As filed with the Securities and Exchange Commission on December 3 , 2018

Registration No. 333-227385

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 3
to

FORM S-1
REGISTRATION STATEMENT
under the Securities Act of 1933

IMAC Holdings, Inc.
(Exact Name of Registrant as specified in its charter)

Delaware	**8093**	**83-0784691**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification No.)

IMAC Holdings, Inc.
1605 Westgate Circle
Brentwood, Tennessee 37027
(844) 266-4622
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Jeffrey S. Ervin
Chief Executive Officer
IMAC Holdings, Inc.
1605 Westgate Circle
Brentwood, Tennessee 37027
(844) 266-4622
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Spencer G. Feldman, Esq.
Olshan Frome Wolosky LLP
1325 Avenue of the Americas, 15th Floor
New York, New York 10019
(212) 451-2300

Ralph V. DeMartino, Esq.
F. Alec Orudjev, Esq.
Cavas Pavri, Esq.
Schiff Hardin LLP
901 K Street NW, Suite 700
Washington, D.C. 20001
(202) 778-6400

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ] Accelerated Filer [ ] Non-Accelerated Filer [ ] Smaller Reporting Company [X]
Emerging Growth Company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. [ ]

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (3)
Units, each consisting of one share of Common Stock and one Warrant to purchase Common Stock (4)(9)	$ 8,970,000	$ 1,087.16
Common Stock, par value $0.001 per share (“Common Stock”) (10)	$ -	$ -(6)
Warrants to purchase Common Stock (10)	-	-(6)
Common Stock issuable upon exercise of Warrants to purchase Common Stock (5)	$ 8,970,000	$ 1,087.16
Underwriters’ Unit Purchase Option:		
Units underlying the Unit Purchase Option (7)	-	-(6)
Common Stock included in the Units underlying the Unit Purchase Option (7)	$ 373,776	$ 45.30
Warrants to purchase shares of Common Stock included in the Units underlying the Unit Purchase Option (7)	624	0.08
Common Stock issuable upon exercise of Warrants included in the Units underlying the Unit Purchase Option (7)	$ 374,400	$ 45.38
Total	$ 18,688,800	$ 2,265.08(8)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes shares that the underwriters have the option to purchase to cover over-allotments, if any.

(3) Pursuant to Rule 416 under the Securities Act of 1933, as amended, this registration statement also covers any additional securities that may be offered or issued in connection with any stock split, stock dividend or similar transaction.

(4) Each Unit consists of one share of Common Stock and one Warrant to purchase a share of Common Stock, and the price per Unit represents the aggregate value of $5.99 per share of Common Stock and $0.01 per Warrant.

(5) For every share of C ommon S tock offered as part of a Unit there will be issued a W arrant to purchase one share of C ommon S tock.

(6) No additional filing fee is required.

(7) Represents the underwriters’ unit purchase option to purchase up to 4% of the securities sold in this offering at an exercise price equal to 120% of the public offering price per security issued in the offering.

(8) The Registrant previously paid $2,250.72 in connection with the initial filing of the Registrant’s Form S-1 registration statement on September 17, 2018 , and an additional $74.03 was paid in connection with A mendment No. 2 to cover an increase in the principal maximum aggregate offering price by $610,800 . No additional registration fee is due with this Amendment No. 3.

(9) Includes shares of C ommon S tock and W arrants that the underwriters have the option to purchase to cover over-allotments, if any.

(10) Component security underlying the Units.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion—Dated December 3 , 2018

PRELIMINARY PROSPECTUS

Units consisting of 1,300,000 Shares of Common Stock
and
Warrants to Purchase up to 1,300,000 Shares of Common Stock
(1,300,000 Shares of Common Stock Underlying the Warrants)

IMAC Holdings, Inc.

This is the initial public offering of securities of IMAC Holdings, Inc. We are offering units consisting of 1,300,000 shares of our common stock and warrants to purchase up to 1,300,000 shares of common stock (and the shares of common stock issuable from time to time upon exercise of the warrants), with each unit consisting of one share of common stock and one warrant to purchase one share of common stock, at an estimated initial public offering price of between $5.00 and $6.00 per unit . Until completion of this offering, the shares and warrants may only be purchased together as a unit . Each warrant will have an exercise price equal to the initial public offering price of the units in this offering, be exercisable upon issuance and expire five years after the date of this prospectus .

Prior to this offering, no public market has existed for any of our securities.

We intend to list our shares of common stock for trading on The NASDAQ Capital Market under the symbol “IMAC.” We believe that upon the completion of the offering contemplated by this prospectus, we will meet the standards for listing on The NASDAQ Capital Market. We do not intend to apply for any listing of the units or warrants on The NASDAQ Capital Market or any other securities exchange or market, and we do not expect that the units or warrants will be quoted in the over-the-counter market.

An investment in our securities is highly speculative, involves a high degree of risk and should be considered only by persons who can afford the loss of their entire investment. **See “Risk Factors” beginning on page 18.**

	Per Unit (3)
Initial public offering price	$
Underwriting discounts and commissions (1)(2)	$
Proceeds to us, before expenses	$

(1) Represents underwriting discounts and commissions equal to 6.25% per unit (or $ per share and $ per warrant), which is the underwriting discount we have agreed to pay to the underwriters in this offering.

(2) Does not include a non-accountable expense allowance equal to 0.75% of the gross proceeds of this offering, payable to the underwriters, or for the reimbursement of certain expenses of the underwriters.

(3) Each unit consists of one share of common stock and one warrant to purchase a share of common stock . The public offering price and underwriting discount correspond to an assumed public offering price per unit of $5.50 (comprised of an assumed public offering price per share of common stock of $5.49 and an assumed public offering price per warrant of $0.01), which represents the midpoint of the estimated public offering price range set forth on the cover page of this prospectus.

In addition to the underwriting discounts listed above and the non-accountable expense allowance described in the footnote, we have agreed to issue upon the closing of this offering a unit purchase option to Cuttone & Co., LLC, as representative of the several underwriters, entitling it to purchase a number of our securities equal to 4% of the securities sold in this offering. The underwriters’ unit purchase option will have an exercise price equal to 120% of the public offering price of the units set forth on the cover page of this prospectus (or $ 6.60 per share and warrant) and may be exercised on a cashless basis. The underwriters’ unit purchase option is not redeemable by us. This prospectus also covers the sale of the underwriters’ unit purchase option and the shares of common stock and warrants (and shares of common stock underlying such warrants) issuable upon the exercise of the underwriters’ unit purchase option. For additional information regarding our arrangements with the underwriters, see “Underwriting” beginning on page 92. We have granted the underwriters the right to purchase up to an additional 195,000 shares of common stock and/or warrants to purchase up to 195,000 shares of common stock, in any combination, from us at the initial public offering price per security, less underwriting discounts and commissions , to cover over-allotments, if any. The underwriters can exercise this option within 45 days after the date of this prospectus.

We are an “emerging growth company” as defined under U.S. federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements after this offering.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver our securities to purchasers on or about December , 2018.

CUTTONE & CO., LLC **DAWSON JAMES SECURITIES, INC.**

The date of this prospectus is December , 2018

IMAC
REGENERATION CENTERS

IMAC Achievements

- Established and expanding platform
- 11 clinics in three states
- 38,080 patient visits 1H 2017
- 44,973 patient visits 1H 2018
- 118,296 procedures 1H 2018

IMAC Mission

- Deliver conservative care alternatives to orthopedic surgeries
- Improve patient movement and independence
- Integrate regenerative, traditional, and physical medical care without opioids

OZZIE SMITH
IMAC REGENERATION CENTER

DAVID PRICE
IMAC REGENERATION CENTER

TONY DELK
IMAC REGENERATION CENTER

IMAC
REGENERATION CENTERS

TABLE OF CONTENTS

About this Prospectus

Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell units consisting of our shares of common stock and warrants, and are seeking offers to buy such securities , only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of our securities . Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering, or possession or distribution of this prospectus, in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the units consisting of our shares of common stock and warrants and the distribution of this prospectus outside of the United States. See “Underwriting.”

Unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from third-party industry analysts and publications and our own estimates and research. Some of the industry and market data contained in this prospectus are based on third-party industry publications. This information involves a number of assumptions, estimates and limitations. The sources of the third-party industry publications referred to in this prospectus are:

- Orbis Research, an independent market research firm; and
- IBIS World, an independent industry research company.

The industry publications, surveys and forecasts and other public information generally indicate or suggest that their information has been obtained from sources believed to be reliable. None of the third-party industry publications used in this prospectus were prepared on our behalf. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications.

PROSPECTUS SUMMARY

This summary highlights information contained in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our securities , you should carefully read this entire prospectus, including our consolidated financial statements and the related notes thereto and the information set forth under the sections "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes thereto, in each case included in this prospectus. Some of the statements in this prospectus constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

References in this prospectus to "IMAC Group" represent IMAC Holdings, Inc. on a pro forma basis after consummation of business transactions involving companies owning or managing IMAC Regeneration Centers and the related issuance of shares of common stock, debt and/or cash payments in such transactions, which were completed in June and August 2018. The business transactions refer to the following five transactions with entities for which IMAC Holdings currently has either no ownership or control, or varying degrees of ownership or control: Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, and BioFirma LLC.

References in this prospectus to "we," "us," "our," "our company," "our business" or "IMAC Holdings" are to IMAC Holdings, Inc., a Delaware corporation, and prior to the Corporate Conversion discussed in this prospectus, IMAC Holdings, LLC, a Kentucky limited liability company, and in each case, their consolidated subsidiaries.

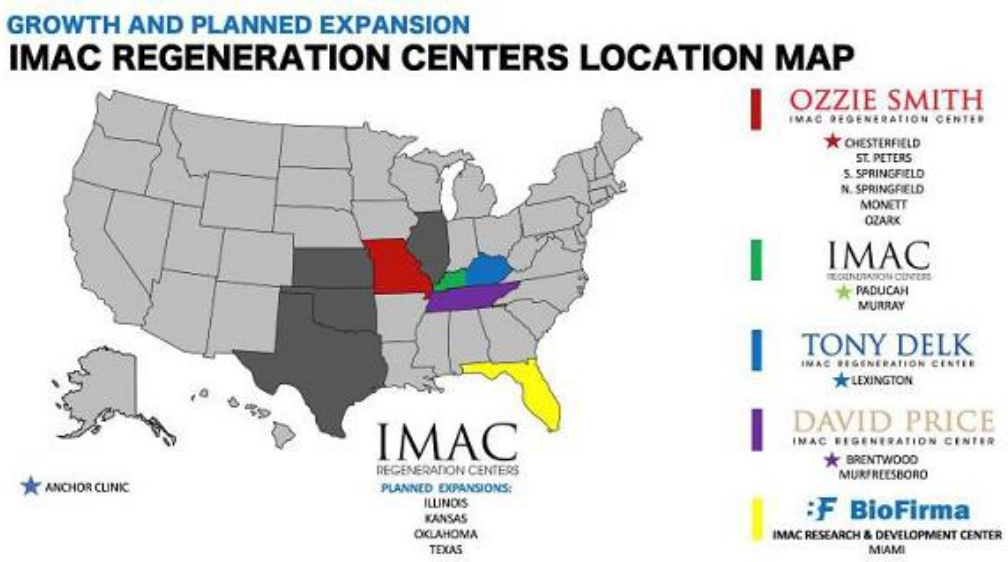
OUR COMPANY

We are a growing chain of Integrated Medicine and Chiropractic (IMAC) Regeneration Centers, combining life science advancements with traditional medical care for movement-restricting diseases and conditions. Our mix of medical and physical procedures is designed to improve patient experiences and outcomes, and to reduce healthcare costs as compared to other available treatment options. We own six and manage five outpatient clinics that provide regenerative, orthopedic and minimally invasive procedures and therapies. Our treatments are performed by licensed medical practitioners through our regenerative rehabilitation protocols designed to improve the physical health, to advance the quality of life and to lessen the pain of our patients. We do not prescribe opioids, but instead offer an alternative to conventional surgery or joint replacement surgery by delivering minimally invasive medical treatments to help patients with sports injuries, back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. Our employees focus on providing exceptional customer service to give our patients a memorable and caring experience. We believe that we have priced our treatments to be affordable by 95% of the population and are well positioned in the expanding regenerative medical sector.

Our licensed healthcare professionals provide each patient a custom treatment plan that integrates innovative regenerative medicine protocols (representing 31% of our revenue) with traditional, minimally invasive (minimizing incisions and skin punctures) medical procedures (representing 33% of our revenue) in combination with physical therapies (representing 31% of our revenue from physical therapy, and remaining 5% of our revenue from chiropractic). We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We have successfully treated patients that were previously addicted to opioids because of joint or soft tissue related pain. Further, our procedures comply with all professional athletic league drug restriction policies, including the National Football League (NFL), National Basketball League (NBA), National Hockey League (NHL), and Major League Baseball (MLB).

Dr. Matthew Wallis, DC, our Chief Operating Officer, opened the first IMAC Regeneration Center in Paducah, Kentucky 18 years ago in August 2000, which remains the flagship location of our current business. Dr. Jason Brame, DC joined Dr. Wallis in 2008. In 2015, Drs. Wallis and Brame hired Jeffrey S. Ervin as our Chief Executive Officer to collectively create and implement their growth strategy. The result was the formal creation of IMAC Holdings, LLC to expand IMAC clinics outside of western Kentucky, with such facilities to remain owned or operated under the group using the IMAC Regeneration Center name and services. In June 2018, we completed a corporate conversion in which IMAC Holding, LLC was converted to IMAC Holdings, Inc. to consolidate ownership of existing clinics and implement our growth strategy.

Since May 2016 to the date of this prospectus, IMAC has opened six outpatient medical clinics and acquired four physical therapy practices for a total of 11 clinics in Kentucky, Missouri and Tennessee. We intend to use a significant portion of the net proceeds of this offering to further expand the reach of our facilities to other strategic locations throughout the United States. In order to enhance our brand, we have partnered with several active and former professional athletes, opening two Ozzie Smith IMAC Regeneration Centers, two David Price IMAC Regeneration Centers, and one Tony Delk IMAC Regeneration Center. We have also signed former NBA player George Gervin to be a brand ambassador for future clinics in Texas. Our brand ambassadors help deliver awareness to our non-opioid services, emphasizing our ability to treat sports and orthopedic injuries as an alternative to traditional surgeries for joint repair or replacement.



Over the past few years we have seen a rapid growth in demand for our services as measured by patient visits. The demand for our services continues at a rapid rate fueled by growth for organic healthcare solutions over traditionally invasive orthopedic practices. For the eight months ended August 31, 2018, IMAC Group had 62,916 patient visits, which was 18% higher than the 53,287 visits for the comparable period in 2017. We also believe that our regenerative rehabilitation treatments are provided to patients at a much lower price than our primary competitors such as orthopedic surgeons, pain management clinics and hospital systems targeting invasive joint reconstruction. The average cost of inpatient care alone for a knee replacement was $16,300 in 2014 (excluding therapy). The average cost of a knee treatment for a patient that qualified for a knee replacement was $4,200 in 2017 (excluding therapy).

Most Costly Inpatient Stays by First-Listed Operating Room Procedure in 2014

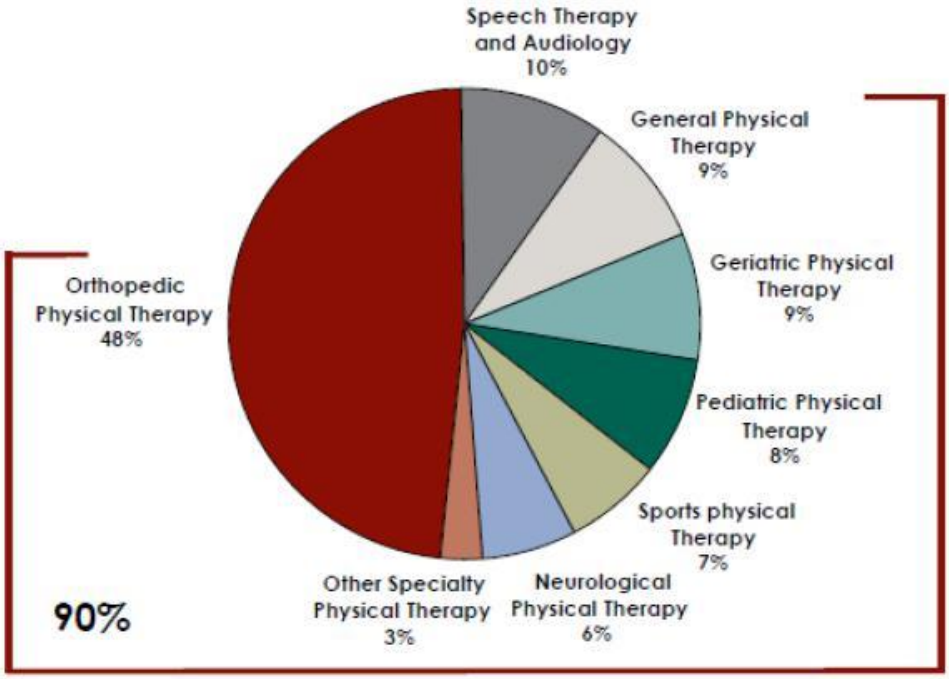
Rank	First-Listed Operating Room Procedure Type	Aggregate costs for inpatient stays in billions of $	Percent of aggregate costs for all stays for such procedure	Mean cost per stay in thousands of $
1	Spinal fusion	12.0	7.3	28.9
2	Arthroplasty of knee	11.8	7.2	16.3
3	Hip replacement, total and partial	8.3	5.1	17.1
4	Percutaneous coronary angioplasty (PTCA)	8.1	4.9	21.5
5	Cesarean section	7.0	4.3	6.1

Source: Healthcare Cost and Utilization Project, Agency for Healthcare Research and Quality, December 2017

We own our medical clinics directly or have entered into long-term management services agreements to operate and control medical clinics by contract. Our preference is to own the clinics; however, some state laws restrict the corporate practice of medicine and require a licensed medical practitioner to own the clinic. Accordingly, our managed clinics are owned exclusively by a medical professional within a professional service corporation (formed as a limited liability company or corporation) under common control with us or eligible members of our company in order to comply with state laws regulating the ownership of medical practices. We are compensated under management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation.

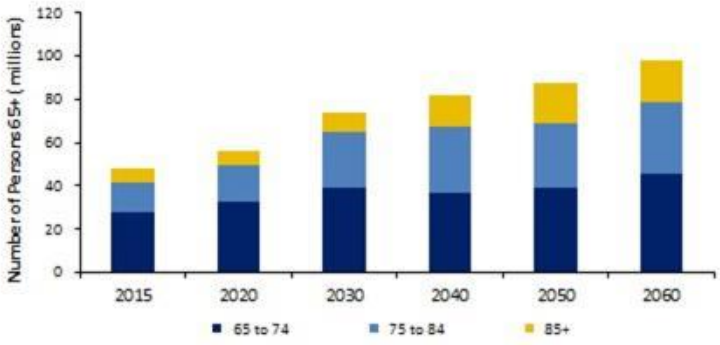
Orbis Research, an independent market research firm, reported that the regenerative healthcare industry in the United States is estimated to be $67.6 billion by 2019, and independent industry research company IBIS World estimated that outpatient rehabilitation in the U.S. is an approximately $30 billion industry, with approximately 90% of that revenue generated from physical rehabilitation services, including orthopedic, sports, geriatric and other forms of physical medicine. Outpatient rehabilitation is anticipated to grow at a rate of 2% to 7% in the coming years, according to these industry research companies, due to the aging baby boomer generation, sustained high rates of obesity and healthcare reform. We believe that as healthcare insurance providers seek to reduce medical costs and government regulation restricts access to opioid pain prescriptions, our outpatient medical clinics are poised to capture a larger share of healthcare spending.

Outpatient Rehabilitation Spending by Segment



We believe that we have positioned ourselves to take advantage of current trends in healthcare spending. According to the Centers for Medicare & Medicaid Services' National Health Expenditure Projections 2017-2026, national healthcare expenditures continue to rise and are projected to grow from an estimated $3.5 trillion in 2017 to $5.7 trillion by 2026, representing an average annual rate of growth of 5.5%, reaching a projected 19.7% of U.S. gross domestic product in 2026, as shown below.

Demand for minimally invasive movement corrections and non-opioid pain management has surged with the growth of the baby boomer generation. The U.S. Census estimates that the U.S. population over 65 years of age is projected to more than double from 47.8 million to nearly 98.2 million persons and the 85 and older population is expected to more than triple, from 6.3 million to 19.7 million persons, between 2015 and 2060. Additionally, according to the U.S. Census Bureau, the number of older Americans is increasing as a percentage of the total U.S. population with the number of persons older than 65 estimated to comprise 14.9% of the total U.S. population in 2015 and projected to grow to 23.6% by 2060.



Source: U.S. Census Bureau

This significant demographic shift is changing healthcare consumption patterns. At the same time, individuals who are not eligible for Medicare have faced a significant rise in health insurance premiums. As consumers assume the burden of greater healthcare costs, they are price shopping and considering second opinions from conservative treatment providers like our company.

Our Operations

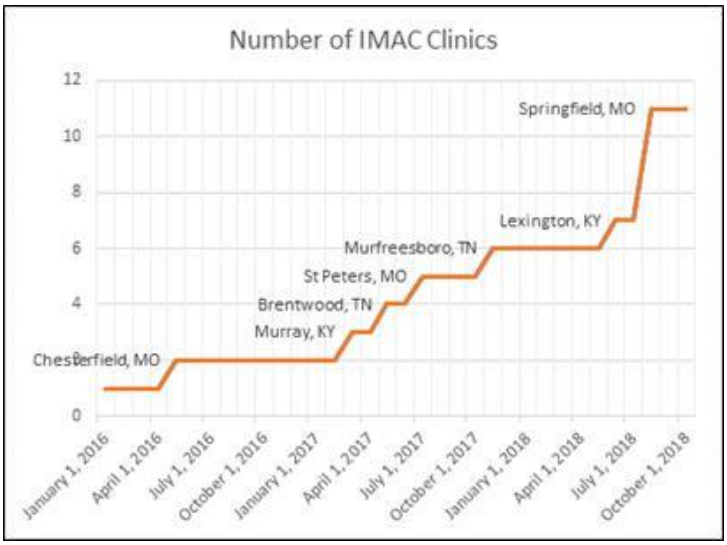
We currently operate 11 outpatient medical clinics in three states. Our original clinic opened 18 years ago in August 2000 and remains the flagship location of our current business, which was formally organized in March 2015 with the mission of expanding the reach of our facilities to other strategic locations throughout the United States. Our flagship medical clinic has been operated during the last 18 years by Matthew C. Wallis, DC and Jason Brame, DC, two of our co-founders, and, since March 2015, together with Jeffrey S. Ervin, our third co-founder and the current Chief Executive Officer of the company. This management team continues today throughout the organization incorporating the same strategies used to build and operate the company's flagship location. During 2016 and 2017, we opened five medical clinics and expanded into two new states, Missouri and Tennessee. This year, to date, we opened one medical clinic and acquired four physical therapy clinics.

Below is a list of our outpatient medical clinics and information about how we own or control these medical clinics:

Clinic Name	Location of Clinic	Date Opened or Acquired	Form and Date of Control	Operations Included in 2017 Consolidated Pro Forma Results	Operations Included in September 30, 2018 Consolidated Pro Forma Results
IMAC Regeneration Center	Paducah, Kentucky	August 2000	Managed since June 28, 2018	12 months	9 months
Ozzie Smith Center	Chesterfield, Missouri	May 2016	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	12 months	9 months
IMAC Regeneration Center	Murray, Kentucky	February 2017	Managed since June 28, 2018	11 months	9 months
David Price Center	Brentwood, Tennessee	May 2017	Managed since November 1, 2016	8 months	9 months
Ozzie Smith Center	St. Peters, Missouri	August 2017	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	5 months	9 months
David Price Center	Murfreesboro, Tennessee	November 2017	Managed since November 2017	2 months	9 months
Tony Delk Center	Lexington, Kentucky	July 2018	Managed since July 2, 2018	None	3 months
Advantage Therapy	South Springfield, Missouri	August 2018 (originally opened August 2004)	Full ownership effective August 1, 2018, when	None	1 month

			100% interest was acquired		
Advantage Therapy	North Springfield, Missouri	August 2018 (originally opened March 2013)	Full ownership effective August 1, 2018, when 100% interest was acquired	None	1 month
Advantage Therapy	Monett, Missouri	August 2018 (originally opened May 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	None	1 month
Advantage Therapy	Ozark, Missouri	August 2018 (originally opened November 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	None	1 month

Given the number of acquisitions that we have completed in the last several years, as illustrated above, it is important to note that prior to January 1, 2017, we managed only the IMAC Regeneration Center in Paducah, Kentucky and the Ozzie Smith Center in Chesterfield, Missouri. Beginning in 2017, our financial information includes the results of operations of these two clinics as well as our IMAC Regeneration Center in Murray, Kentucky, David Price Center in Brentwood, Tennessee, Ozzie Smith Center in St. Peters, Missouri and David Price Center in Murfreesboro, Tennessee. The results of operations for the remaining medical clinics listed above are reflected in our 2018 financial statements.



All employees who provide direct medical services to patients are employed by the professional service corporation. We employ the non-medical provider staff for the clinics and provide comprehensive management and administrative services to help the professional service corporation operate the clinics. We are compensated under management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation. Under our management services agreements, all obligations owed to us by the professional service corporations are secured by all accounts receivable, contract rights, revenues and general intangibles of the applicable professional service corporation. The management services agreements may be terminated by mutual agreement of the parties, by a non-breaching party after 30 days following an uncured breach by the other party, upon a bankruptcy of either party or by us upon 90 days' prior written notice to the other party.

Our Services

The licensed healthcare professionals at our clinics work with each patient to create a protocol customized for each patient by utilizing a combination of the following traditional and innovative treatments:

Medical Treatments. Our specialized team of doctors work together to provide the latest minimally invasive, prescription-free treatments for movement challenges or pain related to orthopedic conditions. The treatments are customized to treat the underlying condition instead of addressing the challenge with prescriptions or surgeries.

● ***Regenerative Medicine.*** Regenerative therapy at IMAC Regeneration Centers utilizes undifferentiated cellular tissue to regenerate damaged tissue. The majority of our procedures utilize cells from the patient, harvested under minimal manipulation, and applied during the same visit to the clinic. These autologous cells help to heal degenerative soft tissue conditions, which cause pain or compromise the patient's quality of life. Independent studies in this area, including a recent safety and feasibility study published by Dr. Peter B. Fodor, "Adipose Derived Stromal Cell Injections for Pain Management of Osteoarthritis in the Human Knee Joint" (Aesthetic Surgery Journal, February 2016), have supported claims that autologous cell treatments using stromal vascular fraction (adipose) and bone marrow lead to improved function and decreased pain within joints, muscles and connective tissue and can help alleviate osteoarthritis and degenerative disease. We believe that we have generally followed the increasingly accepted protocols described in these studies in connection with our regenerative therapies.

Physical Medicine. Our team of sports medicine practitioners start by collaboratively building a personalized physical medicine treatment plan designed to help patients get back to living the life they deserve.

