CAREDECISION CORP
Form 10QSB/A
February 09, 2005

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-QSB/A**

**Amendment 1**

(Mark One)

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

For the quarterly period ended: June 30, 2003

**Or**

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

For the transition period from ____________ to _____________

Commission File Number: 000-33187

**CareDecision Corporation**

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Nevada | 91-2105842 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 2660 Townsgate Road, Westlake Village, Suite 300, CA 91361 | 91361 |
| (Address of principal executive offices) | (Zip Code) |

(805) 446-1973

(Registrant's telephone number, including area code)

2 Penn Plaza, 15th Floor, Suite 1500-53, New York, NY, 10121

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes [ ] No [ ]

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

The number of shares outstanding of each of the issuer's classes of common stock as of the most recent practicable date: 81,864,137

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**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

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## Part I Financial Information

## Item 1. Financial Statements

**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Consolidated Balance Sheet**

**as of**

**June 30, 2003 (unaudited)**

**and**

**Consolidated Statements of Operations**

**for the Three and Six Months Ended**

**June 30, 2003 and 2002 (unaudited),**

**and For the Period**

**June 21, 2001 (Inception) to June 30, 2003 (unaudited)**

**and**

**Consolidated Statements of Cash Flows**

**for the Six Months Ended**

**June 30, 2003 and 2002 (unaudited),**

**and For the Period**

**June 21, 2001 (Inception) to June 30, 2003 (unaudited)**

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**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Consolidated Balance Sheet**

**(unaudited)**

| | | |
|---|---|---|
| **Assets** | | June 30, 2003 |
| Current assets: | | (Restated) |
| Cash and equivalents | $ | 11,913 |
| Notes receivable | | - |
| Total current assets | | 11,913 |
| | | |
| Fixed assets, net | | 621,625 |
| | | |
| | $ | 633,538 |
| | | |
| **Liabilities and Stockholders Equity** | | |
| | | |
| Current liabilities: | | |
| Accounts payable | $ | 10,000 |
| Notes payable to shareholder | | 28,802 |
| Notes payable | | 567,517 |
| Total current liabilities | | 606,319 |
| | | |
| | | 606,319 |

| | | |
|---|---|---|
| Stockholders equity: | | |
| Preferred stock, $0.001 par value, 5,000,000 shares | | |
| authorized, no shares issued and outstanding | | - |
| Common stock, $0.001 par value, 200,000,000 shares | | |
| authorized, 81,864,137 shares issued and outstanding | | 81,864 |
| Additional paid-in capital | | 3,967,145 |
| (Deficit) accumulated during development stage | | (4,021,790) |
| | | 27,219 |
| | $ | 633,538 |

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

**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Consolidated Statements of Operations**

**(unaudited)**

| | For the three months ended June 30, | | For the six months ended June 30, | | June 21, 2001 (Inception) to June 30, |
|---|---|---|---|---|---|
| | 2003 (Restated) | 2002 (Restated) | 2003 (Restated) | 2002 (Restated) | 2003 (Restated) |
| Revenue | $ 1,350 | $ - | $ 1,850 | $ 1,055 | $ 3,850 |
| Expenses: | | | | | |
| General and administrative expenses | 45,111 | 3,720 | 83,989 | 182,849 | 181,866 |
| Payroll expense | 63,913 | - | 122,794 | - | 309,613 |
| Professional fees | 12,658 | - | 43,228 | - | 215,080 |
| Stock-based compensation | - | 290,000 | 293,150 | 409,446 | 1,937,632 |
| Software development | 2,950 | - | 3,950 | - | 132,950 |
| Impairment loss on operating assets | - | - | - | - | 1,000,770 |
| Depreciation | - | - | - | 1,393 | 45,310 |
| Total expenses | 124,632 | 293,720 | 547,111 | 593,688 | 3,823,221 |
| Other income (expense): | | | | | |
| (Loss) on debt settlement | - | - | - | - | (25,925) |

| | | | | | |
|---|---|---|---|---|---|
| Interest income | 1 | - | 561 | 967 | 2,791 |
| Interest (expenses) | (79,661) | - | (90,484) | (8,251) | (179,285) |
| Net (loss) | $ (202,942) | $ (293,720) | $ (635,184) | $ (599,917) | $ (4,021,790) |
| Weighted average number of common shares outstanding basic and fully diluted | 84,432,887 | 21,891,703 | 83,473,288 | 10,822,178 | |
| Net (loss) per share basic and fully diluted | $ (0.00) | $ (0.01) | $ (0.01) | $ (0.06) | |

