and approximately 1050 other on-line cooperatives and product aggregators. The company considers this rapid adoption to be a huge success gained in a very short period of time.

In June 2017 we were notified by Amazon.com, the largest retail portal for our products where we now currently sell approximately 35,000 boxes of GenUltimate per month, that the listings for our products had been "hacked" by ghost sellers -- individuals and people who listed our products, accepted orders and cash money from diabetics, but were unknown to the company. Oftentimes product was never delivered to the diabetic even after receipt of payment. This practice called freeloading (by Amazon) is not rare, but once started it is difficult to eradicate. The company had to replace almost 6,500 units of GenUltimate as a result of the freeloading. In March 2018 another 3,000 boxes were replaced, leading to lower sales margins in the periods where the replacements too place. The company is in on-going friendly negotiations with its distributors to provide compensation for the effect of the freeloaders. While freeloaders had a cost basis of zero, legitimate sellers and distributors were forced to compete with these zero cost sellers. Prices for GenUltimate plummeted and by October 2017 the product in its largest portal declined on average by 35%.

With the assistance of Amazon, who themselves became a distributor of GenUltimate!, the company was able to overcome some of these issues. With the assistance of Amazon we reordered our selling practice, implementing base (floor) pricing and implementing real-time policing of listings. As a result, we were able to overcome this freeloading practice. Prices have recovered about one half of the Fall 2017 decline. We are currently in the process of raising prices again. Also, as a result of the "Amazon debacle," the company also eliminated many small distributors of GenUltimate! from the Amazon portal. While these actions had the effect of lowering sales throughout 2018, our margins and our sales levels are recovering.

In March 2017 the company was contacted by the retail giant Walmart, who along with their acquired on-line retailer Jet.com, are attempting to duplicate and surpass the Amazon portal. Our GenUltimate! products have been sold on Walmart's (and Jet.com's) portals since November 2016. In the 2018 discussions Walmart offered us preferential listings on portals and Walmart Depot stocking at their regional transit facilities. We also began discussions, now in process, for the manufacturer of a Walmart house brand version of our GenUltimate! As a result of our agreements with Walmart, GenUltimate! is now sold and fulfilled directly by Walmart. In addition, Walmart has implemented a large on-line store pickup, allowing GenUltimate! users to pick their GenUltimate! product up at Walmart stores. We accepted Walmart's offer (who wouldn't) and changed our distribution agreement with Walmart (and Jet) so that Walmart would sell and fulfill our products directly. Walmart customers who previously received standing orders for their legacy J&J Lifescan test strips will be a part of this new program. The company believes this to be a market enhancing deal since Walmart will become both a "push" and a "pull" retailer. No special pricing of our GenUltimate! products was required to implement this plan, owing, no doubt, to the footprint we have established on the other large on-line portals. That would not be the case if the company wanted to implement its in-store supplier agreement with Walmart where we would have to conform to pricing for Walmart in-house brands. We continue to evaluate our prospects with Walmart and we believe we will move toward a global agreement with Walmart for our GenUltimate!, PetSure! and GenChoice! (when cleared) and GenUltimate! TBG products.

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 Motorola and Samsung Droids 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 Trump administration is trying to redevelop healthcare. While we have kept up with the evolving regulatory changes, we do not foresee implementation of our products and networks in the near future. We do not assign any value on our balance sheet to our IT products.

In March 2016 we 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 early in our contract term, by advocating during repeated calls, a "palace coup." After these incursions by shareholders and persons claiming to be shareholders, our relationship with Retail Monster remained cordial but was, unfortunately, destined to fail. The two companies decided to end the engagement on December 31, 2016. 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, and typically not a part of legacy manufacturers marketing plans. 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 and in mid-March 2018 this retailer and its recently acquired wholesale products partner contacted the company and implemented a direct relationship. This decision led to inquiries by other big box. Sellers. Thus, in March 2019 we entered into a long term relationship with PARAGON Sales and Marketing Inc. to support the national growth of both our branded and private label retail products sold under our "Gen" brand, and our private label brands of Alltara!, ConsumerValue!, Infatig!, and Medicius!. Initial accounts that we have assigned to PARAGON for big box and private brand big box agreements include Walmart, CVS, Walgreens, Costco, Kroger and Cardinal Health. PARAGON will also work closely with us in evaluating other potential new retail product categories and products that we may launch in both branded and private label offerings in the future. Sadly, shareholders and non-shareholders have already attempted to contact PARAGON in a manner similar to our earlier situation with Retail Monster. The company has promised PARAGON that we will take legal action against these people should this activity continue.

Alltara *choice* is not yet available for sale or distribution in the United States or Puerto Rico.

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"), Navesink Device Initiatives, Sovereign Partners and Licgo Partners, 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 and 2Q, 3Q and 4Q 2017 we completed additional financing transactions with both Alpha, Sovereign, and Licgo. Our most recent transactions with Alpha also financed an inventory credit line for the company so that we can meet many of the requirements of the largest retailers and maintain at least $300,000 in stock on hand at any time. From time to time we drop below this $300,000 threshold, primarily at the end of fiscal quarters. Alpha also financed our acquisition of new specialty manufacturing equipment to facilitate our contract manufacturer in Korea as they develop our new GenChoice! product. The company in early March 2019 again turned to Alpha, most recently borrowing $250,000 as we finance the completion of our GenUltimate! TBG product, pay for the prosecution of our GenChoice 510K application, and pay for the additional manufacturing facility in Korea.

The company entered into three international agreements throughout 2017 and 2018. The first agreement, executed through the company's exclusive Korean agent, allows for delivery of the GenUltimate!, GenChoice! and GenSure! (and certainly the GenUltimate! TBG product when available) in quantity for sale in the Korean, Taiwan, Hong Kong, Vietnam and Thailand markets market. As of this writing, the Korean partners have ordered and paid for over 306,000 pieces (units/boxes) of GenUltimate! In addition the company, through its Korean master distributor has begun sales in Vietnam. The company's second international agreement was through a South American financier who has businesses in Bolivia and Spain. This group initially placed a single two-year (term) order for approximately $17 million in GenUltimate! test strips, GenUltimate! meters and the company's new (2017) Firefly! Lancets. The South American financier also 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. The group then signed and executed a Subscription Agreement for the company's Preferred D shares in April 2017.

After delivery of approximately 11,000 pieces (units) of GenUltimate!, 3,000 GenUltimate! meters and cases of lancets delivered to Bolivia, the company was contacted by authorities in the U.S. and then again several months later by regulators in Spain concerning the partners and silent partners involved with this international agreement. As a result of these contacts, the company, on March 20, 2017, terminated the Preferred D Subscription Agreement and terminated the International Distribution Agreement.

In June 2018 the company came to terms with a third international distributor who will sell the company's products in Mexico, Puerto Rico and in select South American countries. Initially the sales by the distributor will be our GenUltimate! test strips and meters, and our GenSure! test strips and meters. Governmental approval is needed for these products. This distributor has gotten off to a slow start.

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.

Additional Background and Foundation

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 within 90 days of its initiation. 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. In addition Shasta breached or defaulted on two insurance settlement agreements, owing to the aforementioned J&J litigation. And finally, Shasta confessed to patent infringement of J&J's three patents.

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. Similar Quality Plans and FDA registrations will be in place for the company's GenChoice! and GenUltimate! TBG products in the near term, and for our GenAccord and GenCambre products later in the coming months. Our overall Quality Plan, a living document, is in its fifth re-write.

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. Shasta immediately breached this agreement, as they have breached every agreement we have executed with them. This legal settlement with the insurer does not preclude the company from pursuing Shasta, its principals and these "shareholders" in its omnibus lawsuit brought against Shasta et al. in 2014. Nor did this

settlement preclude the company from pursuing Shasta for attempting to execute an illegal embargo, along with a former contract manufacturer against the company. The company brought suit against Shasta and the former contract manufacturer in Pennsylvania in November 2018. On December 31, 2018 the Pennsylvania court awarded the company with a $3.6 million judgment against Shasta. We are pursuing collection of this judgment in Minnesota, California and Oregon. We continue to litigate in Pennsylvania against the former contract manufacturer and anticipate a handsome settlement in the coming months. The company is also pursuing those persons who owned stock in the company who may have traded stock in the market based on information and documents provided by Shasta, or who were given confidential documents by Shasta, gained through the litigation discovery and provided to these shareholders, who then posted the information on public message boards.

We currently employ nine 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 through our exclusive agent in Seoul, Korea as a means to fulfill our quality commitments to the FDA. Our telephone number is (805) 446-1973 and our website addresses are and www.pharmatechsolutionsinc.com and www.genultimate.com. and www.decisiondiagnostics.com. Additional web sites will be added for our GenChoice! product (site now in FDA 510K prosecution) and our GenUltimate! TBG product.

As a part of the company's strategic plans, we have applied (to register) for twelve 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 throughout 2016, 2017 and 2018. 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 February 28, 2019, the company has received registration confirmation from the USPTO for the following Marks:

"Alltara!"
"GenUltimate!"
"GenSure!"
"GenChoice!"
"GenAccord!"
"GenCambre!"
"GenUltimate! TBG"
"Firefly!"
"ConsumerValue!"
"Infatig"
"Medicius!"

Our marks for Alltara!, ConsumerValue!, Infatig!, and Medicius! will be used for product families as an integral part of our relationships with the "big-box" entities.

Beginning in the 4th 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 refused, due to their settlement with Johnson & Johnson, to ship to the company certain quantities of the Genstrip 50 product. These actions by Conductive Technologies, Inc. and Shasta amounted to an illegal embargo of the company's products since neither Shasta, nor CTI retained the right to manufacturer or sell the products in the United States without the company's exclusive approval. In November 2018 the company brought suit against CTI and Shasta in Pennsylvania to bring about compensation for this illegal embargo.

The inventory 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 750,000 packages per month (50 count and 100 count packages), for the new GenSure! product 100,000 packages per month (25 count and 50 count packages) and the new GenChoice! product (initial) 150,000 packages per month (50 count and 100 count packages). Recently, a mega-retailer has requested minimum inventories of finished product of 150,000 units/boxes. We expect other retailers to make similar requests. The manufacture of GenUltimate! and GenSure! are very similar and this capacity can be viewed as interchangeable. Similarly the manufacture of GenChoice! and GenUltimate! TBG will be similar to the manufacture of GenAccord! and GenCambre!

The company's stock currently trades on the OTCMarkets OTC Pink Current tier of the market. The company's shares are DTC and DWAC eligible. On May 12, 2015 the company made an application for a tier change to the OTCQX (common) tier. When the company's common stock fell in price beneath the $.10 threshold, and when our sponsoring broker shuttered his operation, our

application went into hiatus. Subsequently, the company received direct communication from OTCMarkets concerning a new uplist program offered, beginning May 18, 2017, whereby the company might uplist within the OTCMarkets tiers as a Current Alternative reporting company and filer.

Instead of this uplisting, the company chose to file a Regulation A offering in an effort to improve its disclosure to the SEC. The company had planned to use this filing, reviewed by the SEC without comment on August 23, 2018, to move toward uplist on the OTCMarkets exchange in 2019. In February 2019 the company, after completing all of the ancillary tasks required of a Reg. A filer, amended its registration with the SEC, a necessary requirement. Subsequently, the company's stock price improved so that the registration offering price was much lower than the stock trading price. In early March, during the stock price rise, the company was informed that a certain party, who at that point claimed to own approximately 4% of the company's outstanding shares, wished to buy the entire Reg. A offering on the date said offering became qualified. That would allow this certain party to gain control of the company for approximately $5.3 million, a value much lower than the company's Board of Directors expected, and much less than the trading price of the company's common stock. This was/is a common predatory M&A strategy often used by private equity funds. On March 18, 2019, acting on a resolution by the company's Board of Directors, the Reg. A registration was withdrawn.

In February 2019 the company was approved for Deposit/Withdrawal at Custodian (DWAC) a method of electronically transferring new shares or paper share certificates to and from the Depository Trust Company (DTC) using a Fast Automated Securities Transfer (FAST) service transfer agent as the distribution point. DWAC transfer is a method employed by most funds and large investors.

Business activities throughout the next twelve months:

The company's business on a day-to-day basis includes the distribution of our GenUltimate! products, (50 count and 100 count versions), distribution of our GenSure! product (25 count and 50 count versions), and our PetSure! products (30 count and 60 count versions), and in 2019 our GenChoice! (25 count, 50 count and 100 count versions), at least in international markets, and the GenUltimate! TBG (25 count, 50 count, 100 count versions and a meter), sometime later in 2019. Our GenSure! will be sold only in certain international markets. The company is currently prosecuting its application for 510K clearance of its GenChoice! product (25 count, 50 count and 100 count versions). The GenChoice! product will be sold worldwide. Within 180 days of this writing the company will have concluded the clinical analyses and filed for 510K clearance for its GenUltimate! TBG product (25 count, 50 count and 100 count versions and a meter designed with young diabetics in mind). The GenUltimate! TBG product will be sold worldwide and will, most likely, require a strategic partner. We are currently in initial negotiations with one such prospective partner and have recently reached out to another prospective partner. The company has just completed a redesign of its GenUltimate! TBG test strip, building a technology foundation around its GenUltimate! technology.

In March 2019 the company announced the hiring of PARAGON Marketing and Sales, Inc., a nationwide retail accounts sales and management firm. The company has assigned several high worth "big box" retail accounts to PARAGON, including Walmart Stores, CVS Pharmacies, Walgreens Pharmacies, Cardinal Health (Wholesale). McKesson (private label brands), Kroger and others.

In mid-2017 the company embarked on an ambitious plan to re-brand all of its products, existing and upcoming, to sell into what is more commonly known as the private label marketplace, or the co-brand markets. These markets overlap to a high degree with what is also historically known as the "big-box" market. The rebranding contingency eventually grew to change the entire scope of our products developed for private label sales. In traditional diabetic supplies markets the packages had to include claims made in the original 510K application, plus new international symbiology and UDI identification. Packaging of the products was typically designed to accommodate the capacities of the automation that packaged the products themselves. There was no magic involved with packaging. The 25, 50 and 100 count packages sold by the entire industry grew out of the capabilities of the automated packaging machines, not some grand plan. The entire industry became "me-too." The insurance reimbursement models associated with these 25, 50 and 100 count packages (overwhelmingly 50 count boxes) arose for the same reasons.