● ***Physical Therapy.*** With a combination of biomechanical loading and tissue mobilization, our licensed physical rehabilitation therapists work with each patient to help the body restore skill within the joint or soft tissue.

● ***Spinal Decompression.*** During this treatment, the spine is stretched and relaxed intermittently in a controlled manner, creating a negative pressure in the disc area that can pull herniated or bulging tissue back into the disc. Whether caused by trauma or degeneration, we realize the impact a spinal injury can have on the quality of one's life and seek to provide innovative, minimally invasive medical technology and care to relieve back pain and restore function.

● ***Chiropractic Manipulation.*** Common for spine conditions, manual manipulation is used to increase range of motion, reduce nerve irritability and improve function.

Our Growth and Expansion Strategy

We have developed a comprehensive approach and well-defined model for new clinic openings ranging from site selection to staffing. Our original clinic in Paducah, Kentucky, which opened in August 2000, has shown consistent growth in patient visits, and is profitable. We will continue to apply this extensive experience and knowledge to new clinic openings as well as acquisitions. Our six recently opened clinics, combined with our August 2018 acquisition of four physical therapy clinics, are expected to provide us with significant revenue growth as these sites mature. In 2018, we have also made investments in our corporate infrastructure and life science product development, which we believe will position us well to support our planned expansion.

We have plans to open additional IMAC Regeneration Centers in the states in which we currently operate, as well as in other strategic locations throughout the United States, building on our familiarity with the demographic market and our reputation in the area to attract new patients and endorsements. Our strategic partnerships with regional and national sports celebrities have enabled us to increase our visibility in our markets and become known for providing innovative regenerative-based therapies. We continue to seek opportunities to work with more athletes to draw awareness to our services. In addition, we have enlisted a wide range of medical and alternative medicine professionals to continue providing innovative outpatient treatments to our patients without major surgery or prescription pain medication. The key elements of our growth and expansion strategy are:

Open New Outpatient Locations and Facilities. We are in the process of identifying strategic new locations at which to lease and develop new IMAC Regeneration Centers. We anticipate initial expansion in the Midwest and southern United States, including in Illinois, Kansas, Oklahoma and Texas within the first 12 months following this offering. By branching into states adjacent to existing centers, we will expand our regional market familiarity, with our outpatient clinics and focus our marketing efforts. We believe our strong regional operations will provide brand awareness and allow us to leverage our established administrative infrastructure and will provide a foundation to support our expansion.

Expand Our Service Offerings to Employers and Self-Insured Health Plans. We have received inquiries from employers researching conservative treatment options for their employees. The inquiries primarily focus on minimizing employee time away from work related to injuries or occupational hazards and the cost of aggressive orthopedic treatments and threat of opioid abuse for employees enrolled in an employer health plan. We intend to use a portion of the net proceeds from this offering for the purpose of creating simple conservative treatment protocols for employers seeking to reduce employee downtime, prescription narcotic usage and surgical expenditures within their health plan.

Continue to Obtain Endorsements from Well-Known Sports Celebrities. We continue to attract celebrity sports endorsers for each market in which we operate and plan to expand. By collaborating and co-branding with well-known sports figures, patients become more familiar with our brand and associate our company with physical fitness and well-being. Working with sports celebrities that are well-known in our markets and personally recommend our treatments helps establish credibility with patients in those markets.

Accelerate Research and Development of New Regenerative Products. Our recent investment in BioFirma, LLC was executed in order to research and develop regenerative medicine products and supplies. We intend to use a portion of the net proceeds from the offering to fund this research with the goal of identifying innovative treatments to deliver within IMAC Regeneration Centers, as well as producing approved products for distribution into the broader medical community.

Expand Our Advertising and Marketing. We intend to increase our advertising and marketing efforts and reach throughout our primary service areas in order to grow patient volume at our existing facilities and spur interest in newer locations. Our current marketing efforts include a combination of local television, internet and event advertising. We will introduce employer marketing initiatives with help from our celebrity endorsers. While we welcome patients that are referred to us by other healthcare providers, we believe that direct marketing will generate more new patients for our outpatient clinics than relying solely on antiquated medical referral practices.

Offer State-of-the-Art Orthopedic Treatments. Our regenerative medicine techniques are used to prevent arthritis, treat meniscus tears, defeat muscle deterioration and address other damaged tissue conditions. We will continue offering innovative therapies and recently approved medical technologies, including alternative medicine treatments, and will adapt our treatment offerings as new treatments are developed and come to market. By bringing together a diverse array of medical specialists, we are able to treat more health conditions and attract a larger base of patients.

Our Revenue Model

Our revenue mix is diversified between medical treatments and physiological treatments. Our medical treatments are further segmented into traditional medical and regenerative medicine procedures. For the last two full fiscal years and the first quarter of this year, traditional medical treatments comprised approximately 33% of IMAC Group's total net patient revenues, while regenerative medicine accounted for approximately 31% of total net patient revenues. Physiological treatments generated the remainder of the total net patient revenues as physical therapy amounted to 31% and chiropractic care amounted to 5% of such revenues. We are an in-network provider for traditional physical medical treatments, such as physical therapy, chiropractic services and medical evaluations, with most private health insurance carriers. Regenerative medical treatments are typically not covered by insurance, but paid by the patient. Approximately 25% of IMAC Group's total net patient revenues are attributable to insurance payments, 22% to payments from the Centers for Medicare & Medicaid Services ("CMS") and 53% to cash payments from patients.

References in the following paragraph are to IMAC Holdings, Inc. and prior to June 1, 2018, IMAC Holdings, LLC. IMAC Holdings, Inc. represents our consolidated financial statements prior to the consummation of certain business transactions. The business transactions refer to the following five transactions with entities for which IMAC Holdings acquired ownership or control, or varying degrees of ownership or control, as of September 30, 2018: Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC.

IMAC Holdings recorded consolidated patient billings of $8,020,071 (unaudited) and $1,378,313 and realized total net patient revenues, less allowances for contractual adjustments with third-party payers, of $3,364,190 (unaudited) and $654,625 for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively, and had no revenues in 2016. No revenues were recorded in 2016 because IMAC Holdings did not own or manage any clinics in its name in 2016 and the clinics with which it had entered into management service agreements in 2016 did not open until early 2017. IMAC Holdings' net (loss) for the nine months ended September 30, 2018 and year ended December 31, 2017 were $(2,116,284) (unaudited) and $(57,181), respectively. The net loss for the nine months ended September 30, 2018 included one-time costs of approximately $145,000 related to this offering.

References in the following paragraph to IMAC Group represent IMAC Holdings, Inc. on a pro forma basis after consummation of certain business transactions. The business transactions refer to the following five transactions with entities for which IMAC Holdings acquired ownership or control, or varying degrees of ownership or control, as of September 30, 2018: Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC.

IMAC Group, which includes the unaudited pro forma results from the acquisitions of Integrated Medicine and Chiropractic Regeneration Center PSC and IMAC of St. Louis, LLC in June 2018 and the acquisitions of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC in August 2018, as if they each occurred on January 1, 2017, had patient billings of $19,351,574 and $25,812,212 and total net patient revenues of $7,243,288 and $9,596,315 for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively. IMAC Group's pro forma net (loss) for the nine months ended September 30, 2018 and year ended December 31, 2017 were $(3,425,330) and $(1,328,513), respectively. The net loss for IMAC Group for the nine months ended September 30, 2018 included one-time costs of approximately $145,000 related to this offering.

Our Competitive Advantages

While some of our competitors offer regenerative medical treatments, we believe that few companies have the multi-disciplinary approach of combining physical therapy and medical professionals working together to generate optimal regenerative health outcomes.

Competitive factors affecting our business include quality of care, cost, treatment outcomes, convenience of location, and relationships with, and ability to meet the needs of, referral and insurance payor sources. Our clinics compete, directly or indirectly, with many types of healthcare providers including the physical therapy departments of hospitals, private therapy clinics, physician-owned therapy clinics, and chiropractors. We may face more intense competition if consolidation of the therapy industry continues.

We believe that we differentiate ourselves from our competition and have been able to grow our business as a result of the following competitive strengths:

Our Minimally Invasive Approach to Traditional Orthopedic Care. We pay particular attention to rehabilitating our patients' musculoskeletal system to reduce pain and enhance mobility without major surgery or anesthesia. By combining physical therapy and regenerative medicine, we are able to treat a variety of physical conditions by using a patient's own body to help heal itself.

Strong Regional Presence. We own six and manage five clinics in three states, providing us significant leverage for implementation of our marketing strategies and utilization of our staff. We believe we offer a broader platform of regenerative therapies than our regional competitors.

We Do Not Prescribe Addictive Opioids. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We focus on preventing the potential for addiction through our regenerative-based therapies that help alleviate chronic pain.

We Employ a Regenerative Medicine Scientist. Few medical providers employ scientists. Our regenerative medicine scientist works at our BioFirma office in Miami, Florida and provides direction to our medical professionals as to the availability of regenerative medicine advancements in the marketplace. Collaborative work among our medical professionals and our regenerative medicine scientist through regular meetings, in person visits and telephonic communication yields broad discussions on the potential to develop proprietary techniques or services using such advancements.

We Utilize Diverse Medical Specialists for Customized Care. Our treatment protocols are customized by a team of medical doctors, nurse practitioners, chiropractors and physical therapists and are designed to heal damaged tissue without major surgery or prescription pain medication. This team approach delivers comprehensive service while avoiding the higher costs of major reconstructive surgery by medical specialists.

Our Leadership Team

We are led by senior executive officers who together have more than 70 years of combined experience in the healthcare service industry. Jeffrey S. Ervin, our Chief Executive Officer, co-founded our company in March 2015. Mr. Ervin has a history of managing private equity operations in the healthcare and other growth-oriented industries. Before co-founding our company, Mr. Ervin was the senior financial officer at Medx Publishing, an online healthcare marketing and technology firm and parent company of Medicare.com, where he was responsible for the successful sale and disposition of Medicare.com. Mr. Ervin earned an M.B.A. degree from Vanderbilt University.

Another co-founder of our company, Matthew C. Wallis, DC, a licensed chiropractor, is our Chief Operating Officer. Dr. Wallis has implemented strategies in the company to create consistent operating efficiencies for our sales, marketing and service delivery across all of our IMAC Regeneration Centers.

D. Anthony Bond, CPA joined us as our Chief Financial Officer in October 2017. Prior to joining our company, Mr. Bond held CFO and other senior finance positions with healthcare organizations managing multi-state operations.

Ian A. White, Ph.D. joined us as our Chief Scientific Officer in August 2018. He is the President of BioFirma, LLC, a stem cell regenerative medicine research firm, and Chairman of the Scientific Committee for the American Association of Stem Cell Physicians. Dr. White received his Ph.D. in Physiology, Biophysics and Systems Biology from Cornell University at its Ansary Stem Cell Institute.

Business Transactions

In June 2018, we completed the following transactions with Clinic Management Associates, LLC (which merged into IMAC Management Services, LLC), IMAC of St. Louis, LLC and IMAC Regeneration Management of Nashville, LLC (the "June Transactions"). In August 2018, we completed transactions with Advantage Therapy, LLC and BioFirma, LLC (the "August Transactions" and, with the June Transactions, the "Transactions"). We intend to make additional acquisitions following this offering and, in the ordinary course of business, we frequently engage in discussions with potential acquisition candidates and/or their representatives. We have no current commitments or agreements for any acquisitions. Information concerning our recent transactions is set forth below.

Integrated Medicine and Chiropractic Regeneration Center PSC. Our wholly-owned subsidiary, IMAC Management Services, LLC, holds a long-term Management Services Agreement with Integrated Medicine and Chiropractic Regeneration Center PSC, a professional service corporation controlled by our co-founders Matthew C. Wallis, DC and Jason Brame, DC, which operates two IMAC Regeneration Centers in Kentucky. The Management Services Agreement is exclusive, extends through June 2048 and will automatically renew annually each year thereafter unless written notice is given within 180 days prior to the completion of the extended term. On June 29, 2018, Clinic Management Associates, LLC, controlled by Drs. Wallis and Brame, merged with and into our subsidiary IMAC Management Services, LLC. IMAC Management Services, LLC provides exclusive comprehensive management and related administrative services to the IMAC Regeneration Centers under the Management Services Agreement. Pursuant to the merger agreement with Clinic Management Associates, LLC, we agreed to pay cash or issue shares of our common stock having a value of $4,598,576 to its former owners. In August 2018, Drs. Wallis and Brame agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the merger agreement. Under the Management Services Agreement, we will receive service fees based on the cost of the services we provide, plus a specified markup percentage, and a discretionary annual bonus.

IMAC of St. Louis, LLC. We entered into a Unit Purchase Agreement with the equity owners of IMAC of St. Louis, LLC to acquire the remaining 64% of the outstanding units of the limited liability company membership interests we did not already own. This entity, doing business as the Ozzie Smith Center, operates two locations in Missouri. Pursuant to the terms of the Unit Purchase Agreement, we agreed to pay IMAC of St. Louis, LLC's former owners upon the closing of this offering $1,000,000 in cash and the remainder in shares of common stock for aggregate consideration of $1,490,632. The former owners of IMAC of St. Louis, LLC have agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the Unit Purchase Agreement. The effective date of the transaction was June 1, 2018.

IMAC Regeneration Management of Nashville, LLC. We entered into a Unit Purchase Agreement with the equity owners of IMAC Regeneration Management of Nashville, LLC to acquire the remaining 24% of the outstanding units of the limited liability company membership interests we did not already own for an amount equal to $110,000 in cash (which was paid at the closing of the Unit Purchase Agreement) and $190,000 principal amount of 4% convertible notes (on the same terms as in our 2018 private placement described below). The effective date of this transaction was June 1, 2018. IMAC Regeneration Management of Nashville, LLC, now our 100%-owned subsidiary, and IMAC Regeneration Center of Nashville, P.C. previously agreed to a long-term, exclusive management services agreement on November 1, 2016.

Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC Management Services, LLC, IMAC of St. Louis, LLC and IMAC Regeneration Management of Nashville, LLC are related companies having common ownership with us and our controlling stockholders and have been operating together with us as a single group since 2015. See "Unaudited Pro Forma Condensed Consolidated Financial Information" to show the impact of these transactions on our financial statements.

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC. In August 2018, we purchased 100% of the outstanding units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, a physical and occupational therapy business with four clinics serving the Springfield, Missouri metropolitan area. The purchase price was $22,930 in cash (which was paid at the closing of the Unit Purchase Agreement) and $870,000 payable in shares of our common stock upon the closing of this offering.

BioFirma, LLC. On August 20, 2018, we acquired a 70% ownership position in BioFirma, LLC for $1,000 in cash. The acquisition of this entity was not considered significant as measured under specific financial tests of the SEC. BioFirma was formed to produce and commercialize NeoCyte, an umbilical cord-derived mononuclear cell product following the FDA's current Good Clinical Practices (or cGCPs) regulations. We intend to use approximately $500,000 of the net proceeds of this offering for further research and product development of NeoCyte and other regenerative medicine products, including obtaining approvals, certifications or designations from the FDA. A portion of the funds for BioFirma will be used for the employment of Ian A. White, Ph.D., Chief Scientific Officer, for a three-year period, as well as for equipment and manufacturing of the product. When it is market-ready, we intend to sell the NeoCyte product at our IMAC Regeneration Centers and other medical clinics.

2018 Private Placement

In the first six months of 2018, we received gross proceeds of $1,530,000 from a private placement of our 4% convertible promissory notes. The $1,530,000 and an additional $200,000 in existing equity and payments to investors is convertible into 270,313 shares of our common stock, pursuant to the terms of a Securities Purchase Agreement with 23 accredited investors. The principal amount of the promissory notes is convertible into shares of common stock automatically upon the closing of this offering. The conversion price of the promissory notes is an amount reflecting a 20% discount to the initial public offering price per share in this offering.

On June 1, 2018, we entered into a note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. An existing note payable with this entity with an outstanding balance of $379,675.60 will be combined into the new note payable. The note carries an interest rate of 10% per annum and all outstanding balances are due and payable at the closing of this offering. The proceeds of this note are being used to satisfy ongoing working capital needs, expenses related to the preparation for this offering, equipment and construction costs related to new clinic locations and potential business combination and transaction expenses.

Selected Risks Associated with Our Business

Despite our growth and expansion strategy and the competitive advantages we describe above, our business and prospects may be limited by a number of risks and uncertainties that we currently face, including:

- We operate in an intensely competitive market for healthcare solutions against a number of large, well-known hospital systems and outpatient medical clinics.
- We have a limited operating history and we cannot ensure the long-term successful operation of our business.
- IMAC Group had unaudited net losses of $(3,425,330) and $(1,328,513) for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively. There can be no assurance we will have net income in future periods.

- As part of our growth strategy following this offering, we intend to develop or acquire other outpatient medical clinics; however, there is no assurance that we will be able to identify appropriate acquisition targets, successfully acquire identified targets or successfully develop and integrate the businesses to realize their full benefits.

- Our business depends on the availability to us of Jeffrey S. Ervin, our Chief Executive Officer, who has unique knowledge regarding our roll-out of IMAC Regeneration Centers, and Matthew C. Wallis, DC, our Chief Operating Officer, who has business contacts that would be extremely difficult to replace, and our business would be materially and adversely affected if either of their services were to become unavailable to us.

Implications of Being an "Emerging Growth Company"

As a public reporting company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- are not required to obtain an attestation and report from our auditors on our management's assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act (the "Sarbanes-Oxley Act");

- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives (commonly referred to as "compensation discussion and analysis");

- are not required to obtain a non-binding advisory vote from our stockholders on executive compensation or golden parachute arrangements (commonly referred to as the "say-on-pay," "say-on-frequency" and "say-on-golden-parachute" votes);
- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;

- may present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A; and

- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act. See "Risk Factors," at page 18 ("*We are an 'emerging growth company'. . . .*").

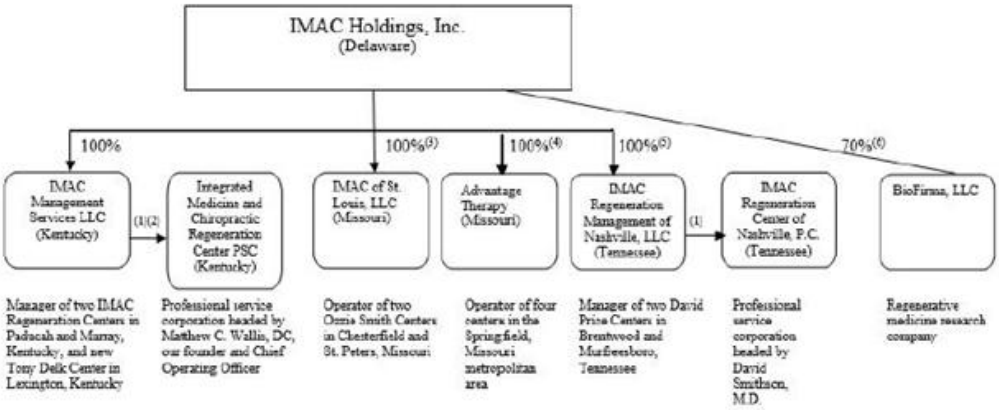
Certain of these reduced reporting requirements and exemptions were already available to us due to the fact that we also qualify as a "smaller reporting company" under the SEC's rules. For instance, smaller reporting companies are not required to obtain an auditor attestation and report regarding internal control over financial reporting, are not required to provide a compensation discussion and analysis, are not required to provide a pay-for-performance graph or CEO pay ratio disclosure, and may present only two years of audited financial statements and related MD&A disclosure.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. In this regard, the JOBS Act provides that we would cease to be an "emerging growth company" if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our common stock held by non-affiliates, or issue more than $1 billion in principal amount of non-convertible debt over a three-year period. Under current SEC rules, however, we will continue to qualify as a "smaller reporting company" for so long as we have a public float (i.e., the market value of common equity held by non-affiliates) of less than $250 million as of the last business day of our most recently completed second fiscal quarter.

Corporate Information and Incorporation

The first IMAC Regeneration Center was organized in August 2000 as a Kentucky professional service corporation. That center was the forerunner to our current business and remains our flagship location. Matthew C. Wallis, DC and Jason Brame, DC, together with Jeffrey S. Ervin, became the founding members of IMAC Holdings, LLC, a Kentucky limited liability company organized in March 2015, to expand our management team to support our clinical expansion while meeting the requirements of state healthcare practice guidelines and ownership laws.

The following chart reflects the corporate structure of our key operating units:



Percentages above refer to our ownership of subsidiaries' limited liability company membership interests as of November 21, 2018.

(1) As required by applicable state law, our medical clinics in Kentucky and Tennessee are held in professional service corporations owned entirely by licensed medical practitioners because the clinics are engaged in the practice of medicine through physicians and nurse practitioners. We are able to manage these medical clinics through limited liability companies that enter into management services agreements with the professional service corporations that own the clinics. Under these agreements, we provide exclusive comprehensive management and related administrative services to the professional service corporation and receive management fees. Due to this financial and operational control by contract, our financial statements consolidate the financial results of the professional service corporations. See "Prospectus Summary – Our Company; Our Operations."

(2) Our medical clinics in Kentucky are held in Integrated Medicine and Chiropractic Regeneration Center PSC, a professional service corporation owned by Matthew C. Wallis, DC and Jason Brame, DC. IMAC Management Services LLC, our 100%-owned subsidiary, and Integrated Medicine and Chiropractic Regeneration Center PSC agreed to a long-term, exclusive management services agreement on June 28, 2018. See "Prospectus Summary – Our Company; Business Transactions."

(3) We previously owned 36% of the outstanding limited liability company membership interests of IMAC of St. Louis, LLC, and acquired the remaining 64% of the outstanding units on June 1, 2018. See "Prospectus Summary – Our Company; Business Transactions."

(4) We acquired 100% of the outstanding units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC in August 2018. See "Prospectus Summary – Our Company; Business Transactions."

(5) We previously owned 76% of the outstanding limited liability company membership interests of IMAC Regeneration Management of Nashville, LLC, and acquired the remaining 24% of the outstanding units on June 1, 2018. Our medical clinics in Tennessee are held in IMAC Regeneration Center of Nashville, P.C., a professional service corporation headed by David Smithson, M.D., the centers' medical director. IMAC Regeneration Management of Nashville, LLC, now our 100%-owned subsidiary, and IMAC Regeneration Center of Nashville, P.C. agreed to a long-term, exclusive management services agreement on November 1, 2016. See "Prospectus Summary – Our Company; Business Transactions."

(6) We acquired a 70% ownership position in BioFirma, LLC on August 20, 2018. BioFirma was formed to produce and commercialize NeoCyte, an umbilical cord-derived mononuclear cell product following the FDA's cGCPs regulations. We are investing in BioFirma to support further research and product development of NeoCyte and other regenerative medicine products. See "Prospectus Summary – Our Company; Business Transactions."

Our consolidated financial statements include the accounts of IMAC Holdings, Inc. and the following entities which are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity: IMAC Management Services, LLC and IMAC Regeneration Management of Nashville, LLC; the following entity which is consolidated with IMAC Regeneration Management of Nashville, LLC due to control by contract: IMAC Regeneration Center of Nashville, PC; and the following entities which were held as a minority interest prior to June 1, 2018: IMAC of St. Louis, LLC and due to control by contract, as of June 29, 2018, Integrated Medicine and Chiropractic Regeneration Center PSC. Additionally, our consolidated financial statements include the financial results of our acquisition of all of the outstanding units of Advantage Therapy and Orthopedic Rehabilitation LLC and 70% of the outstanding units of BioFirma, LLC as of August 2018.

Effective June 1, 2018, IMAC Holdings converted into a Delaware corporation and we changed our name to IMAC Holdings, Inc., which is referred to herein as the Corporate Conversion. In conjunction with the conversion, all of our outstanding membership interests were exchanged on a proportional basis into shares of common stock. As a result of the Corporate Conversion, we are now a federal corporate taxpayer as opposed to a pass-through entity for tax purposes. For more information, see the section entitled “Corporate Conversion.”

Our principal executive offices are located at 1605 Westgate Circle, Brentwood, Tennessee 37027 and our telephone number is (844) 266-IMAC (4622). We maintain a corporate website at http://www.imacregeneration.com.

We own various U.S. federal trademark registrations and applications, and unregistered trademarks, including the registered mark “IMAC Regeneration Center.” All other trademarks or trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the symbols ® and ™, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent possible under applicable law, their rights thereto.

Channels for Disclosure of Information

Investors and others should note that we use social media to communicate with the public about our company, our services, new product developments and other matters. Any information that we consider to be material to an evaluation of our company will be included in filings on the SEC website, http://www.sec.gov, and may also be disseminated using our investor relations website, which can be found http://www.imacregeneration.com, and press releases. However, we encourage investors, the media and others interested in our company to also review our social media channels.

We do not incorporate the information on, or accessible through, our website into this prospectus, and you should not consider any information on, or that can be accessed through, our website a part of this prospectus.

THE OFFERING

The summary below describes the principal terms of this offering. The “Description of Capital Stock” section of this prospectus contains a more detailed description of our common stock and warrants .

Securities offered by us	1,300,000 units, each unit consisting of one share of common stock and one warrant to purchase one share of common stock .
Proposed initial public offering price s	$5.50 per unit (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) , with the common stock and warrants priced at $5.49 per share and $0.01 per warrant, respectively.
Warrants	Each share of our common stock offered is being sold together as a unit with a warrant to purchase one share of common stock. Each warrant will be exercisable at an exercise price equal to the initial public offering price of the units in this offering. The warrants are exercisable at any time for a period of five years after the date of this prospectus . This prospectus also relates to the offering of the shares of common stock issuable upon exercise of the warrants.
Underwriters’ over-allotment option	We have granted the underwriters a 45-day option to purchase up to an additional 195,000 shares of our common stock and/or warrants to purchase up to 195,000 shares of our common, in any combination, from us at the price per security to the public, less underwriting discounts and commissions , to cover over-allotments, if any.
Reverse stock split	Prior to the effectiveness of this offering, we intend to effect a 0.6869-for-1 reverse stock split of our outstanding shares of common stock. As a result of the reverse stock split, we will have 4,521,813 outstanding shares of common stock prior to the effectiveness of this offering, plus an additional 1,871,237 shares of common stock issuable contemporaneously with the effectiveness of this offering in connection with our recent business transactions, 2018 private placement and consulting fee, for an aggregate of 6,393,050 shares of common stock before the issuance and sale of the securities offered by us in this offering. Unless otherwise indicated, all share and per share information in this prospectus reflects the reverse stock split.
Securities to be outstanding after this offering	7,693,050 shares (or 7,888,050 shares if the underwriters’ option to purchase additional shares from us is exercised in full) and 1,300,000 warrants (or 1,495,000 warrants if the underwriters’ option to purchase additional warrants from us is exercised in full) (1).
Use of proceeds after expenses	We estimate that the net proceeds of this offering will be approximately $6,380,000 (or approximately $7,377,000 if the underwriters exercise their option in full to purchase additional shares of our common stock and warrants), based on an assumed initial public offering price of $5.50 per unit , after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds of this offering (i) to finance the costs of leasing, developing and acquiring new IMAC Regeneration Center medical clinics, (ii) to repay an interim promissory note used for working capital, (iii) to fund research and new product development activities and (iv) for working capital and general corporate purposes. We currently have no commitments in place with respect to any acquisitions or investments. See “Use of Proceeds” for more information.
Dividend policy	We have never declared or paid any cash dividends on our common stock. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Accordingly, we do not expect to pay cash dividends on our common stock in the foreseeable future.
Ownership after this offering	Jeffrey S. Ervin, our Chief Executive Officer, Matthew C. Wallis, DC, our Chief Operating Officer, and our other executive officers and directors will beneficially own approximately 28.4% of our outstanding shares of common stock following this offering.
Underwriters’ Unit Purchase Option	We have agreed to issue upon the closing of this offering a unit purchase option to Cuttone & Co., LLC, as representative of the underwriters, entitling it to purchase a number of our securities equal to 4% of the securities sold in this offering. The underwriters’ unit purchase option will have an exercise price equal to 120% of the public offering price of the units set forth on the cover page of this prospectus (or $6.60 per share and warrant) and may be exercised on a cashless basis. The underwriters’ unit purchase option is not redeemable by us. This prospectus also covers the sale of the underwriters’ unit purchase option and the shares of common stock and warrants (and shares of common stock underlying such warrants) issuable upon the exercise of the underwriters’ unit purchase option. For additional information regarding our arrangements with the underwriters, see “Underwriting” beginning on page 92.