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

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**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Consolidated Statements of Cash Flows**

**(unaudited)**

| | For the six months ended June 30, 2003 (Restated) | 2002 (Restated) | June 21, 2001 (inception) to June 30, 2003 (Restated) |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net (loss) | $ (635,184) | $ (599,917) | $ (4,021,790) |
| Stock-based compensation | 293,150 | 409,446 | 1,937,632 |
| Impairment loss on operating assets | - | - | 1,000,770 |
| Loss on debt settlement | - | - | 25,925 |
| Depreciation | - | 1,393 | 45,310 |
| Adjustments to reconcile net (loss) to | | | |
| net cash (used) by operating activities: | | | |
| Decrease in prepaid interest | 67,680 | - | - |
| (Increase) decrease in notes receivable | 5,376 | (24,900) | - |
| Decrease in loan to officer | 8,190 | - | - |
| Increase in accounts payable | 10,000 | - | 10,000 |
| Net cash (used) by operating activities | (250,788) | (213,978) | (1,002,153) |

| | | | |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Proceeds from notes payable | - | 537,573 | 545,646 |
| Proceeds from note payable to shareholder | 101,600 | - | 157,558 |
| Payments on note payable to shareholder | - | (20,000) | - |
| Issuance of common stock | 50,000 | - | 310,862 |
| Net cash provided by financing activities | 151,600 | 517,573 | 1,014,066 |
| | | | |
| Net increase in cash | (99,188) | 303,595 | 11,913 |
| Cash beginning | 111,101 | 4 | - |
| Cash ending | $ 11,913 | $ 303,599 | $ 11,913 |
| | | | |
| Supplemental disclosures: | | | |
| Interest paid | $ - | $ - | $ - |
| Income taxes paid | $ - | $ - | $ - |
| | | | |
| Non-cash transactions: | | | |
| Number of shares issued for services provided | 5,500,000 | 12,440,000 | 25,117,737 |

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

**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Notes to Restated Financial Statements**

**Note 1 Basis of presentation**

The consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the period ended December 31, 2002 and notes thereto included in the Company's Form 10-KSB. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods are not indicative of annual results.

**Note 2 Going concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. As noted above, the Company is in the development stage and, accordingly, has not yet generated a proven history of operations. Since its inception, the Company has been engaged substantially in financing activities and developing its product line, incurring substantial costs and expenses. As a result, the Company incurred accumulated net losses from June 21, 2001 (inception) through the period ended June 30, 2003 of $4,021,790. In addition, the Company s development activities since inception have been financially sustained by capital contributions.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital from the sale of common stock and, ultimately, the achievement of significant operating results. The accompanying financial statements do not include any adjustments that might be required should the Company be unable to recover the value of its assets or satisfy its liabilities.

**Note 3 Restatement of financial statements due to change in accounting principle**

The Company determined during the year ending December 31, 2003 that it is appropriate to reclassify software acquired in 2001 and 2002 from intellectual property to fixed assets. The Company also determined that it should write down certain assets as an impairment loss given its current business focus and its decision to sell or hypothicate these assets. The effect of the change required a restatement of the December 31, 2002 financial statements in order to properly reflect the asset reclassification and the related adjustment to depreciation expense and impairment loss on operating assets. The effect of this change was to increase net loss for the year ended December 31, 2002 by $1,000,770. Retained earnings as of January 1, 2002 has been adjusted for the retroactive application of the change in accounting principle.