Companies in the manufacturing and marketing channels in the industry all employ these packaging processes, including Korean, Chinese and Taiwanese manufacturers. In truth, the manufacturer operations collectively decided not to pay an extra $10,000 for each of the packaging machines, or the $0.10 for a slightly larger test strip vial (holder). The company believes this "me-tooism" to be a form of mental blinders. In implementing the company's new private label strategy, Decision Diagnostics decided not to bow to the packaging machine or "me-too" limitations. Instead the new packaging to be employed by the company will take into account diabetic testing patterns and the average number of testing days in a month. Private label versions of the company's products will be packaged in sizes of 30 count, 60 count and 120 count packages. This concept has been readily accepted by the company's private label target list in a detailed survey, and it is believed that this new packaging concept will be a marketing coup. Sales to the private label

industry will be through private label product groups where every private label partner will own a private label group, each group containing all of the company's products in selective private label packaging.

The company currently has three major private label targets, the largest drug store chain, another top-5 drug store chain, and the second largest grocery store chain. In addition, the private label packaging is being offered to the largest drug store chains in Mexico and Canada. The Mexican chain, who also has numerous stores in Chile and Argentina has moved quickly. However, in all cases the sales process is in the closing stages. Closes of this nature, do however, take time. The company has Trademarked four product label groups for exclusive sales of products to the private label concerns: Alltara!, Advant!, Infatig!, and Medicius!.

Beginning in November 2009, we introduced our cell-phone centric medical IT products that offer solutions in medical care and management by providing physicians with information at the point of care. We eagerly await the new version of some sort of national health plan, which might finally create markets for our products.

Our 12-month business objectives include:

1. The practice of specializing in the distribution of GenUltimate! and PetSure! and GenUltimate! 4Pets products, and the completion of the GenChoice!, and GenUltimate! TBG products. We also intend to add several brand-name medical diagnostic and medical disposable products, lancets through our Firefly! product, as well as several lines of insulin syringes and pen needles, all associated with the on-going care of diabetes-inflicted patients, and the world-wide distribution of our proprietary diagnostic products.

2. Combining our wholesale and retail diagnostics distribution with the major successes we have had in the on-line retail markets, and adding legacy retail organizations (already some legacy retailers of note). See discussion above concerning private label opportunities and our private label lines.

3. Continue to implement the plans provided by our agent MWK LLC, and PARAGON Sales and Marketing in efforts to secure big-box pharmacy chains, chain grocers and nationwide retailers in addition to the private label groups previously discussed.

Recent Business Milestones:

In 2018 the company has accomplished the following milestones.

1. We completed the design and manufacture of PetSure! glucose test strips for the international markets, and completed development of our GenChoice!, GenUltimate! 4Pets and GenUltimate! TBG products.

2. We began FDA 510K prosecution, patient clinical, 3rd Party testing and/or clinical trials of two new test strip products, our GenChoice! and GenUltimate! TBG test strips and the GenUltimate! TBG Precise meter. Neither the PetSure! nor GenUltimate! 4Pets products required live patient (pet) clinical testing.

3. We are pressing our suit against Johnson & Johnson and several divisions for manufacturing products that infringe on our patents. We won a major early battle in this suit where the trial judge granted us the opportunity to argue the Doctrine of Equivalents, an important concession in this case given J&J's penchant for the twisting of words and drawing lines through random dots. We lost a mid-stream battle and are now appealing to a court where we have had major rulings in our favor in the past. This suit began its prosecution phase on March 15, 2017 with the trial judge's early ruling. We filed our appeal in the United States Federal Circuit Court of Appeals (the patent court) and expect oral arguments to commence and a mediation in June 2019.

4. The company initiated a marketing program to the on-line Marketplaces sponsored by pharmacy chain, department store and grocery store retailers, as well as mass merchandisers, and including the largest retailers. This program has so far been the most successful endeavor since our inception.

Financing Requirements

At December 31, 2018, we had cash of $358,757 and negative working capital of $1,183,154. We anticipate that we will require $64 million in trade debt financing to finance our expected sales of GenUltimate!, GenUltimate! TBG, and GenChoice!, as the current litigation ends in the company's favor. Trade debt financing is traditional debt where the borrower borrows cash and at the term of the loan pays the lender back in cash. The company has noted substantial disinformation in public forums regarding trade debt financing. The above paragraph is the company's final position regarding its trade debt posture.

In March 2012 we renewed our agreement with Alpha Credit Resources ("ACR") for a third time in order to obtain this debt financing. After the expiration of that agreement, in November 2013 we executed a new line of credit with Alpha Credit Resources, replacing our pervious line. This credit line was for $12.5 million, but with the velocity of our product sales, could yield over $250 million in annually available credit. We never did draw down any credit financing from ACR, and on December 14, 2015 this credit line expired. Subsequently we learned that ACR and its parent, Platinum Credit became the subject of several Federal criminal investigations. In September 2016, the major funds controlled by Platinum filed for liquidation. The company immediately froze all of its securities held by Platinum, and notified the funds liquidator that we had been working with the former management of Platinum to effect return of a sizable majority of the securities held by Platinum. Platinum had not been granted any requests for any conversion or sale transactions since December 2014. As a part of this liquidation the company is now seeking return of most of the securities granted to the Platinum funds from 2007 through 2014.

We will from time to time continue to seek a combination of equity and long-term debt financing as well as other traditional cash flow and asset backed financing to meet our financing needs and to reduce our overall cost of capital. Additionally, in order to accelerate our growth rate and to finance general corporate activities, we may supplement our existing sources of funds with financing arrangements at the operating system level or through additional short-term borrowings. As a further capital resource, we may sell or lease certain rights or assets from our portfolio as appropriate opportunities become available. However, there can be no assurance that we will be able to obtain any additional financing, on acceptable terms or at all.

CONTINGENCIES AND LITIGATION

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.

Our GenSure product is sold only in international markets. We are protected against claims of patent and/or trademark infringement by virtue of our 2016 settlement agreement with Johnson & Johnson and two J&J divisions.

Our GenChoice! and GenUltimate! TBG products will be sold worldwide. The company will have to protect against claims of infringement for both of these products. Patent and trademark infringement suits are often filed for strategic business reasons, having only a passing relationship to the patents or trademarks claimed to be at issue.

Healthcare, especially those segments where the company competes, is also 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, 2018, our accrual was $485,069.

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.

In December 2018 the company and Mr. Berman were sued by a former employee who made employment practices claims. This employee had been terminated some 16 months earlier, for insubordination. The company filed a counter-suit against the former employee for misappropriating and hiding company property, secrets, and for violating HIPAA statutes as a result of these actions. The company and Mr. Berman are both insured against these types of lawsuits. Both the company and Mr. Berman intend to defend and prosecute vigorously.

We were in litigation with Lifescan Inc. a subsidiary of Johnson & Johnson beginning in September 2011. Lifescan had maintained throughout that our Genstrip (now known as GenUltimate!) product infringed on three of their patents. One of these patents became 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. In addition, 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 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 our GenStrip (now known as GenUltimate) 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 (now GenUltimate) 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 any 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 May 2016 the company became aware of a clause Lifescan had inserted in its Franchise agreements. This clause set a penalty structure whereby should any Franchisee also buy non-Lifescan products (but more clearly our GenUltimate) they would lose their access to product rebates, and in certain instances their Franchise. Once aware of these illegal tie-ins the company complained to the Federal government, and in January 2017, for the first time since the onset of litigation with J&J, the tie-in clause was globally lifted by J&J. During the pendency of the 2011 and 2012 lawsuits, Lifescan was guilty of a number of unethical practices. For example, in December 2014 counsel for Lifescan wrote a letter to the trial judge who was hearing all three of the original 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 against Johnson & Johnson and two Lifescan divisions through our two IP subsidiaries. DECN filed the lawsuit in the United States District Court, District of Nevada, in Las Vegas, NV, Case 2:16-cv-00564, titled Pharma Tech Solutions, Inc. et al v. Lifescan, Inc. et al naming Johnson & Johnson and its divisions Lifescan, Inc. and Lifescan Scotland Ltd. for alleged infringement in relation to U.S. Patent numbers 6,153,069, an apparatus patent, and 6,413,411, a method patent. The suit seeks at least $400 million in damages.

Fearful that the allegations in the suit were spot on, Lifescan filed a Motion to Dismiss which was denied. J&J, consistent with their historic tactical pattern of litigation delay, then filed a Motion for Summary Judgment. Despite a low probability of success, and the absence of legal appeal option for these Motions, J&J has through its filing successfully delayed the legal process for thirteen months to date. The trial judge has also ruled that PharmaTech would be permitted to file an amended complaint which could include further

detail concerning patent infringement under the Doctrine of Equivalents; a significant advantage which minimizes the companies' burden in infringement cases. Once this Motion activity is concluded the company believes that the legal pendulum once again reverts in the direction of our potent legal position, where it should remain for the remainder of the litigation. In October 2018 the trial judge granted J&J/Lifescan's Motion for Summary Judgment. The company immediately appealed. The case is now at the U.S. Court of Appeals for the Federal Circuit in Washington, DC and is tracking toward oral arguments and a mediation in June 2019. The company is optimistic that we will prevail in the patent court and either can resolve the dispute in mediation, or can resolve the dispute after the patent court rules, or if a contemplated business arrangement comes to fruition.

In November 2018 the company filed a lawsuit in Pennsylvania court against Conductive Technologies, Inc. and Shasta Technologies LLC, alleging, among other things, that these two former partners colluded along with Lifescan, Inc to illegally embargo the company's GenUltimate! product and technology, and to attempt to seize this product and associated Intellectual Property. The suit emerged as a result of a settlement the former partners entered into with Lifescan, Inc. and Johnson & Johnson to settle the above discussed patent infringement lawsuits of 2011 and 2012. On December 31, 2018 the Pennsylvania court granted the company a judgment in the amount of $3,600,000 against Shasta Technologies LLC. The company is now in the process of enforcing the judgment in the states of Minnesota, Oregon (Shasta's domicile), and California. Activities to enforce the judgment against Shasta in Minnesota and California, if successful, will end other litigation involving the company and its FDA lawyer against Shasta.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

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! Glucose Test Strips for use with Johnson & Johnson Lifescan glucometer, GenSure!, GenChoice and GenPrecis! glucose test strips and meters. 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. We also maintain a Quality Assurance office in at the facility of our exclusive manufacturer's representative in Seoul, Korea. We contract for space in a specialty public warehouse in Miami, FL, which serves as our importing, exporting and shipping and receiving terminal.

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:

Name	Age	Position
Keith Berman	64	CEO, CFO and Director
Robert Jagunich	71	

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 Chief Financial Officer, Secretary, Treasurer and Director of the Company since January of 2003. He was elected CEO in July 2017. Mr. Berman has been involved in the development of in-vitro diagnostic products, dry chemistry products, and healthcare software including Intranet and Internet systems for the past 42 years. 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 or Medicius, Inc. From January 1996 to June 1999 Mr. Berman was the President and founder of Cymedix, the operating division of Medix Resources, Inc., later 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 27 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.

Mr. Berman, officer and director, works full-time for the company. Mr. Jagunich attends meetings of the board of directors when held and provides 10% and 15% respectively of his business time in professional capacities to the Company.

The following table sets forth information the remuneration of our Principal Executive officer for the years ended December 31, 2018, 2017 and 2016:

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Keith Berman,	2016	$ -0-	-0-	$ -0-	-0-	-0-	-0-	-0-	$ -0-
CFO and PEO	2017	$ -0-	-0-	$ -0-	-0-	-0-	-0-	-0-	$ -0-
	2018	$ -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, 2016 and 2017 and through December 31, 2018 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/or 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, CEO, CFO and Director	480,103	<1.0%
Robert Jagunich, Director	929,301	<1.0%
Directors and Officers as a Group	1,409,404	1.05%
Barbara Asbell (founder) 2043 Sunridge Drive Ventura, CA 93030	1,162,590	<1.0%
Directors, Officers and Beneficial Owners as a Group	2,571,994	1.91%

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:

Administrative Legal Counsel
Name: Thomas C. Cook
Firm: Law Offices of Thomas C. Cook
Address 1: 8250 W. Charleston Blvd. Ste. 120
Address 2: Las Vegas, NV 89117
Phone: (702) 242-0099
Email: tccesq@aol.com

Error Repair

Despite written commentary to the contrary, the company will endeavor to repair any and all errors that appear in this document, that any new sets of eyes spot after its posting, whether these errors are in spelling, grammatical, punctuational or numeric. We are not perfect and neither are the people who point our errors out to us.

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 September 30, 2018 and December 31, 2017;

(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) revaluated 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 31, 2019

/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, 2018 and December 31, 2017, 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 31, 2019

/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.