Risk factors	Investing in our securities involves a high degree of risk. See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock and warrants .
Lock-up agreements	Our executive officers, directors and stockholders have agreed with the representative of the underwriters not to sell, transfer or dispose of any shares or similar securities for a period of 180 days following the closing of this offering. See “Underwriting.”
Nasdaq trading symbol	IMAC (2)
Nasdaq listing	We intend to list our shares of common stock for trading on The NASDAQ Capital Market under the symbol “IMAC.” We do not intend to apply for any listing of the units or warrants on The NASDAQ Capital Market or any other securities exchange or market, and we do not expect that the units or warrants will be quoted in the over-the-counter market. Prior to this offering, no public trading market has existed for any of our securities and there can be no assurance that such a market will develop after the completion of this offering or, if developed, that it will be sustained .

(1) In this prospectus, except as otherwise indicated, the number of shares of our common stock that will be outstanding immediately after this offering and the other information based thereon:

- assumes an initial public offering price of $5.50 per unit (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus);
- assumes no exercise of the warrants issued in the offering;
- includes the issuance of 405,054 shares of common stock upon the automatic conversion of our convertible promissory notes in the principal amount of $1,730,000 (plus interest) issued in the first six months of 2018;
- includes the issuance of (i) 836,105 shares of common stock under the terms of a merger agreement in connection with our acquisition of Clinic Management Associates, LLC, (ii) 271,024 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC of St. Louis, LLC, (iii) 20,000 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC Regeneration Management of Nashville, LLC and (iv) 158,182 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC;
- includes the issuance of 180,872 shares of common stock to be issued to a consultant in consideration of general business advisory services;
- excludes 1,000,000 shares of our common stock reserved for future issuance under our 2018 Incentive Compensation Plan;
- excludes 52,000 shares of common stock and warrants to purchase 52,000 shares of common stock reserved for issuance upon the exercise of the unit purchase option to be issued to the underwriters in this offering; and
- no exercise of the underwriters’ option to purchase up to an additional 195,000 shares of common stock and/or warrants to purchase up to 195,000 shares of common stock from us in this offering to cover over-allotments, if any.

(2) We have reserved the trading symbol “IMAC” in connection with our application to have our common stock listed for trading on The NASDAQ Capital Market.

SUMMARY CONSOLIDATED FINANCIAL DATA

We derived the summary consolidated statements of operations data for 2017 and 2016 and the summary consolidated balance sheet data as of December 31, 2017 from our audited consolidated financial statements included elsewhere in this prospectus. No revenues were recorded in 2016 because we did not own any clinics in our name in 2016 and the clinics with which we entered into management services agreements in 2016 did not open until early 2017. The summary consolidated statements of operations for the nine months ended September 30, 2018 and 2017 and the summary consolidated balance sheet data as of September 30, 2018 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated financial statements on the same basis as the audited consolidated financial statements and have included, in our opinion, all adjustments consisting only of normal recurring adjustments that we consider necessary for a fair statement of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. This summary of historical financial data should be read together with the financial statements and the related notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing elsewhere in the prospectus.

	IMAC Holdings, Inc.			
	Nine Months Ended September 30,		Years Ended December 31,	
Consolidated Statements of Operations Data:	**2018**	**2017**	**2017**	**2016**
	(unaudited)			
Patient revenues	$ 8,020,071	$ 685,252	$ 1,378,313	$ -
Contractual adjustments	(4,655,881)	(354,990)	(723,688)	-
Total patient revenue, net	3,364,190	330,262	654,625	-
Management fees	64,000	97,800	131,400	15,000
Total revenue	3,428,190	428,062	786,025	15,000
Total operating expenses	6,142,192	1,081,188	1,701,092	234,047
Operating loss	(2,714,002)	(653,126)	(915,067)	(219,047)
Total other income (expenses)	(76,195)	(10,681)	(15,074)	4
Loss before equity in earnings (loss) of non-consolidated affiliate	(2,790,197)	(663,807)	(930,141)	(219,043)
Equity in earnings (loss) of non-consolidated affiliate	(105,550)	14,273	13,609	(178,397)
Net loss	$ (2,895,747)	$ (649,534)	$ (916,532)	$ (397,440)
Net loss attributable to the non-controlling interest	$ 779,463	$ 712,570	$ 859,351	$ 16,643
Net loss attributable to IMAC Holdings, Inc.	$ (2,116,284)	$ 63,036	$ (57,181)	$ (380,797)

The pro forma financial information below reflects the completion of our Transactions consummated through September 30, 2018 as if they had occurred on January 1, 2017. The pro forma operating data are not necessarily indicative of the actual results of our company had the Transactions occurred as of the beginning of 2017 or of our future operations.

	IMAC Group	
	Nine Months Ended September 30, 2018	Year Ended December 31, 2017
	(unaudited)	
Pro Forma Condensed Consolidated Statements of Operations Data:		
Patient revenues	$ 19,351,574	$ 25,812,212
Contractual adjustments	(12,108,286)	(16,215,897)
Total patient revenue, net	7,243,288	9,596,315
Total operating expenses	11,303,320	11,116,523
Operating loss	(4,060,032)	(1,520,208)
Total other income (expenses)	(101,539)	(667,799)
Net loss	$ (4,161,571)	$ (2,188,007)
Net loss attributable to the non-controlling interest	736,241	859,494
Net loss attributable to IMAC Holdings, Inc. stockholders	$ (3,425,330)	$ (1,328,513)

The following table summarizes our historical liabilities and equity at September 30, 2018 and on a pro forma basis, giving effect to (a) the issuance of units consisting of 1,300,000 shares of our common stock and warrants to purchase up to 1,300,000 shares of our common stock in this offering at an assumed initial public offering price of $5.50 per unit , net of expenses (assuming no exercise of warrants sold in this offering), (b) the conversion of our convertible promissory notes in the principal amount of $1,730,000 (plus interest) into 405,054 shares of our common stock, (c) the issuance of 180,872 shares of common stock to be issued to a consultant in consideration of general business advisory services, and (d) the issuance of an aggregate of 1,285,311 shares of our common stock in payment of the deferred purchase prices in our transactions with Integrated Medicine and Chiropractic Regeneration Center PSC of $4,598,576, IMAC of St. Louis, LLC of $1,490,632, IMAC Regeneration Management of Nashville, LLC of $110,000 and Advantage Hand Therapy and Orthopedic Rehabilitation, LLC of $870,000, which in total have the effect of reducing our total liabilities and increasing our total stockholders' equity by approximately $7,069,210 as of September 30, 2018.

	As of September 30, 2018	
	Actual	Pro Forma, As Adjusted
	(unaudited)	
Current liabilities	$ 13,244,924	$ 4,445,714
Long-term liabilities	$ 1,252,297	$ 1,252,297
Total liabilities	$ 14,497,221	$ 5,698,011
Stockholders' equity		
Common stock, $0.001 par value, 30,000,000 shares authorized, 6,582,737 shares issued and outstanding , actual; 7,693,050 shares issued and outstanding, pro forma	$ 6,583	$ 7,693
Additional paid-in capital	$ 1,231,917	$ 17,404,819
Accumulated deficit	$ (2,607,362)	$ (3,602,164)
Non-controlling interest	$ (1,674,168)	$ (1,674,168)
Total stockholders' equity	$ (3,043,030)	$ 12,136,180
Total liabilities and stockholders' equity	$ 11,454,191	$ 17,834,191

RISK FACTORS

An investment in our securities involves a high degree of risk. In addition to the other information contained in this prospectus, prospective investors should carefully consider the following risks before investing in our securities . If any of the following risks actually occur, as well as other risks not currently known to us or that we currently consider immaterial, our business, operating results and financial condition could be materially adversely affected. As a result, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock and/or warrants. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-looking Statements" in this prospectus. In assessing the risks below, you should also refer to the other information contained in this prospectus, including the financial statements and the related notes, before deciding to purchase any of our securities .

Risks Relating to Our Company Business and Industry

We are in an early stage of development and have a limited operating history upon which to base an estimate of our future performance.

Our current business was formally organized in March 2015 and we currently have open 11 outpatient clinics. Accordingly, we have a limited operating history on which to base an estimate of our future performance. Because we lack a long operating history, you do not have either the type or amount of information that would be available to a purchaser of securities of a company with a more substantial operating history. Our growth and expansion strategy is in the early stages of implementation and there can be no assurance that we will be able to implement our strategy or that we will be commercially successful. Our ability to continue as a growing concern is contingent upon our ability to:

- raise sufficient capital, both through the sale of shares in this offering and through other debt and equity raises;
- hire and retain a number of highly skilled employees, including medical and chiropractic doctors, physical therapists and other practitioners;
- lease and develop acceptable premises for our IMAC Regeneration Centers;

- build a consistent patient base within the areas of our medical clinics;
- secure and maintain arrangements with third-party payers, sports celebrity endorsers and other service providers, all on terms favorable or acceptable to our company;
- implement the other numerous necessary portions of our growth and expansion strategy; and
- attain profitable operations.

There can be no assurance that we will be able to accomplish any of the above objectives.

Further, because of our small size and limited to no operating history, our company is particularly susceptible to adverse effects from changes in the law, economic conditions, consumer tastes, competition and other contingencies or events beyond our control. It may be more difficult for us to prepare for and respond to these types of risks than it would be for a company with an established business and operating cash flow. Due to changing circumstances or an inability to implement any portion of our growth and expansion strategy, we may be forced to change dramatically our planned operations.

We may fail completely to implement key elements of our growth and expansion strategy, which could adversely affect our operations and financial performance.

If we cannot implement one or more key elements of our growth and expansion strategy, including raising sufficient capital, hiring and retaining qualified staff, leasing and developing acceptable premises for our medical clinics, securing necessary service contracts on favorable or adequate terms, generating sufficient revenue and achieving numerous other objectives, our projected financial performance may be materially adversely affected. Even if all of the key elements of our growth and expansion strategy are successfully implemented, we may not achieve the favorable results, operations and financial performance that we anticipate.

We have a history of annual net losses which may continue and which may negatively impact our ability to compete and achieve our growth and expansion strategy.

IMAC Holdings has a history of annual net losses. For the nine months ended September 30, 2018 and the years ended December 31, 2017 and 2016, we had losses of $(2,116,284) (unaudited), $(57,181), and $(380,797), respectively. IMAC Group has a history of annual net losses. For the nine months ended September 30, 2018 and the year ended December 31, 2017, IMAC Group had unaudited pro forma net losses of $(3,425,330) and $(1,328,513), respectively. The net loss for the nine months ended September 30, 2018 included one-time costs of approximately $145,000 related to this offering. Our growth and expansion strategy may be unsuccessful and no assurance can be given that we will ever have net income. Accordingly, our prospects must be considered in light of the competition, risks, expenses and difficulties frequently encountered by an emerging company. Our inability to effectively meet our competition could have an adverse effect on our prospects, operating results and financial condition.

We have a holding company ownership structure and will depend on distributions from our operating subsidiaries to meet our obligations. Contractual or legal restrictions applicable to our subsidiaries or controlled companies could limit payments or distributions from them.

We are a holding company and derive all of our operating income from, and hold substantially all of our assets through, our subsidiaries. The effect of this structure is that we will depend on the earnings of our subsidiaries, and the payment or other distributions to us of these earnings, to meet our obligations. Provisions of law, like those requiring that dividends be paid only out of surplus, and provisions of any future indebtedness, may limit the ability of our subsidiaries to make payments or other distributions to us. Our subsidiaries also control and manage the non-professional aspects of certain other professional service corporations under management services agreements, which could (although they do not currently) contain contractual restrictions on a professional service corporation’s ability to pay service fees to us. The assets of these professional service corporations are not included in our consolidated balance sheets. Additionally, in the event of the liquidation, dissolution or winding up of any of our subsidiaries, creditors of that subsidiary (including trade creditors) will generally be entitled to payment from the assets of that subsidiary before those assets can be distributed to us.

We will incur substantial start-up expenses and do not expect to make a profit at any medical clinic until at least six months after opening each medical clinic.

We will incur substantial expenses to implement our growth and expansion strategy, including costs for leasing and developing the premises for each medical clinic, purchasing medical and office equipment, purchasing medical supplies and inventory, marketing and advertising, recruiting and hiring staff, and other expenses. We estimate that it will take at least $700,000 to open each clinic, with an additional $300,000 of operating capital and $200,000 credit line needed to purchase equipment and fund operating losses during the first six months of operation. These start-up costs may increase if there are any delays, problems or other events not currently anticipated. Although we expect each medical clinic to become profitable approximately six months after opening based on our experience with opening the Ozzie Smith Centers in Chesterfield, Missouri in May 2016 and in St. Peters, Missouri in August 2017, and the IMAC Regeneration Center in Murray, Kentucky in February 2017, no guarantee can be made that any of the clinics or our company overall will operate profitably. The David Price Center in Brentwood, Tennessee, which opened in May 2017, initially experienced unforeseen delays in staffing, construction and marketing launch. If we do not reach profitability and recover our start-up expenses and other accumulated operating losses, investors will likely suffer a significant decline in the value of their investment.

We may be unable to obtain financing on acceptable terms, or at all, which could materially adversely affect our operations and ability to successfully implement our growth and expansion strategy.

Our growth and expansion strategy relies on obtaining sufficient financing, including one or more equipment lines to purchase medical and office equipment and one or more lines of credit for operating and related expenses. We may not be able to obtain financing on acceptable terms or in the amount anticipated by our growth and expansion strategy. If unable to secure the amount of financing anticipated by our growth and expansion strategy, we may be unable to implement one or more portions of our growth and expansion strategy. If we accept less favorable terms for our financing than anticipated, we may incur additional expenses and restrictions on operations and may be less liquid and less profitable than expected. Should either of these events occur, we could suffer material adverse effects to our ability to implement our growth and expansion strategy and operate successfully.

We plan to incur indebtedness to implement our growth and expansion strategy and, as a consequence, may be unprofitable and unsuccessful in achieving our financial and operating goals.

We plan to finance some of our start-up and operating costs through debt leveraging, including one or more equipment lines and one or more lines of credit. This debt could adversely affect our financial performance and ability to:

- implement our growth and expansion strategy;
- recoup start-up costs;
- operate profitably;
- maintain acceptable levels of liquidity;
- obtain additional financing in the future for working capital, capital expenditures, development and other general business purposes;
- obtain additional financing on favorable terms; and
- compete effectively or operate successfully under adverse economic conditions.

The development and operation of our medical clinics will require more capital than we will raise in this offering, and we may not be able to obtain additional capital on favorable or even acceptable terms. We may also have to incur additional debt, which may adversely affect our liquidity and operating performance.

Our ability to successfully grow our business and implement our growth and expansion strategy depends in large part on the availability of adequate capital to finance operations. We can give no assurance that the funds raised in this offering will provide sufficient capital to support the continued operations of our company. Changes in our growth and expansion strategy, lower than anticipated revenue for the medical clinics, unanticipated and/or uncontrollable events in the credit or equity markets, changes to our liquidity, increased expenses, and other events may cause us to seek additional debt or equity financing. Financing may not be available on favorable or acceptable terms, or at all, and our failure to raise capital could adversely affect our operations and financial condition.

Additional equity financing may result in a dilution of the pro rata ownership stake of the holders of shares sold in this offering. Further, we may be required to offer subsequent investors investment terms, such as preferred distributions and voting rights, that are superior to the rights of the holders of shares sold in this offering, which could have an adverse effect on the value of your investment.

Additional debt financing, if available, may involve significant cash payment obligations, covenants and financial ratios that restrict our ability to operate and grow our business, and would cause us to incur additional interest expense and financing costs. As a consequence, our operating performance may be materially adversely affected.

We will manage, but will not own, certain of the medical clinics or employ the medical service providers who will treat patients at the clinics.

Several of our medical clinics will be owned exclusively by a professional service corporation in order to comply with state laws regulating the ownership of medical practices. We will, in turn, through a contractual arrangement, provide long-term, exclusive management services to those professional service corporations and their medical professionals. All employees who provide direct medical services to patients will be employed by the professional service corporation. These management services agreements protect us from certain liability and provide a structured engagement to deliver non-medical, comprehensive management and administrative services to help the medical professionals operate the business. The management services agreements authorize us to act on behalf of the professional service corporation, but do not authorize the professional service corporations to act on our behalf or enter into contracts with third parties on our behalf. We will employ the non-medical provider staff for the clinics and provide comprehensive management and administrative services to help the professional service corporation operate the clinics. We may also loan money to the professional service corporation for certain payroll and development costs, although we have no obligation to do so. This arrangement makes our financial and operational success highly dependent on the professional service corporation. Under our management service agreements, we provide exclusive comprehensive management and related administrative services to the professional service corporation and receive management fees. Due to this financial and operational control by contract, our financial statements consolidate the financial results of the professional service corporations. However, we will have little, if any, tangible assets as to those operations. These characteristics increase the risk associated with an investment in our company.

Our management services agreements may be terminated.

The management services agreements we have with several of our clinics may be terminated by mutual agreement of us and the applicable clinic, by a non-breaching party after 30 days following an uncured breach by the other party, upon a bankruptcy of either party or by us upon 90 days' prior written notice to the clinic. The termination of a management services agreement would result in the termination of payment of management fees from the applicable clinic, which could have an adverse effect on our operating results and financial condition.

We do not control the delivery of medical care at any of our facilities.

We have no direct control over the medical care in any of our facilities. State medical boards govern the licensing and delivery of medical care within a state. For this reason, the medical practitioners are solely responsible for making medical decisions with their abilities and experience. We run the risk of being associated with a medical practitioner that performs poorly or does not comply with medical board legislation. When we are responsible for the recruitment or staffing of medical professionals, we may hire a professional that delivers care outside of medical protocols. Our inability to exercise control over the medical care and managed centers increases the risks associated with an investment in our company.

State medical boards may amend licensing requirements for medical service providers, service delivery oversight for midlevel practitioners, and ownership or location requirements for the delivery of medical treatments.

We have no direct control over the medical care in any of our facilities. State medical boards govern the licensing and delivery of medical care within a state. Each state medical board controls the level of licensing required for each medical practitioner and the requirements to obtain such a license to deliver medical care. Furthermore, the state medical board typically determines the required practitioner oversight for medical practitioners based on their license achieved, earned degrees and continuing education. The current requirements for these practitioners may change in the future and we run the risk of additional expenses necessary to meet the state medical board requirements. The state medical board may also determine the location in which services are delivered. We risk the loss of revenue or retrofitting expense if the state medical board amends location requirements for the delivery of certain treatments. Similarly, state medical boards may amend ownership or management requirements for the operation of medical clinics within their respective state. The board may also investigate or dispute the legal establishment of owned or managed medical clinics. We risk a material loss of ownership of or management control and subsequent fee from medical clinics that are in our possession or control.

Adverse medical outcomes are possible with conservative and minimally invasive treatments.

Medical practitioners performing services at our IMAC facilities run the risk of delivering treatments for which the patient may experience a poor outcome. This is possible with non-invasive and minimally invasive services alike, including the use of autologous treatments in which a patient's own cells are used to regenerate damaged tissues. At our IMAC Regeneration Centers, a minimally invasive treatment involves puncturing the skin with a needle or a minor incision which could lead to infection, bleeding, pain, nausea, or other similar results. Non-invasive and conservative physical medicine treatments may possibly cause soft tissue tears, contusions, heart conditions, stroke, and other physically straining conditions. The treatments or potential clinical research studies may yield further patient risks. An adverse outcome may include but not be limited to a loss of feeling, chronic pain, long-term disability, or death. We have obtained medical malpractice coverage in the event an adverse outcome occurs. However, the insurance limits may be exceeded or liability outside of the coverage may adversely impact the financial performance of the business, including any potential negative media coverage on patient volume.

Potential conflicts of interest exist with respect to the management services agreement that we have entered into concerning our clinics in Kentucky, and it is possible our interests and the affiliated owners of those clinics may diverge.

Our medical clinics in Kentucky are held by a professional service corporation that is owned by Matthew C. Wallis, DC, our Chief Operating Officer, a director and co-founder of our company, and Jason Brame, DC, a co-founding member of our company, in order to comply with the state's laws regulating the ownership of medical practices. The professional service corporation directs the provision of medical services to patients and employs the physicians and registered nurses at the clinics, we do not. Rather, pursuant to the terms of a long-term, exclusive management services agreement, we employ the non-medical provider staff for the clinics and provide comprehensive management and administrative services to help the professional service corporation operate the clinics. We believe that the service fees and other terms of our management services agreement are standard in the outpatient healthcare practice area. Nonetheless, the management services agreement presents the possibility of a conflict of interest in the event that issues arise with regard to the respective medical and non-medical services being provided at the clinics, including quality of care issues of which we become aware and billing and

collection matters that we handle on behalf of the physician practices, where our interests may diverge from those of Drs. Wallis and Brame acting on behalf of the professional service corporation. No such issues, however, have occurred during this arrangement.

The management services agreement provides that we will have the right to control the daily operations of the medical clinics subject, in the case of practicing medicine, to the direction of Drs. Wallis and Brame acting on behalf of the professional service corporation. Our interests with respect to such direction may be at odds with those of Drs. Wallis and Brame, requiring them to recuse themselves from our decisions relating to such matters, or even from further involvement with our company.

We comply with applicable state law with respect to transactions (including business opportunities and management services agreements) involving potential conflicts. Applicable state corporate law requires that all transactions involving our company and any director or executive officer (or other entities with which they are affiliated) are subject to full disclosure and approval of the majority of the disinterested independent members of our Board of Directors, approval of the majority of our stockholders or the determination that the contract or transaction is intrinsically fair to us. More particularly, our policy is to have any related party transactions (i.e., transactions involving a director, an officer or an affiliate of our company) be approved solely by a majority of the disinterested independent directors serving on the Board of Directors.

Before this offering, Drs. Wallis and Brame beneficially owned approximately 37 .0 % and 12.3% of our outstanding shares of common stock, respectively, and following the completion of this offering, will continue to own a significant percentage of our outstanding shares. Dr. Wallis founded our original IMAC medical clinic in Paducah, Kentucky in August 2000 and, with Jeffrey S. Ervin, our Chief Executive Officer, founded our current company in March 2015. Dr. Wallis, working with Mr. Ervin, will be substantially responsible for selecting the business direction we take, the medical clinics we open in the future and the services we may provide. The management services agreement may present Drs. Wallis and Brame with conflicts of interest.

The loss of the services of Jeffrey S. Ervin or Matthew C. Wallis, DC for any reason would materially and adversely affect our business operations and prospects.

Our financial success is dependent to a significant degree upon the efforts of Jeffrey S. Ervin, our Chief Executive Officer, and Matthew C. Wallis, DC, our Chief Operating Officer. Mr. Ervin, who has unique knowledge regarding the roll-out of our IMAC Regeneration Centers, and Dr. Wallis, who has extensive business contacts, would be extremely difficult to replace. We have not entered into an employment arrangement with Mr. Ervin or Dr. Wallis, and there can be no assurance that Mr. Ervin or Dr. Wallis will continue to provide services to us. A voluntary or involuntary departure by either executive could have a materially adverse effect on our business operations if we were not able to attract a qualified replacement for him in a timely manner. We plan to obtain a $1.0 million key-man life insurance policy for our benefit on the life of each of Mr. Ervin and Dr. Wallis.

We may fail to obtain the business licenses and any other licenses necessary to operate our medical clinics, or the necessary engineering, building, occupancy and other permits to develop the premises for the clinics, which would materially adversely affect our growth and expansion strategy.

If we cannot obtain approval for business licenses or any other licenses necessary to operate our medical clinics, it could materially adversely affect our growth and expansion strategy and could result in a failure to implement our growth and expansion strategy. Failure to obtain the necessary engineering, building, occupancy and other permits from applicable governmental authorities to develop the premises for our medical clinics could also materially adversely affect our growth and expansion strategy and could result in a failure to implement our growth and expansion strategy.

We may face strong competition from other providers in our primary service areas, and increased competition from new competitors, which may hinder our ability to obtain and retain customers.

We will be in competition with other more established companies using a variety of treatments for the conditions and ailments that our services are intended to treat, including orthopedic surgeons, pain management clinics, hospital systems and outpatient surgery centers providing joint reconstruction and related surgeries. These companies may be better capitalized and have more established name recognition than us. We may face additional competition in the future if other providers enter our primary service areas. Competition from existing providers and providers that may begin competing with us in the future could materially adversely affect our operations and financial performance.

Further, the services provided by our company are relatively new and unique. We cannot be certain that our services will achieve or sustain market acceptance, or that a sufficient volume of patients in the Kentucky, Missouri and Tennessee areas will utilize our services. We will be in competition with alternative treatment methods, including those presently existing and those that may develop in the future. As such, our growth and expansion strategy carries many unknown factors that subject us and our investors to a high degree of uncertainty and risk.

We are competing in a dynamic market with risk of technological change.

The market for medical, physical therapy and chiropractic services is characterized by frequent technological developments and innovations, new product and service introductions, and evolving industry standards. The dynamic character of these products and services will require us to effectively use leading and new technologies, develop our expertise and reputation, enhance our current service offerings and continue to improve the effectiveness, feasibility and consistency of our services. There can be no assurance that we will be successful in responding quickly, cost-effectively and sufficiently to these and other such developments.

Our success will depend largely upon general economic conditions and consumer acceptance in our primary service areas.

Our current primary service areas are located in certain geographical areas in the states of Kentucky, Missouri and Tennessee. Our operations and profitability could be adversely affected by a local economic downturn, changes in local consumer acceptance of our approach to healthcare, and discretionary spending power, and other unforeseen or unexpected changes within those areas.

A decline in general economic conditions may adversely affect consumer behavior and spending, including the affordability of elective medical procedures, and as a result may adversely affect our revenue and operating results.

The country may experience an economic downturn or decline in general economic conditions. We are unable to predict the timing and severity of the next economic downturn. Any decline in general economic conditions may cause a decrease in consumer and commercial spending, especially spending on elective medical procedures, which could negatively impact our revenue and operating results.