**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Notes to Restated Financial Statements**

**Note 4 Notes payable related party**

During the six months ended June 30, 2003, the Company received loans totaling $101,600 from a Company shareholder and director. The notes bear interest at 9% per annum and are due 365 days from date of issuance.

During the six months ended June 30, 2003, the Company recorded interest expense of $90,484.

**Note 5 Convertible notes**

During the six months ended June 30, 2003, the Company received a loan totaling $50,000 from a Company shareholder. The note is convertible into 1,538,500 shares of the Company s $0.001 par value common stock at a strike price of $0.0325 per share. The convertible note also carried with it 1,538,500 warrants exercisable on a one-for-one basis at a strike price of $0.0325 per share. On April 22, 2003, the holder elected to convert the note into 1,538,500 shares of the Company s $0.001 par value common stock.

**Note 6 Stockholder s equity**

The Company is authorized to issue 5,000,000 shares of $0.001 par value preferred stock and 200,000,000 shares of $0.001 par value common stock.

On January 24, 2003, the Company issued 5,500,000 shares of $0.001 par value common stock to two individuals for consulting services valued at $231,000.

On April 22, 2003, the Company issued 1,000,000 shares of $0.001 par value common stock for cash totaling $50,000.

There have been no other issuances of preferred or common stock.

**Note 7 Related party transactions**

During the six months ended June 30, 2003, the Company received $50,000 from Dr. Thomas Chillemi, a Company shareholder, the note is convertible into 1,538,500 shares of the Company s $0.001 par value common stock and carries with it 1,538,500 warrants exercisable on a one-for-one basis at a strike price at $0.0325 per share. On April 22, 2003 Dr. Chillemi exercised the convertible portion of his note and converted the $50,000 debt into 1,538,500 shares of the Company s $.001 par value common stock.

**Note 8 Stock option plan**

On January 1, 2003, the Company adopted its 2003 Stock Option Plan (the Plan ) and granted incentive and nonqualified stock options with rights to purchase 25,000,000 shares of the Company s $0.001 par value common stock. The Company issued 5,500,000 shares of stock valued at $62,150 pursuant to the plan during the three months ended June 30, 2003. The options are considered to be anti-dilutive.

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**CareDecision Corporation**

**[formerly ATR Search Corporation]**

**(a Development Stage Company)**

**Notes to Restated Financial Statements**

**Note 9 Subsequent events**

On July 18, 2003, the Company issued an 8% share dividend to its shareholders of record. The Company issued 6,469,132 shares of its $0.001 par value common stock pursuant to the dividend issuance.

On July 1, 2003, the Company entered into a consulting agreement with Anthony Quintiliana to perform information technology services for the Company. As consideration, the Company will issue 1,500,000 shares of $0.001 par value common stock and stock options to purchase 2,000,000 shares of $0.001 par value common stock at a strike price of $0.05 per share pursuant to the Company s 2003 Stock Option Plan. The shares will be registered and free-trading via Form S-8.

On July 1, 2003, the Company entered into a consulting agreement with Barbara Asbell to perform medical information technology services for the Company. As consideration, the Company will issue 4,000,000 shares of $0.001 par value common stock. The shares will be registered and free-trading via Form S-8. Based upon the terms of her consulting agreements, Ms. Asbell has agreed to rescind an equal number of her existing legended, restricted shares.

On July 10, 2003, the Company entered into a consulting agreement with Thomas Chillemi to perform corporate development services for the Company. As consideration, the Company will issue stock options to purchase 3,000,000 shares of $0.001 par value common stock at a strike price of $0.05 per share pursuant to the Company s 2003 Stock Option Plan. The shares will be registered and free-trading via Form S-8.

On July 15, 2003, the Company entered into a consulting agreement with Dr. Joseph A. Wolf to perform medical information technology services for the Company. As consideration, the Company will issue stock options to purchase 950,000 shares of $0.001 par value common stock at a strike price of $0.05 per share pursuant to the Company s 2003 Stock Option Plan. The shares will be registered and free-trading via Form S-8.