Decision Diagnostics Corp.
Condensed Consolidated Balance Sheets
(Unaudited)

	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash	$ 358,757	$ 1,088,761
Accounts receivable, net	949,797	437,904
Inventory	250,716	316,659
Prepaid expenses	106,988	859,413
Total current assets	1,666,258	2,702,737
Fixed assets:		
Specialty manufacturing equipment	802,315	802,315
	802,315	802,315
Less accumulated depreciation	-	-
Fixed assets, net	802,315	802,315
Other assets:		
Intellectual property	567,175	551,875
Patent licenses, net value	1,150,825	1,075,825
Total other assets	1,718,000	1,627,700
Total assets	$ 4,186,573	$ 5,132,752
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,030,270	$ 805,555
Accrued interest	48,462	173,433
Contingent legal fees	240,000	240,000
Notes payable and short term debt (Note 5)	1,530,680	2,029,087
Total current liabilities	2,849,412	3,248,074
Contingencies	245,069	245,069
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value, 3,738,500 shares		
authorized, no shares issued and outstanding		
as of December 31, 2018 and December 31, 2017	-	-
Preferred series "B" stock, $0.001 par value, 2,500 shares		
authorized, 1,000 issued and outstanding		
as of December 31, 2018 and December 31, 2017	2	2
Preferred series "C" stock, $0.001 par value, 10,000 shares		
authorized, 7,458 and 6,473 shares issued and outstanding		
as of December 31, 2018 and December 31, 2017	7	6
Preferred series "D" stock, $0.001 par value, 500 shares		
authorized, 100 shares issued and outstanding as of		
as of December 31, 2018 and December 31, 2017	-	-
Preferred series "E" stock, $0.001 par value, 1,250,000 shares		
authorized, 847,540 and 813,240 issued and outstanding		
as of December 31, 2018 and December 31, 2017	847	813
Common stock, $0.001 par value, 494,995,000 shares authorized,		
134,551,840 and 110,231,610 shares issued and outstanding		
as of December 31, 2018 and December 31, 2017	134,343	110,032
Common stock unissued, 1,410,000 shares		
as of December 31, 2018 and December 31, 2017	1,411	1,411
Subscription receivable	(82,250)	(82,250)
Unit offering finders' fees	(321,344)	(321,344)
Additional paid-in capital	47,956,705	46,288,346
Retained (deficit)	(46,597,629)	(44,357,408)
Total stockholders' equity	1,092,091	1,639,608
Total liabilities and stockholders' equity	$ 4,186,573	$ 5,132,752

The accompanying Notes are an integral part of these financial statements.

Decision Diagnostics Corp.		
Condensed Consolidated Statements of Operations		
(Unaudited)		
	Years ended December 31,	
	2018	**2017**
Revenue	$ 2,235,989	$ 1,880,391
Cost of sales	1,454,819	1,565,991
Gross profit	781,169	314,400
Expenses:		
General & administrative expenses	541,950	754,541
Consulting	130,658	127,610
Compensation expense	473,973	384,059
Professional fees	1,487,750	1,412,750
Total expenses	2,634,331	2,678,960
Net operating (loss)	(1,853,162)	(2,364,560)
Other income (expense):		
Financing costs	(195,877)	(149,915)
Interest expense, net	(190,210)	(200,172)
Loss on write-down of obsolete inventory	(902)	(98,221)
Loss on terminated contract	-	(176,137)
Total other income (expense)	(386,989)	(624,445)
Taxes:		
State	(70)	(2,400)
Net loss	$ (2,240,220)	$ (2,991,405)
Add: Dividends declared on preferred stock	-	-
Income available to common shareholders'	$ (2,240,220)	$ (2,991,405)
Weighted average number of common shares outstanding - basic and fully diluted	124,989,890	92,243,219
Net loss per share - basic and fully diluted	$ (0.02)	$ (0.03)
The accompanying Notes are an integral part of these financial statements.		

Decision Diagnostics Corp.

Statements of Shareholders' Equity

(Unaudited)

		Preferred "B"		Preferred "C"		Preferred "D"		Preferred "E"		Common Stock			Authorized	Subscription	Finders'	Retained	
Date	Shareholder	# Shares	Amt	# Shares	Amt	# Shares	Amt	# Shs	Amt	# Shs	Amt	APIC	Unissued	Receivable	Fees	(Deficit)	Total
BALANCE, DECEMBER 31, 2017		*1,000*	*2*	*6,473*	*6*	*40*	*-*	*813,240*	*813*	*110,231,610*	*110,032*	*46,288,346*	*1,411*	*(82,250)*	*(321,344)*	*(44,357,408)*	*1,639,608*
1/8/18	New Issuance-Alpha Capital Anstalt									1,504,281	1,504	151,932					153,437
1/18/18	New Issuance-Robert Herskowitz							100,000	100	-	-	5,900					6,000
2/9/18	New Issuance-Alpha Capital Anstalt									1,496,661	1,497	151,163					152,659
2/23/18	New Issuance-Robert Herskowitz							(100,000)	(100)	1,400,000	1,400	(1,300)					-
2/23/18	New Issuance-Chase Financing Inc Profit Sh.							(70,000)	(70)	980,000	980	(910)					-
3/5/18	New Issuance-Alpha Capital Anstalt									1,510,797	1,511	152,590					154,101
3/31/18	New Issuance-Alpha Capital Anstalt									1,521,904	1,522	153,712					155,234
	Net loss															*(573,155)*	*(573,155)*
BALANCE, MARCH 31, 2018		*1,000*	*2*	*6,473*	*6*	*40*	*-*	*743,240*	*743*	*118,645,253*	*118,446*	*46,901,434*	*1,411*	*(82,250)*	*(321,344)*	*(44,930,563)*	*1,687,885*
4/3/18	New Issuance-Mark Herskowitz									849,123	849	85,761					86,611
4/16/18	New Issuance-Alpha Capital Anstalt									1,513,789	1,514	152,893					154,406
4/16/18	New Issuance-Chase Financing Inc Profit Sh.							100,000	100	-	-	5,900					6,000
4/23/18	New Issuance-Alpha Capital Anstalt									1,039,571	1,040	104,997					106,036
5/11/18	New Issuance-LICGO Partners			420	-					-	-	-					-
5/11/18	New Issuance-Chase Financing Inc Profit Sh.							100,000	100	-	-	5,900					6,000
5/29/18	New Issuance-Alpha Capital Anstalt									1,985,374	1,985	200,523					202,508
5/29/18	New Issuance-Robert Herskowitz									1,550,000	1,550	156,550					158,100
6/11/18	New Issuance-Chase Financing Inc Profit Sh.							(75,000)	(75)	1,050,000	1,050	(975)					-
	Immaterial reconciling items							14,300	14	10,000	-	(14)					-
	Net loss															*(558,030)*	*(558,030)*
BALANCE, JUNE 30, 2018		*1,000*	*2*	*6,893*	*6*	*40*	*-*	*882,540*	*882*	*126,643,110*	*126,434*	*47,612,968*	*1,411*	*(82,250)*	*(321,344)*	*(45,488,593)*	*1,849,516*
7/3/18	New Issuance-Alpha Capital Anstalt									1,520,646	1,521	153,585					155,106
7/30/18	New Issuance-Navesink Device Initiatives			(125)	-					625,000	625	(625)					-
7/30/18	New Issuance-Navesink Device Initiatives			(125)	-					625,000	625	(625)					-
7/31/18	New Issuance-LICGO Partners			710	1					-	-	-					1
7/31/18	New Issuance-Sovereign Partners LLC			105	-					-	-	-					-
7/31/18	New Issuance-Navesink Device Initiatives					50	-			-	-	-					-
7/31/18	New Issuance-Paradigm Capital					10	-			-	-	-					-
7/31/18	New Issuance-Chase Financing Inc Profit Sh.							200,000	200	-	-	7,800					8,000
8/23/18	New Issuance-Chase Financing Inc Profit Sh.							(35,000)	(35)	490,000	490	(455)					-
8/23/18	New Issuance-Chase Financing							(50,000)	(50)	700,000	700	(650)					-
8/27/18	New Issuance-Mark Herskowitz									816,326	816	82,449					83,265
	Net loss															*(735,369)*	*(735,369)*
BALANCE, SEPTEMBER 30, 2018		*1,000*	*2*	*7,458*	*7*	*100*	*-*	*997,540*	*997*	*131,420,082*	*131,210*	*47,854,447*	*1,411*	*(82,250)*	*(321,344)*	*(46,223,962)*	*1,360,519*
10/9/18	New Issuance-Alpha Capital Anstalt									1,031,758	1,032	104,208					105,239
11/26/18	New Issuance-Chase Financing Inc Profit Sh.							(50,000)	(50)	700,000	700	(650)					-
11/26/18	New Issuance-Chase Financing Inc Profit Sh.							(100,000)	(100)	1,400,000	1,400	(1,300)					-
	Rounding adjustment										1						(1)
	Net loss															*(373,667)*	*(373,667)*
BALANCE, DECEMBER 31, 2018		*1,000*	*2*	*7,458*	*7*	*100*	*-*	*847,540*	*847*	*134,551,840*	*134,343*	*47,956,705*	*1,411*	*(82,250)*	*(321,344)*	*(46,597,628)*	*1,092,091*

Decision Diagnostics Corp.		
Consolidated Statements of Cash Flows		
(Unaudited)		
	Years ended December 31,	
	2018	**2017**
Cash flows from operating activities		
Net loss	$ (2,240,220)	$ (2,991,404)
Adjustments to reconcile net loss to		
net cash (used) by operating activities:		
Amortization of prepaid legal fees	750,000	750,000
Shares and options issued for services	-	21,400
Options issued for employee compensation	-	36,000
Shares issued for financing fees	195,876	149,915
Loss on write-down of obsolete inventory		98,221
Non-cash portion of loss on terminated contract		83,472
Changes in operating assets and liabilities		
Accounts receivable	(511,893)	99,227
Inventory	65,943	(7,417)
Prepaid and other assets	2,425	2,582
Accounts payable and accrued liabilities	224,715	(1,086)
Accrued interest	190,210	200,172
Net cash (used) by operating activities	(1,322,946)	(1,558,918)
Cash flows from investing activities		
Fixed assets	(75,000)	(64,890)
Intellectual property	(15,300)	(49,745)
Net cash (used) by investing activities	(90,300)	(114,635)
Cash flows from financing activities		
Proceeds from notes payable	683,242	985,455
Shares issued and options exercised for cash	-	425,000
Net cash provided by financing activities	683,242	1,410,455
Net decrease in cash	(730,004)	(263,099)
Cash - beginning	1,088,761	1,351,860
Cash - ending	$ 358,757	$ 1,088,761
Supplemental disclosures:		
Interest paid	$ -	$ -
Income taxes paid	$ 70	$ 2,400
Non-cash transactions:		
Shares and options issued for services	$ -	$ 21,400
Options issued for compensation	$ -	$ 36,000
Shares issued for financing activities	$ 195,876	$ 149,915
Shares issued for debt and derivative liabilities	$ 1,496,827	$ 1,639,823
The accompanying Notes are an integral part of these financial statements.		

NOTE 1 – Basis of presentation and accounting policies

Organization

We were organized July 6, 2000 under the laws of the State of Nevada. As a part of our efforts to transition the company toward a full service and vertically integrated provider of at-home diagnostics, on November 1, 2011, as a condition of the acquisition of Diagnostics Newco, LLC, from its sole owner, the company completed a name change action through the office of Nevada Secretary of State (NVSOS). The surviving entity is known as Decision Diagnostics Corp. or the Company. This action through the office of the NVSOS was effective as of November 25, 2011.

As part of our efforts to secure a listing on a new stock exchange, we completed another action with the NVSOS, where a previously approved board resolution to reverse split our shares was finalized. Our stock was split whereby one new share of the company's common stock was exchanged for every fourteen previously issued and outstanding shares of our $.001 par value common stock. This action was effective as of November 25, 2011. All share references included herein have been retroactively restated to reflect that 1:14 reverse split.

Principles of Consolidation

The financial statements include those of: Decision Diagnostics Corp. ("Decision Diagnostics"); and nearly wholly owned (99.93%) subsidiaries, PDA Services, Inc. and PharmaTech Solutions, Inc., and its wholly owned subsidiaries PharmTech Direct Corp, PharmaTech Sensor Development Corp., and Decision IT Corp. All significant inter-company transactions and balances have been eliminated. Decision Diagnostics and its subsidiaries are collectively referred to herein as the "Company." Investments in unconsolidated subsidiaries representing ownership of at least 20% but less than 50% are accounted for under the equity method. Non-marketable investments in which the Company has less than 20% ownership and in which it does not have the ability to exercise significant influence over the investee are initially recorded at cost and periodically reviewed for impairment. As of December 31, 2018 and 2017, we did not have non-marketable investments.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances in non-interest bearing accounts and money-market accounts. We place our temporary cash investments with quality financial institutions. At times, such investments may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limit. Our bank is a money market bank and as such, we do not believe it is exposed to any significant credit risk on cash and cash equivalents. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There are no cash equivalents as of December 31, 2018 and 2017.

Credit Risks

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2018 we had a balance of $300,000 in an account, which exceeded the FDIC insured limit.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

Trade accounts receivables are non-interest bearing and are stated at gross invoice amounts less an allowance for doubtful accounts receivable.

Credit is extended to customers based on an evaluation of their financial condition and other factors. The Company generally does not require collateral or other security to support accounts receivable. The Company performs ongoing credit evaluations of its customers and maintains an allowance for doubtful accounts.

The Company estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations, such as bankruptcy proceedings and receivable amounts outstanding for an extended period beyond contractual terms. In these cases, the Company uses assumptions and judgment, based on the best available facts and circumstances, to either record a specific allowance against these customer balances or to write off the balances. Since the Company's customers have been subject to new and on-going draconian government reduction of healthcare reimbursement, previous rules regarding creditworthiness are changing. In addition, the Company calculates an overall reserve based on a percentage of the overall gross accounts receivable. This percentage is based on management's assessment of the aging of accounts receivable, historical write-offs of receivables and the associated risk profile of the Company's customer base. Healthcare, particularly the medical device products, are primarily paid for by Medicare, and large health insurers. Payments, particularly in several regional areas, are "slow pay." This tends to trickle to all levels of retail, sales and distribution networks, and is taken into account by the Company.

Revenue Recognition

We recognize revenue in accordance with ASC subtopic 605-10 (formerly SEC Staff Accounting Bulletin No. 104 and 13A, "Revenue Recognition") net of expected cancellations and allowances. As of December 31, 2018 and 2017, we evaluated evidence of cancellation in order to make a reliable estimate and determined there were no material cancellations during the years and therefore no allowances have been made.

We recognize revenue from our sales of pharmaceutical supplies upon delivery to its customer where the fee is fixed or determinable, and collectability is reasonably assured. Cash payments received in advance are recorded as deferred revenue. We are not generally obligated to accept returns, except for defective products, or should FDA or Medicare regulations change after delivery is made. The advent of Medicare's competitive bidding program that covers the products the Company manufactures has added to regulatory issues faced by the Company.

Revenue from proprietary software sales that does not require further commitment from the company is recognized upon shipment. Consulting revenue is recognized when the services are rendered. License revenue is recognized ratably over the term of the license.