We are required to comply with numerous government laws and regulations, which could change, increasing costs and adversely affecting our financial performance and operations.

Medical and chiropractic service providers are subject to extensive federal, state and local regulation, including but not limited to regulation by the U.S. Food and Drug Administration, Centers for Medicare & Medicaid Services, and other government entities. We are subject to regulation by these entities as well as a variety of other laws and regulations. Compliance with such laws and regulations could require substantial capital expenditures. Such regulations may be changed from time to time, or new regulations adopted, which could result in additional or unexpected costs of compliance.

Changes to national health insurance policy and third-party insurance carrier fee schedules for traditional medical treatments could decrease patient revenue and adversely affect our financial performance and operations.

Political, economic and regulatory influences are subjecting medical and chiropractic service providers, health insurance providers and other participants in the healthcare industry in the United States to potential fundamental changes. Potential changes to nationwide health insurance policy are currently being debated. We cannot predict what impact the adoption of any federal or state healthcare reform or private sector insurance reform may have on our business.

We receive payment for the services we render to patients from their private health insurance providers and from Medicare and Medicaid. If third-party payers change the expected fee schedule (the amount paid by such payers for services rendered by us), we could experience a loss of revenue, which could adversely affect financial performance.

At the present time, most private health insurance providers do not cover the regenerative medical treatments provided at our medical clinics. However, traditional physical medical treatments provided at our medical clinics, such as physical therapy, chiropractic services and medical evaluations, are covered by most health insurance providers. Medicare and Medicaid take the same position as private insurers and reimburse patients for traditional physical medical treatments but not for regenerative medical treatments. If private health insurance providers and Medicare and Medicaid were to begin covering regenerative medical treatments, the revenue we would receive on a per-treatment basis would likely decline given their tighter fee schedules. Further, such a change might result in increased competition as additional healthcare providers begin offering our customized services.

We could be adversely affected by changes relating to the IMAC Regeneration Center brand name.

We are a holding company in which our medical clinics are formed in separate subsidiaries. Our subsidiaries are currently operating in Kentucky, Missouri and Tennessee. As a consequence of this entity structure, any adverse change to the brand, reputation, financial performance or other aspects of the IMAC Regeneration Center brand at any one location could adversely affect the operations and financial performance of the entire company.

We will depend heavily on the efforts of our key personnel, as well as sports celebrity endorsers.

Our success depends, to a significant extent, upon the efforts and abilities of our officers and key employees, including medical and chiropractic doctors and other practitioners, and our sports celebrity endorsers. Loss or abatement of the services of any of these persons, or any adverse change to the sports celebrity endorsers, could have a material adverse effect on us and our business, operations and financial performance.

Our success also will depend on our ability to identify, attract, hire, train and motivate highly skilled managerial personnel, medical doctors, chiropractors, licensed physical therapists, and other practitioners. Failure to attract and retain key personnel could have a material adverse effect on our business, prospects, financial condition and results of operation. Further, the quality, philosophy and performance of key personnel could adversely affect our operations and performance.

We may incur losses that are not covered by insurance.

We maintain insurance policies against professional liability, general commercial liability and other potential losses of our company. All of the regenerative, medical, physical therapy and chiropractic treatments performed at our clinics are covered by our malpractice insurance; however, there is an upper limit to the payout allowable in the event of our malpractice. Poor patient outcomes for healthcare providers may result in legal actions and/or settlements outside of the scope of our malpractice insurance coverage. Regenerative medicine represents approximately 5% of our patient visits and 31% of our revenue. Future innovations in regenerative medicine may require review or approval of such innovations by governmental regulators. During formal research studies performed in collaboration with regulators, we may be required to obtain new insurance policies and there is no assurance that insurance policy underwriters will provide coverage for such research initiatives. If an uninsured loss or a loss in excess of insured limits occurs, our financial performance and operation could suffer material adverse effects.

We are susceptible to risks relating to investigation or audit by the Centers for Medicare & Medicaid Services ("CMS"), health insurance providers and the IRS.

We may be audited by CMS or any health insurance provider that pays us for services provided to patients. Any such audit may result in reclaimed payments, which would decrease our revenue and adversely affect our financial performance. Our federal tax returns may be audited by the IRS and our state tax returns may be audited by applicable state government authorities. Any such audit may result in the challenge and disallowance of some of our deductions or an increase in our taxable income. No assurance can be made with regard to the deductibility of certain tax items or the position taken by us on our tax returns. Further, an audit or any litigation resulting from an audit could unexpectedly increase our expenses and adversely affect financial performance and operations.

The Food and Drug Administration is actively pursuing bad actors in the regenerative medicine therapy industry, and we could be included in any broad investigation.

The U.S. Food and Drug Administration is actively pursuing bad actors in the regenerative medicine therapy industry. Since we provide regenerative medicine treatments, we may be subject to broad investigations from the FDA or state medical boards regarding the marketing and medical delivery of our treatments. In November 2017, we engaged a medical consulting group to advise us on current protocols in this area and to organize a clinical trial towards an investigational new drug application with the FDA, while pursuing a voluntary regenerative medicine advanced therapy (RMAT) designation under Section 3033 of the 21st Century Cures Act. We have not initiated conversations with the FDA and no assurance can be given that we are able to engage with the FDA or that the FDA will approve us for RMAT designation.

We are very early in our product development efforts with respect to the NeoCyte stem cell regenerative product. If we are unable to advance this or other regenerative medicine products to obtain regulatory approval and ultimately commercialize these products, or experience significant delays in doing so, our business will be harmed.

In August 2018, we acquired a 70% ownership position in BioFirma, LLC. BioFirma was formed to produce and commercialize NeoCyte, an umbilical cord-derived mononuclear cell product. NeoCyte is in development and is expected to be produced within an FDA-registered cGMP laboratory. Once fully developed, we intend to provide NeoCyte to IMAC Regeneration Centers and other physicians' clinics in the United States. NeoCyte has been evaluated by an independent third party laboratory to determine high quality and biological characteristics. BioFirma has applied for a trademark on the product name NeoCyte. BioFirma has determined not to pursue a patent on this product at its current stage of development, nor considers the success of its future product development to be dependent upon obtaining a patent.

The FDA has not approved any stem cell-based products for use, other than cord blood-derived hematopoietic progenitor cells for certain indications. NeoCyte is defined as a HCT/P (human cells, tissues, and cellular and tissue-based product), which are intended for implantation, transplantation, infusion, or transfer into a human recipient. Examples of HCT/Ps include, but are not limited to, bone, ligament, skin, dura mater, heart valve, cornea, hematopoietic stem/progenitor cells derived from peripheral and cord blood, manipulated autologous chondrocytes, epithelial cells on a synthetic matrix, and semen or other reproductive tissue. Under current law, certain types of minimally manipulated HCT/Ps do not require premarket approval or the registration, manufacturing, and reporting steps that must be taken to prevent the introduction, transmission, and spread of communicable disease. We believe NeoCyte to be a minimally manipulated HCT/P under current regulations.

We intend to use a portion of the net proceeds of this offering to fund research and applications of NeoCyte and other regenerative medicine products. Our ability to generate product revenue, which we do not expect to occur, if at all, for the foreseeable future, will depend heavily on the successful research and application of our regenerative medicine products, which may never occur. We currently generate no revenue from the sale of any product and we may never be able to sell NeoCyte or other products at a profit.

Any significant disruption in our computer systems or those of third parties that we utilize in our operations could result in a loss or degradation of service and could adversely impact our business.

Our reputation and ability to attract, retain and serve our patients and users is dependent upon the reliable performance of our computer systems and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm these systems. Interruptions in these systems, or to the internet in general, could make our service unavailable or impair our ability to deliver content to our customers. Service interruptions, errors in our software or the unavailability of computer systems used in our operations could diminish the overall attractiveness of our services to existing and potential patients.

Our servers and those of third parties we use in our operations are vulnerable to computer viruses, physical or electronic break-ins and similar disruptions and periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data. Any attempt by hackers to disrupt our service or otherwise access our systems, if successful, could harm our business, be expensive to remedy and damage our reputation. We have implemented certain systems and processes to thwart hackers and, to date, hackers have not had a material impact on our service or systems. However, this is no assurance that hackers may not be successful in the future. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to implement and may limit the functionality of or otherwise negatively impact our service offering and systems. Any significant disruption to our service or access to our systems could result in a loss of patients and adversely affect our business and results of operation.

We utilize our own communications and computer hardware systems located either in our facilities or in that of a third-party data center. In addition, we utilize third-party internet-based or "cloud" computing services in connection with our business operations. We also utilize third-party content delivery networks to help us stream content to our patients and other parties over the internet. Problems faced by us or our service providers, including technological or business-related disruptions, could adversely impact the experience of our audiences and users.

Our reputation and relationships with patients would be harmed if our patients' data, particularly personally identifying data, were to be subject to a cyber-attack or otherwise accessed by unauthorized persons.

We maintain personal data regarding our patients, including their names and other information. With respect to personally identifying data, we rely on licensed encryption and authentication technology to secure such information. We also take measures to protect against unauthorized intrusion into our patients' data. Despite these measures, we could experience, though we have not to date experienced, a cyber-attack or other unauthorized intrusion into our patients' data. Our security measures could also be breached due to employee error, malfeasance, system errors or vulnerabilities, or otherwise. In the event our security measures are breached, or if our services are subject to attacks that impair or deny the ability of patients to access our services, current and potential patients may become unwilling to provide us the information necessary for them to become users of our services or may curtail or stop using our services. In addition, we could face legal claims for such a breach. The costs relating to any data breach could be material and exceed the limits of the insurance we maintain against the risks of a data breach. For these reasons, should an unauthorized intrusion into our patients' data occur, our business could be adversely affected. Changes to operating rules could increase our operating expenses and adversely affect our business and results of operations.

Our business is subject to reporting requirements that continue to evolve and change, which could continue to require significant compliance effort and resources.

Following this offering, we will be subject to certain rules and regulations of federal, state and financial market exchange entities charged with the protection of investors and the oversight of companies whose securities are publicly traded. These entities, including the Public Company Accounting Oversight Board (PCAOB), the SEC and The NASDAQ Capital Market, periodically issue new requirements and regulations and legislative bodies also review and revise applicable laws. As interpretation and implementation of these laws and rules and promulgation of new regulations continues, we will continue to be required to commit significant financial and managerial resources and incur additional expenses to address such laws, rules and regulations, which could in turn reduce our financial flexibility and create distractions for management. Any of these events, in combination or individually, could disrupt our business and adversely affect our business, financial condition, results of operations and cash flows.

Changes in accounting principles or guidance, or in their interpretations, could result in unfavorable accounting charges or effects, including changes to our previously filed consolidated financial statements, which could cause our stock price to decline.

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles and guidance. A change in these principles or guidance, or in their interpretations, may have a significant negative effect on our reported results and retrospectively affect previously reported results, which, in turn, could cause our stock price to decline.

We will incur increased costs as a result of being a public company and our management expects to devote substantial time to public company compliance programs.

As a public reporting company, we will incur significant legal, insurance, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, stock exchange listing requirements and other applicable securities rules and regulations impose various requirements on public companies. Our management and administrative staff will need to devote a substantial amount of time to compliance with these requirements. For example, in anticipation of becoming a public company, we will need to adopt additional internal controls and disclosure controls and procedures and bear all of the internal and external costs of preparing periodic and current public reports in compliance with our obligations under the securities laws. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention away from product development activities. If for any reason our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

In connection with this offering, we intend to obtain directors' and officers' liability insurance coverage, which will increase our insurance cost. In the future, it may be more expensive for us to obtain directors' and officers' liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and qualified members of our board of directors, particularly to serve on our audit committee and compensation committee.

In addition, in order to comply with the requirements of being a public company, we may need to undertake various actions, including implementing new internal controls and procedures and hiring new accounting or internal audit staff. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is accumulated and communicated to our principal executive and financial officers. Any failure to develop or maintain effective controls could adversely affect the results of our periodic management evaluations. In the event that we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate, or that we are unable to produce timely or accurate consolidated financial statements, investors may lose confidence in our operating results and the price of our common stock could decline. In addition, if we are unable to continue to meet these requirements, we could be subject to sanctions or investigations by the stock exchange where we are listed, the SEC or other regulatory authorities, and we may not be able to remain listed on a national securities exchange.

We are not currently required to comply with the SEC's rules that implement Section 404 of the Sarbanes-Oxley Act, and are therefore not yet required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with certain of these rules, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report. This assessment will need to include the disclosure of any material weaknesses in our internal control over financial reporting identified by our management or our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a costly and challenging process to document and evaluate our internal control over financial reporting. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting. We will also need to continue to improve our control processes as appropriate, validate through testing that our controls are functioning as documented and implement a continuous reporting and improvement process for our internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404.

Our auditors have identified material weaknesses in our internal controls over our financial reporting.

In connection with the audits of our consolidated financial statements for the years ended December 31, 2017 and 2016, our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses relate to the absence of in-house accounting personnel with the ability to properly account for complex transactions and a lack of separation of duties between accounting and other functions.

We hired a consulting firm to advise on technical issues related to U.S. generally accepted accounting principles as related to the maintenance of our accounting books and records and the preparation of our consolidated financial statements. Although we are aware of the risks associated with not having dedicated accounting personnel, we are also at an early stage in the development of our business. We anticipate expanding our accounting functions with dedicated staff and improving our internal accounting procedures and separation of duties when we can absorb the costs of such expansion and improvement with additional capital resources. In the meantime, management will continue to observe and assess our internal accounting function and make necessary improvements whenever they may be required. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. In addition, if we are unable to successfully remediate this material weakness and if we are unable to produce accurate and timely financial statements, our stock price may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements.

We are an "emerging growth company" and our election to delay adoption of new or revised accounting standards applicable to public companies may result in our consolidated financial statements not being comparable to those of some other public companies. As a result of this and other reduced disclosure requirements applicable to emerging growth companies, our securities may be less attractive to investors.

As a public reporting company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" under the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- are not required to obtain an attestation and report from our auditors on our management's assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;

- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives (commonly referred to as "compensation discussion and analysis");

- are not required to obtain a non-binding advisory vote from our stockholders on executive compensation or golden parachute arrangements (commonly referred to as the "say-on-pay," "say-on-frequency" and "say-on-golden-parachute" votes);

- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;
- may present only two years of audited financial statements and only two years of related Management's Discussion & Analysis of Financial Condition and Results of Operations, or MD&A; and
- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our consolidated financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

Certain of these reduced reporting requirements and exemptions were already available to us due to the fact that we also qualify as a "smaller reporting company" under SEC rules. For instance, smaller reporting companies are not required to obtain an auditor attestation and report regarding management's assessment of internal control over financial reporting, are not required to provide a compensation discussion and analysis, are not required to provide a pay-for-performance graph or CEO pay ratio disclosure, and may present only two years of audited financial statements and related MD&A disclosure.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. In this regard, the JOBS Act provides that we would cease to be an "emerging growth company" if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our common stock held by non-affiliates, or issue more than $1.0 billion in principal amount of non-convertible debt over a three-year period. Under current SEC rules, however, we will continue to qualify as a "smaller reporting company" for so long as we have a public float (*i.e.*, the market value of common equity held by non-affiliates) of less than $250 million as of the last business day of our most recently completed second fiscal quarter.

We cannot predict if investors will find our securities less attractive due to our reliance on these exemptions. If investors were to find our securities less attractive as a result of our election, we may have difficulty raising all of the proceeds we seek in this offering.

Risks Related to Ownership of Our Common Stock and Warrants and this Offering

Our stock price may be volatile and your investment could decline in value.

The market price of our common stock following this offering may fluctuate substantially as a result of many factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of the value of your investment in our common stock and/or warrants. Factors that could cause fluctuations in the market price of our common stock include the following:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts;

- publication of research reports about us or the outpatient medical clinic business;
- announcements by us or our competitors of significant contracts, acquisitions or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- changes affecting the availability of financing in the outpatient medical services market;
- regulatory developments in the outpatient medical clinic business;
- significant future sales of our common stock ;
- additions or departures of key personnel;
- the realization of any of the other risk factors presented in this prospectus; and
- general economic, market and currency factors and conditions unrelated to our performance.

In addition, the stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to operating performance of individual companies. These broad market factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A class action suit against us could result in significant liabilities and, regardless of the outcome, could result in substantial costs and the diversion of our management's attention and resources.

None of our units , common stock or our warrants has any prior market and our stock price may decline after the offering.

Prior to this offering, no public market has existed for any of our securities . Although we have applied to have our common stock listed on The NASDAQ Capital Market, an active trading market for our common stock may not develop or, if it develops, may not be sustained after this offering. In addition, we do not intend to apply for any listing of our units or warrants on The NASDAQ Capital Market or any other securities exchange or market, and we do not expect that our units or warrants will be quoted in the over-the-counter market. Without an active market, the liquidity of the warrants will be limited.

Our company and the underwriters will negotiate to determine the initial public offering price of our common stock . The initial public offering price may be higher than the market price of our common stock after the offering and you may not be able to sell your shares of common stock at or above the price you paid for them in this offering. As a result, you could lose all or part of your investment.

The warrants are speculative in nature.

The warrants issued in this offering do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire shares of common stock at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the warrants may exercise their right to acquire the common stock and pay an exercise price equal to the initial public offering price of the units in this offering, subject to certain adjustments, prior to the fifth anniversary of the date such warrants are issued, after which date any unexercised warrants will expire and have no further value. Moreover, following this offering, the market value of the warrants, if any, is uncertain and there can be no assurance that the market value of the warrants will equal or exceed their imputed offering price. The warrants will not be listed or quoted for trading on any market or exchange. There can be no assurance that the market price of the common stock will ever equal or exceed the exercise price of the warrants, and consequently, whether it will ever be profitable for holders of the warrants to exercise the warrants.

Investors purchasing securities in this offering will experience immediate dilution.

The initial public offering price of shares of our common stock is higher than the pro forma as adjusted net tangible book value per outstanding share of our common stock. Therefore, if you purchase shares of common stock and warrant s in this offering, you will incur immediate dilution of $(4. 73) per share in the pro forma as adjusted net tangible book value of the shares of common stock, based on an assumed initial public offering price of $5.50 per share and warrant. To the extent outstanding options are ultimately exercised, there will be further dilution of the common stock sold in this offering.

Future sales, or the perception of future sales, of a substantial number of our shares of common stock could depress the trading price of our common stock.

If we or our stockholders sell a substantial number of our shares of common stock in the public market following this offering or if the market perceives that these sales could occur, the market price of shares of our common stock could decline. These sales may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate, or to use equity as consideration for future acquisitions.

Immediately upon completion of this offering, based on the number of shares outstanding as of November 28, 2018, we will have 30,000,000 shares of common stock authorized and 7,693,050 shares of common stock outstanding. Of these shares, the 1,300,000 shares to be sold in this offering (assuming the underwriters do not exercise their option to purchase additional shares in this offering to cover over-allotments, if any) will be freely tradable. We, our executive officers and directors, and all of our stockholders have entered into agreements with the underwriters not to sell or otherwise dispose of shares of our common stock for a period of 180 days following completion of this offering, with certain exceptions. Immediately upon the expiration of this lock-up period, 386,956 shares will be freely tradable pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), by non-affiliates and another 4,134,856 shares will be eligible for resale pursuant to Rule 144 under the Securities Act, subject to the volume, manner of sale, holding period and other limitations of Rule 144.

In addition, following the completion of this offering, we intend to file a registration statement on Form S-8 registering the issuance of approximately 1,000,000 shares of common stock subject to stock options or other equity awards issued or reserved for future issuance under our 2018 Incentive Compensation Plan. Shares registered under the registration statement on Form S-8 will be available for sale in the public market subject to vesting arrangements and exercise of options, the lock-up agreements described above and the restrictions of Securities Act Rule 144 in the case of our affiliates.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, or if our actual results differ significantly from our guidance, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

In addition, from time to time, we may release earnings guidance or other forward-looking statements in our earnings releases, earnings conference calls or otherwise regarding our future performance that represent our management's estimates as of the date of release. Some or all of the assumptions of any future guidance that we furnish may not materialize or may vary significantly from actual future results. Any failure to meet guidance or analysts' expectations could have a material adverse effect on the trading price or volume of our stock.

Anti-takeover provisions in our charter documents could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our corporate documents, to be effective upon completion of this offering, and the Delaware General Corporation Law contain provisions that may enable our board of directors to resist a change in control of our company even if a change in control were to be considered favorable by you and other stockholders. These provisions:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to help defend against a takeover attempt;
- establish advance notice requirements for nominating directors and proposing matters to be voted on by stockholders at stockholder meetings;
- provide that stockholders are only entitled to call a special meeting upon written request by $33^{1}/_{3}$% of the outstanding common stock; and
- require supermajority stockholder voting to effect certain amendments to our certificate of incorporation and bylaws.

In addition, Delaware law prohibits large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or consolidating with us except under certain circumstances. These provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire.

We have 5,000,000 authorized unissued shares of preferred stock, and our board has the ability to designate the rights and preferences of this preferred stock without your vote.

Our certificate of incorporation authorizes our board of directors to issue "blank check" preferred stock and to fix the rights, preferences, privileges and restrictions, including voting rights, of these shares, without further stockholder approval. The rights of the holders of common stock will be subject to and may be adversely affected by the rights of holders of any preferred stock that may be issued in the future. As indicated in the preceding risk factor, the ability to issue preferred stock without stockholder approval could have the effect of making it more difficult for a third party to acquire a majority of the voting stock of our company thereby discouraging, delaying or preventing a change in control of our company. We currently have no outstanding shares of preferred stock, or plans to issue any such shares in the future.

Concentration of ownership of our common stock among our existing executive officers and directors may limit new investors from influencing significant corporate decisions.

Upon completion of this offering, our executive officers and directors and their respective affiliates will, in the aggregate, beneficially own approximately 28.4 % of our outstanding shares of common stock. These persons, acting together, would be able to influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with our interests or the interests of other stockholders.

We do not expect to pay any dividends on our common stock for the foreseeable future.

We currently expect to retain all future earnings, if any, for future operation, expansion and debt repayment and have no current plans to pay any cash dividends to holders of our common stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our operating results, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, we must comply with the covenants in our credit agreements in order to be able to pay cash dividends, and our ability to pay dividends generally may be further limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways that may not yield a return.

Our management will have considerable discretion in the application of the net proceeds of this offering, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be invested with a view towards long-term benefits for our stockholders and this may not increase our operating results or market value. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," but are also contained in this prospectus. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "aim," "objective," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing," "target," "seek" or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our dependence upon external sources for the financing of our operations;
- our ability to effectively execute our growth and expansion strategy;
- changes in the outpatient medical services market;
- our limited operating history;
- the valuation of assets reflected in our consolidated financial statements;
- our reliance on continued access to financing;
- our reliance on information provided and obtained by third parties;
- federal, state, and local regulatory matters;

- additional expenses, not reflected in our operating history, related to being a public reporting company;
- competition, not only in the outpatient medical clinic market, but also for traditional hospital and medical treatment generally; and
- covenants contained in our master services agreements.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain.

You should refer to the "Risk Factors" section of this prospectus for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result, of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by federal securities law.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

CORPORATE CONVERSION

Prior to June 1, 2018, we operated as a Kentucky limited liability company under the name IMAC Holdings, LLC. Effective June 1, 2018, we converted into a Delaware corporation pursuant to a statutory merger and changed our name to IMAC Holdings, Inc. In order to consummate the Corporate Conversion, a certificate of merger was filed with the Secretary of State of the State of Delaware and with the Secretary of State of the State of Kentucky. Holders of membership interests in IMAC Holdings, LLC received, on a proportional basis, shares of common stock of IMAC Holdings, Inc.

Following the Corporate Conversion, IMAC Holdings, Inc. continues to hold all property and assets of IMAC Holdings, LLC and all of the debts and obligations of IMAC Holdings, LLC. We are now governed by a certificate of incorporation filed with the Secretary of State of the State of Delaware and bylaws, the material portions of which are described in the section of this prospectus entitled "Description of Capital Stock." On the effective date of the Corporate Conversion, the officers of IMAC Holdings, LLC became the officers of IMAC Holdings, Inc. As a result of the Corporate Conversion, we are now a federal corporate taxpayer as opposed to a pass-through entity for tax purposes.

The purpose of the Corporate Conversion was to reorganize our corporate structure so that the top-tier entity in our corporate structure – the entity that is offering shares of common stock to the public in this offering – is a corporation rather than a limited liability company and so that our existing owners own shares of our common stock rather than membership interests in a limited liability company.

Except as otherwise noted herein, the consolidated financial statements included in this prospectus are those of IMAC Holdings, Inc. and its consolidated subsidiaries.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of our securities in this offering will be approximately $6,380,000 (or approximately $7,377,000 if the underwriters exercise their option to purchase additional shares and warrants in full), based upon an assumed initial public offering price of $5.50 per unit, consisting of one share of common stock at $5.49 per share and one warrant at $0.01 per warrant, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If all of the warrants sold in this offering were to be exercised in cash at the exercise price of $5.50 per share, we would receive additional net proceeds of approximately $7,150,000. We cannot predict when or if these warrants will be exercised. It is possible that these warrants may expire and may never be exercised.

We intend to use the net proceeds from this offering approximately as follows:

Application of Net Proceeds	Approximate Dollar Amount	Approximate Percentage of Net Proceeds
Financing the costs of leasing, developing and acquiring new clinic locations	$ 2,780,000	43.6%
Repayment of interim note used for working capital	1,500,000	23.5%
Funding research and new product development activities	500,000	7.8%
Working capital and general corporate purposes	1,600,000	25.1%
Total	$ 6,380,000	100.0%

A significant portion of the net proceeds will be utilized to finance the costs for leasing and developing the premises for each medical clinic, purchasing medical and office equipment, purchasing medical supplies and inventory, spending on advertising and marketing, as well as recruiting and hiring staff, and other expenses. We estimate that it will take at least $700,000 to open each new clinic, with an additional $300,000 of operating capital and $200,000 credit line needed to purchase equipment and fund operating losses during the first six months of operation. These start-up costs may increase if there are any delays, problems or other events not currently anticipated. Although we expect each medical clinic to become profitable approximately six months after opening based on our experience with opening the Ozzie Smith Centers in Chesterfield, Missouri in May 2016 and in St. Peters, Missouri in August 2017, and with the IMAC Regeneration Center in Murray, Kentucky in February 2017, no assurances can be given that any of the clinics or our company overall will operate profitably. For example, the David Price Center in Brentwood, Tennessee, which opened in May 2017, initially experienced unforeseen delays in staffing, construction and marketing. We also plan to use a portion of the net proceeds of this offering to finance acquisitions of, or investments in, competitive and complementary businesses as a part of our growth strategy. We currently have no commitments in place with respect to any such acquisitions or investments.

On June 1, 2018, we entered into a note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. An existing note payable with this entity with an outstanding balance of $379,676 was subsequently combined into the new note payable. The note carries an interest rate of 10% per annum and all outstanding balances are due and payable at the closing of this offering. The proceeds of this note are being used to satisfy ongoing working capital needs, expenses related to the preparation and completion of this offering, equipment and construction costs related to new clinic locations, and potential business combination and transaction expenses.