On July 15, 2003, the Company entered into a consulting agreement with Leslie-Michelle Abraham to perform corporate administrative services for the Company. As consideration, the Company will issue stock options to purchase 850,000 shares of $0.001 par value common stock at a strike price of $0.05 per share pursuant to the Company s 2003 Stock Option Plan. The shares will be registered and free-trading via Form S-8.

On August 5, 2003, the Company entered into a consulting agreement with Ely Mandell to perform corporate strategic and developmental services for the Company. As consideration, the Company will issue stock options to purchase 150,000 shares of $0.001 par value common stock at a strike price of $0.05 per share pursuant to the Company s 2003 Stock Option Plan. The shares will be registered and free-trading via Form S-8.

**Note 10 Reverse acquisitions agreement with Medicius, Inc. (MED)**

On June 21, 2002, the Company entered into an agreement with MED whereby the Company acquired all of the issued and outstanding common stock of NDI in exchange for 38,043,863 voting shares of the Company s $0.001 par value common stock. The acquisition was accounted for using the purchase method of accounting as applicable to reverse acquisitions because the former stockholders of the MED controlled the Company s common stock immediately upon conclusion of the transaction. Under reverse acquisition accounting, the post-acquisition entity was accounted for as a recapitalization of MED. The common stock issued was recorded at $0, being the fair value of the Company s assets on the acquisition date.

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**Item 2. Management's Discussion and Plan of Operation**

*Forward-Looking Statements*

This Quarterly Report contains forward-looking statements about our business, financial condition and prospects that reflect our assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, our actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, our ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry. There may be other risks and circumstances that we are unable to predict. When used in this Quarterly Report, words such as, *"believes," "expects," "intends," "plans," "anticipates," "estimates"* and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions. All forward-looking statements are intended to be covered by the safe harbor created by Section 21E of the Securities Exchange Act of 1934.

*General*

Our principal products are: an E-Health handheld information appliance (PDA) software application package, and an E-commerce handheld information appliance and network designed for the hotel, motel and apartment marketplace. We presently have a comprehensive suite of medical information technology, cooperative advertising, instant messaging and fulfillment, and electronic commerce applications that are Internet enhanced, integrated for medical professional use, and hotel management/guest use, both software suites on a wireless PDA Internet appliance. These applications have been designed to meet the needs of the inpatient and outpatient medical environments, and the hotel management and guest (consumer), and are not just commercially viable but also regulatory standard compliant. Additionally, our software applications were conceived and implemented to offer the management level user, either the medical professional or hotel manager, the ability to prospective and retrospective commerce.

Our software is designed to integrate point of service applications. The medical appliance, the longest available product, monitors treatment protocols and up to the moment patient histories coupled with real-time on-line medical insurance claims submission. Our ultimate key to success resides in providing the private practice physician with the capability to, sequentially, learn about the history of his or her patient during, or prior to, entering the examining room, treat the patient and update the insurer of the episode of care. Accomplishing these objectives resolves a major dilemma for the health care provider; instantaneous communication of vital patient related information at or before the patient encounter.

The hotel/motel and apartment software makes use of much of the foundation technologies resident in the medical product, however, given the differences in the two markets that the products service, the hotel/motel product is much more cooperative oriented, offering more consumer transactional services with the compliment of advertising.

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Our technologies are grounded in the central need to furnish the doctor with crucial point-of-care patient information rapidly and reliably via a PDA. It utilizes the power of the Internet to move large amounts of data to and from a variety of platforms securely via a powerful Windows CE based PDA designed for portability and upgradability. Totally compliant with the Health Insurance Portability and Accountability Act of 1996 ( HIPAA ), this PDA technology is among the first to offer complicated and real-time point of care applications, previously legacy (mainframe or PC network) system applications, on a totally portable (PDA) appliance.

Our PDA software operates on any Microsoft Windows CE Pocket PC based handheld device, either in a wireless or wired mode. The local host for our PDA devices is a Windows (9X, NT or later) based PC in the physician s office, which, in turn, permits one to eight of the aforementioned PDAs to be linked to either a medical network or hotel/motel wide area network, and allows each PDA to become a uniquely identified mobile node on that network, independent of PC linkage, thereby, assisting the professional in the review of relevant histories, transactions, and for the medical related product --medications and prescriptions, lab test ordering, medical step processes and protocols and specialist referral processes.