Advertising Costs

We expense all costs of advertising as incurred. Advertising costs of $32,984 and $37,965 were included in general and administrative expenses as of December 31, 2018 and 2017, respectively. Television, radio and other media advertising has been treated as professional expense since the Company places its television, radio and social media ads through licensed advertising aggregators.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. As of December 31, 2018 and 2017, we have accrued contingent legal fees and product liability fees totaling $485,069, respectively.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2018 and 2017. The respective carrying value of certain on-balance sheet financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, accounts payable, accrued liabilities and notes payable. Fair values were assumed to approximate carrying values because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Impairment of Long-lived Assets

The Company reviews its long-lived assets and intangibles periodically to determine potential impairment by comparing the carrying value of the long-lived assets with the estimated future cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Company would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets and intangibles. The Company recognized no impairment losses during the years ended December 31, 2018 and 2017.

Earnings per Share

Earnings per share are provided in accordance with ASC Topic 260 “Earnings per Share” (as amended). The Company presents basic earnings per share (“EPS”) and diluted EPS on the face of consolidated statements of operations. Basic EPS is computed by dividing reported earnings by the weighted average shares outstanding. Diluted EPS is computed by adding to the weighted average shares the dilutive effect if stock options and warrants were exercised into common stock. Basic loss per share is computed by dividing losses available to common stockholders by the weighted average number of common shares outstanding during the period. Basic earnings per common share are based on the weighted average number of common shares outstanding during the year. Diluted earnings per share is based on the weighted average number of common shares, plus all stock options and warrants convertible into common stock for an additional 8,614,286 common shares; and all preferred stock (issued or authorized and unissued) convertible into common stock for an additional 48,620,200 common shares. Most of the Company’s authorized preferred shares remain unissued.

Income Taxes

The Company follows ASC subtopic 740-10 (formerly Statement of Financial Accounting Standard No. 109, “Accounting for Income Taxes”) for recording the provision for income taxes. ASC 740-10 requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some

portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse.

Concentrations

In 2018, three customers accounted for approximately 95% of net sales compared to three customers accounting for approximately 95% of net sales in 2017. However, it should be noted that all three of the Company's largest customers make their online sales through Amazon, Walmart, Sears, Jet.com ("marketplaces") and at least 1000 other online sellers and aggregators. These customers use the distribution services and resources of the marketplaces.

Historically, the Company's operations require maintaining strategic relationships with customers to ensure delivery of product and services directly to the patient base, and a maintaining a series of strategic partnerships with licensed pharmacies to accept assignment of insurance benefit to ensure the billing and future servicing of these patients. We also maintain relationships with the entities where the patients reside. As of December 31, 2018 and 2017, we obtained the majority of our pharmaceutical products from two contract manufacturers and three other major suppliers. There can be no assurance that our major customers will continue to purchase products. The loss of our largest customers or a decrease in product sales would have a material adverse effect on our business and financial condition.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Recent Accounting Pronouncements

Management has analyzed all pronouncements issued during the year ended December 31, 2018 by the FASB or other authoritative accounting standards groups with future effective dates, and have determined that they are not applicable or are not expected to be significant to the financial statements of the Company.

Previous year financial information has been presented to conform to current year financial statement presentation.

Year-end

We have adopted December 31 as our fiscal year end.

NOTE 2 – Going Concern

The accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern. Our ability to continue as a going concern is dependent upon attaining profitable operations based on the development of distributions platforms through which our products that can be sold. We intend to use borrowings and security sales to mitigate the effects of our cash position, however, no assurance can be given that debt or equity financing, if required, will be available.

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should we be unable to continue in existence.

NOTE 3 – Fair Value

Our financial instruments consist principally of notes payable and lines of credit. Notes payable and lines of credit are financial liabilities with carrying values that approximate fair value. Management determines the fair value of notes payable and lines of credit based on the effective yields of similar obligations and believe all of the financial instruments' recorded values approximate fair market value because of their nature and respective durations.

We comply with the provisions of ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements required under other accounting pronouncements. ASC 820-10-35, "Fair Value Measurements and Disclosures - Subsequent Measurement" ("ASC 820-10-35"), clarifies that fair value is an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820-10-35 also requires that a fair value measurement reflect the assumptions market participants would use in pricing an asset or liability based on the best information available. Assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and/or the risks inherent in the inputs to the model. The Company also follows ASC 825 "Interim Disclosures about Fair Value of Financial Instruments", to expand required disclosures.

ASC 820-10-35 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10-35 are described below:

Level 1. Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2. Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

Level 3. Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the best available information in measuring fair value. The following table summarizes, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis as of December 31, 2018:

	FYE 2018 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Intellectual property	$ -	$ -	$ 1,718,000	$ 1,718,000
Liabilities	-	-	-	-
Notes payable	-	(1,530,680)	-	(1,530,680)
Total	$ -	$ (1,530,680)	$ 1,718,000	$ 187,320

NOTE 4 – Equipment – Specialty Manufacturing Instruments

On June 1, 2015, we entered into a wide-ranging manufacturing and product development agreement with a large venture funded Korean concern. On July 8, 2015, we enhanced the role of the Korean concern in this agreement through the purchase of, and investment in, computer controlled, specialty manufacturing equipment for our GenUltimate! products that is now located in the Korean facility of the Company's R&D and contract manufacturing partner. In the summer of 2016 we augmented this equipment by adding additional equipment capable of manufacturing our GenChoice! (in FDA review), GenAccord! (in development) and GenCambre! (in development) and their off-shoot products for our PetSure! and GenUltimate! 4Pets products for animal testing use. We anticipate making additional investments for meter production for our GenUltimate! 4Pets and GenUltimate! TBG (in development) products. These newer (additional) products use different molds and chemical processes.

During the quarter ended March 31, 2017, we acquired $64,890 in fixed assets pursuant to the manufacturing and product development agreement dated June 1, 2015. We expensed an additional $380,000 for the development of our GenChoice! product which will make use of the Specialty Manufacturing equipment located in Korea. We continue to incur great expense due to development of our GenChoice! and GenUltimate! TBG products during the year ending December 31, 2018.

NOTE 5 – Patents

During the years ended December 31, 2018 and 2017, we amortized formerly capitalized attorney fees related to the continued development and perfection of our patents totaling $750,000, respectively. We did not amortize any intellectual property or patents during the years ended December 31, 2018 and 2017.

NOTE 6 – Acquisition of Certain Properties

In March 2014, we agreed to acquire certain properties from Shasta Technologies LLC. The agreement covering this acquisition is now the subject of two litigations, one litigation in California Superior Court and the other in the Pennsylvania Common Pleas court, both related to the damages the company is trying to collect from Shasta Technologies LLC owing to Shasta's subsequent undisclosed issues with the U.S. FDA.

The litigation in Pennsylvania was brought against Shasta and the company's former contract manufacturer, Conductive Technologies, Inc. for illegally embargoing the company's product in 2015 and 2016. On December 31, 2018 the company was granted a judgment against Shasta for $3.6 million. The company is now engaged in enforcing this judgment in Minnesota, Oregon and California. The litigation in the California Superior Court is currently stayed.

The original purchase price for this property was expected to be $2,000,000 (cash). The company is anticipating offsets much higher than the assets purchase price. The company also is currently enforcing its $3.6 million judgment against Shasta in four states, Pennsylvania, California, Oregon and Minnesota. We have not yet recorded this acquisition on our books because the acquisition terms have not yet been fully determined and the final acquisition price will be determined by the California Superior Court. We did register this FDA cleared product under our FDA Establishment registration (with the US FDA) in 2014, 2015, 2016, 2017, 2018 and 2019. In September 2016, we became fully compliant with the newly implemented FDA UDI product identification initiative.

NOTE 7 – Notes Payable

We owe our noteholders a combined total of $1,530,680 plus accrued interest of $48,462. The notes are convertible into shares of our $.001 par value common stock at rate of $.102 per share, or a combined total of approximately 15,481,784 shares of common stock.

We have recorded interest and financing expense in connection with our notes payable totaling $190,210 and $200,172 for the years ended December 31, 2018 and 2017, respectively.

NOTE 8 – Stockholder's Equity

We are authorized to issue up to 494,950,000 shares of $0.001 par value common stock and 5,000,000 shares of various classes of $0.01 par value preferred stock. In March of 2011, we amended our preferred stock designations as follows: 1) withdrawal of Series "A" designation on 750,000 shares of preferred stock, 2) Amendment of Series "C" designation on to 10,000 shares of preferred stock, 3) Designation of Series "B" on 2,500 shares of preferred stock, 4) Designation of Series "D" on 1,250 shares of preferred stock and its amendments; 5) increased the number of preferred shares designated as Series "E" from 1,000,000 to 1,250,000. All presentation of preferred stock contained herein has been retroactively presented to reflect the designations and amendments; 6) increased the number of preferred shares designated as Series "D" from 500 to 1,250.

Series "B" Convertible Preferred Stock

We have designated 2,500 shares of our $0.001 preferred stock as Series "B". Holders of series "B": convertible stock shall not have the right to vote on matters that come before the shareholders. Each share of Series "B" Preferred stock is valued at $10,000. Series "B" convertible preferred stock may be converted, the number of shares into which one share of Series "B" Preferred Stock shall be convertible into common stock shares shall be 15,000. Series "B" convertible stock shall rank senior to common stock in the event of liquidation. Holders' of Series "B" convertible stock shall not be entitled to a mandatory monthly dividend. Series "B" convertible stock shall have a redemptions price equal to 101% of the purchase price per share, subject to adjustments resulting from stock splits, recapitalization, or share combination.

Series "C" Convertible Preferred Stock

We have designated 10,000 shares of our $0.001 preferred stock as 2011 Series "C". Each share of 2011 Series C Preferred stock is valued at $1,000. Holders of series "C": convertible stock shall not have the right to vote on matters that come before the shareholders. 2011 Series "C" convertible preferred stock may be converted after 36 months, but not before unless by Board Resolution, the number of shares into which one share of 2011 Series "C" Preferred Stock shall be convertible on a pro-rata basis into common stock shares, each share of common stock valued at $0.20. 2011 Series "C" convertible stock shall rank junior to all other classes of Preferred stock in the event of liquidation. Holders of 2011 Series "C" convertible stock shall not be entitled to a mandatory monthly dividend.

Series "D" Convertible Preferred Stock

We have designated 1,250 shares of our $0.001 preferred stock as 2012 Series "D". As of this date, we have not issued any shares of this issue of Preferred stock. Holders of series "D" convertible stock shall not have the right to vote on matters that come before the shareholders. 2012 Series "D" convertible preferred stock may be converted three years (36 months) after distribution. The number of shares into which one share of 2012 Series "D" Preferred Stock shall be convertible into common stock shares is 1 for 120,000 shares of $0.001 par value common stock. In 4Q 2016 and 1Q 2017 the company amended the Designations of its 2012 Series "D" convertible stock in anticipation of a large investment by a private non-fund related party. Should this investment occur, the majority of or all of the 1,250 shares would be subscribed to. 2012 Series "D" convertible stock shall rank junior to all other classes of Preferred stock in the event of liquidation. Holders of 2012 Series "D" convertible stock shall not be entitled to a mandatory monthly dividend. Holders of 2012 Series "D" shares may not convert these shares into common stock until the expiration of a 36 month holding period, unless the holder has received an extraordinary allowance to convert shares earlier by the company's Board of Directors.

Series E Convertible Preferred Stock

We have designated 1,250,000 shares of our $0.001 preferred stock as Series “E”. Holders of series “E”: convertible stock shall not have the right to vote on matters that come before the shareholders. Series “E” convertible preferred stock may be converted. The number of shares into which one share of Series “E” Preferred Stock shall be convertible into common stock shares is 14. Series “E” convertible stock shall rank senior to common stock in the event of liquidation. Holders’ of Series “E” convertible stock shall not be entitled to a mandatory monthly dividend. Series “E” convertible stock shall have a redemptions price equal to 101% of the purchase price per share, subject to adjustments resulting from stock splits, recapitalization, or share combination.

2018 Issuances

Preferred

During the quarter ended December 31, 2018, holders of our preferred series “E” shares elected to convert 150,000 preferred series “E” shares into 2,100,000 shares of our $0.001 par value common stock.

During the quarter ended September 30, 2018, we issued 815 shares of preferred series “C” shares for financing costs valued at less than $1.

During the quarter ended September 30, 2018, we issued 60 shares of preferred series “D” shares for financing costs valued at less than $1.

During the quarter ended September 30, 2018, we issued 200,000 shares of preferred series “E” shares for financing costs valued at $8,000.

During the quarter ended September 30, 2018, holders of our preferred series “E” shares elected to convert 95,000 preferred series “E” shares into 1,190,000 shares of our $0.001 par value common stock.

During the quarter ended June 30, 2018, we issued 420 shares of preferred series “C” shares for financing costs valued at less than $1.

During the quarter ended June 30, 2018, we issued 200,000 shares of preferred series “E” shares for financing costs valued at $12,000.

During the quarter ended June 30, 2018, holders of our preferred series “E” shares elected to convert 75,000 preferred series “E” shares into 1,050,000 shares of our $0.001 par value common stock.

During the quarter ended March 31, 2018, we issued 100,000 shares of preferred series “E” shares for services valued at $6,000.

During the quarter ended March 31, 2018, holders of our preferred series “E” shares elected to convert 170,000 preferred series “E” shares into 2,380,000 shares of our $0.001 par value common stock.

Common

During the quarter ended December 31, 2018, we issued 1,031,758 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $105,239.

During the quarter ended September 30, 2018, we issued 1,520,646 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $155,106.

During the quarter ended September 30, 2018, we issued 816,326 shares of $0.001 par value common stock for financing costs of $83,265.

During the quarter ended June 30, 2018, we issued 6,088,734 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $621,051.

During the quarter ended June 30, 2018, we issued 849,123 shares of $0.001 par value common stock for financing costs of $86,611.

During the quarter ended March 31, 2018, we issued 6,033,643 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $615,432.

2017 Issuances

Preferred

Series "C":
During the quarter ended December 31, 2017, we issued 210 shares of preferred series "C" shares for financing costs.