A portion of the net proceeds will also be used to fund the purchase of equipment and other research-related materials for the development and testing of BioFirma's NeoCyte product, as well as the costs associated with hiring additional personnel, engaging with the FDA and obtaining requisite FDA regulatory certifications for the NeoCyte product. We believe that NeoCyte has the potential to be an important part of our overall service and treatment offerings in the future. We recognize the benefits of developing the NeoCyte product and quantifying scientific advancements with primary data collected within our IMAC medical clinics.

Funds for working capital and general corporate purposes include amounts required to pay officers' salaries, consulting fees, professional fees, ongoing public reporting costs, computer equipment costs, data streaming transmission costs, office-related expenses and other corporate expenses.

We believe that, with the net proceeds of this offering, our current cash and our available lines of credit, we will have sufficient cash reserves available to cover expenses for at least 12 months following the closing of this offering. Given the volatility in U.S. equity markets and our normal working capital fluctuations, and depending on the actual level of net proceeds raised in this offering, we may seek to raise additional capital following this offering to supplement our operating cash flows to the extent we can do so on competitive market terms. In such event, an equity financing may dilute the ownership interests of our stockholders and investors in this offering. In all events, there can be no assurance that additional financing would be available to us when desired or needed and, if available, on terms acceptable to us.

The expected use of net proceeds from this offering represents our intention based upon our present plans and business conditions. We cannot predict with certainty all of the particular uses for the proceeds of this offering or the amounts that we will actually spend on the uses set forth above. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. Pending their use, we intend to invest the net proceeds of this offering in a variety of capital-preservation investments, including short- and intermediate-term, interest-bearing, investment-grade securities.

DIVIDEND POLICY

Our board of directors will determine our future dividend policy based on our result of operations, financial condition, capital requirements and other circumstances. We have not previously declared or paid any cash dividends on our common stock. We anticipate that we will retain earnings to support operations and finance the growth of our business, as described in this prospectus. Accordingly, it is not anticipated that any cash dividends will be paid on our common stock in the foreseeable future. Previously, as a limited liability company, we made periodic minimal distributions to our members, primarily to cover the members' tax obligations.

CAPITALIZATION

The following table summarizes our historical liabilities and equity at September 30, 2018 and on a pro forma basis, giving effect to (a) the issuance and sale of units consisting of 1,300,000 shares of our common stock and warrants to purchase up to 1,300,000 shares of common stock in this offering at an assumed initial public offering price of $5.50 per unit, consisting of one share of common stock at $5.49 per share and one warrant at $0.01 per warrant , net of expenses (assuming no exercise of warrants sold in this offering), (b) the conversion of our convertible promissory notes in the principal amount of $1,730,000 (plus interest) into 405,054 shares of our common stock, (c) the issuance of 180,872 shares of common stock to be issued to a consultant in consideration of general business advisory services and (d) the issuance of an aggregate of 1,285,311 shares of our common stock in payment of the deferred purchase prices in our transactions with Integrated Medicine and Chiropractic Regeneration Center PSC of $4,598,576, IMAC of St. Louis, LLC of $1,490,632, IMAC Regeneration Management of Nashville, LLC of $110,000 and Advantage Hand Therapy and Orthopedic Rehabilitation, LLC of $870,000, which in total have the effect of reducing our total liabilities and increasing our stockholder equity by approximately $7,069,210 as of September 30, 2018.

	As of September 30, 2018	
	Actual	Pro Forma, As Adjusted
Current liabilities	$ 13,244,924	$ 4,445,714
Long-term liabilities	$ 1,252,297	$ 1,252,297
Total liabilities	$ 14,497,221	$ 5,698,011
Stockholders' equity		
Common stock, $0.001 par value, 30,000,000 shares authorized, 6,582,737 shares issued and outstanding , actual; 7,693,050 shares issued and outstanding, pro forma	$ 6,583	$ 7,693
Additional paid-in capital	$ 1,231,917	$ 17,404,819
Accumulated deficit	$ (2,607,362)	$ (3,602,164)
Non-controlling interest	$ (1,674,168)	$ (1,674,168)
Total stockholders' equity	$ (3,043,030)	$ 12,136,180
Total liabilities and stockholders' equity	$ 11,454,191	$ 17,834,191

DILUTION

If you invest in our securities in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma, as adjusted net tangible book value per share of our common stock immediately after this offering. Net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the number of outstanding shares of common stock.

As of September 30, 2018, we had a net tangible book value of $(9,286,074) (unaudited) or $(2.05) per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of September 30, 2018, after giving effect to the proposed reverse stock split, but without giving effect to the stock issuances described in the following paragraph.

Investors participating in this offering will incur immediate and substantial dilution. After giving effect to (a) the issuance and sale of units consisting of 1,300,000 shares of our common stock and warrants to purchase up to 1,300,000 shares of common stock in this offering at an assumed initial public offering price of $5.50 per unit, consisting of one share of common stock at $5.49 per share and one warrant at $0.01 per warrant , and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us (assuming no exercise of warrants sold in this offering), and (b) the automatic conversion of our convertible promissory notes in the principal amount of $1,730,000 (plus interest) issued in the first six months of 2018 into 405,054 shares of our common stock, upon the closing of this offering, the issuance of 180,872 shares of common stock to be issued to a consultant in consideration of general business advisory services, the issuance of 271,024 shares of our common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC of St. Louis, LLC, 836,105 shares of common stock under the terms of a merger agreement in connection with our acquisition of Clinic Management Associates, LLC, 20,000 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC Regeneration Management of Nashville, LLC and the issuance of 158,182 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of Advantage Hand Therapy, our as adjusted net tangible book value as of September 30, 2018, would have been approximately $5,893,136, or $0. 77 per share of common stock. This represents an immediate increase in the pro forma net tangible book value of $2. 82 per share to existing stockholders and an immediate decrease of $4. 73 per share to investors purchasing shares of our common stock in this offering. The following table illustrates this per share dilution on a per share basis:

	Amount
Assumed initial public offering price per share of common stock	$ 5.50*
Pro forma net tangible book value (deficit) before offering	(2.05)
Increase (decrease) in pro form net tangible book value attributable to new investors	2.82
Pro forma as adjusted net tangible book value after offering	0. 77
Dilution (Accretive) in pro forma net tangible book value to new investors	$ (4.73)

* For convenience, $5.50 per share is used rather than $5.49 per share.

If the underwriters exercise their over-allotment option in full to purchase an additional 195,000 shares of common stock and/or warrants to purchase up to 195,000 shares of common stock, in any combination, from us in this offering to cover over-allotments, if any, the pro forma as adjusted net tangible book value per share after the offering would be $1.11 per share, the increase in the pro forma net tangible book value per share to existing stockholders would be $3.16 per share and the dilution per share to new investors purchasing common stock in this offering would be $(4. 39) per share.

The following table illustrates, on a pro forma as adjusted basis as of September 30, 2018, after giving effect to the Corporate Conversion, the differences between the number of shares of common stock purchased from us, the total consideration paid, and the average price per share paid by existing stockholders and new investors purchasing shares of our common stock in this offering based on an assumed initial public offering price of $5.50 per share and/or warrants in this offering, and before deducting underwriting discounts and commissions and estimated offering expenses.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	6,393,050	83.1%	10,262,512	58.9%	$ 1.61
New investors	1,300,000	16.9%	7,150,000	41.1%	$ 5.50
Total	7,693,050	100.0%	17,412,512	100.0%	$ 2.26

The number of shares of common stock shown above to be outstanding after this offering is based on 7,693,050 shares of our common stock outstanding as of November 30 , 2018, assuming the sale of 1,300,000 shares of our common stock offered for sale in this offering and the automatic conversion of our convertible promissory notes in the principal amount of $1,730,000 (plus interest) issued in the first six months of 2018 into 405,054 shares of our common stock, the issuance of 180,872 shares of common stock to be issued to a consultant in consideration of general business advisory services and the issuance of 271,024 shares of our common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC of St. Louis, LLC, 36,105 shares of common stock under the terms of a merger agreement in connection with our acquisition of Clinic Management Associates, LLC, 20,000 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of IMAC Regeneration Management of Nashville, LLC and 158,182 shares of common stock under the terms of a unit purchase agreement in connection with our acquisition of Advantage Hand Therapy, and excludes 1,000,000 shares of our common stock reserved for future issuance under our 2018 Incentive Compensation Plan.

In addition, if the underwriters exercise their over-allotment option to purchase additional shares in full, the number of shares held by new investors would increase to 1,495,000, or 19 .0% of the total number of shares of our common stock outstanding after this offering.

To the extent that new stock options are issued under our 2018 Incentive Compensation Plan or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes of IMAC Holdings, Inc. as well as the Pro Forma Financial Statements of IMAC Group and the information contained in other sections of this prospectus, particularly under the headings "Risk Factors" and "Business." It contains forward-looking statements that involve risks and uncertainties, and is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those anticipated by our management in these forward-looking statements as a result of various factors, including those discussed below and in this prospectus, particularly under the heading "Risk Factors."

Information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations gives a financial perspective of IMAC Holdings, Inc. and retrospective effect to the consummation of business transactions involving three companies owning or managing IMAC Regeneration Centers and two companies for which IMAC Holdings, Inc. had no prior ownership or management relationships, along with the related issuance of shares of common stock and/or cash payments in such transactions, each of which were completed between June and August 2018, the company herein referred to as "IMAC Group." Management has used best efforts to clearly document the entities in correlation to the information presented below. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "we," "us," "our," "our company," "our business" and "IMAC Holdings" are to IMAC Holdings, Inc., a Delaware corporation and prior to the Corporate Conversion discussed in this prospectus, IMAC Holdings, LLC, a Kentucky limited liability company, and in each case, their consolidated subsidiaries. The business transactions referenced above are with Integrated Medicine and Chiropractic Regeneration Center PSC (through its Management Services Agreement with a wholly owned subsidiary) and IMAC of St. Louis, LLC, which were each consummated in June 2018, and Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, and BioFirma, LLC, which were each consummated in August 2018. A fifth acquisition relates to the buy-out of the minority ownership of other parties of IMAC Regeneration Management of Nashville, LLC.

Overview

We are a provider of movement and orthopedic therapies and minimally invasive procedures performed through our regenerative and rehabilitative medical treatments to improve the physical health of our patients at our fast-growing chain of IMAC Regeneration Centers which we own or manage. Our outpatient medical clinics provide conservative, minimally invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. Our licensed healthcare professionals evaluate each patient and provide a custom treatment plan that integrates traditional medical procedures and innovative regenerative medicine procedures in combination with physical medicine. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. The original IMAC Regeneration Center opened in Kentucky in August 2000 and remains the flagship location of our current business, which was formally organized in March 2015. To date, we have opened seven and acquired four outpatient medical clinics in Kentucky, Missouri and Tennessee, and plan with the net proceeds of this offering to further expand the reach of our facilities to other strategic locations throughout the United States. We have partnered with several active and former professional athletes, opening two Ozzie Smith IMAC Regeneration Centers and two David Price IMAC Regeneration Centers, and recently opened a Tony Delk IMAC Regeneration Center in July 2018. Our outpatient medical clinics emphasize our focus around treating sports and orthopedic injuries as an alternative to traditional surgeries for repair or joint replacement.

Revenue Model

Our revenue mix is diversified between medical treatments and physiological treatments. Our medical treatments are further segmented into traditional medical and regenerative medicine practices. For the last two full fiscal years and the first quarter of this year, traditional medical treatments comprised approximately 33% of total net patient revenues of IMAC Group, while regenerative medicine accounted for approximately 31% of IMAC Group total net patient revenues. Physiological treatments generated the remainder of our total net patient revenues as physical therapy amounted to 31% and chiropractic care at 5% of such revenues. We are an in-network provider for traditional physical medical treatments, such as physical therapy, chiropractic services and medical evaluations, with most private health insurance carriers. Regenerative medical treatments are typically not covered by insurance, but paid by the patient. Approximately 25% of IMAC Group total net patient revenues are attributable to insurance payments, 25% to CMS payments and 53% to cash payments from patients. For more information on our revenue recognition policies, see "Critical Accounting Policies and Estimates - Revenue Recognition."

IMAC Holdings, Inc. recorded consolidated patient billings of $8,020,071 (unaudited) and $1,378,313 and realized total net patient revenues, less allowances for contractual adjustments with third-party payers, of $3,364,190 (unaudited) and $654,625 for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively, and had no revenues in 2016. No revenues were recorded in 2016 because IMAC Holdings did not own any clinics in its name in 2016 and the clinics with which it had entered into management services agreements in 2016 did not open until early 2017. IMAC Holdings' net loss for the nine months ended September 30, 2018 and year ended December 31, 2017 were $(2,116,248) (unaudited) and $(57,181), respectively. The net loss for the nine months ended September 30, 2018 included one-time costs of approximately $145,000 related to this offering. Patient visits, which are an indication of business activity, showed an increase of 21% for the nine months ended September 30, 2018 compared to the same period in 2017. Patient visits increased from 60,084 for the nine months ended September 30, 2017 to 72,499 for the nine months ended September 30, 2018.

On a pro forma basis to reflect the Integrated Medicine and Chiropractic Regeneration Center PSC and IMAC of St. Louis, LLC transactions, which occurred in June 2018, and the Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC transactions which occurred in August 2018, but as if they each occurred on January 1, 2017, the patient billings of IMAC Group were $19,351,574 (unaudited) and $25,812,212 (unaudited) and total net patient revenues of $7,243,288 (unaudited) and $9,596,315 (unaudited) for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively. IMAC Group's pro forma net loss for the nine months ended September 30, 2018 and the year ended December 31, 2017 was $(3,425,330) (unaudited) and $(1,328,513) (unaudited), respectively. The net loss for IMAC Group for the nine months ended September 30, 2018 included one-time costs of approximately $145,000 related to this offering.

Corporate Conversion

Prior to June 1, 2018, we were a Kentucky limited liability company named IMAC Holdings, LLC. Effective June 1, 2018, we converted into a Delaware corporation pursuant to a statutory merger, or the Corporate Conversion, and changed our name to IMAC Holdings, Inc. All of our outstanding membership interests were exchanged on a proportional basis into shares of common stock of IMAC Holdings, Inc.

Following the Corporate Conversion, IMAC Holdings, Inc. continues to hold all of the property and assets of IMAC Holdings, LLC and all of the debts and obligations of IMAC Holdings, LLC continue as the debts and obligations of IMAC Holdings, Inc. The purpose of the Corporate Conversion was to reorganize our corporate structure so that the top tier entity in our corporate structure — the entity that is offering common stock to the public in this offering — is a corporation rather than a limited liability company and so that our existing owners own shares of our common stock rather than membership interests in a limited liability company. Except as otherwise noted herein, the consolidated financial statements included in this prospectus are those of IMAC Holdings, Inc. and its consolidated subsidiaries.

Business Transactions

IMAC Management Services, LLC holds a long-term Management Services Agreement with Integrated Medicine and Chiropractic Regeneration Center PSC, a professional service corporation controlled by our co-founders Matthew C. Wallis, DC and Jason Brame, DC, which operates two IMAC Regeneration Centers in Kentucky. The Management Services Agreement is exclusive, extends through June 2048 and will automatically renew annually each year thereafter unless written notice is given within 180 days prior to the completion of the extended term. On June 29, 2018, Clinic Management Associates, LLC, controlled by Drs. Wallis and Brame, merged with and into our subsidiary IMAC Management Services, LLC. IMAC Management Services, LLC provides exclusive comprehensive management and related administrative services to the IMAC Regeneration Centers under the Management Services Agreement. Pursuant to the merger agreement with Clinic Management Associates, LLC, we agreed to pay cash or issue shares of our common stock having a value of $4,598,576 to its former owners stock upon the closing of this offering. In August 2018, Drs. Wallis and Brame agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the merger agreement. Dr. Wallis is an executive officer and greater than 5% beneficial owner in our company and will receive 75% of the sale price of Clinic Management Associates, LLC. Dr. Brame is a greater than 5% beneficial owner in our company and will receive 25% of the sale price of Clinic Management Associates, LLC. Under the Management Services Agreement, we will receive service fees based on the cost of the services we provide, plus a specified markup percentage, and a discretionary annual bonus.

We entered into a Unit Purchase Agreement with the equity owners of IMAC of St. Louis, LLC to acquire the remaining 64% of the outstanding units of the limited liability company membership interests we did not already own. This entity, doing business as the Ozzie Smith Center, operates two locations in Missouri. Pursuant to the terms of the Unit Purchase Agreement, we agreed to pay IMAC of St. Louis, LLC's former owners upon the closing of this offering $1,000,000 in cash and the remainder in shares of our common stock in the aggregate amount of $1,490,632. The former owners of IMAC of St. Louis, LLC have agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the Unit Purchase Agreement. The effective date of the transaction was June 1, 2018. Dr. Wallis is an executive officer and greater than 5% beneficial owner in our company and will receive cash and stock of $372,658.

We entered into a Unit Purchase Agreement with the equity owners of IMAC Regeneration Management of Nashville, LLC to acquire the remaining 24% of the outstanding units of the limited liability company membership interests we did not already own for an amount equal to $110,000 in cash (which was paid at the closing of the Unit Purchase Agreement) and $190,000 principal amount of 4% convertible notes (on the same terms as in our 2018 private placement). The effective date of this transaction was June 1, 2018. IMAC Regeneration Management of Nashville, LLC, now our 100%-owned subsidiary, and IMAC Regeneration Center of Nashville, P.C. previously agreed to a long-term, exclusive management services agreement on November 1, 2016. Mr. Ervin is an executive officer and greater than 5% beneficial owner in our company and will receive $50,000.

We are compensated under each of our management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation. Under our management services agreements, all obligations owed to us by the professional service corporations are secured by all accounts receivable, contract rights, revenues and general intangibles of the applicable professional service corporation. The management services agreements may be terminated by mutual agreement of the parties, by a non-breaching party after 30 days following an uncured breach by the other party, upon a bankruptcy of either party or by us upon 90 days' prior written notice to the other party.

Integrated Medicine and Chiropractic Regeneration Center, PSC, IMAC Management Services, LLC, IMAC of St. Louis, LLC and IMAC Regeneration Management of Nashville, LLC are related companies having common ownership with us and our controlling stockholders and have been operating together with us as a single group since 2015. We intend to make additional acquisitions following this offering and, in the ordinary course of business, we frequently engage in discussions with potential acquisition candidates and/or their representatives. We currently have no commitments or agreements for any acquisitions.

In August 2018, we purchased 100% of the outstanding units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, a physical and occupational therapy business with four clinics serving the Springfield, Missouri metropolitan area. The purchase price was $22,930 in cash (which was paid at the closing of the Unit Purchase Agreement) and $870,000 payable in shares of our common stock upon the closing of this offering.

On August 20, 2018, we acquired a 70% ownership position in BioFirma, LLC for $1,000 in cash. The acquisition of this entity was not considered significant as measured under specific financial tests of the SEC. BioFirma was formed to produce and commercialize NeoCyte, an umbilical cord-derived mononuclear cell product following the FDA's cGMP regulations. We intend to use approximately $500,000 of the net proceeds of this offering for further research and product development of NeoCyte and other regenerative medicine products, including obtaining regulatory approvals, certifications or designations from the FDA. A portion of the funds for BioFirma will be used for the employment of Ian A. White, Ph.D., Chief Scientific Officer, for a three-year period, as well as for equipment and manufacturing of the product. When it is market-ready, we intend to sell the NeoCyte product at our IMAC Regeneration Centers and other medical clinics.

Matters that May or Are Currently Affecting Our Business

We believe that the growth of our business and our future success depend on various opportunities, challenges, trends and other factors, including the following:

- Our ability to identify, contract with, install equipment and operate a large number of outpatient medical clinics and attract new patients to them;
- Our need to hire additional healthcare professionals in order to operate the large number of clinics we intend to open;
- Our ability to enhance revenue at each facility on an ongoing basis through additional patient volume and new services;
- Our ability to obtain additional financing for the projected costs associated with the acquisition, management and development of new clinics, and the personnel involved, if and when needed;
- Our ability to attract competent, skilled medical and sales personnel for our operations at acceptable prices to manage our overhead; and
- Our ability to control our operating expenses as we expand our organization into neighboring states.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, we evaluate our estimates, including those related to insurance adjustments and provisions for doubtful accounts. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

We believe that, of the significant accounting policies discussed in our Notes to the Consolidated Financial Statements, the following accounting policies require our most difficult, subjective or complex judgments in the preparation of our financial statements.

Revenue Recognition

Our patient service revenue is derived from minimally invasive procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third-party payer, including Medicare. We recognize patient service revenue, net of contractual allowances, which we estimate based on the historical trend of our cash collections and contractual write-offs in the period in which services are performed.

Other management service fees are derived from management services where we provide billings and collections support to the clinics and where management services are provided based on state specific regulations known as the corporate practice of medicine ("CPM"). Under the CPM, a business corporation is precluded from practicing medicine or employing a physician to provide professional medical services. In these circumstances, we provide all administrative support to the physician-owned PC through an LLC. The PC is consolidated due to control by contract (an "SMA" or Service Management Agreement). The fees we derive from these management arrangements are based on a percentage mark-up on the costs of the LLC. We recognize other management service revenue in the period in which services are rendered. These revenues are eliminated in consolidation.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, we typically require up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, we are paid from the outsourced credit vendor and the risk is transferred to the credit vendor for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. Our ability to collect outstanding receivables is critical to our results of operations and cash flows. Accordingly, accounts receivable reported in our consolidated financial statements is recorded at the net amount expected to be received. Our primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in our receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to us when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent us from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay us for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance), and (vi) the risk of non-payment from uninsured patients.

Our accounts receivables from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of our facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, we expect that any such changes would be minimal and, therefore, would not have a material effect on our financial condition or results of operations. Our collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage our patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. We analyze accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Income Taxes

Prior to June 1, 2018, IMAC Holdings, IMAC Management Services, IMAC Texas, IMAC of St. Louis and IMAC Nashville were limited liability companies and taxed as partnerships. As a result, income tax liabilities were passed through to the individual members. Any future tax benefit arising from post conversion corporate losses have been offset by a valuation allowance. Accordingly, no provision for income taxes is reflected in the consolidated financial statements. For more information, see "Corporate Conversion."

References in this section of the MD&A to "IMAC Holdings, Inc." and prior to June 1,2018," IMAC Holdings, LLC" represent our consolidated financial statements prior to the consummation of certain business transactions. The business transactions refer to the following five transactions with entities for which IMAC Holdings acquired ownership or control, or varying degrees of ownership or control, as of September 30, 2018: Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC.

Results of Operations for the Twelve Months Ended December 31, 2017 Compared to Twelve Months Ended December 31, 2016 – IMAC Holdings, Inc.

We own our medical clinics directly or have entered into long-term management services agreements to operate and control these medical clinics by contract. Our preference is to own the clinics; however, some state laws restrict the corporate practice of medicine and require a licensed medical practitioner to own the clinic. Accordingly, our managed clinics are owned exclusively by a medical professional within a professional service corporation (formed as a limited liability company or corporation) under common control with us or eligible members of our company in order to comply with state laws regulating the ownership of medical practices. We are compensated under management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation.

The following table sets forth a summary of IMAC Holdings, Inc.'s statements of operations for the years ended December 31, 2017 and 2016, and the unaudited nine months ended September 30, 2018 and 2017:

	Nine Months Ended September 30,		Years Ended December 31,	
	2018	2017	2017	2016
	(unaudited)			
Patient revenues	$ 8,020,071	$ 685,252	$ 1,378,313	$ -
Contractual adjustments	(4,655,881)	(354,990)	(723,688)	-
Total patient revenue, net	3,364,190	330,262	654,625	-
Management fees	64,000	97,800	131,400	15,000
Total revenue	3,428,190	428,062	786,025	15,000
Total operating expenses	6,142,192	1,081,188	1,701,092	234,047
Operating loss	(2,714,002)	(653,126)	(915,067)	(219,047)
Total other income (expenses)	(76,195)	(10,681)	(15,074)	4
Loss before equity in earnings (loss) of non-consolidated affiliate	(2,790,197)	(663,807)	(930,141)	(219,043)
Equity in earnings (loss) of non-consolidated affiliate	(105,550)	14,273	13,609	(178,397)
Net loss	$ (2,895,747)	$ (649,534)	$ (916,532)	$ (397,440)
Net loss attributable to the non-controlling interest	$ 779,463	$ 712,570	$ 859,351	$ 16,643
Net earnings (loss) attributable to IMAC Holdings, Inc.	$ (2,116,284)	$ 63,036	$ (57,181)	$ (380,797)

The following table sets forth a summary of the change in IMAC Holdings, Inc.'s statements of operations at the entity level for the year ended December 31, 2017 as compared to the year ended December 31, 2016. IMAC Holdings, Inc.'s actual condensed statements of operations for the years ended December 31, 2017 and 2016 are set forth in IMAC Holdings, Inc.'s consolidated financial statements included in this prospectus.

IMAC Holdings, Inc.
Change in Statements of Operations Entity Level

For the Year Ended December 31, 2017 variance to the Year Ended December 31, 2016	IMAC Regeneration Center of Nashville, P.C.	IMAC Regeneration Management of Nashville, LLC	IMAC Management Services, LLC	IMAC Holdings	Consolidated	Eliminations	IMAC Holdings Inc.
Patient Revenues	$ 1,378,313	$ -	$ -	$ -	$ 1,378,313	0	$ 1,378,313
Contractual Adjustments	(723,688)	-	-	-	(723,688)	-	(723,688)
Total Patient Revenue, net	654,625	-	-	-	654,625	0	654,625
Other Revenue	-	-	-	-	-	-	-
Management Fees	-	985,243	168,000	-	1,153,243	(1,036,843)	116,400
Total Revenue	654,625	985,243	168,000	-	1,807,868	(1,036,843)	771,025
Operating expenses:							
Patient expenses	-	63,216	-	(4,266)	58,950	0	58,950
Salaries and benefits	540,280	220,593	173,165	-	934,037	0	934,037
Share-based compensation	-	-	-	(131,253)	(131,253)	0	(131,253)
Advertising and marketing	-	82,367	-	12,500	94,867	0	94,867
General and administrative	995,915	395,349	285	89,842	1,481,391	(1,036,843)	444,548
Depreciation	-	65,895	-	-	65,895	-	65,895
Total operating expenses	1,536,195	827,420	173,450	(33,177)	2,503,888	(1,036,843)	1,467,046
Operating Loss	(881,570)	157,822	(5,450)	33,177	(696,020)	-	(696,020)
Other income (expense):							
Interest income	-	-	-	23,169	23,169	(8,352)	14,816
Other Income	-	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	(2,744)	(2,744)	0	(2,744)
Interest expense	(833)	(698)	-	(25,619)	(27,151)	-	(27,151)
Total other income (expenses)	(833)	(698)	-	(5,194)	(6,726)	(8,352)	(15,078)
Loss before equity in earnings (loss) of non-controlling interest	(882,403)	157,124	(5,450)	27,983	(702,746)	(8,352)	(711,099)
Equity in earnings (loss) of non-consolidated affiliate	-	-	-	192,006	192,006	-	192,006
Net Loss	(882,403)	91,246	(2,928)	(114,094)	(908,180)	-	(519,093)
Net loss attributable to the non-controlling interest	882,403	(39,695)	-	-	842,708	-	842,708
Net loss attributable to IMAC Holdings, Inc.	$ (0)	$ 51,551	$ (2,928)	$ (114,094)	$ (65,472)	0	$ 323,615

The following discussion relates to IMAC Holdings, Inc. and the change in its statements of operations for the year ended December 31, 2017 as compared to the year ended December 31, 2016.