The PDA software provides rules based software capabilities and the ability to receive order fulfillment information for over 5,000 users simultaneously, which represents approximately 3 years of user encounters in a typical network setting, and allows medical professionals to access payor and health plan business rules, and policy/plan coverage s directly from the plan(s).

*Results of Operations*

The following is an itemization of our results of operations for the six-month period ended June 30, 2003. In the comparable period ended June 30, 2002, the Company had yet to begin significant operations and therefore there were no expenses associated with these items.

REVENUES. Total revenues for the six-month period ended June 30, 2003 were $1,850. As a development stage company we have yet to generate significant revenues and we cannot guarantee with certainty when we will begin to generate significant revenues. Our future revenues will be reliant on the acceptance of our software systems, communication tools and suite of software applications.

GENERAL AND ADMINISTRATIVE. General and Administrative expenses relate to the operation and leasing costs of our corporate office. General and administrative expenses for the six-month period ended June 30, 2003 were $83,989 compared to $182,849 for the six-month period ended June 30, 2002. General and Administrative expenses decreased by approximately 54% from the comparable period as the Company consolidated operations after its merger in 2002. The company, in anticipation of its merger made purchases of equipment and other office related supplies in conjunction with the start of initial business operations in the six-month period ended June 30, 2002.

PAYROLL. Payroll expense consists primarily of management and employee salaries. Total payroll expense for the six-month period ended June 30, 2003 was $122,794. The Company incurred no payroll expense for the six-month period ended June 30, 2002.

PROFESSIONAL FEES. Professional fees include fees paid to our accountants and attorneys. Our professional fees were $43,228 for the six-month period ended June 30, 2003. The Company incurred no professional fees for the six-month period ended June 30, 2002.

STOCK-BASED COMPENSATION. Stock-based compensation expense includes fees paid to individuals engaged to assist management in the furtherance of our business plan. Stock-based compensation expenses for the six-month period ended June 30, 2003 were $293,150 compared to $409,446 for the six-month period ended June 30, 2002. Stock-based compensation expense decreased by approximately 28% from the comparable period as the Company has consolidated certain functions after its merger to assist in the furtherance of our business model.

SOFTWARE DEVELOPMENT. Software Development expense was minimal as our software systems; communication tools and suite of software applications are complete. Software Development expense for the six-month period ended June 30, 2003 was $3,950. The Company incurred no software development expense for the six-month period ended June 30, 2002.

IMPAIRMENT LOSS ON OPERATING ASSETS. The company incurred no such costs for the six-month period ended June 30, 2003, nor June 30, 2002.

DEPRECIATION. Depreciation was $0 for the six-month period ended June 30, 2003 compared to $1,393 for the six-month period ended June 30, 2002. This represents depreciation on the assets of the Company.

TOTAL OPERATING EXPENSES. Total operating expenses for the six-month period ended June 30, 2003 were $547,111 compared to $593,688 for the six-month period ended June 30, 2002. Total operating expenses decreased by approximately 8% due mainly to a reduction in general and administrative expenses and stock-based compensation. Our most significant operating expenses are payroll and stock-based compensation.

INTEREST INCOME. Interest income was $561 for the six-month period ended June 30, 2003 compared to $967 for the six-month period ended June 30, 2002.

INTEREST EXPENSE. Interest expense was $90,484 for the six-month period ended June 30, 2003 compared to $8,251 for the six-month period ended June 30, 2002. Interest expense increased significantly as a result of the receipt of loans totaling $567,517.

LOSS FROM OPERATIONS/NET LOSS. Our loss from operations was $635,184 for the six-month period ended June 30, 2003 compared to $599,917 for the six-month period ended June 30, 2002. It should be expected that we will continue to incur losses from operations until such time as revenues can be generated to cover such costs.