During the quarter ended September 30, 2017, we issued 496 shares of preferred series "C" shares for financing costs.

During the quarter ended September 30, 2017, two holders of preferred series "C" shares converted 420 shares into 2,100,000 shares of common stock.

During the quarter ended June 30, 2017, we issued 157 shares of preferred series "C" shares for financing costs.

During the quarter ended June 30, 2017, two holders of preferred series "C" shares converted 205 shares into 1,025,000 shares of common stock.

Series "D":
During the quarter ended December 31, 2017, we issued 40 shares of preferred series "D" shares for cash totaling $425,000.

Series "E":
During the quarter ended December 31, 2017, we issued 100,000 shares of preferred series "E" shares for financing costs totaling $9,000.

During the quarter ended December 31, 2017, 150,000 shares of preferred series "E" were converted into 2,100,000 shares of common stock.

During the quarter ended September 30, 2017, we issued 100,000 shares of preferred series "E" shares for financing costs totaling $7,000.

During the quarter ended September 30, 2017, 200,000 shares of preferred series "E" were converted into 2,800,000 shares of common stock.

During the quarter ended June 30, 2017, we issued 100,000 shares of preferred series "E" shares for financing costs totaling $7,000.

During the quarter ended March 31, 2017, we issued 120,000 shares of preferred series “E” shares for services valued at $14,400.

During the quarter ended March 31, 2017, a holder of our preferred series “E” shares elected to convert 100,000 preferred series “E” shares into 1,400,000 shares of our $0.001 par value common stock.

Common

During the quarter ended December 31, 2017, we issued 6,859,935 shares of $0.001 par value common stock for conversion of debt, financing costs, and accrued interest totaling $949,713.

During the quarter ended September 30, 2017, we issued 4,304,153 shares of $0.001 par value common stock for conversion of debt and accrued interest totaling $940,110.

During the quarter ended June 30, 2017, we issued 100,000 shares of $0.001 par value common stock for consulting services valued at $7,000.

During the quarter ended June 30, 2017, we issued 1,096,312 shares of $0.001 par value common stock for conversion of debt totaling $111,824.

During the quarter ended March 31, 2016, we issued 1,400,000 shares of $0.001 par value common stock for consulting services valued at $490,000.

During the quarter ended March 31, 2016, we issued 5,216,302 shares of $0.001 par value common stock for conversion of debt totaling 389,263 and financing costs totaling $20,515.

During the quarter ended March 31, 2016, we issued 500,000 shares of $0.001 par value common stock for an option exercise and cash totaling $30,000.

NOTE 9 – Stock options

2017 Stock Option Plan

During the quarter ended March 31, 2017, we adopted the “2017” Executive and Key Man/Woman Stock Option Plan and granted incentive and nonqualified stock options with rights to purchase 450,000 shares of $0.001 par value common stock at the strike price of $.08 per share. As of December 31, 2018, all options allowed under the plan have been granted and are exercisable at the election of the holder.

The following is a summary of activity of outstanding stock options under all Stock Option Plans:

	Number of Shares	Weighted Average Exercise Price
Balance, January 1, 2017	8,600,000	$ 0.10
Options granted	450,000	.08
Options cancelled	-	-
Options exercised	-	-
Balance, December 31, 2017	9,050,000	$ 0.10
Balance, January 1, 2018	9,050,000	$ 0.10
Options granted	-	-
Options cancelled	-	-
Options exercised	-	-
Balance, December 31, 2018	9,050,000	$ 0.10

NOTE 10 – Warrants

The following is a summary of activity of outstanding warrants:

	Number of Shares	Weighted Average Exercise Price
Balance, January 1, 2017	2,603,143	$ 0.56
Warrants granted	-	-
Warrants cancelled	-	-
Warrants exercised	-	-
Balance, December 31, 2017	2,603,143	$ 0.56
Balance, January 1, 2018	2,603,143	$ 0.56
Warrants granted	-	-
Warrants cancelled	-	-
Warrants exercised	-	-
Balance, December 31, 2018	2,603,143	$ 0.56

NOTE 11 – Commitments and Contingencies

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 GenStrip 50 and GenUltimate! products required initial regulatory approval by the US FDA as well as on-going US FDA approvals during the product life cycle and are subject to new FDA regulation and post market overview. In 2016, we had to meet new FDA Guidelines for product identification, tracking and standardization. Our new GenChoice! and GenUltimate! TBG and the later upcoming GenAccord! and GenCambre! products will follow the same pathway with the U.S. FDA. The FDA calls its new product identification program, the UDI initiative, and the new packaging required, and met by us, approximates a similar standard implemented in the European Union in 2013, and then adopted in other countries, like Korea for example. We are now filing for approvals in the EU after having received certain approvals in Central and South America.

Further, our products required medical patient trials and several compete directly with a major platform manufacturer. Healthcare, especially those segments where the company competes, is a very litigious. Competing companies often use litigation as a marketing (market depriving) tool, bringing litigation as a means to protect market share and limit market exposure even though market limitation through litigation is illegal. We have in the past (and currently) defended cases brought by Plaintiffs asserting these types of claims.

Although our employee turnover is small, we have been targets, like many California companies, under the environment created by the current “Me Too” movement. It is very difficult to terminate an employee, even when there is solid evidence of wrong doing. The company protects itself from claims by former employees by maintaining ample employment practices insurance policies.

The medical industry is also intertwined. From time to time, we have become involved in claims and litigation that arise out of the normal course of our business, such as litigation that emerges from disputes with a former employee over employment practices, but also directly over our business operations such as damaged, missing or contaminated product, payment disputes both as a seller and a buyer, and litigation that arises over claims of fair value. We have also had to defend trade dress claims filed solely because of the cost to defend these claims, real or not. For instance, we have been sued in several jurisdictions over a single business transaction. Often these cases involve substantial over-prosecution where we have been held accountable by Plaintiffs for a myriad of things including words written or posted in public forums by anonymous persons.

We may also become involved in disputes that arise over the business or business practices of our suppliers, payers and customers, people or entities that we may not be familiar with. We maintain substantial insurance coverage against suits that may arise over issues of damaged, recalled or counterfeit product and other product liability issues. We have 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, we accrue contingent legal fees and product liability fees. As of December 31, 2018, our contingent legal fees accrual was $240,000 and our general contingencies accrual was $245,069. Contingencies total $485,069 and are reflected herein.

From time to time, we may also be subject to demands from individuals, entities, former employees or former consultants. 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 material or potentially material.

Leases

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. We also maintain space in a public warehouse in Miami, FL, a business that also serves as our import and expert agent and customs broker, and we are granted space indirectly in Seoul, South Korea, manned by our exclusive agent who maintains quality control and quality assurance and oversight of our contract manufacturer(s), and for the completion of necessary clinical trials.

Rent expense totaled $26,040 and $26,040 for the years ended December 31, 2018 and 2017, respectively.

NOTE 12 – Subsequent events

In accordance with ASC 855, management evaluated all of our activities through the issue date of the financial statements and concluded that other than those events listed below, no other material subsequent events have occurred that would require recognition or disclosure in the financial statements.

In March 2019 the company closed a debt transaction in the amount of $250,000 with its principal lender Alpha Capital Anstalt ("Alpha"). The debt instrument, a Promissory Note, comes to term in 90 days. The company anticipates paying off the Note at term, or borrowing the monies again, or borrowing these and additional monies from Alpha.

In March 2019 the company's R&D partner in Korea reported that our GenUltimate! TBG product had proven its feasibility and would enter advanced testing during the last week in March 2019 in anticipation of a May 1, 2019 beginning of clinical trials.

In March 2019 the company announced the hiring of PARAGON Marketing and Sales, Inc., a nationwide retail accounts sales and management firm. The company has assigned several high worth "big box" retail accounts to PARAGON, including Walmart Stores, CVS Pharmacies, Walgreens Pharmacies, Cardinal Health (Wholesale). McKesson (private label brands), Kroger and others.

In late February 2019 the company launched its newest pet testing product, GenUltimate 4Pets, the company's first meter and test strip combination. The GenUltimate 4Pets Avantage meter and the test strips are proprietary to the company and practice the art as more fully described in the company's patents.

At the close of the Federal government shutdown in January 2019, the company was notified by the U.S. FDA that its application for 510K clearance of its GenChoice product had been accepted. During February 2019 the FDA sent its first letter requesting additional information. Early in March 2019 the company was notified that its application had passed its initial review stage and was set for team detailed review.

It is our practice to discuss all subsequent events in greater detail our Managements' Discussion and Analysis documents and filings.

Error Repair

Despite written commentary to the contrary, the company will endeavor to repair any and all errors that appear in this document, that any new sets of eyes spot after its posting, whether these errors are in spelling, grammatical, punctuational or numeric. We are not perfect and neither are the people who point our errors out to us.

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

Overview

Decision Diagnostics Corp. is a worldwide prescription and non-prescription diagnostics and home testing products distributor and the manufacturer of GenUltimate! glucose test strips, a Class II medical device for at-home use for the measurement of glucose, the PetSure! glucose test strip for the glucose testing of dogs and cats, a test strip designed to work with the Zoetis AlphaTrak and AlphaTrak II glucometers, a legacy meter, and the GenUltimate! 4Pets Glucose system a proprietary glucose measuring system inclusive of the company's GenUltimate! 4Pets test strip and Avantage meter, for the testing of dogs, cats and horses. The company also has its GenSure! glucose test strip, a product for off-shore sales which is complete and available for sales, but will primarily be sold as an international private label market entry. In addition, the company's GenChoice! glucose test strip has completed its clinical trials and filed a 510K application with the U.S. FDA for its clearance. The company has already had two formal correspondences with the FDA and has been notified that its 510K application has progressed past the initial review phase. Regarding additional product development, the company has completed advanced development work and concept and feasibility testing of its GenUltimate! TBG test strip and Precise meter and are ready to begin patient testing (first level clinical trials) in the next 90 days. In association with the company's advanced development engineers, company CEO Keith Berman asked the engineers to change the chemistry foundation of the GenUltimate! TBG system to work in an identical manner with the company's GenUltimate test strip, thereby allowing the company to offer three products, each serving its own somewhat unique purposes, all running on the same test strip foundation, an already FDA cleared device.

As an off-shore product GenSure! a test strip that runs on two existing legacy meters, and if sold, will only be sold in select international markets where the product will not encounter certain performance criteria issues created by the legacy metering platform that the GenSure! test strip runs on. The GenSure! product, although sharing many similarities with the company's GenUltimate! product, does not have the capability of chemistry or feature upgrade and as a result is viewed in the market and by DECN as a small niche product. Further, there is no market in the U.S. for GenSure! and the legacy manufacturer is pulling the legacy predicate product out of the EU and those countries that follow the guidance of ISO 15197:2013 and ISO 15197:2015. We have identified international distributors for this product but the international markets for GenSure! has become limited.

Resources permitting, as we progress into 2019, we intend to register the company's GenChoice! and GenUltimate! TBG products in the EU, because these products do meet ISO guidelines without further development. The GenUltimate! TBG meter, which will undergo 510K prosecution for its metering system, is next up for FDA clearance. The test strip, a close relative of the company's GenUltimate! test strip which is already FDA cleared. The company has contracted with the expert organization that is writing the 510K document and a credentialed IRB who completed the GenChoice! clinical trial data and who will follow the same clearance path for the GenUltimate! TBG system.

The U.S. FDA, in a manner similar to prescription drugs, regulates diagnostic test kits and at-home patient testing products in 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 was used for the GenChoice! product and will be used for GenUltimate! TBG products beginning with the 510k clearance with the FDA during the summer of 2019. Both the GenChoice! and GenUltimate! TBG products will be sold internationally while the U.S. FDA 510k applications are pending. This is a process that several American manufacturers are following to get market penetration in advance of the slower moving FDA 510K clearance process.

Previous to the company becoming a research, development and manufacturing company, we did play a small part in the distribution of legacy diabetic test strips and meters. 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 led to substantially lower rates of reimbursement and ultimately an unprofitable business model. The company's current business model is to provide its own technologies, competing against legacy manufacturers on the basis of lower price and elevated product performance.

Our Current Business Foundation

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! as well as our GenSure! and GenChoice! products. Our newest subsidiary Pharmatech Sensor Development Corp. manages our investment in specialty manufacturing machinery and testing laboratories, as well as an inventory credit line to finance inventory purchases of our GenUltimate! and PetSure! products. The company will endeavor to expand the credit line for the management of our GenChoice! and GenUltimate! TBG products in 2019. The company has discontinued its earlier GenStrip 50 product and ended the selling of the last of the inventory in November 2016. All of the GenStrip 50 test strips have subsequently reached expiration dates.

In March 2017 the company was approached by its Korean partner, The Bio Co., Ltd to design and fund a new product which the company calls GenUltimate! TBG. This product represents a major improvement in diabetic glucose monitoring. The GenUltimate! TBG system will be the first of its kind +/- 8% system. Current ISO (2015) and FDA (2014) guidelines call for glucose monitoring systems to meet a +/- 15% standard, whereby the meter and strip must be within +/- 15% of a reference method in repeated testings 95% of the time. GenUltimate! and GenChoice! are +/- 15% test strips, but in each case 97+% of the time in repeated samplings. GenUltimate! TBG is designed to meet the written standards of the ISO and FDA at +/- 8%, 97% of the time – effectively setting a new standard. The company has been funding the development of this system product since 2017, as well as a test strip only derivative version for use with a legacy meter sold overseas. In October 2018 the company implemented a strategic change to its development and manufacturing processes whereby we will standardize around two technology foundations, our GenUltimate! technology and our GenChoice! technology. PetSure! was the first marketable product to make use of the GenChoice! technology foundation, and is currently selling in pet testing channels. GenUltimate! TBG will be the first enhancement of our GenUltimate! technology foundation. The company believes that these changes in our product development processes will lead to quicker to market products and streamlined and less costly manufacturing processes. .

As of this writing, GenUltimate! TBG system is not yet available for sale or distribution in the U.S. or Puerto Rico.

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. Until these markets "settle down," if they do, we have determined that we will maintain our contacts but currently refrain from competing.