Revenues

Gross revenues for the twelve months ended December 31, 2017 were $1,378,313, compared to no revenues for the year ended December 31, 2016. Revenue increased solely due to revenues from IMAC Regeneration Center of Nashville, P.C which opened in May 2017.

Net revenue (gross revenues less contractual adjustments) for the twelve months ended December 31, 2017 was $654,625 as compared to no net revenue for the year ended December 31, 2016.

IMAC Holdings, Inc. had non-patient related revenues for the twelve months ended December 31, 2017 of $131,400. All of the revenue was related to billing services provided by IMAC Management Services, LLC to other IMAC facilities and such revenue to IMAC Holdings, Inc. was not eliminated in consolidation due to ownership.

Operating Expenses

Operating expenses consist of patient expenses, salaries and benefits, advertising and marketing, general and administrative expenses and depreciation expenses.

Total operating expenses for the twelve months ended December 31, 2017 increased by $1,467,045 compared to the same period in 2016. The increase was primarily attributable to increased costs in Tennessee and overhead costs at IMAC Holdings related to preparation for this offering.

Patient expenses consist of medical supplies for services rendered.

Patient expenses increased for the year ended December 31, 2017 compared to the year ended December 31, 2016 by $58,950. IMAC of Tennessee patient expenses were $63,216 in 2017 and it had no expenses in 2016. IMAC Holdings had a reduction in patient expenses of $4,266 in the year ended December 31, 2017 compared to the year ended December 31, 2016.

Salaries and benefits consist of payroll, benefits and related party contracts.

Salaries and benefits increased for the year ended December 31, 2017 by $934,037 compared to the year ended December 31, 2016. IMAC of Tennessee had an increase in salaries and benefits of $760,873 due to being open seven and a half months in 2017 and only $21,111 in salaries and benefits cost for the year ended December 31, 2016. IMAC of Tennessee was not open in 2016. All facilities have startup costs attributable to the need to hire staff in advance of opening. IMAC Management Services had an increase in salaries and wages of $173,165 attributable to billing and collection services cost for new facilities.

Share-based compensation consists of the value of company stock for sponsor efforts outside of an endorsement agreement. At the time of the compensation, our company was still a limited liability company; therefore, compensation was in the form of limited liability company units instead of stock. The units converted to stock effective upon the company's conversion from a limited liability company to a corporation.

Share-based compensation decreased by $131,253 during the year ended December 31, 2017 compared to the year ended December 31, 2016. One of our Medical Directors was given 20 units in 2016. In 2017, one Brand Ambassador was given four units for current and future efforts and one unit was given to a second Brand Ambassador for bringing a sponsor to the Company.

Advertising and marketing consists of marketing, business promotion and brand recognition.

Advertising and marketing increased year-over-year by $94,867 for the year ended December 31, 2017 compared to the prior year. IMAC of Tennessee had an increase in advertising and marketing expense of $82,367 for the year ended December 31, 2017 compared to the year ended December 31, 2016. IMAC Holdings' advertising and marketing expense increased by $12,500.

General and administrative (G&A) consists of all other costs other than advertising and marketing, salaries and wages, patient expenses and depreciation.

General and administrative expense increased by $444,548 for the year ended December 31, 2017 compared to the prior year. For the year ended December 31, 2017, IMAC of Tennessee G&A costs increased primarily due to rent, legal and professional fees. Management Services G&A increased by $285. IMAC Holdings' G&A costs increased by $89,842 due to legal and accounting costs associated with the requirements for this public offering.

We purchase fixed assets, such as equipment or medical equipment, to use in the course of our business activities. We capitalize the full cost of the asset on our balance sheet and depreciate the cost over the asset's estimated useful life.

Depreciation expense increased by $65,895 for the year ended December 31, 2017 compared to the prior year. IMAC of Tennessee had additional depreciation of $65,895 in 2017 as compared to 2016.

Other income (expense)

Other income (expense) consists of interest expense, interest income, and loss on disposal of an asset.

Total other income (expense) increased by $15,078 for the year ended December 31, 2017 compared to the year ended December 31, 2016.

Interest income increased by $14,816 for the year ended December 31, 2017 compared to the year ended December 31, 2016. The $14,816 of interest income was attributable to the related party note from IMAC of St. Louis.

Interest expense was $27,151 for the twelve months ended December 31, 2017 compared to no expense in the year ended December 31, 2016. $25,619 was related to the interest expense for The Edward S. Bredniak Trust loan of $500,000. The proceeds of that loan were loaned internally to IMAC of St. Louis and used to obtain a letter of credit to secure our medical clinic lease in Chesterfield, Missouri.

Equity in earnings (loss) of non-consolidated affiliate

Equity in earnings (loss) of non-consolidated affiliate is the proportional share (based on ownership) of the net earnings or losses of an unconsolidated affiliate.

Total equity in earnings (loss) of a non-consolidated affiliate increased by $192,006 for the year ended December 31, 2017 compared to the year ended December 31, 2016. The increase was related to IMAC Holdings' 36% ownership of the outstanding limited liability company membership units of IMAC of St. Louis. IMAC of St. Louis had one facility opened for eight months in 2016 and 12 months in 2017. A second facility opened in August 2017, representing an increase of nine operating months from 2016 to 2017. Overall net income increased by $510,000 year-over-year, of which IMAC Holdings recognized 36%, consistent with its interest in IMAC of St. Louis.

Net loss attributable to the non-controlling interest

Net loss attributable to the non-controlling interest is the amount of net income (loss) for the period allocated to non-controlling partners of IMAC Holdings, Inc. that is included in the entity's consolidated financial statements.

Net loss attributable to the non-controlling interest increased by $842,708 for the year ended December 31, 2017 compared to the year ended December 31, 2016. The non-controlling interest increase was due to the portion of IMAC of Tennessee PC and IMAC of Tennessee LLC net income (loss) that IMAC Holdings did not own or control. In 2016, neither of the two Tennessee locations were open but minimal expenses were incurred. The Brentwood and Murfreesboro, Tennessee locations opened in May 2017 and November 2017, respectively. During 2017, net revenue of $654,625 was recognized and expenses incurred of $1,445,781 for those locations. We expect new clinic locations to incur losses during their first nine months of the initial operations.

Net loss

Net loss for the twelve months ended December 31, 2017 was $(57,181), which was an increase from a net loss of $(380,797) for the same period in 2016. The increase in net loss was the result of start-up costs for the Brentwood and Murfreesboro locations of IMAC of Tennessee, additional costs of IMAC Holdings in preparation for this offering, and additional costs at IMAC Management Services LLC related to increased billing and collections.

Results of Operations for the Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017 – IMAC Holdings, Inc.

The following table sets forth a summary of the change in IMAC Holdings, Inc.'s statements of operations at the entity level for the nine months ended September 30, 2018 compared to nine months ended September 30, 2017. IMAC Holdings, Inc.'s actual condensed statements of operations for nine months ended September 30, 2018 and 2017 are set forth in IMAC Holdings, Inc.'s consolidated financial statements included in this prospectus.

IMAC Holdings Inc.
Change in Statements of Operations Entity Level
Nine Months Ended September 30, 2018 Compared to the Nine Months Ended September 30, 2017

	Holdings	IMAC Management Services, LLC	Integrated Medicine and Chiropractic Regeneration Center PSC	IMAC of Tennessee LLC	IMAC of Tennessee PC	IMAC of St. Louis, LLC	Advantage Hand Therapy and Orthopedic Rehabilitation, LLC	BioFirma LLC	Subtotal	Eliminations	Combined Consolidated
Patient revenues	$ -	$ -	$ 3,261,130	$ -	$ 1,560,787	$ 2,340,651	$ 172,250	$ -	$ 7,334,818	$ -	$ 7,334,818
Contractual adjustments	-	-	(1,920,970)	-	(899,347)	(1,480,574)	-	-	(4,300,890)	-	(4,300,890)
Total patient revenues, net	-	-	1,340,161	-	661,440	860,078	172,250	-	3,033,928	-	3,033,928
Other revenue:											
Internal management fee revenue	-	850,587	-	326,467	-	-	-	-	1,177,053	(1,210,853)	(33,800)
Total revenue	-	850,587	1,340,161	326,467	661,440	860,078	172,250	-	4,210,982	(1,210,853)	3,000,128
Operating expenses:											
Patient expenses	-	188,500	5,915	73,086	-	106,660	8,595	-	382,756	-	382,756
Salaries and benefits	674,734	156,372	483,274	(77,059)	191,948	455,365	135,040	-	2,019,674	-	2,019,674
Share-based compensation	3,749	-	-	-	-	-	-	-	3,749	-	3,749
Advertising and marketing	144,020	85,564	8,200	105,881	-	62,161	3,216	-	409,041	-	409,041
General and administrative	853,644	259,541	991,337	166,403	357,954	242,696	75,911	753	2,948,240	(1,210,853)	1,737,387
Depreciation	148,121	71,287	-	58,460	-	228,882	1,569	79	508,397	-	508,397
Total operating expenses	1,824,269	761,263	1,488,726	326,770	549,902	1,095,765	224,331	832	6,271,858	(1,210,853)	5,061,004
Operating loss	(1,824,269)	89,323	(148,565)	(304)	111,538	(235,687)	(52,081)	(832)	(2,060,876)	-	(2,060,876)
Other income (expenses):											
Interest income	(1,267)	-	-	-	-	2,112	-	-	845	(4,679)	(3,834)
Gain on acquisition	18,356	-	-	-	-	-	-	-	18,356	-	18,356
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(43,757)	(10,941)	(3,369)	(1,966)	(12,279)	(14,194)	(1,553)	-	(88,059)	8,023	(80,036)
Total other income (expenses)	(26,668)	(10,941)	(3,369)	(1,966)	(12,279)	(12,082)	(1,553)	-	(68,859)	3,344	(65,515)
Loss before equity in earnings (loss) of non-consolidated affiliate	(1,850,937)	78,383	(151,935)	(2,270)	99,259	(247,769)	(53,634)	(832)	(2,129,735)	3,344	(2,126,391)
Equity in earnings (loss) of non-consolidated affiliate	(116,479)	-	-	-	-	-	-	-	(116,479)	(3,344)	(119,823)
Net loss	(1,967,416)	78,383	(151,935)	(2,270)	99,259	(247,769)	(53,634)	(832)	(2,246,214)	-	(2,246,214)
Net loss attributable to the non-controlling interest	-	-	177,850	13,969	(99,259)	-	-	250	92,810	66,894	66,894
Net loss attributable to the IMAC Inc.	(1,967,416)	78,383	25,916	11,699	-	(247,769)	(53,634)	(582)	(2,153,404)	66,894	(2,179,320)

The following discussion relates to IMAC Holdings, Inc. and the change in its statements of operations for the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017. All references in this discussion to interim nine-month periods ended September 30, 2018 and 2017 are unaudited.

Revenues

Gross revenues increased during the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017 due to IMAC Regeneration Center of Nashville PC being open a full nine months during the nine months ended September 30, 2018, whereas just the Brentwood, Tennessee location was open for four and a half months during the nine months ended September 30, 2017, and as the acquisitions of IMAC of St. Louis, LLC and Clinic Management Associates, LLC were effective as of June 1, 2018 and June 30, 2018, respectively, and the acquisitions of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, and BioFirma LLC, were effective as of August 1, 2018 and August 20, 2018, respectively.

Net revenue (gross revenues less contractual adjustments) for the nine months ended September 30, 2018 was $3,364,190 as compared to $330,262 for the same period in 2017.

IMAC Holdings, Inc. had non-patient related revenues for the nine months ended September 30, 2018 related to billing services provided by IMAC Management Services LLC to other IMAC facilities and such revenue to IMAC Holdings, Inc. was not eliminated in consolidation due to ownership.

Operating Expenses

Operating expenses consist of patient expenses, salaries and benefits, advertising and marketing, general and administrative expenses and depreciation expenses.

Total operating expenses for the nine months ended September 30, 2018 increased by $5,061,004 compared to the same period in 2017. The increase was attributable to the acquisitions of IMAC of St. Louis, IMAC of Kentucky, and Advantage Therapy. Additionally, there were increased costs in IMAC of Tennessee due to the Brentwood and Murfreesboro facilities having had a combined seven operating months during the nine months ended September 30, 2017 compared to a combined 18 operating months in the same period in 2018, increased overhead costs at IMAC Holdings, Inc. in 2018 related to preparation for this offering, approximately $144,000 in advertising and marketing expenses for new endorsements, approximately $853,000 for accounting, audit, legal, and consulting costs in preparation for this offering and a realignment of resources (approximately $674,000 in staff costs moved from the individual facilities to IMAC Holdings which provides the infrastructure for the all facilities) as compared to the same period in 2017. There were approximately $145,000 of one-time costs in the first nine months of 2018 as compared to the same period in 2017.

Patient expenses consist of medical supplies for services rendered.

Patient expenses increased by $382,756 for the nine months ended September 30, 2018 compared to the same period in 2017. IMAC of Tennessee patient expenses increased due to the Brentwood and Murfreesboro facility being open a full nine months during the nine months ended September 30, 2018 compared to the Brentwood facility being open four and a half months and the Murfreesboro facility being open two months in the nine month period ending September 30, 2017. IMAC of St. Louis, LLC had patient expenses for four months of the nine-month period ended September 30, 2018. IMAC Holdings Inc. had only a minority ownership in IMAC of St. Louis, LLC for the nine-month period ending September 30, 2017 and therefore showed no facility revenue or expenses during this period. The Kentucky entities (IMAC of Kentucky and Management Services) had $194,415 of patient expenses during three months of the nine months ended September 30, 2018. IMAC Holdings Inc. had no ownership in IMAC of Kentucky during the nine months ended September 30, 2017.

Salaries and benefits consist of payroll, benefits and related party contracts.

Salaries and benefits increased by $2,019,674 for the nine months ended September 30, 2018 compared to the same period in 2017. IMAC of Tennessee had an increase in salaries and benefits due to nine months of staff and provider cost for both the Brentwood and Murfreesboro facilities in 2018 compared to limited staff for the Brentwood and Murfreesboro facility for the same period in 2017. IMAC Holdings, Inc. had an increase in costs due to the additional cost related to marketing personnel and the realignment of other personnel from the facilities to IMAC Holdings. IMAC Management Services LLC costs increased due to additional costs to support billing and operations for related facilities. IMAC of Kentucky had $483,274 in salaries and benefit expense for the nine-months ended September 30, 2018. No salaries and benefits expense were recorded for the nine months ended September 30, 2017 due to the lack of ownership in this period. IMAC of St. Louis had salaries and benefits expense for four months during the nine months ended September 30, 2018. No salaries and benefits expense were recorded for the nine months ended September 30, 2017 due to our minority ownership.

Share-based compensation consists of the value of company stock for sponsor efforts outside of an endorsement agreement. At the time of the compensation, our company was still a limited liability company; therefore, compensation was in the form of limited liability company units instead of stock. The units converted to stock effective upon the Company's conversion from a limited liability company to a corporation.

Share-based compensation for the nine-month period ended September 30, 2018 was $11,248 compared to $7,499 for the same period in 2017. This expense reflected nine months of Brand Ambassador's expense associated with units issued in 2018 compared to less units issued in 2017.

Advertising and marketing consists of marketing, business promotion and brand recognition

Advertising and marketing increased by $409,040 for the nine-months ended September 30, 2018 compared to the same period in the prior year. IMAC of Tennessee had an increase in advertising and marketing expense of $105,881 for the nine-months ended September 30, 2018 compared to the same period in 2017. IMAC Holdings advertising and marketing expense increased by $144,020 for the nine months ended September 30, 2018 compared to the same period in 2017 in preparation for this offering. IMAC of St. Louis, LLC had advertising and marketing costs of $62,161 for the nine months ended September 30, 2018 compared to no costs in the nine months ended September 30, 2017 due to IMAC's minority interest during this period.

General and administrative (G&A) consists of all other costs other than advertising and marketing, salaries and wages, patient expenses and depreciation.

General and administrative expense increased by $1,737,387 for the nine months ended September 30, 2018 compared to the same period in 2017. IMAC of Tennessee G&A costs increased by $524,357 due to a full nine months of expense in the Brentwood and Murfreesboro facilities in 2018 compared to limited expense in the Brentwood facility in the same period in 2017. IMAC Management Services LLC G&A increased by $259,541 due to inclusion of the Kentucky market costs. IMAC Holdings, Inc. G&A costs increased by $853,644 due to the additional cost for accounting, legal, audit and consulting costs associated with the requirements for the public filing in the nine months ended September 30, 2018 compared to limited costs during the same period in 2017. IMAC of St. Louis had G&A expense of $242,696 for the nine months ended September 30, 2018 compared to no G&A expense for the same period in 2017 due to IMAC's minority interest during this period.

We purchase fixed assets, such as equipment or medical equipment, to use in the course of our business activities. We capitalize the full cost of the asset on our balance sheet and depreciate the cost over the asset's estimated useful life.

Depreciation expense increased by $508,398 for the nine months ended September 30, 2018 compared to the same period during 2017. IMAC of Tennessee had an increase in depreciation of $58,460 for the nine months ended September 30, 2018 compared to the same period in 2017. IMAC Holdings, Inc. had $148,121 in expense for the nine months ended September 30, 2018 and no cost in the same period in 2017. IMAC of St. Louis, LLC had $228,882 in depreciation expense for the nine months ended September 30, 2018 compared to no expense in the same period in 2017 due to IMAC's minority ownership during this period.

Other income (expense)

Other income (expense) consists of interest expense, interest income, and loss on disposal of an asset.

Total other income (expense) decreased by $65,515 for the nine months ended September 30, 2018 compared to the same period in 2017.

Interest expense increased by $80,036 for the nine months ended September 30, 2018 compared to the same period in 2017.

Equity in earnings (loss) of non-consolidated affiliate

Equity in earnings (loss) of non-consolidated affiliate is the proportional share (based on ownership) of the net earnings or losses of an unconsolidated affiliate.

Total equity in earnings (loss) of non-consolidated affiliate decreased by $119,823 for the nine months ended September 30, 2018 compared to the same period in 2017.

Net loss attributable to the non-controlling interest

Net loss attributable to the non-controlling interest is the amount of net income (loss) for the period allocated to non- controlling partners of IMAC Holdings, Inc. that is included in the entity's consolidated financial statements.

Net loss attributable to the non-controlling interest increased by $66,894 for the nine-month period ended September 30, 2018 compared to the nine months ended September 30, 2017.

Net loss

Net loss for the nine months ended September 30, 2018 was $(2,116,284) compared with net income of $63,034 for the same period in 2017. The loss in the nine months ended September 30, 2018 is due to additional costs at IMAC Holdings Inc. related to this offering and losses from IMAC of St. Louis and IMAC of Kentucky.

Liquidity and Capital Resources

As of December 31, 2017, we had $127,788 in cash and working capital of $234,638. As of December 31, 2016, we had cash of $876,205 and working capital of $1,550,461. The decrease in working capital was primarily due to the decrease in the cash balance, the increase in current portion of debt and patient deposits.

As of September 30, 2018, we had $241,874 in cash and a working capital deficit of $(11,892,072). Our working capital balance was impacted by three primary factors: acquisition liabilities of $7,259,208, a 4% convertible note of $1,530,000, and a six-month mortgage of $1,232,500 on our new Lexington, Kentucky property, which will be refinanced at maturity. As described in this prospectus, our acquisition liabilities will be satisfied through the issuance of our common stock in lieu of further cash payments following the consummation of this offering. See "Prospectus Summary – Business Transactions" and "Capitalization".

As of September 30, 2018, we had approximately $13.2 million in current liabilities. We intend to satisfy these liabilities, in large part, contemporaneously with the closing of this offering through the issuance of common stock in settlement of approximately $7.1 million in acquisition-related liabilities (see "Business Transactions" above) and conversion of approximately $1.7 million in promissory notes issued in our 2018 private placement, and we will utilize approximately $1.5 million of the net proceeds of this offering to repay an interim note used for working capital which had a balance of approximately $984,000 as of September 30, 2018. Of the remaining current liabilities, approximately $1.2 million represents a mortgage on our new Lexington, Kentucky property, which we intend to refinance following this offering, and approximately $851,000 represents patient deposits prior to services being performed, which will be recognized as revenue in the near term. Lastly, we have approximately $1.4 million in current liabilities outstanding to our vendors and in operating lines of credit, which we have historically paid down in the normal course of our business.

Operating Activities

The primary source of our operating cash flow is the collection of accounts receivable from patients, private insurance companies, government programs, self-insured employers and other payers.

During the twelve months ended December 31, 2017, our operating cash flow from operations increased to $(436,976) compared to $(880,589) for the twelve months ended December 31, 2016. This increase was primarily attributable to the opening of the Brentwood, Tennessee facility.

During the nine months ended September 30, 2018, our operating cash flow used in operations was $(1,613,156). This was primarily attributable to the net loss before loss attributable to non-controlling interest of the $(2,895,747) for the nine months ended September 30, 2018.

Investing Activities

Net cash used in investing activities during the twelve months ended December 31, 2017 was $(472,515) which included $(546,470) related to purchases of property and equipment and leasehold improvements for the new IMAC of Tennessee locations. Net cash used in investing activities during the year ended December 31, 2016 was $(421,603). This was attributable to the investment in and loan to IMAC of St. Louis.

Net cash used in investing activities during the nine months ended September 30, 2018 was $(2,058,351), which included $(1,175,000) related to the purchase of our building in Lexington, Kentucky and $355,000 for construction in process and property and equipment for our Lexington, Kentucky facility. Cash used in investing activities also included the purchase of property and equipment in the St. Louis transaction and the Kentucky transaction.

Financing Activities

Net cash provided by financing activities during the twelve months ended December 31, 2017 was $161,074. Proceeds from notes payable totaled $200,000. This was due to an equipment loan for the IMAC of Tennessee locations. Payments on notes payable totaled $(85,916) for a note payable to The Edward S. Bredniak Trust. Proceeds from the IMAC of Tennessee PC line of credit totaled $25,000.

Net cash provided by financing activities during the nine months ended September 30, 2018 was $3,785,593. Proceeds from notes payable were $3,429,430. Proceeds were from our convertible notes and a loan payable for our Lexington, Kentucky property for IMAC Holdings, notes for the purchase of equipment and construction costs in connection with the IMAC of St Louis transaction, and notes for the purchase of equipment in connection with the Integrated Medicine and Chiropractic Regeneration Center PSC transaction. There was an additional $494,975 in proceeds from a separate line of credit for the IMAC of Tennessee, IMAC of St. Louis and the Integrated Medicine and Chiropractic Regeneration Center, PSC locations.

Contractual Obligations

The following table is a summary of contractual cash obligations at December 31, 2017:

IMAC Holdings, Inc.

	Total	<1	1 - 3	3 - 5	>5
Notes Payable	$ 614,007	$ 157,932	$ 383,837	$ 59,145	$ 13,093
Lease Obligation	$ 2,324,078	$ 293,388	$ 907,712	$ 313,459	$ 809,519

The following table is a summary of contractual cash obligations at September 30, 2018:

IMAC Holdings, Inc.

	Total	<1	1-3	4-5	>5
Notes Payable	$ 4,213,325	$ 3,855,628	$ 192,635	$ 117,082	$ 47,980
Lease Obligation	$ 4,801,937	$ 216,838	$ 1,648,860	$ 1,285,029	$ 1,651,210

References in this section of the MD&A to "IMAC Group" represent IMAC Holdings, Inc. on an unaudited pro forma basis, assuming that the business transactions resulting in the consolidation of Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC were effective as of January 1, 2017.

Results of Operations - IMAC Group

The following tables reflect the pro forma operating results for the IMAC Group for the year ended December 31, 2017 and the nine months ended September 30, 2018.

	Pro Forma	
	Nine Months Ended September 30, 2018	**Year Ended December 31, 2017**
Patient revenues	$ 19,351,57 4	$ 25,812,212
Contractual adjustments	(12,108,286)	(16,215,897)
Total patient revenue, net	7,243,28 8	9,596,315
Total Revenue	7,243,28 8	9,596,315
Operating expenses:		
Patient expenses	927,609	1,057,635
Salaries and related expenses	4,876,931	5,347,299
Share-based compensation: consulting fees	11,248	18,747
Advertising and marketing	654,389	481,241
General and administrative	2,940,955	2,255,836
Depreciation and amortization	1,892,188	1,955,765
Total operating expenses	11,303,320	11,116,523
Operating loss	(4,060,032)	(1,520,208)
Other income (expenses):		
Interest income	2,271	2,852
Gain on acquisition	18,356	-
Interest Expense	) (122,166	(98,290)
Loss on disposal of assets	-	(572,361)
Total other income (expenses)	(101,5 40)	(667,799)
Net Loss	$ (4,161,57 2)	$ (2,188,007)

The following table sets forth a summary of IMAC Group statements of operations at the entity level for the year ended December 31, 2017.

IMAC Group
Unaudited Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2017

	IMAC Holdings	IMAC Kentucky	IMAC St. Louis	Advantage Therapy	BioFirma		Pro-Forma Adjustments	IMAC Group Pro Forma
Patient revenues	$ 1,378,313	$ 13,258,419	$ 8,073,943	$ 3,101,537	$ -			$ 25,812,212
Contractual adjustments	(723,688)	(8,298,287)	(5,364,015)	(1,829,907)	-			(16,215,897)
Total patient revenue, net	654,625	4,960,132	2,709,928	1,271,630	-			9,596,315
Management fees	131,400	-	-	-	-	(i)	(131,400)	-
Total Revenue	786,025	4,960,132	2,709,928	1,271,630	-			9,596,315
Operating expenses:								
Patient expenses	63,216	648,479	309,927	36,013	-			1,057,635
Salaries and related expenses	967,627	2,334,770	1,327,526	717,376	-			5,347,299
Share-based compensation: consulting fees	18,747	-	-	-	-			18,747
Advertising and marketing	119,867	142,642	202,541	16,191	-			481,241
General and administrative	465,740	885,273	679,596	356,627	-	(i)	(131,400)	2,255,836
Depreciation and amortization	65,895	197,945	134,563	17,930	-	(ii)	1,539,432	1,955,765
Total operating expenses	1,701,092	4,209,109	2,654,153	1,144,137	-			11,116,523
Operating loss	(915,067)	751,023	55,775	127,493	-			(1,520,208)
Other income (expenses):								
Interest income	14,821	-	2,670	216	-	(i)	(14,855)	2,852
Interest expense	(27,151)	(37,229)	(43,836)	(4,929)	-	(i)	14,855	(98,290)
Loss on disposal of assets	(2,744)	(569,617)	-	-	-			(572,361)
Total other income (expenses)	(15,074)	(606,846)	(41,166)	(4,713)	-			(667,799)
Loss before equity in earnings(loss) of non-consolidated affiliates	(930,141)	144,177	14,609	122,780	-			(2,188,007)
Equity in earnings (loss) of non-consolidated affiliate	13,609	-	-	-	-	(iii)	(13,609)	-
Net earnings (loss)	(916,532)	144,177	14,609	122,780	-			(2,188,007)
Net loss attributable to the non-controlling interest	859,351	-	-	-	-	(ii)	143	859,494
Net loss attributable to the IMAC Holdings Inc. stockholders	(57,181)	144,177	14,609	122,780	-			(1,328,513)

Footnotes

(i) To eliminate inter-company management fees and interest on loans

(ii) To record depreciation and amortization arising from purchase accounting adjustments of IMAC Kentucky, IMAC St. Louis, Advanced Therapy, and BioFirma for pre-acquisition periods

(iii) To eliminate redundancy of equity in earnings of IMAC St. Louis for the period prior to acquisition

Results of Operations for the Twelve Months Ended December 31, 2017 — IMAC Group

The following discussion relates to IMAC Group for the year ended December 31, 2017. All references to the year ended December 31, 2017 are unaudited.