*Future Business*

The elements of our future business strategy include: expanding geographically into key markets through a combination of opening new offices and developing relationships with clients to generate demand for our services, particularly for the company s hotel/motel and apartment products; recruiting qualified, medical software and other technical personnel to perform technical, implementation and support duties as contracts are entered into, although there can be no assurance that any such contracts will be secured; and pursuing entry into new markets complementary to our proposed operations. Future operations are dependent upon our ability to implement our business and marketing strategies and to establish relationships and contracts with health insurers and HMOs to provide our e-healthcare products and services, and to establish relationships with large hotel and/or motel chains for our hotel/motel products.

*Liquidity and Capital Resources*

Management believes our cash on hand of $11,913 will not be sufficient to fund ongoing fiscal 2003 and 2004 operations and provide for our working capital needs given we have negative working capital of $594,406. Thus we will from time to time need to raise additional funds through capital markets. Our accountant has issued a note concerning our ability to continue as a going concern. As we are still considered to be in the development stage, our prospects of continuing as a going concern are contingent upon our ability to raise additional capital and to achieve and maintain profitable operations. Revenues generated over and above expenses will be used for further development of our services, to provide financing for marketing and promotion, to secure additional customers, equipment and personnel, and for other working capital purposes.

To date, we have financed our cash flow requirements through an issuance of common stock and through the issuance of notes. During the six months ended June 30, 2003, we received loans totaling $101,600 from Robert Cox, President of CareDecision Corporation. This note bears an interest rate of 9% per annum and is due 365 days from date of issuance.

During our normal course of business, we will experience net negative cash flows from operations, pending receipt of revenues. Further, we will be obtaining financing to fund operations through additional common stock offerings, note issuances and bank borrowings, to the extent available, or to obtain additional financing to the extent necessary to augment our available cash on hand.

All investor inquiries should be directed via mail to Mr. Robert Cox, President, CareDecision Corporation, 2660 Townsgate Road, Suite 300, Westlake Village, California 91361.

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## PART II OTHER INFORMATION

### Item 6(a) Exhibits

| Exhibit Number | Name and/or Identification of Exhibit |
|---|---|
| 3.1 | Articles of Incorporation & By-Laws |
| | (a) Articles of Incorporation of the Company filed March 2, 2001. Incorporated by reference to the exhibits to the Company s General Form For Registration Of Securities Of Small Business Issuers on Form 10-SB, previously filed with the Commission. |
| | (b) Certificate of Amendment to the Articles of Incorporation of the Company filed May 9, 2001. Incorporated by reference to the exhibits to the Company s General Form For Registration Of Securities Of Small Business Issuers on Form 10-SB, previously filed with the Commission. |
| | (c) Certificate of Amendment to the Articles of Incorporation of the Company filed August 2, 2002. Incorporated by reference to the exhibits to the Company s June 30, 2002 Quarterly Report on Form 10-QSB, previously filed with the Commission. |
| 3.2 | By-Laws of the Company adopted March 16, 2001. Incorporated by reference to the exhibits to the Company s General Form For Registration Of Securities Of Small Business Issuers on Form 10 SB, previously filed with the Commission. |
| 31 | Rule 13a-14(a)/15d-14(a) Certification |
| 32 | Certification under Section 906 of the Sarbanes-Oxley Act (SECTION 1350) |

### Item 6(b) Reports Filed on Form 8-K

For the quarter ended June 30, 2003 the Company filed a report on Form 8-K with the Securities and Exchange Commission on May 20, 2003. The Company reported under Item 9. Regulation FD Disclosures that they had signed an agreement with associated hotel owners throughout Minnesota and North Dakota. Further, under Item 7. Financial Statements and Exhibits the Company filed the Agreement dated April 20, 2003 by and between CareDecision Corporation and the corresponding hotel/motel owners and residence centers. No financial statements were included in this report.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CareDecision Corporation**

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*(Registrant)*

Date: February 8, 2005

By: /s/ Robert Cox

Robert Cox

President and CEO

Date: February 8, 2005

By: /s/ Keith Berman

Keith Berman

Secretary and Treasurer/CFO

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