Our main product was the Genstrip 50 and its successor brand the GenUltimate!, both of improved performance and design improvements and a rebranding and development (from scratch) of the original Shasta Technologies Genstrip. Both of these glucose test strips are of our manufacture. We have maintained FDA registered contract manufacturers in Pennsylvania and South Korea. We ended our association with the contract manufacturer in Pennsylvania as of March 31, 2017. 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. This was no small feat. 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 owing to Shasta's poisoned relationship with the FDA. We began work on the GenUltimate! product in July 2015 and introduced this test strip (vs. our GenStrip) in April 2016. The original Shasta Genstrip and our Genstrip 50 have been discontinued. All GenUltimate! product is manufactured to our specifications and under our oversight in Korea.

Historical Construct

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 (Enforcement) Warning Letter on April 8, 2014, and when they refused to respond to this Warning Letter in an expected fashion, the FDA then broadcast a worldwide Safety Notice on April 29, 2014, the FDA version of the Death Penalty. This second letter effectively ended 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 have possibly been thinking. The company's acquisition of Genstrip (now GenUltimate!) was fortuitous in its timing given the finality and outcome of Shasta Technologies' fatal troubles with the FDA.

The worldwide market for at-home blood glucose testing is an estimated $17.2 billion as of 2017, inclusive of the 2013 and 2016 changes to the Federal Medicare programs which gutted almost one-third of the U.S. market. The current GenUltimate! competes directly with one of the largest worldwide platform manufacturers the venerable Johnson & Johnson Lifescan Inc. Ultra legacy product. J&J, which had owned Lifescan for more than 25 years, recently sold its Lifescan division and its venerable products to Platinum, a private equity firm. GenUltimate! (and the earlier GenStrip 50) were developed for use with the Lifescan OneTouch Ultra legacy system for at-home blood glucose testing, a system currently used daily by over 3 million diabetes afflicted Americans and 5.8 million diabetics world-wide. 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 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 (if any) insurance reimbursements. At the time of the introduction of GenStrip in March 2013, J&J controlled just under 40% of this market and 100% of its own Lifescan, Inc. OneTouch Ultra market. Their overall market share has since dropped below 30%. In October 2018 Lifescan, Inc. was sold to a large California based private equity firm in an asset sale arrangement. This event gave impetus to the changes we have made to our GenUltimate! TBG system, the first and only evolutionary enhancement to be offered to the Lifescan Ultra family of products still in use by over 4 million diabetics worldwide.

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 36 months we 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 had been distributing legacy products that competed directly with our GenUltimate! Phasing out these brand name products lowered our order (revenues) 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.

We began our transition into these medical products channels on November 1, 2011 when 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 subsequently 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 GenSure! and the upcoming GenChoice! and GenUltimate! TBG products. Ms. Binder is also owner of Genstrip Direct 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. The market for diabetes testing products is already in the tens of billions of dollars continues to grow rapidly. We have earmarked additional capital investment in 2019 for our Korean contract manufacturer and advanced development partner, who recently opened a second manufacturing line, primarily for the manufacture of GenUltimate! and its offspring, the GenUltimate! 4Pets and the GenUltimate TBG.

The company's current proprietary product offering, cleared by the FDA for commercial distribution on November 30, 2012, and now in its later branded version, the 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 on the basis of performance, and had to undergo major design changes and a new 510K application that was eventually sponsored by us. 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 concluded its dealings with the FDA in March 2016, but has had subsequent issuespre and post market review staff, an on-going process that was begun on a very sour note by Shasta in October 2009 and ended even more sourly in early 2014. The company believes that upcoming product offerings such as the GenChoice! and GenUltimate! TBG products, will also be regulated by the FDA but we hope will go through a much smoother review and comment process, particularly since receipt of a directed landmark ruling by the U.S. FDA, covering our third party developed diagnostics (developed, in development and to be developed). 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 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! In fact the long review periods and stifling performance standards established have contributed to a large decline in new products offerings in the USA and the industry since 2014. Nonetheless, we are confident that our 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 510k approval application, 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 that we seized. 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 (as 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 version 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 continued under the GenUltimate! brand, and includes 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 March 2013. Lifescan Inc., until October 2018, 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. In fact, even as of this writing, the company faces market obstacles brought about by the original litigation with Lifescan, Inc. The company believes there will be additional limitations as long as Johnson & Johnson and/or their successors spend large sums to discredit the company and its products. However, it should be noted that Johnson & Johnson announced in January 2018 that their entire diabetic business (three divisions, multiple products) had been put up for sale, and offers for some or all of their businesses had been received. The sale closed in October 2018 with the completion of an asset sale to a large California based private equity firm.

The settlements we did achieve with J&J provided a hard-fought victory for the company, particularly since in 2015 Shasta had admitted to patent infringements of all three J&J diabetic medical device patents that were being adjudicated. We settled these lawsuits in a novel manner, where Johnson & Johnson paid the company a settlement amount in cash, in those lawsuits where the company was a defendant, a rarity in matters where the Plaintiff (J&J) had initiated the strike suit in the first place. J&J, as a part of the settlement, also granted the company licenses to three J&J patents (including one patent that J&J subsequently lost as a result of 3rd party prosecution by the company, 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 April 2016 the company amended its original suit to include allegations under the Doctrine of Equivalents.

"The doctrine of equivalents is a legal rule in many (but not all) of the world's patent systems that allows a court to hold a party liable for patent infringement even though the infringing device or process does not fall within the literal scope of a patent claim, but nevertheless is equivalent to the claimed invention(s)."

Further, in January 2016 the US Supreme Court ruled that the Doctrine of Laches, a defense used by many Defendants in patent infringement suits could no longer be used. This ruling further deprived J&J of one of its most important defenses against the company's current patent infringement claims. All of this action did not dissuade the Nevada District Court trial judge from granting J&J a Motion for Summary Judgment in October 2018. As a result of this ruling, the company filed an appeal to the U.S. Court of Appeals for the Federal Circuit in Washington, DC (the patent court). That appeal is nearing the point where a court ordered mediation and oral arguments are to be scheduled. Oral arguments to the patent court judge panel are expected in June 2019.

The Current Business

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. Our 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 current 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, and for its pet testing products, on-line sales and chain pet supply stores and retail pet outlets. Although this has been part of the company's plans in the recent past, the difficult litigation with Johnson & Johnson as well as the advent of the July 2013 and July 2016 changes to Medicare reimbursement (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, Sears, Jet.com and approximately 1050 other on-line cooperatives and product aggregators. The company considers this rapid adoption to be a huge success gained in a very short period of time.

In June 2017 we were notified by Amazon.com, the largest retail portal for our products where we now currently sell approximately 35,000 boxes of GenUltimate per month, that the listings for our products had been "hacked" by ghost sellers -- individuals and people who listed our products, accepted orders and cash money from diabetics, but were unknown to the company. Oftentimes product was never delivered to the diabetic even after receipt of payment. This practice called freeloading (by Amazon) is not rare, but once started it is difficult to eradicate. The company had to replace almost 6,500 units of GenUltimate as a result of the freeloading. In March 2018 another 3,000 boxes were replaced, leading to lower sales margins in the periods where the replacements too place. The company is in on-going friendly negotiations with its distributors to provide compensation for the effect of the freeloaders. While freeloaders had a cost basis of zero, legitimate sellers and distributors were forced to compete with these zero cost sellers. Prices for GenUltimate plummeted and by October 2017 the product in its largest portal declined on average by 35%.

With the assistance of Amazon, who themselves became a distributor of GenUltimate!, the company was able to overcome some of these issues. With the assistance of Amazon we reordered our selling practice, implementing base (floor) pricing and implementing real-time policing of listings. As a result, we were able to overcome this freeloading practice. Prices have recovered about one half of the Fall 2017 decline. We are currently in the process of raising prices again. Also, as a result of the "Amazon debacle," the company also eliminated many small distributors of GenUltimate! from the Amazon portal. While these actions had the effect of lowering sales throughout 2018, our margins and our sales levels are recovering.

In March 2017 the company was contacted by the retail giant Walmart, who along with their acquired on-line retailer Jet.com, are attempting to duplicate and surpass the Amazon portal. Our GenUltimate! products have been sold on Walmart's (and Jet.com's) portals since November 2016. In the 2018 discussions Walmart offered us preferential listings on portals and Walmart Depot stocking at their regional transit facilities. We also began discussions, now in process, for the manufacturer of a Walmart house brand version of our GenUltimate! As a result of our agreements with Walmart, GenUltimate! is now sold and fulfilled directly by Walmart. In addition, Walmart has implemented a large on-line store pickup, allowing GenUltimate! users to pick their GenUltimate! product up at Walmart stores. We accepted Walmart's offer (who wouldn't) and changed our distribution agreement with Walmart (and Jet) so that Walmart would sell and fulfill our products directly. Walmart customers who previously received standing orders for their legacy J&J Lifescan test strips will be a part of this new program. The company believes this to be a market enhancing deal since Walmart will become both a "push" and a "pull" retailer. No special pricing of our GenUltimate! products was required to implement this plan, owing, no doubt, to the footprint we have established on the other large on-line portals. That would not be the case if the company wanted to implement

its in-store supplier agreement with Walmart where we would have to conform to pricing for Walmart in-house brands. We continue to evaluate our prospects with Walmart and we believe we will move toward a global agreement with Walmart for our GenUltimate!, PetSure! and GenChoice! (when cleared) and GenUltimate! TBG products.

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 Motorola and Samsung Droids 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 Trump administration is trying to redevelop healthcare. While we have kept up with the evolving regulatory changes, we do not foresee implementation of our products and networks in the near future. We do not assign any value on our balance sheet to our IT products.

In March 2016 we 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 early in our contract term, by advocating during repeated calls, a "palace coup." After these incursions by shareholders and persons claiming to be shareholders, our relationship with Retail Monster remained cordial but was, unfortunately, destined to fail. The two companies decided to end the engagement on December 31, 2016. 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, and typically not a part of legacy manufacturers marketing plans. 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 and in mid-March 2018 this retailer and its recently acquired wholesale products partner contacted the company and implemented a direct relationship. This decision led to inquiries by other big box. Sellers. Thus, in March 2019 we entered into a long term relationship with PARAGON Sales and Marketing Inc. to support the national growth of both our branded and private label retail products sold under our "Gen" brand, and our private label brands of Alltara!, ConsumerValue!, Infatig!, and Medicius!. Initial accounts that we have assigned to PARAGON for big box and private brand big box agreements include Walmart, CVS, Walgreens, Costco, Kroger and Cardinal Health. PARAGON will also work closely with us in evaluating other potential new retail product categories and products that we may launch in both branded and private label offerings in the future. Sadly, shareholders and non-shareholders have already attempted to contact PARAGON in a manner similar to our earlier situation with Retail Monster. The company has promised PARAGON that we will take legal action against these people should this activity continue.

Alltara *choice* is not yet available for sale or distribution in the United States or Puerto Rico.

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"), Navesink Device Initiatives, Sovereign Partners and Licgo Partners, 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 and 2Q, 3Q and 4Q 2017 we completed additional financing transactions with both Alpha, Sovereign, and Licgo. Our most recent transactions with Alpha also financed an inventory credit line for the company so that we can meet many of the requirements of the largest retailers and maintain at least $300,000 in stock on hand at any time. From time to time we drop below this $300,000 threshold, primarily at the end of fiscal quarters. Alpha also financed our acquisition of new specialty manufacturing equipment to facilitate our contract manufacturer in Korea as they develop our new GenChoice! product. The company in early March 2019 again turned to Alpha, most recently borrowing $250,000 as we finance the completion of our GenUltimate! TBG product, pay for the prosecution of our GenChoice 510K application, and pay for the additional manufacturing facility in Korea.

The company entered into three international agreements throughout 2017 and 2018. The first agreement, executed through the company's exclusive Korean agent, allows for delivery of the GenUltimate!, GenChoice! and GenSure! (and certainly the GenUltimate! TBG product when available) in quantity for sale in the Korean, Taiwan, Hong Kong, Vietnam and Thailand markets market. As of this writing, the Korean partners have ordered and paid for over 306,000 pieces (units/boxes) of GenUltimate! In addition the company, through its Korean master distributor has begun sales in Vietnam. The company's second international agreement was through a South American financier who has businesses in Bolivia and Spain. This group initially placed a single two-year (term) order for approximately $17 million in GenUltimate! test strips, GenUltimate! meters and the company's new (2017) Firefly! Lancets. The South American financier also 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. The group then signed and executed a Subscription Agreement for the company's Preferred D shares in April 2017.

After delivery of approximately 11,000 pieces (units) of GenUltimate!, 3,000 GenUltimate! meters and cases of lancets delivered to Bolivia, the company was contacted by authorities in the U.S. and then again several months later by regulators in Spain concerning the partners and silent partners involved with this international agreement. As a result of these contacts, the company, on March 20, 2017, terminated the Preferred D Subscription Agreement and terminated the International Distribution Agreement.

In June 2018 the company came to terms with a third international distributor who will sell the company's products in Mexico, Puerto Rico and in select South American countries. Initially the sales by the distributor will be our GenUltimate! test strips and meters, and our GenSure! test strips and meters. Governmental approval is needed for these products. This distributor has gotten off to a slow start.

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.

Additional Background and Foundation

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 within 90 days of its initiation. 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. In addition Shasta breached or defaulted on two insurance settlement agreements, owing to the aforementioned J&J litigation. And finally, Shasta confessed to patent infringement of J&J's three patents.

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. Similar Quality Plans and FDA registrations will be in place for the company's GenChoice! and GenUltimate!

TBG products in the near term, and for our GenAccord and GenCambre products later in the coming months. Our overall Quality Plan, a living document, is in its fifth re-write.