Revenues *- **IMAC Group***

The following revenue information is related to IMAC Group as referenced in the tables above.

All revenue information in this section gives retrospective effect to the completion of five transactions we completed in June and August 2018 and the related issuance of shares of our common stock and/or cash payments in such transactions. References to "IMAC Group" represents IMAC Holdings, Inc. on a pro forma basis after completion of the transactions.

Gross revenue for the twelve months ended December 31, 2017 was $25,812,212. Revenue was diversified across four operating segments, IMAC Holdings, IMAC of St. Louis, IMAC Kentucky and Advantage Therapy. Our Tennessee operations, which are included in IMAC Holdings, opened in May 2017 and had gross revenues of $1,378,313. Our St. Louis operations were open for a full year in 2017 and had revenues of $8,073,943, our Kentucky operations were open for a full year in 2017 and had revenues of $13,258,419 and our Advantage Therapy operations were open for a full year in 2017 and had revenues of $3,101,537.

Net revenue (gross revenues less contractual adjustments) for the twelve months ended December 31, 2017 was $9,596,315. For the twelve months ended December 31, 2017, our IMAC Holdings operations had net revenues of $654,625, our IMAC of St. Louis operations had net revenues of $2,709,928, our IMAC Kentucky operations had net revenues of $4,960,132 and our Advantage Therapy operations had revenues of $1,271,630.

Operating Expenses *- IMAC Group*

The following operating expense information is related to IMAC Group.

Operating expenses consist of patient expenses, salaries and benefits, advertising and marketing, general and administrative expenses and depreciation expenses.

Total operating expenses for the twelve months ended December 31, 2017 were $11,116,523. The costs were attributable to our IMAC Holdings operations, a full year of costs for our St. Louis, IMAC Kentucky and Advantage Therapy operations, and overhead costs at IMAC Holdings related to preparation for this offering.

Patient expenses consist of medical supplies for services rendered.

Patient expenses were $1,057,635 for the year ended December 31, 2017. IMAC Holdings had expenses of $63,216, our Kentucky operations had expenses of $648,479 and our St. Louis operations had expense of $309,927 and Advantage Therapy had expenses of $36,013 during the year ended December 31, 2017.

Salaries and benefits consist of payroll, benefits and related party contracts.

Salaries and benefits in total were $5,347,299 for the year ended December 31, 2017. IMAC Holdings salaries and wages expense was $967,627, our Kentucky operations had expense of $2,334,770, our St. Louis operations had expense of $1,327,526 and Advantage Therapy salaries and benefits were $717,376 for the year ended December 31, 2017. All facilities have startup costs attributable to the need to hire staff in advance of opening.

Share-based compensation consists of the value of company stock for sponsor efforts outside of an endorsement agreement. At the time of the compensation, our company was still a limited liability company; therefore, compensation was in the form of limited liability company units instead of stock. The units converted to stock effective upon the company's conversion from a limited liability company to a corporation.

Share-based compensation for the year ended December 31, 2017 was $18,747.

Advertising and marketing consists of marketing, business promotion and brand recognition.

Advertising and marketing expense was $481,241. IMAC Holdings expense was $119,867, our Kentucky operations had expense of $142,642, our St. Louis operations had expense of $202,541 and Advantage Therapy had costs of $16,191 for the year ended December 31, 2017. Advertising and marketing expense reflects necessary cost increases attributable to a new market in Tennessee and a full year of marketing and advertising efforts in St. Louis.

General and administrative consists of all other costs other than advertising and marketing, salaries and wages, patient expenses and depreciation.

General and administrative expense was $2,255,836 for the year ended December 31, 2017. IMAC Holdings had expenses of $465,740 for the year ended December 31, 2017. Our Kentucky operations had general and administrative expenses of $885,273 for the year ended December 31, 2017, our St. Louis operations had expenses of $679,596 and Advantage Therapy had expenses of $356,627 for the year ended December 31, 2017.

A company purchases fixed assets, such as equipment or medical equipment, to use in the course of its business activities. A company capitalizes the full cost of the asset on its balance sheet and depreciates the asset's cost over its estimated useful life.

Depreciation expense was $1,955,765 for the year ended December 31, 2017. IMAC Holdings had depreciation expenses of $65,895. Our Kentucky operations had depreciation expenses of $197,945 for the year ended December 31, 2017, our St. Louis operations had depreciation expenses of $134,563 and Advantage Therapy had expenses of $17,930 for the year ended December 31, 2017.

Other Income (Expense) *- IMAC Group*

Other income (expense) consists of interest expense, interest income, minority interest, and loss on disposal of an asset.

Total other income (expense) was $(1,335,598) for the year ended December 31, 2017.

There was a loss on disposal of an asset of $(572,361) for the period ended December 31, 2017.

Net Loss attributable to IMAC Holdings Inc. stockholders *- IMAC Group*

Net loss for the twelve months ended December 31, 2017 was $(1,328,513).

Results of Operations for the Nine Months Ended September 30, 2018 – IMAC Group

The following table sets forth a summary of IMAC Group statements of operations at the entity level for the nine months ended September 20, 2018.

IMAC Group
Unaudited Pro Forma Consolidated Statement of Operations
For the Nine Months Ended September 30, 2018

	IMAC Holdings	IMAC Kentucky	IMAC St. Louis	Advantage Therapy	BioFirma		Pro Forma Adjustments	IMAC Group Pro Forma
Patient revenues	$ 8,020,071	$ 9,492,453	$ 5,350,963	$ 2,262,120		(iv)	$ (5,774,032)	$ 19,351,574
Contractual adjustments	(4,655,881)	(5,976,195)	(3,543,103)	$ (1,334,651)	-	(iv)	3,401,543	(12,108,286)
Total patient revenues, net	3,364,190	3,516,258	1,807,860	927,469	-		(2,372,489)	7,243,288
Other revenue:								
Internal management fee revenue	64,000	-	-	-	-	(i)	(64,000)	-
Total revenue	3,428,191	3,516,258	1,807,860	927,469	-		(2,436,489)	7,243,288
Operating expenses:								
Patient expenses	425,609	382,253	212,663	28,255	-	(iv)	(121,170)	927,609
Salaries and benefits	2,709,489	1,586,214	1,075,116	579,791		(iv)	(1,073,680)	4,876,931
Professional fees: consulting	11,248		-				-	11,248
Advertising and marketing	470,199	83,457	156,609	17,700		(iv)	(73,576)	654,389
General and administrative	1,980,827	1,447,260	592,155	295,410		(i), (iv)	(1,374,698)	2,940,955
Depreciation and amortization	544,820	117,532	293,941	11,493	-	(ii),(iv)	924,402	1,892,188
Total operating expenses	6,142,192	3,616,716	2,330,484	932,649	-		(1,718,722)	11,303,320
Operating loss	(2,714,002)	(100,458)	(522,624)	(5,180)	-		(717,768)	(4,060,032)
Other income (expenses):								
Interest income	7,541		2,112	159		(i)	(7,541)	2,271
Gain on acquisition	18,356						-	18,356
Loss on disposal of assets	-		-				-	-
Interest expense	(102,092)	(8,147)	(28,933)	(2,109)	-	(i)	19,116	(122,166)
Total other income (expenses)	(76,195)	(8,147)	(26,821)	(1,950)	-		11,576	(101,539)
Loss before equity in earnings (loss) of non-consolidated affiliate	(2,790,197)	(108,605)	(549,446)	(7,130)	-		(706,192)	(4,161,571)
Equity in earnings (loss) of non-consolidated affiliate	(105,550)	-	-	-	-	(iii)	105,550	0
Net earnings (loss)	(2,895,747)	(108,605)	(549,446)	(7,130)	-		(600,642)	(4,161,571)
							-	
Net loss attributable to the non-controlling interest	779,463	108,605	-	-	-	(iv)	(151,827)	736,241
Net loss attributable to the IMAC Holdings Inc. stockholders	(2,116,284)	-	(549,446)	(7,130)	-		(752,469)	(3,425,330)

Footnotes

(i) To eliminate inter-company management fees and interest on loans

(ii) To record depreciation and amortization arising from purchase accounting adjustments of IMAC Kentucky, IMAC St. Louis, Advanced Therapy, and BioFirma for pre-acquisition periods

(iii) To eliminate redundancy of equity in earnings of IMAC St. Louis for the period prior to acquisition

(iv) To eliminate post acquisition activity included in IMAC Holdings Inc. historical consolidated amounts

The following discussion relates to IMAC Group for the nine months ended September 30, 2018. All references to the nine months ended September 30, 2018 are unaudited.

Revenues - IMAC Group

The following revenue information is related to IMAC Group as referenced in the tables above.

All revenue information in this section gives retrospective effect to the completion of five transactions completed in June and August 2018 and the related issuance of shares of our common stock and/or cash payments in such transactions. References to "IMAC Group" represents IMAC Holdings, Inc. on a pro forma basis after completion of the transactions.

Gross revenue for the nine months ended September 30, 2018 was $19,351,574. Revenue was diversified across four operating segments, IMAC Holdings, IMAC of St. Louis, IMAC Kentucky, and Advantage Therapy. All operating segments were open for a full nine months during the nine-month period ending September 30, 2018. Our Tennessee operations, which are included in IMAC Holdings, opened in May 2017 and had gross revenues of $8,020,071 for the nine months ended September 30, 2018.

Net revenue (gross revenues less contractual adjustments) for the nine months ended September 30, 2018 was $7,243,288. For the nine months ended September 30, 2018, our IMAC Holdings operations had net revenues of $3,364,190, our IMAC of St. Louis operations had net revenues of $1,807,860, our IMAC Kentucky operations had net revenues of $3,516,258 and our Advantage Therapy operations had revenues of $927,469.

Operating Expenses - IMAC Group

The following operating expense information is related to IMAC Group.

Operating expenses consist of patient expenses, salaries and benefits, advertising and marketing, general and administrative expenses and depreciation expenses.

Total operating expenses for the nine months ended September 30, 2018 were $11,303,320. The costs were attributable to our IMAC Holdings operations, a full year of costs for our St. Louis, IMAC Kentucky, and Advantage Therapy operations, and overhead costs at IMAC Holdings related to preparation for this offering.

Patient expenses were $927,609 for the nine months ended September 30, 2018. IMAC Holdings had expenses of $425,609, our Kentucky operations had expenses of $382,253, our St. Louis operations had expenses of $212,663 and Advantage Therapy had expenses of $28,255 during the nine months ended September 30, 2018.

Salaries and benefits consist of payroll, benefits and related party contracts.

Salaries and benefits in total were $4,876,931 for the nine months ended September 30, 2018. IMAC Holdings salaries and wages expense was $2,709,489, our Kentucky operations had expense of $1,586,214, our St. Louis operations had expense of $1,075,116 and Advantage Therapy salaries and benefits were $579,791 for the nine months ended September 30, 2018.

Share-based compensation consists of the value of company stock for sponsor efforts outside of an endorsement agreement. At the time of the compensation, our company was still a limited liability company; therefore, compensation was in the form of limited liability company units instead of stock. The units converted to stock effective upon the company's conversion from a limited liability company to a corporation.

Share-based compensation for the year nine months ended September 30, 2018 was $11,248.

Advertising and marketing consists of marketing, business promotion and brand recognition.

Advertising and marketing expense was $654,389. IMAC Holdings expense was $470,199, our Kentucky operations had expense of $83,457, our St. Louis operations had expense of $156,609 and Advantage Therapy had costs of $17,700 for the nine months ended September 30, 2018.

General and administrative consists of all other costs other than advertising and marketing, salaries and wages, patient expenses and depreciation.

General and administrative expense was $2,940,955 for the nine months ended September 30, 2018. IMAC Holdings had expenses of $1,980,827 for the nine months ended September 30,2018. Our Kentucky operations had general and administrative expenses of $517,673, our St. Louis operations had expenses of $592,155 and Advantage Therapy had expenses of $295,410 for the nine months ended September 30, 2018.

A company purchases fixed assets, such as equipment or medical equipment, to use in the course of its business activities. A company capitalizes the full cost of the asset on its balance sheet and depreciates the asset's cost over its estimated useful life.

Depreciation expense was $1,892,188 for the nine-month period ending September 30, 2018. IMAC Holdings had depreciation expenses of $544,820. Our Kentucky operations had depreciation expenses of $117,532, our St. Louis operations had depreciation expenses of $293,941 and Advantage Therapy had expenses of $11,493 for the nine months ended September 30, 2018.

Other Income (Expense) - IMAC Group

Other income (expense) consists of interest expense, interest income, minority interest, and loss on disposal of an asset. Total other income (expense) was $(101,539) for the nine-month period ending September 30, 2018.

Net Loss attributable to IMAC Holdings Inc. stockholders - IMAC Group

Net loss for the nine months ended September 30, 2018 was $(3,425,330).

Lines of Credit - IMAC Group

IMAC Regeneration Center of Nashville, PC has a $150,000 line of credit with a financial institution that matures on October 15, 2018. The line of credit bears interest at 6.50% per year. The line of credit had a balance as of December 31, 2017 and September 30, 2018 of $25,000 and $150,000, respectively. The line of credit is secured by substantially all of IMAC Nashville, PC's assets and personally guaranteed by the members.

IMAC of St. Louis, LLC has a $150,000 line of credit with a financial institution that matures on November 15, 2018. The line bears interest at 4.25% per year. The line of credit had a balance as of December 31, 2017 and September 30, 2018 of $150,000 and $0, respectively. The line is secured by substantially all of the Company's assets and is personally guaranteed by the members.

Integrated Medicine and Chiropractic Regeneration Center PSC has a $150,000 line of line of credit with a financial institution that had a stated maturity of August 1, 2018, which has been extended to August 1, 2019. The line bears interest at 4.25% per year. The line of credit had a balance as of December 31, 2017 and September 30, 2018 of $100,000 and $150,000, respectively. The line is secured by substantially all of the Company's assets and personally guaranteed by the members.

Notes Payable - IMAC Group

As of December 31, 2017, we had outstanding notes payable in the aggregate amounts of $1,008,461. Of such amounts, $260,157 represented the respective current portions due within one year. As of September 30, 2018, we had outstanding notes payable in the aggregate amount of $4,213,325. Of such amount, $3,855,628 represented the respective current portions due within one year. A description of our notes payable are as follows:

We entered into a note payable to The Edward S. Bredniak Trust, the trustee of which is Edward S. Bredniak, a former director of our company, in the amount of $500,000 dated December 1, 2016. The note requires 36 monthly installments of $8,534 including principal and interest. The interest rate is fixed at 5% per year. The note matures and has a balloon payment of $250,000 on November 30, 2019, and is secured by the personal guarantees of our members. As of December 31, 2017 and September 30, 2018, the note balance was $414,084 and $984,426, respectively. On June 1, 2018, we entered into a note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. The existing note payable with this entity in the amount of $379,675 was combined into the new note payable. The note carries an interest rate of 10% per year and all outstanding balances are due and payable at the closing of this offering. The proceeds of this note are being used to satisfy ongoing working capital needs, expenses related to the preparation and execution of this offering, equipment and construction costs related to new clinic locations, and potential transaction expenses.

We entered into a note payable to a financial institution in the amount of $131,400 dated August 1, 2016. The note requires 120 monthly installments of $1,394 including principal and interest at 5% per year. The note matures on July 1, 2026, and is secured by a letter of credit. As of December 31, 2017 and September 30, 2018, the balance was $116,525 and $108,214, respectively.

We entered into a note payable to a financial institution in the amount of $200,000 dated May 4, 2016. The note requires 60 monthly installments of $3,881 including principal and interest at 4.25% per year. The note matures on May 4, 2021, and is secured by the equipment and personal guarantees of certain stockholders and directors. As of December 31, 2017 and September 30, 2018, the note balances were $147,863 and $117,214, respectively.

We entered into a note payable to a financial institution in the amount of $200,000 dated November 15, 2017. The note requires 66 consecutive monthly installments of $2,652 including principal and interest at 5% per year, with a balloon payment of $60,000 on June 15, 2018. The note matures on May 15, 2023, and is secured by the personal guarantees of certain stockholders and directors. As of December 31, 2017 and September 30, 2018, the note balance was $200,000 and $131,984, respectively.

We entered into a note payable to an employee in the amount of $101,906 dated March 8, 2017. The note requires five annual installments of $23,350 including principal and interest at 5% per year. The note matures on December 31, 2021, and is unsecured. As of December 31, 2017 and September 30, 2018, the note balance was $80,000 and $80,000, respectively.

We entered into a note payable to a financial institution in the amount of $133,555 dated September 17, 2014. The note requires 60 monthly installments of $2,475 including principal and interest at 4.25% per year. The note matures on September 17, 2019. As of December 31, 2017 and September 30, 2018, the note balance was $49,989 and $29,987, respectively.

We entered into a mortgage note payable to a financial institution in the amount of $963,050 dated December 11, 2013. The note required 120 monthly installments of principal and interest at 4.95% per year. The note was repaid in December 2017. As of September 30, 2018, the note balance was $0.

In January 2018, we commenced a private placement of up to $2 million of convertible notes. The convertible notes accrue interest at 4% and mature in January 2019. The notes may be converted to shares of our common stock at or prior to maturity at a 20% discount to the per share price of a sale of equity securities. As of September 30, 2018, the convertible note balance was $1,530,000.

We entered into a six-month promissory mortgage note to a financial institution in the amount of $1,232,500 on March 29, 2018. The note requires monthly payments of interest only at a rate of 3.35% per year and one balloon payment of $1,232,500, plus accrued interest on September 29, 2018. The note was renewed on September 29, 2018 and now has a maturity date of December 31, 2018. The note is secured by the guarantee of The Edward S. Bredniak Trust.

We believe that, with the net proceeds of this offering, our current cash and our available lines of credit, we will have sufficient cash reserves available to cover expenses for longer than the 12 months following the closing of this offering. Given the volatility in U.S. equity markets and our normal working capital fluctuations, and depending on the actual level of net proceeds raised in this offering, we may seek to raise additional capital following this offering to supplement our operating cash flows to the extent we can do so on competitive market terms. In such event, an equity financing may dilute the ownership interests of our stockholders and investors in this offering. In all events, there can be no assurance that additional financing would be available to us when desired or needed and, if available, on terms acceptable to us.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenue, results of operations, liquidity or capital expenditures.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for the years ended December 31, 2017 and 2016. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.

Cybersecurity

We are a medical provider and comply with HIPAA and data sensitivity requirements as regulated by local and federal authorities. Our patient data is hosted, managed and secured with an approved Electronic Medical Record vendor. Cybersecurity is of paramount importance and our executive officers have implemented routine cyber breach insurance policies to protect our company from potential predatory initiatives to access patient and company data. See "Risk Factors – Our reputation and relationships with patients would be harmed if our patients' data, particularly personally identifying data, were to be subject to a cyber-attack or otherwise by unauthorized persons."

Seasonality

Our business has a seasonal business cycle with much of our patient revenues being derived during the spring and fall months of the year. We believe this occurs primarily as a result of increased exercise and lifestyle activities by persons during these months. We have historically experienced most of our operating losses in the winter months.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, ASC Topic 606 Revenue from Contracts with Customers, takes effect for public entities January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on our financial position or results of operations when adopted.

The new lease accounting standard, ASC Topic 842, takes effect for public entities January 1, 2019, and January 1, 2020 for private entities. Management believes the provisions of ASC Topic 842 will result in the recognition of lease assets and liabilities on its consolidated financial statements when adopted.

Controls and Procedures

In connection with the audits of our consolidated financial statements for the years ended December 31, 2017 and 2016, our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses relate to the absence of in-house accounting personnel with the ability to properly account for complex transactions and a lack of separation of duties between accounting and other functions.

We hired a consulting firm to advise on technical issues related to U.S. generally accepted accounting principles as related to the maintenance of our accounting books and records and the preparation of our consolidated financial statements. Although we are aware of the risks associated with not having dedicated accounting personnel, we are also at an early stage in the development of our business. We anticipate expanding our accounting functions with dedicated staff and improving our internal accounting procedures and separation of duties when we can absorb the costs of such expansion and improvement with additional capital resources. In the meantime, management will continue to observe and assess our internal accounting function and make necessary improvements whenever they may be required.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This means that an "emerging growth company" can make an election to delay the adoption of certain accounting standards until those standards would apply to private companies. We have elected to delay such adoption of new or revised accounting standards and, as a result, we may not comply with new or revised accounting standards at the same time as other public reporting companies that are not "emerging growth companies." This exemption will apply for a period of five years following our first sale of common equity securities under an effective registration statement or until we no longer qualify as an "emerging growth company" as defined under the JOBS Act, whichever is earlier.

Quantitative and Qualitative Disclosures about Market Risk

We conduct our operations in the United States dollar. We are not exposed to foreign exchange rate fluctuations.

We currently have no material exposure to interest rate risk. In the future, we intend to invest our excess cash primarily in money market funds, debt instruments of the United States government and its agencies and in high quality corporate bonds and commercial paper. Due to the short-term nature of these investments, we do not believe that there will be material exposure to interest rate risk arising from our investments.

BUSINESS

Company Overview

We are a growing chain of Integrated Medicine and Chiropractic (IMAC) Regeneration Centers, combining life science advancements with traditional medical care for movement-restricting diseases and conditions. Our mix of medical and physical procedures is designed to improve patient experiences and outcomes, and reduce healthcare costs as compared to other available treatment options. We own six and manage five outpatient clinics that provide regenerative, orthopedic and minimally invasive procedures and therapies. Our treatments are performed by licensed medical practitioners through our regenerative rehabilitation protocols designed to improve the physical health, to advance the quality of life and to lessen the pain of our patients. We do not prescribe opioids, but instead offer an alternative to conventional surgery or joint replacement surgery by delivering minimally invasive medical treatments to help patients with sports injuries, back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. Our employees focus on providing exceptional customer service to give our patients a memorable and caring experience. We believe that we have priced our treatments to be affordable by 95% of the population and are well positioned in the expanding regenerative medical sector.

Our licensed healthcare professionals provide each patient a custom treatment plan that integrates innovative regenerative medicine protocols (representing 31% of our revenue) with traditional, minimally invasive (minimizing incisions and skin punctures) medical procedures (representing 33% of our revenue) in combination with physical therapies (representing 31% of our revenue from physical therapy, and remaining 5% of our revenue from chiropractic). We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We have successfully treated patients that were previously addicted to opioids because of joint or soft tissue related pain. Further, our procedures comply with all professional athletic league drug restriction policies, including the NFL, NBA, NHL and MLB.

Dr. Matthew Wallis, DC, our COO, opened the first IMAC Regeneration Center in Paducah, Kentucky 18 years ago in August 2000, which remains the flagship location of our current business. Dr. Jason Brame, DC joined Dr. Wallis in 2008. In 2015, Drs. Wallis and Brame hired Jeffrey S. Ervin as our CEO to collectively create and implement their growth strategy. The result was the formal creation of IMAC Holdings, LLC to expand IMAC clinics outside of western Kentucky, with such facilities to remain owned or operated under the group using the IMAC Regeneration Center name and services. In June 2018, we completed a corporate conversion in which IMAC Holding, LLC was converted to IMAC Holding, Inc. to consolidate ownership of existing clinics and implement our growth strategy.

Since May 2016 to the date of this prospectus, IMAC has opened six outpatient medical clinics and acquired four physical therapy practices for a total of 11 clinics in Kentucky, Missouri and Tennessee. We intend to use a significant portion of the net proceeds of this offering to further expand the reach of our facilities to other strategic locations throughout the United States. In order to enhance our brand, we have partnered with several active and former professional athletes, opening two Ozzie Smith IMAC Regeneration Centers, two David Price IMAC Regeneration Centers, and one Tony Delk IMAC Regeneration Center. We have also signed former NBA player George Gervin to be a brand ambassador for future clinics in Texas. Our brand ambassadors help deliver awareness to our non-opioid services, emphasizing our ability to treat sports and orthopedic injuries as an alternative to traditional surgeries for joint repair or replacement.

We are focused on providing natural, non-opioid solutions to pain as consumers increasingly demand conservative treatments for an aging population. The demand for our services continues to grow fueled by consumer preferences for organic healthcare solutions over traditionally invasive orthopedic practices. We believe that our regenerative rehabilitation treatments are provided to patients at a much lower price than our primary competitors, including orthopedic surgeons, pain management clinics and hospital systems targeting invasive joint reconstruction. Surgical joint replacements cost several times more than our therapies initially treating the same condition. The U.S. government has recently adopted strict surgery pre-approval initiatives to reduce the cost for CMS and limit the proliferation of opioids since they accompany substantially all joint replacement surgeries.

We believe patient satisfaction will be driven by our following five fundamental beliefs:

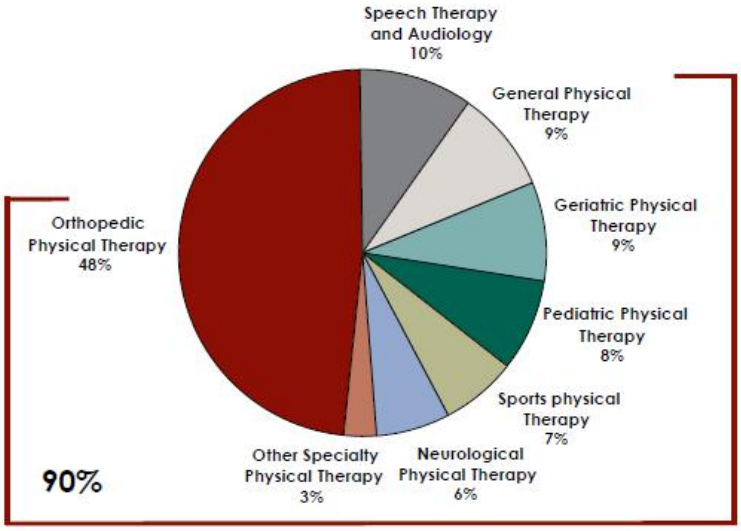
- We believe that the body has the ability to heal itself, and better results occur with our solutions to unlock the body’s natural healing process;
- We believe in the power of doctors, from many different specializations, working together for the best patient care possible;
- We believe that employees should know patients by their face, not by a chart number;
- We believe consumers have a choice regardless of physician referral or insurance coverage; and
- We believe a medical setting should be comforting.