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. Shasta immediately breached this agreement, as they have breached every agreement we have executed with them. This legal settlement with the insurer does not preclude the company from pursuing Shasta, its principals and these "shareholders" in its omnibus lawsuit brought against Shasta et al. in 2014. Nor did this settlement preclude the company from pursuing Shasta for attempting to execute an illegal embargo, along with a former contract manufacturer against the company. The company brought suit against Shasta and the former contract manufacturer in Pennsylvania in November 2018. On December 31, 2018 the Pennsylvania court awarded the company with a $3.6 million judgment against Shasta. We are pursuing collection of this judgment in Minnesota, California and Oregon. We continue to litigate in Pennsylvania against the former contract manufacturer and anticipate a handsome settlement in the coming months. The company is also pursuing those persons who owned stock in the company who may have traded stock in the market based on information and documents provided by Shasta, or who were given confidential documents by Shasta, gained through the litigation discovery and provided to these shareholders, who then posted the information on public message boards.

We currently employ nine 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 through our exclusive agent in Seoul, Korea as a means to fulfill our quality commitments to the FDA. Our telephone number is (805) 446-1973 and our website addresses are and www.pharmatechsolutionsinc.com and www.genultimate.com. and www.decisiondiagnostics.com. Additional web sites will be added for our GenChoice! product (site now in FDA 510K prosecution) and our GenUltimate! TBG product.

As a part of the company's strategic plans, we have applied (to register) for twelve 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 throughout 2016, 2017 and 2018. 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 February 28, 2019, the company has received registration confirmation from the USPTO for the following Marks:

"Alltara!"
"GenUltimate!"
"GenSure!"
"GenChoice!"
"GenAccord!"
"GenCambre!"
"GenUltimate! TBG"
"Firefly!"
"ConsumerValue!"
"Infatig"
"Medicius!"

Our marks for Alltara!, ConsumerValue!, Infatig!, and Medicius! will be used for product families as an integral part of our relationships with the "big-box" entities.

Beginning in the 4th 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 refused, due to their settlement with Johnson & Johnson, to ship to the company certain quantities of the Genstrip 50 product. These actions by Conductive Technologies, Inc. and Shasta amounted to an illegal embargo of the company's products since neither Shasta, nor CTI retained the right to manufacturer or sell the products in the United States without the company's exclusive approval. In November 2018 the company brought suit against CTI and Shasta in Pennsylvania to bring about compensation for this illegal embargo.

The inventory 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 750,000 packages per month (50

count and 100 count packages), for the new GenSure! product 100,000 packages per month (25 count and 50 count packages) and the new GenChoice! product (initial) 150,000 packages per month (50 count and 100 count packages). Recently, a mega-retailer has requested minimum inventories of finished product of 150,000 units/boxes. We expect other retailers to make similar requests. The manufacture of GenUltimate! and GenSure! are very similar and this capacity can be viewed as interchangeable. Similarly the manufacture of GenChoice! and GenUltimate! TBG will be similar to the manufacture of GenAccord! and GenCambre!

The company's stock currently trades on the OTCMarkets OTC Pink Current tier of the market. The company's shares are DTC and DWAC eligible. On May 12, 2015 the company made an application for a tier change to the OTCQX (common) tier. When the company's common stock fell in price beneath the $.10 threshold, and when our sponsoring broker shuttered his operation, our application went into hiatus. Subsequently, the company received direct communication from OTCMarkets concerning a new uplist program offered, beginning May 18, 2017, whereby the company might uplist within the OTCMarkets tiers as a Current Alternative reporting company and filer.

Instead of this uplisting, the company chose to file a Regulation A offering in an effort to improve its disclosure to the SEC. The company had planned to use this filing, reviewed by the SEC without comment on August 23, 2018, to move toward uplist on the OTCMarkets exchange in 2019. In February 2019 the company, after completing all of the ancillary tasks required of a Reg. A filer, amended its registration with the SEC, a necessary requirement. Subsequently, the company's stock price improved so that the registration offering price was much lower than the stock trading price. In early March, during the stock price rise, the company was informed that a certain party, who at that point claimed to own approximately 4% of the company's outstanding shares, wished to buy the entire Reg. A offering on the date said offering became qualified. That would allow this certain party to gain control of the company for approximately $5.3 million, a value much lower than the company's Board of Directors expected, and much less than the trading price of the company's common stock. This was/is a common predatory M&A strategy often used by private equity funds. On March 18, 2019, acting on a resolution by the company's Board of Directors, the Reg. A registration was withdrawn.

In February 2019 the company was approved for Deposit/Withdrawal at Custodian (DWAC) a method of electronically transferring new shares or paper share certificates to and from the Depository Trust Company (DTC) using a Fast Automated Securities Transfer (FAST) service transfer agent as the distribution point. DWAC transfer is a method employed by most funds and large investors.

Business activities throughout the next twelve months:

The company's business on a day-to-day basis includes the distribution of our GenUltimate! products, (50 count and 100 count versions), distribution of our GenSure! product (25 count and 50 count versions), and our PetSure! products (30 count and 60 count versions), and in 2019 our GenChoice! (25 count, 50 count and 100 count versions), at least in international markets, and the GenUltimate! TBG (25 count, 50 count, 100 count versions and a meter), sometime later in 2019. Our GenSure! will be sold only in certain international markets. The company is currently prosecuting its application for 510K clearance of its GenChoice! product (25 count, 50 count and 100 count versions). The GenChoice! product will be sold worldwide. Within 180 days of this writing the company will have concluded the clinical analyses and filed for 510K clearance for its GenUltimate! TBG product (25 count, 50 count and 100 count versions and a meter designed with young diabetics in mind). The GenUltimate! TBG product will be sold worldwide and will, most likely, require a strategic partner. We are currently in initial negotiations with one such prospective partner and have recently reached out to another prospective partner. The company has just completed a redesign of its GenUltimate! TBG test strip, building a technology foundation around its GenUltimate! technology.

In March 2019 the company announced the hiring of PARAGON Marketing and Sales, Inc., a nationwide retail accounts sales and management firm. The company has assigned several high worth "big box" retail accounts to PARAGON, including Walmart Stores, CVS Pharmacies, Walgreens Pharmacies, Cardinal Health (Wholesale). McKesson (private label brands), Kroger and others.

In mid-2017 the company embarked on an ambitious plan to re-brand all of its products, existing and upcoming, to sell into what is more commonly known as the private label marketplace, or the co-brand markets. These markets overlap to a high degree with what is also historically known as the "big-box" market. The rebranding contingency eventually grew to change the entire scope of our products developed for private label sales. In traditional diabetic supplies markets the packages had to include claims made in the original 510K application, plus new international symbiology and UDI identification. Packaging of the products was typically designed to accommodate the capacities of the automation that packaged the products themselves. There was no magic involved with packaging. The 25, 50 and 100 count packages sold by the entire industry grew out of the capabilities of the automated packaging machines, not some grand plan. The entire industry became "me-too." The insurance reimbursement models associated with these 25, 50 and 100 count packages (overwhelmingly 50 count boxes) arose for the same reasons.

Companies in the manufacturing and marketing channels in the industry all employ these packaging processes, including Korean, Chinese and Taiwanese manufacturers. In truth, the manufacturer operations collectively decided not to pay an extra $10,000 for each of the packaging machines, or the $0.10 for a slightly larger test strip vial (holder). The company believes this "me-tooism" to be a form of mental blinders. In implementing the company's new private label strategy, Decision Diagnostics decided not to bow to the packaging machine or "me-too" limitations. Instead the new packaging to be employed by the company will take into account diabetic testing patterns and the average number of testing days in a month. Private label versions of the company's products will be packaged in sizes of 30 count, 60 count and 120 count packages. This concept has been readily accepted by the company's private label target list in a detailed survey, and it is believed that this new packaging concept will be a marketing coup. Sales to the private label industry will be through private label product groups where every private label partner will own a private label group, each group containing all of the company's products in selective private label packaging.

The company currently has three major private label targets, the largest drug store chain, another top-5 drug store chain, and the second largest grocery store chain. In addition, the private label packaging is being offered to the largest drug store chains in Mexico and Canada. The Mexican chain, who also has numerous stores in Chile and Argentina has moved quickly. However, in all cases the sales process is in the closing stages. Closes of this nature, do however, take time. The company has Trademarked four product label groups for exclusive sales of products to the private label concerns: Alltara!, Advant!, Infatig!, and Medicius!.

Beginning in November 2009, we introduced our cell-phone centric medical IT products that offer solutions in medical care and management by providing physicians with information at the point of care. We eagerly await the new version of some sort of national health plan, which might finally create markets for our products.

Our 12-month business objectives include:

4. The practice of specializing in the distribution of GenUltimate! and PetSure! and GenUltimate! 4Pets products, and the completion of the GenChoice!, and GenUltimate! TBG products. We also intend to add several brand-name medical diagnostic and medical disposable products, lancets through our Firefly! product, as well as several lines of insulin syringes and pen needles, all associated with the on-going care of diabetes-inflicted patients, and the world-wide distribution of our proprietary diagnostic products.

5. Combining our wholesale and retail diagnostics distribution with the major successes we have had in the on-line retail markets, and adding legacy retail organizations (already some legacy retailers of note). See discussion above concerning private label opportunities and our private label lines.

6. Continue to implement the plans provided by our agent MWK LLC, and PARAGON Sales and Marketing in efforts to secure big-box pharmacy chains, chain grocers and nationwide retailers in addition to the private label groups previously discussed.

Recent Business Milestones:

In 2018 the company has accomplished the following milestones.

5. We completed the design and manufacture of PetSure! glucose test strips for the international markets, and completed development of our GenChoice!, GenUltimate! 4Pets and GenUltimate! TBG products.

6. We began FDA 510K prosecution, patient clinical, 3rd Party testing and/or clinical trials of two new test strip products, our GenChoice! and GenUltimate! TBG test strips and the GenUltimate! TBG Precise meter. Neither the PetSure! nor GenUltimate! 4Pets products required live patient (pet) clinical testing.

7. We are pressing our suit against Johnson & Johnson and several divisions for manufacturing products that infringe on our patents. We won a major early battle in this suit where the trial judge granted us the opportunity to argue the Doctrine of Equivalents, an important concession in this case given J&J's penchant for the twisting of words and drawing lines through random dots. We lost a mid-stream battle and are now appealing to a court where we have had major rulings in our favor in the past. This suit began its prosecution phase on March 15, 2017 with the trial judge's early ruling. We filed our appeal in the United States Federal Circuit Court of Appeals (the patent court) and expect oral arguments to commence and a mediation in June 2019.

8. The company initiated a marketing program to the on-line Marketplaces sponsored by pharmacy chain, department store and grocery store retailers, as well as mass merchandisers, and including the largest retailers. This program has so far been the most successful endeavor since our inception.

Financing Requirements

At December 31, 2018, we had cash of $358,757 and negative working capital of $1,183,154. We anticipate that we will require $64 million in trade debt financing to finance our expected sales of GenUltimate!, GenUltimate! TBG, and GenChoice!, as the current litigation ends in the company's favor. Trade debt financing is traditional debt where the borrower borrows cash and at the term of the loan pays the lender back in cash. The company has noted substantial disinformation in public forums regarding trade debt financing. The above paragraph is the company's final position regarding its trade debt posture.

In March 2012 we renewed our agreement with Alpha Credit Resources ("ACR") for a third time in order to obtain this debt financing. After the expiration of that agreement, in November 2013 we executed a new line of credit with Alpha Credit Resources, replacing our pervious line. This credit line was for $12.5 million, but with the velocity of our product sales, could yield over $250 million in annually available credit. We never did draw down any credit financing from ACR, and on December 14, 2015 this credit line expired. Subsequently we learned that ACR and its parent, Platinum Credit became the subject of several Federal criminal investigations. In September 2016, the major funds controlled by Platinum filed for liquidation. The company immediately froze all of its securities held by Platinum, and notified the funds liquidator that we had been working with the former management of Platinum to effect return of a sizable majority of the securities held by Platinum. Platinum had not been granted any requests for any conversion or sale transactions since December 2014. As a part of this liquidation the company is now seeking return of most of the securities granted to the Platinum funds from 2007 through 2014.

We will from time to time continue to seek a combination of equity and long-term debt financing as well as other traditional cash flow and asset backed financing to meet our financing needs and to reduce our overall cost of capital. Additionally, in order to accelerate our growth rate and to finance general corporate activities, we may supplement our existing sources of funds with financing arrangements at the operating system level or through additional short-term borrowings. As a further capital resource, we may sell or lease certain rights or assets from our portfolio as appropriate opportunities become available. However, there can be no assurance that we will be able to obtain any additional financing, on acceptable terms or at all.

Results of Operations for the years ended December 31, 2018 and 2017, compared.

The following tables summarize selected items from the statement of operations for the years ended December 31, 2018 compared to 2017.

	Years ended December 31,			
	2018	**2017**	**12 Months**	**%Δ**
Revenue	$ 2,235,989	$ 1,880,391	355,598	18.91%
Cost of sales	1,454,819	1,565,991	(111,172)	-7.10%
Gross profit	781,169	314,400	466,769	148.46%
	35%	17%		

Revenue increased $355,598 for the year ended December 31, 2018 to $2,235,989 (2017 - $1,880,391) due primarily to our increased marketing efforts and distribution channel with a major retail store.

Cost of sales decreased $111,172 for the year ended December 31, 2018 to $1,454,819 (2017 - $1,565,991) due primarily to pricing efficiencies gained over 2017.

OPERATING EXPENSES:

	Years ended December 31,			
	2018	2017	12 Months	%Δ
Expenses:				
General & administrative expenses	541,950	754,541	(212,591)	-28.17%
Consulting	130,658	127,610	3,048	2.39%
Compensation expense	473,973	384,059	89,914	23.41%
Professional fees	1,487,750	1,412,750	75,000	5.31%
Total expenses	2,634,331	2,678,960	(44,629)	-1.67%

General and administration expenses include office expenses (including rent, cleaning and maintenance, utilities, and telephone), insurance, and bank charges. During the year ended December 31, 2018, general and administration expenses decreased by $212,591 to $541,950 (2017 - $754,541). We are becoming more efficient with our general and administrative overhead resulting in overall lower costs.

Consulting expenses for the year ended December 31, 2018, increased $3,048 to $130,658 (2017 - $127,610). The increase is due primarily to our "normalization" of outside marketing consultants as we continue to increase the visibility of our product lines.

Compensation expense for the year ended December 31, 2018 increased $89,914 to $473,973 (2017 - $384,059) due primarily to a general increase in converting from contract consultants to full time employees performing daily operating services.

Professional fees include accounting services, legal fees and regulatory reporting compliance. The increase in professional fees of $75,000 to $1,487,750 (2017 - $1,412,750) is due primarily to an increase in legal fees incurred in connection with our product development costs wherein we engaged additional legal counsel to assist in the review of potential new sales/distributing agreements and review general corporate matters. We anticipate our legal fees to continue into 2019.

OTHER INCOME (EXPENSE):

	Years ended December 31,			
	2018	2017	12 Months	%Δ
Other income (expense):				
Financing costs	(195,877)	(149,915)	(45,962)	100.00%
Interest expense, net	(190,210)	(200,172)	9,962	-4.98%
Loss on write-down of obsolete inventory	(902)	(98,221)	97,319	-99.08%
Loss on terminated contract	-	(176,137)	176,137	-100.00%
Total other income (expense)	(386,989)	(624,445)	237,456	-38.03%

Our other income and expense decreased an overall $237,456 from $624,445 in 2017 to $386,989 in 2018. Other expense includes costs related to our financing activities associated with our debt and equity offerings of $195,877 (2017 - $149,915) and interest expense of $190,210 (2017 - $200,172). We also incurred a loss on write-down of obsolete inventory of $902 (2017 - $98,221), and terminated contract of $nil (2017 - $98,221) in the year ended December 31, 2018.

We recorded a net loss for the year ended December 31, 2018 of $2,240,220 compared to a net loss in 2017 of $2,991,405. Our total operating and non-operating expenses in 2018 totaled $3,021,320 compared to $3,303,405 in 2017, representing an overall decrease in total expenses of $282,058. This change was primarily the result of a combination of no significant losses on obsolete inventory or losses on terminated contracts.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until later in

2018, as a result of several factors, including the change in our status from exclusive distributor of our GenStrip 50 (now GenUltimate!), to the manufacturer of this product (now in process), complete additional financial service company acquisitions and generate substantial revenues, which may take the next few years to fully realize. We anticipate that in the next 12 months that we will be starved for cash from time to time as the need for cash to finance our FDA 510K prosecutions and product developments will outstrip our abilities to raise cash from traditional sources. The company's Board has established and reaffirmed that the company will not allow our need for cash to be exploited by toxic funding entities. We will, from time to time seek to raise capital from small funds. To that end, the company's Board of Directors in currently evaluating Subscription Agreements for $700,000 offered by large shareholders late in the month of March 2019. The Subscriptions are for investment in the company's Preferred Class D Units. Should the Board accept these Subscriptions, and the capital provided, the company's cash needs will be satisfied until such time as a settlement is reached in its current patent litigation and/or an M&A transaction or a hybrid M&A licensing transaction are completed.

As our GenUltimate! product grows along its product life cycle, and as we launch new products such as our GenChoice! and GenUltimate TBG products, we may not obtain the necessary capital to pursue our strategic plan. As of this writing we have entered a short term "cash crunch." If this crunch continues it could materially impact our operations.

As of December 31, 2018, we had cash and cash equivalents of $358,757, inventory of $250,716, prepaid expenses of $106,988, and accounts receivable of $949,797. Net cash used by operating activities for the year ended December 31, 2018 was approximately $1,322,946. Current liabilities of $2,849,412 consisted of: $1,030,270 of accounts payable and accrued liabilities, accrued interest of $48,462, contingent legal fees of $240,000, and notes payable of $1,530,680. As of December 31, 2018, we have a negative working capital of $1,183,154.

The accompanying financial statements have been prepared contemplating a continuation of the Company as a going concern. The Company has reported an accumulated deficit of $46,597,629 and a net loss of $2,240,220 for the year ended December 31, 2018. Additional investments are being sought, but we cannot guarantee that we will be able to obtain such investments. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. However, the trading price of our common stock and conditions in the U.S. stock and debt markets could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Recently, we withdrew our registration statement filed under Reg. A with the U.S. Securities and Exchange Commission. We did so because we had been informed that a single entity, or related entities, was preparing to buy all of the underlying securities registered in the Reg. A, and thereby take control of the company. Withdrawal of this registration will create a "cash crunch" down line. Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we may have to curtail our operations.

Cash to Operating Activities

During the year ended December 31, 2018, operating activities used cash of $1,322,946 compared to using cash of $1,558,918 in 2017. Our operating loss for 2018 was $2,240,220 and included amortization of prepaid legal fees of $750,000 (2017 - $750,000), shares issued for financing fees of $195,876 (2017 - $149,915), shares and options issued for services and financing costs of $0 (2017 - $21,400), and options issued for employee compensation of $0 (2017 – $36,000). Our change in accounts receivables increased $611,120 to a use of $511,893 (2017 – $99,227). Our change in inventory increased $73,360 to a source of $65,943 (2017 - $7,417 use). Our change in accounts payable and accrued liabilities increased by $225,801 to a source of $224,715 (2017 –$1,086 use). Accrued interest decreased by $9,962 to $190,210 source (2017- $200,172 source) related to our convertible debt offering. Our contingent liabilities remained constant in 2018 as compared to 2017 due to the recognition of liability due to our involvement in legal matters.

Cash from Investing Activities

During the year ended December 31, 2018, investing activities used $90,300 in cash (2017 - $114,635 use). The decrease is due primarily to the acquisition of proprietary equipment and additional intellectual property (patents) in 2017.

Cash from Financing Activities

During the year ended December 31, 2018, financing activities produced net cash of $683,242 (2017 – $1,410,455). This change is primarily a result of lower debt and equity offerings in 2018.

Internal and External Sources of Liquidity

Alpha Credit Resources LLC (formerly Centurion Credit)

On November 17, 2007, we entered into an agreement with Alpha Credit Resources LLC to secure a $1,000,000 revolving credit facility that is geared specifically to our business. As of October 2008, the company renewed its agreement with Alpha Credit Resources LLC until November 17, 2009 and as an inducement to renew the credit line was increased to $2,000,000, with additional seasonal increases to $2,500,000. In September 2010 we began discussions with Alpha Credit for an additional $6.0 million credit facility to provide available credit to finance sales of our new at-home testing diagnostic product. The company last borrowed funds using the credit line in the Year ended December 31, 2011. The agreement matured on December 31, 2011 without renewal. In March of 2012, we executed a renewal agreement with Alpha Credit. The renewal Year matured on December 31, 2012. We borrowed no money under this renewal. In December 2013 we again renewed our credit line with Alpha Credit, expanding our credit line to $12.5 million (Fourth Omnibus Renewal). As a part of the most recent renewal agreement all previous accrued debt and interest owed Alpha Credit was reduced to $0.00. Alpha Credit Resources breached this renewal agreement. The agreement was allowed to come to term. In April 2016 the company brought its disputes with Alpha Credit to the attention of new management and while working on a resolution, the parent of Alpha Credit and its sister operations became embroiled in two Federal investigations. Subsequently the funds that capitalized Alpha went into liquidation. The company was standing still until these investigations are brought to a conclusion, but in 1Q 2018 we decided to cancel 1,000 Class B Preferred shares that Alpha did not earn and may have been a part of a scheme to defraud the company.

Cash Flow.

Since inception, we have primarily financed our cash flow requirements through the issuance of common stock, the issuance of notes and sales generated income. With anticipated growth in 2019 we may, during our normal course of business, experience net negative cash flows from operations, pending receipt of revenue, which often are delayed because of the nature of the healthcare industry. Further, we may be required to obtain financing to fund operations through additional common stock offerings and bank or other debt borrowings, to the extent available, or to obtain additional financing to the extent necessary to augment our available working capital.

Satisfaction of our cash obligations for the next 12 months.

As of December 31, 2018, our cash balance was $358,757. Our plan for satisfying our cash requirements for the next twelve months is through additional equity, third party financing, and/or debt financing. We anticipate sales-generated income during that same year of time, but do not anticipate generating sufficient amounts of positive cash flow to meet our working capital requirements. Consequently, we intend to make appropriate plans to insure sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

As we expanded operational activities, we may continue, from time to time, to experience net negative cash flows from operations, pending receipt of sales or development fees, and will be required to obtain additional financing to fund operations through common stock offerings and debt borrowings to the extent necessary to provide working capital. It was not until the company entered into the agreement with Alpha Credit Resources, LLC that the company could fill orders for patients and customers on a continuous basis. Until the Alpha Credit line was put in place, we managed to keep a small portion of our distribution activities going when our limited resources allowed us which remains true as of this filing.

Predictions of future operating results are difficult to ascertain due to our historic operating activities. The recent addition of a credit line has helped but we have found it increasingly difficult to transact commerce in the very cash intensive prescription drug industry. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of commercial viability, particularly companies in new and rapidly evolving technology markets. Such risks include, but are not limited to, an evolving and unpredictable business model and the management of growth. To address these risks we must, among other things, implement and successfully execute our business and marketing strategy, continue to develop and upgrade technology and products, respond to competitive developments, and continue to attract, retain and motivate qualified personnel. There can be no assurance that we will be successful in addressing such risks, and the failure to do so can have a material adverse effect on our business prospects, financial condition and results of operations.

Expected purchase or sale of plant and significant equipment.

We do not anticipate the purchase or sale of any plant or significant equipment in the United States or Canada; as such, items are not required by us at this time. We have, however and from time to time, purchased specialty equipment for our Korean initiative. We have disclosed these investments previously in this document.

Going Concern

The financial statements included in this report have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. The Company's cash position is currently inadequate to pay all of the costs associated with testing, production and marketing of products. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

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.

Our GenSure product is sold only in international markets. We are protected against claims of patent and/or trademark infringement by virtue of our 2016 settlement agreement with Johnson & Johnson and two J&J divisions.

Our GenChoice! and GenUltimate! TBG products will be sold worldwide. The company will have to protect against claims of infringement for both of these products. Patent and trademark infringement suits are often filed for strategic business reasons, having only a passing relationship to the patents or trademarks claimed to be at issue.

Healthcare, especially those segments where the company competes, is also 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, 2018, our accrual was $485,069.

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.

In December 2018 the company and Mr. Berman were sued by a former employee who made employment practices claims. This employee had been terminated some 16 months earlier, for insubordination. The company filed a counter-suit against the former employee for misappropriating and hiding company property, secrets, and for violating HIPAA statutes as a result of these actions. The company and Mr. Berman are both insured against these types of lawsuits. Both the company and Mr. Berman intend to defend and prosecute vigorously.

We were in litigation with Lifescan Inc. a subsidiary of Johnson & Johnson beginning in September 2011. Lifescan had maintained throughout that our Genstrip (now known as GenUltimate!) product infringed on three of their patents. One of these patents became 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. In addition, 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 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 our GenStrip (now known as GenUltimate) 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 (now GenUltimate) 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 any 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 May 2016 the company became aware of a clause Lifescan had inserted in its Franchise agreements. This clause set a penalty structure whereby should any Franchisee also buy non-Lifescan products (but more clearly our GenUltimate) they would lose their access to product rebates, and in certain instances their Franchise. Once aware of these illegal tie-ins the company complained to the Federal government, and in January 2017, for the first time since the onset of litigation with J&J, the tie-in clause was globally lifted by J&J. During the pendency of the 2011 and 2012 lawsuits, Lifescan was guilty of a number of unethical practices. For example, in December 2014 counsel for Lifescan wrote a letter to the trial judge who was hearing all three of the original 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 against Johnson & Johnson and two Lifescan divisions through our two IP subsidiaries. DECN filed the lawsuit in the United States District Court, District of Nevada, in Las Vegas, NV, Case 2:16-cv-00564, titled Pharma Tech Solutions, Inc. et al v. Lifescan, Inc. et al naming Johnson & Johnson and its divisions Lifescan, Inc. and Lifescan Scotland Ltd. for alleged infringement in relation to U.S. Patent numbers 6,153,069, an apparatus patent, and 6,413,411, a method patent. The suit seeks at least $400 million in damages.

Fearful that the allegations in the suit were spot on, Lifescan filed a Motion to Dismiss which was denied. J&J, consistent with their historic tactical pattern of litigation delay, then filed a Motion for Summary Judgment. Despite a low probability of success, and the absence of legal appeal option for these Motions, J&J has through its filing successfully delayed the legal process for thirteen months to date. The trial judge has also ruled that PharmaTech would be permitted to file an amended complaint which could include further detail concerning patent infringement under the Doctrine of Equivalents; a significant advantage which minimizes the companies' burden in infringement cases. Once this Motion activity is concluded the company believes that the legal pendulum once again reverts in the direction of our potent legal position, where it should remain for the remainder of the litigation. In October 2018 the trial judge granted J&J/Lifescan's Motion for Summary Judgment. The company immediately appealed. The case is now at the U.S. Court of Appeals for the Federal Circuit in Washington, DC and is tracking toward oral arguments and a mediation in June 2019. The company is optimistic that we will prevail in the patent court and either can resolve the dispute in mediation, or can resolve the dispute after the patent court rules, or if a contemplated business arrangement comes to fruition.

In November 2018 the company filed a lawsuit in Pennsylvania court against Conductive Technologies, Inc. and Shasta Technologies LLC, alleging, among other things, that these two former partners colluded along with Lifescan, Inc to illegally embargo the company's GenUltimate! product and technology, and to attempt to seize this product and associated Intellectual Property. The suit emerged as a result of a settlement the former partners entered into with Lifescan, Inc. and Johnson & Johnson to settle the above discussed patent infringement lawsuits of 2011 and 2012. On December 31, 2018 the Pennsylvania court granted the company a judgment in the amount of $3,600,000 against Shasta Technologies LLC. The company is now in the process of enforcing the judgment in the states of Minnesota, Oregon (Shasta's domicile), and California. Activities to enforce the judgment against Shasta in Minnesota and California, if successful, will end other litigation involving the company and its FDA lawyer against Shasta.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Error Repair

The company will endeavor to repair any and all errors that new sets of eyes find in this document after its posting, whether these errors are in spelling, grammatical, punctuational or numeric. We are not perfect and neither are the people who point our errors out to us.