We are led by senior executive officers who together have more than 70 years of combined experience in the healthcare services industry. Jeffrey S. Ervin, our Chief Executive Officer, joined us in March 2015. Mr. Ervin has a history of sourcing private equity investments and managing private equity operations in the healthcare and other growth industries. Before joining us, he was the senior financial officer at Medx Publishing, LLC, an online healthcare marketing and technology firm and parent company of Medicare.com, where he was responsible for the successful sake and disposition of Medicare.com to eHealth Insurance and sale of Medicaid.com to United Healthcare. Mr. Ervin earned an M.B.A. degree from Vanderbilt University. The founder of our company, Matthew C. Wallis, DC, a former licensed chiropractor, is our Chief Operating Officer. Dr. Wallis has implemented strategies in the company to create consistent operating efficiencies for our sales, marketing and service delivery operations. D. Anthony Bond, CPA joined us as our Chief Financial Officer in October 2017. Mr. Bond has a long history in senior financial roles with healthcare organizations managing multi-state operations. Ian A. White, Ph.D. joined us as our Chief Scientific Officer in August 2018. He is the President of BioFirma, LLC, a stem cell regenerative medicine research firm, and Chairman of the Scientific Committee for the American Association of Stem Cell Physicians. Dr. White received his Ph.D. in Physiology, Biophysics and Systems Biology from Cornell University at its Ansary Stem Cell Institute.

Our Market Opportunity

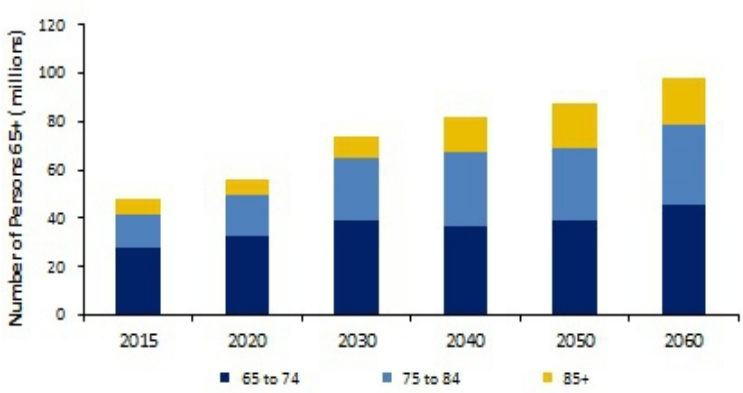
Orbis Research reported that the regenerative healthcare industry in the United States is estimated to be $67.6 billion by 2019, and IBIS World estimated that outpatient rehabilitation in the U.S. is an approximately $30 billion industry, with approximately 90% of that revenue generated from physical rehabilitation services, including orthopedic, sports, geriatric and other forms of physical medicine. Outpatient rehabilitation is anticipated to grow at a rate of 2% to 7% in the coming years, according to these industry research companies, due to the aging baby boomer generation, sustained high rates of obesity and healthcare reform. As healthcare insurance providers seek to reduce medical costs and government regulation restricts access to opioid pain prescriptions, physical therapy and outpatient services are poised to capture a larger share of healthcare spending. As the workforce continues to grow, employer-based insurance expenditures will increase. In addition, government spending on Medicare will continue to be significant.

Outpatient Rehabilitation Spending by Segment



According to the Centers for Medicare & Medicaid Services' National Health Expenditure Projections 2017-2026, national healthcare expenditures continue to rise and are projected to grow from an estimated $3.5 trillion in 2017 to $5.7 trillion by 2026, representing an average annual rate of growth of 5.5%, reaching a projected 19.7% of U.S. gross domestic product in 2026, as shown below.

Demand for minimally invasive movement corrections and non-opioid pain management has surged with the growth of the baby boomer generation. The U.S. Census estimates that the U.S. population over 65 years of age is projected to more than double from 47.8 million to nearly 98.2 million persons and the 85 and older population is expected to more than triple, from 6.3 million to 19.7 million persons, between 2015 and 2060. Additionally, according to the U.S. Census Bureau, the number of older Americans is increasing as a percentage of the total U.S. population with the number of persons older than 65 estimated to comprise 14.9% of the total U.S. population in 2015 and projected to grow to 23.6% by 2060.



Source: U.S. Census Bureau

This significant demographic shift is changing healthcare consumption patterns. At the same time, individuals who are not eligible for Medicare have faced a significant rise in health insurance premiums. As consumers assume the burden of greater healthcare costs, they are price shopping and considering second opinions from conservative treatment providers like our company.

Despite ongoing consolidation in the outpatient rehabilitation services industry, the industry remains highly fragmented, which has allowed many competitors to enter the market. In such an environment, reputable and successful outpatient clinics will be able to grow through organic expansion and combining services with other providers. While there is significant competition in the industry, we believe no single participant currently captures more than 10% of the market, which may allow existing market participants to distinguish themselves from their competitors as they grow. The attractiveness of outpatient facilities to reduce medical costs has also been seen in other medical areas. Insurer UnitedHealth Group recently purchased surgical care centers and medical practices, with an apparent aim to reduce hospital spending.

Our Operations

We currently operate 11 outpatient medical clinics in three states. Our original clinic opened in August 2000 and remains the flagship location of our current business, which was formally organized in March 2015 with the mission of expanding the reach of our facilities to other strategic locations throughout the United States. Our flagship medical clinic has been operated during the last 18 years by Matthew C. Wallis, DC and Jason Brame, DC, two of our co-founders, and, since March 2015, together with Jeffrey S. Ervin, our third co-founder and the current Chief Executive Officer of the company. This management team continues today throughout the organization incorporating the same strategies used to build and operate the company’s flagship location. During 2016 and 2017, we opened five medical clinics and expanded into two new states, Missouri and Tennessee. This year, to date, we opened one medical clinic and acquired four physical therapy clinics.

Below is a list of our outpatient medical clinics and information about how we own or control these medical clinics:

Clinic Name	Location of Clinic	Date Opened or Acquired	Form and Date of Control	Primary Services Performed	Operations Included in 2017 Consolidated Pro Forma Results	Operations Included in September 30, 2018 Consolidated Pro Forma Results
IMAC Regeneration Center	Paducah, Kentucky	August 2000	Managed since June 28, 2018	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine	12 months	9 months
Ozzie Smith Center	Chesterfield, Missouri	May 2016	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine	12 months	9 months
IMAC Regeneration Center	Murray, Kentucky	February 2017	Managed since June 28, 2018	Medical evaluations with x-rays, fluoroscopic joint and appendage injections, and physical medicine	11 months	9 months
David Price Center	Brentwood, Tennessee	May 2017	Managed since November 1, 2016	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine	8 months	9 months
Ozzie Smith Center	St. Peters, Missouri	August 2017	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine	5 months	9 months

David Price Center	Murfreesboro, Tennessee	November 2017	Managed since November 2017	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine	2 months	9 months
Tony Delk Center	Lexington, Kentucky	July 2018	Managed since July 2, 2018	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine	None	3 months
Advantage Therapy	South Springfield, Missouri	August 2018 (originally opened August 2004)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy	None	1 month
Advantage Therapy	North Springfield, Missouri	August 2018 (originally opened March 2013)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy	None	1 month
Advantage Therapy	Monett, Missouri	August 2018 (originally opened May 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy	None	1 month
Advantage Therapy	Ozark, Missouri	August 2018 (originally opened November 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy	None	1 month

In 2017, IMAC Group recorded 81,256 total patient visits at six medical clinics, with partial months for clinics that opened in 2017, as follows:

IMAC Clinics-81,256 Patient Visits in 2017

Clinic Name	Location of Clinic	Date Opened	No. of Months Open in 2017
IMAC Regeneration Center	Paducah, Kentucky	August 2000	12
Ozzie Smith Center	Chesterfield, Missouri	May 2016	12
IMAC Regeneration Center	Murray, Kentucky	February 2017	11
David Price Center	Brentwood, Tennessee	May 2017	8
Ozzie Smith Center	St. Peters, Missouri	August 2017	5
David Price Center	Murfreesboro, Tennessee	November 2017	2

Below is a description of each of our outpatient medical clinics:

Integrated Medicine and Chiropractic Regeneration Center PSC. In November 2015, we relocated our Paducah, Kentucky operations into a 10,200 square foot build-to-suit facility. This facility serves as an anchor clinic for the western Kentucky market of roughly 50,000 residents. The clinic performs medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, regenerative medicine and physical medicine. The lease term ends in December 2020.

We opened a 4,700 square foot facility in Murray, Kentucky, a town of nearly 15,000 residents near the Tennessee border. This facility provides medical evaluations, fluoroscopic joint and appendage injections, and physical medicine and refers patients to Paducah for regenerative PRP medical procedures. The lease is scheduled to expire in December 2023.

IMAC of St. Louis, LLC. In January 2016, IMAC of St. Louis, LLC, doing business as the Ozzie Smith Center, executed a lease for a 13,300 square foot facility in Chesterfield, Missouri, a suburb 18 miles west of downtown St. Louis. The Ozzie Smith Center opened in May 2016. The lease agreement runs until August 2026. Dr. Devin Bell, D.O. is the medical director. The clinic performs medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, regenerative PRP medicine and physical medicine. Namesake Ozzie Smith was inducted into the Major League Baseball Hall of Fame in 2002 and replicas of his 13 gold glove trophies are in the lobby of the clinic.

The Ozzie Smith Center opened a satellite facility in St. Peters, Missouri to assist with demand from suburbs west of the Missouri River. The St. Peters clinic opened for business in July 2017. The lease expires in August 2022. The facility operates under the direction of Dr. Bell and offers patient medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine.

IMAC Regeneration Center of Nashville, PC. The David Price Center opened in Brentwood, Tennessee in May 2017. Dr. David Smithson, M.D. is double board certified in Sports Medicine and Internal Medicine and serves as its medical director. The 7,500 square foot clinic is leased through July 2024. The clinic performs medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, regenerative PRP medicine and physical medicine.

In November 2017, we opened a 5,500 square foot facility in Murfreesboro, Tennessee, a southeastern suburb of Nashville with more than 100,000 residents and hometown to David Price. Mr. Price, who was born and raised in middle Tennessee, was the first pick of the 2007 Major League draft from Vanderbilt University. This facility performs patient medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine. We occupy 10% of the building and the lease expires in October 2022.

Tony Delk Center. In March 2018, we entered into a $1.2 million commitment to purchase a medical practice building in Lexington, Kentucky, where our seventh IMAC outpatient medical clinic, named the Tony Delk Center, opened on July 2, 2018. We have received a six-month promissory note commitment at an annual interest rate of 3.35%.

Advantage Therapy. In August 2018, we acquired the physical and occupational therapy provider, Advantage Therapy, which operates four locations in the Springfield, Missouri metropolitan area. The South Springfield location occupies 5,000 square feet and expires in June 2019. The North Springfield, Monett and Ozark locations function as satellite locations. The north location functions within 2,400 square feet with an expiration date of May 2020. The Monett location occupies 2,200 square feet pursuant to a lease that expires in February 2021, while the Ozark location operates in approximately 1,000 square feet pursuant to a lease that expires upon 30 days' notice. Advantage Therapy is an established business with more than ten years of operations in the Springfield, Missouri market. We believe there is potential to grow the existing practice that provides over 1,000 therapy visits each month with the addition of medical services to offer our comprehensive IMAC service line.

Our Services

The licensed healthcare professionals at our clinics work with each patient to create a protocol customized for each patient by utilizing a combination of the following traditional and innovative treatments:

Medical Treatments. Our specialized team of doctors work together to provide the latest minimally invasive, prescription-free treatments for movement challenges or pain related to orthopedic conditions. The treatments are customized to treat the underlying condition instead of addressing the challenge with prescriptions or surgeries.

● ***Regenerative Medicine.*** Regenerative therapy at IMAC Regeneration Centers utilizes undifferentiated cellular tissue to regenerate damaged tissue. The majority of our procedures utilize cells from the patient, harvested under minimal manipulation, and applied during the same visit to the clinic. These autologous cells help to heal degenerative soft tissue conditions, which cause pain or compromise the patient's quality of life. Independent studies in this area, including a recent safety and feasibility study published by Dr. Peter B. Fodor, "Adipose Derived Stromal Cell Injections for Pain Management of Osteoarthritis in the Human Knee Joint" (Aesthetic Surgery Journal, February 2016), have supported claims that autologous cell treatments using stromal vascular fraction (adipose) and bone marrow lead to improved function and decreased pain within joints, muscles and connective tissue and can help alleviate osteoarthritis and degenerative disease. We believe that we have generally followed the increasingly accepted protocols described in these studies in connection with our regenerative therapies.

Physical Medicine. Our team of sports medicine practitioners start by collaboratively building a personalized physical medicine treatment plan designed to help patients get back to living the life they deserve.

● ***Physical Therapy.*** With a combination of biomechanical loading and tissue mobilization, our licensed physical rehabilitation therapists work with each patient to help the body restore skill within the joint or soft tissue.

● ***Spinal Decompression.*** During this treatment, the spine is stretched and relaxed intermittently in a controlled manner, creating a negative pressure in the disc area that can pull herniated or bulging tissue back into the disc. Whether caused by trauma or degeneration, we realize the impact a spinal injury can have on the quality of one's life and are committed to providing the most innovative, minimally invasive medical technology and care to relieve back pain and restore function.

● ***Chiropractic Manipulation.*** Common for spine conditions, manual manipulation is used to increase range of motion, reduce nerve irritability and improve function.

In November 2017, we engaged a medical consulting group to advise us on current regenerative medicine therapy protocols and to organize a clinical trial towards an investigational new drug application (IND) with the FDA, while pursuing a voluntary Regenerative Medicine Advanced Therapy (RMAT) designation. This process is defined under Section 3033 of the 21st Century Cures Act. We intend to pursue a trial utilizing autologous cellular structures to alleviate symptoms of debilitating neurological conditions and diseases.

The medical consulting group has assisted us in conducting research, establishing patient engagement tools and developing clinical strategies to achieve the RMAT. We have not yet engaged with the FDA and we anticipate our first communication with the FDA to occur during the fourth quarter of 2018 or first quarter of 2019 as an INTERACT (Initial Targeted Engagement for Regulatory Advice on CBER products) meeting. Following the INTERACT meeting, an amount of work (which cannot be quantified as of yet) will be performed to prepare for a pre-Investigational New Drug meeting and gain more precise feedback from the FDA before completing an IND submission. Another round of work will be performed to complete the IND application. Finally, the FDA Office of Tissues and Advanced Therapies will notify us of the IND application result no later than 60 days after receipt of the IND submission and RMAT request.

No assurance can be given that the FDA will find that our trial meets the criteria for RMAT designation. We believe that a RMAT designation may be helpful in differentiating our services and gaining a collaborative connection with the FDA. The failure to earn the RMAT designation will result in unfulfilled research expenses but should not negatively affect our operations. We expect the cost to pursue the RMAT designation will be between $100,000 and $300,000 and take 18 to 30 months of time from the original engagement with our medical consultant.

Our Growth and Expansion Strategy

We have developed a comprehensive approach and well-defined model for new clinic openings ranging from site selection to staffing. Our original clinic in Paducah, Kentucky, which opened in August 2000, has shown consistent growth in patient visits, and is profitable. We will continue to apply this extensive experience and knowledge to new clinic openings as well as acquisitions. Our six recently opened clinics, combined with our August 2018 acquisition of four physical therapy clinics, are expected to provide us with significant revenue growth as these sites mature. In 2018, we have also made investments in our corporate infrastructure and life science product development, which we believe will position us well to support our planned expansion.

We have plans to open additional IMAC Regeneration Centers in the states in which we currently operate, as well as in other strategic locations throughout the United States, building on our familiarity with the demographic market and our reputation in the area to attract new patients and endorsements. Our strategic partnerships with regional and national sports celebrities have enabled us to increase our visibility in our markets and become known for providing innovative regenerative-based therapies. We continue to seek opportunities to work with more athletes to draw awareness to our services. In addition, we have enlisted a wide range of medical and alternative medicine professionals to continue providing innovative outpatient treatments to our patients without major surgery or prescription pain medication.

The key elements of our strategy that we believe will continue to propel our growth and expansion are:

Open New Outpatient Locations and Facilities. We are in the process of identifying strategic new locations at which to lease and develop new IMAC Regeneration Centers. We anticipate initial expansion in the Midwest and southern United States, including in Illinois, Kansas, Oklahoma and Texas within the first 12 months following this offering. By branching into states adjacent to existing centers, we will expand our regional market familiarity, with our outpatient clinics and focus our marketing efforts. We believe our strong regional operations will provide brand awareness and allow us to leverage our established administrative infrastructure and will provide a foundation to support our expansion.

Expand Our Service Offerings to Employers and Self-Insured Health Plans. We have received inquiries from employers researching conservative treatment options for their employees. The inquiries primarily focus on minimizing employee time away from work related to injuries or occupational hazards and the cost of aggressive orthopedic treatments and threat of opioid abuse for employees enrolled in an employer health plan. We intend to use a portion of the net proceeds from this offering for the purpose of creating simple conservative treatment protocols for employers seeking to reduce employee downtime, prescription narcotic usage and surgical expenditures within their health plan.

Continue to Obtain Endorsements from Well-Known Sports Celebrities. We continue to attract celebrity sports endorsers for each market in which we operate and plan to expand. By collaborating and co-branding with well-known sports figures, patients become more familiar with our brand and associate our company with physical fitness and well-being. Working with sports celebrities that are well-known in our markets and personally recommend our treatments helps establish credibility with patients in those markets.

Accelerate Research and Development of New Regenerative Products. Our recent investment in BioFirma LLC was executed in order to research and develop regenerative medicine products and supplies. We intend to use a portion of the net proceeds from the offering to fund this research with the goal of identifying innovative treatments to deliver within IMAC Regeneration Centers, as well as producing approved products for distribution into the broader medical community.

Expand Our Advertising and Marketing. We intend to increase our advertising and marketing efforts and reach throughout our primary service areas in order to grow patient volume at our existing facilities and spur interest in newer locations. Our current marketing efforts include a combination of local television, internet and event advertising. We will introduce employer marketing initiatives with help from our celebrity endorsers. While we welcome patients that are referred to us by other healthcare providers, we believe that direct marketing will generate more new patients for our outpatient clinics than relying solely on antiquated medical referral practices.

Offer State-of-the-Art Orthopedic Treatments. Our regenerative medicine techniques are used to prevent arthritis, treat meniscus tears, defeat muscle deterioration and address other damaged tissue conditions. We will continue offering innovative therapies and recently approved medical technologies, including alternative medicine treatments, and will adapt our treatment offerings as new treatments are developed and come to market. By bringing together a diverse array of medical specialists, we are able to treat more health conditions and attract a larger base of patients.

Advertising and Marketing

Our corporate advertising and marketing efforts focus on increasing our brand awareness and communicating our commitment to “success without major surgery,” along with the many other competitive advantages our company offers. Our marketing strategy is to offer a innovative and recently approved medical technologies for movement and orthopedic therapies that appeal to a wide range of potential patients, continually elevate awareness of our brand and generate demand for our outpatient medical services. We rely on a number of channels in this area, including digital advertising, email marketing, social media and affiliate marketing, as well as through strategic partnerships with well-known sports celebrities to build our endorsements and draw patients to our IMAC Regeneration Centers. Our celebrity endorsers appear in our press marketing and social media marketing efforts and help generate interest in our brand and services. We maintain our website at www.imacregeneration.com. We intend to hire additional sales and marketing personnel and increase our spending on sales, marketing and promotion in connection with the continued expansion of our outpatient locations. Advertising and marketing expense was $470,199 (unaudited) and $119,867 for the nine months ended September 30, 2018 and the year ended December 31, 2017.

Our sales and marketing strategy focuses on active individuals who seek to maintain, restore and maximize their health and wellness. A majority of our customers are located within 25 miles of one of our outpatient medical clinics. During the nine months ended September 30, 2018 and the years ended December 31, 2017 and 2016, no single customer accounted for more than 10% of our consolidated revenue, respectively.

Competition and Our Competitive Advantages

The outpatient physical therapy industry is highly competitive, with thousands of clinics across the country. While some of our competitors offer regenerative medical treatments as an effective treatment for degenerative health conditions, we believe that few companies have the multi-disciplinary approach of combining physical therapy and medical professionals working together to generate optimal regenerative health outcomes. Our internal survey results conducted randomly with more than 120 patients during 2016 and 2017 reported that 91% of our patients experienced improvement in their health after treatments at our outpatient clinics. One of our major competitive advantages is the offering of more broadly affordable regenerative treatments.

Competitive factors affecting our business include quality of care, cost, treatment outcomes, convenience of location, and relationships with, and ability to meet the needs of, referral and insurance payor sources. Our clinics compete, directly or indirectly, with many types of healthcare providers including the physical therapy departments of hospitals, private therapy clinics, physician-owned therapy clinics, and chiropractors. We may face more intense competition if consolidation of the therapy industry continues.

We believe that we differentiate ourselves from our competition and have been able to grow our business as a result of the following competitive strengths:

Our Minimally Invasive Approach to Traditional Orthopedic Care. We pay particular attention to rehabilitating our patients’ musculoskeletal system to reduce pain and enhance mobility without major surgery or anesthesia. By combining physical therapy and regenerative medicine, we are able to treat a variety of physical conditions by using a patient’s own body to help heal itself.

***Strong Regional Presence*.** We own six and manage five clinics in three states, providing us significant leverage for implementation of our marketing strategies and utilization of our staff. We believe we offer a broader platform of regenerative therapies than our regional competitors.

We Do Not Prescribe Addictive Opioids. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We focus on preventing the potential for addiction through our regenerative-based therapies that help alleviate chronic pain.

We Employ a Regenerative Medicine Scientist. Few medical provides employ scientists. Our regenerative medicine scientist works at our BioFirma office in Miami, Florida and provides direction to our medical professionals as to the availability of regenerative medicine advancements in the marketplace. Collaborative work among our medical professionals and our regenerative medicine scientist through regular meetings, in person visits and telephonic communication yields broad discussions on the potential to develop proprietary techniques or services using such advancements.

Utilizing Diverse Medical Specialists for Customized Care. Our treatment protocols are customized by a team of medical doctors, nurse practitioners, chiropractors and physical therapists and are designed to heal damaged tissue without major surgery or prescription pain medication. This team approach delivers comprehensive service while avoiding the higher costs of major reconstructive surgery by medical specialists.

Protection of Proprietary Information

We own various U.S. federal trademark registrations and applications, and unregistered trademarks, including the registered mark "IMAC Regeneration Center." We rely on trademark laws in the United States, as well as confidentiality procedures and contractual provisions, to protect our proprietary information and brand. We cannot assure you that existing trademark laws or contractual rights will be adequate for protecting our intellectual property and proprietary information. Protection of confidential information, trade secrets and other intellectual property rights in the markets in which we operate and compete is highly uncertain and may involve complex legal questions. We cannot completely prevent the unauthorized use or infringement of our confidential information or intellectual property rights as such prevention is inherently difficult. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our confidential information and intellectual property protection.

BioFirma, LLC, our 70%-owned subsidiary, has applied for a trademark on the product name NeoCyte. BioFirma has determined not to pursue a patent on this product at its current stage of development, nor considers the success of its future product development to be dependent on obtaining a patent.

We are not aware of any claims of infringement or other challenges to our rights in our trademarks. We do not expect to need any additional intellectual property rights to carry out our growth and expansion strategy.

For the nine months ended September 30, 2018 and the years ended December 31, 2017 and 2016, we did not incur any material time or labor for the development of the technology we use in our operations.

Government Regulation

Numerous federal, state and local regulations regulate healthcare services and those who provide them. Some states into which we may expand have laws requiring facilities employing health professionals and providing health-related services to be licensed and, in some cases, to obtain a certificate of need (that is, demonstrating to a state regulatory authority the need for, and financial feasibility of, new facilities or the commencement of new healthcare services). None of the states in which we currently operate require a certificate of need for the operation of our physical therapy business functions. Our healthcare professionals and/or medical clinics, however, are required to be licensed, as determined by the state in which they provide services. Failure to obtain or maintain any required certificates, approvals or licenses could have a material adverse effect on our business, financial condition and results of operations.

Regulations Controlling Fraud and Abuse. Various federal and state laws regulate financial relationships involving providers of healthcare services. These laws include Section 1128B(b) of the Social Security Act (42 U.S. C. § 1320a-7b[b]) (the "Fraud and Abuse Law"), under which civil and criminal penalties can be imposed upon persons who, among other things, offer, solicit, pay or receive remuneration in return for (i) the referral of patients for the rendering of any item or service for which payment may be made, in whole or in part, by a Federal health care program (including Medicare and Medicaid); or (ii) purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, ordering any good, facility, service, or item for which payment may be made, in whole or in part, by a Federal health care program (including Medicare and Medicaid). We believe that our business procedures and business arrangements are in compliance with these provisions. However, the provisions are broadly written and the full extent of their specific application to specific facts and arrangements to which we are a party is uncertain and difficult to predict. In addition, several states have enacted state laws similar to the Fraud and Abuse Law, which may be more restrictive than the federal Fraud and Abuse Law.

Stark Law. Provisions of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. §1395nn) (the "Stark Law") prohibit referrals by a physician of "designated health services" which are payable, in whole or in part, by Medicare or Medicaid, to an entity in which the physician or the physician's immediate family member has an investment interest or other financial relationship, subject to several exceptions. Unlike the Fraud and Abuse Law, the Stark Law is a strict liability statute. Proof of intent to violate the Stark Law is not required. Physical therapy services are among the "designated health services." Further, the Stark Law has application to our management contracts with individual physicians and physician groups, as well as, any other financial relationship between us and referring physicians, including medical advisor arrangements and any financial transaction resulting from a clinic acquisition. The Stark Law also prohibits billing for services rendered pursuant to a prohibited referral. Several states have enacted laws similar to the Stark Law. These state laws may cover all (not just Medicare and Medicaid) patients. As with the Fraud and Abuse Law, we consider the Stark Law in planning our outpatient clinics, establishing contractual and other arrangements with physicians, marketing and other activities, and believe that our operations are in substantial compliance with the Stark Law. If we violate the Stark Law or any similar state laws, our financial results and operations could be adversely affected. Penalties for violations include denial of payment for the services, significant civil monetary penalties, and exclusion from the Medicare and Medicaid programs.

HIPAA. In an effort to further combat healthcare fraud and protect patient confidentially, Congress included several anti-fraud measures in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). HIPAA created a source of funding for fraud control to coordinate federal, state and local healthcare law enforcement programs, conduct investigations, provide guidance to the healthcare industry concerning fraudulent healthcare practices, and establish a national data bank to receive and report final adverse actions. HIPAA also criminalized certain forms of health fraud against all public and private payers. Additionally, HIPAA mandates the adoption of standards regarding the exchange of healthcare information in an effort to ensure the privacy and electronic security of patient information and standards relating to the privacy of health information. Sanctions for failing to comply with HIPAA include criminal penalties and civil sanctions. In February of 2009, the American Recovery and Reinvestment Act of 2009 ("ARRA") was signed into law. Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act ("HITECH"), provided for substantial Medicare and Medicaid incentives for providers to adopt electronic health records ("EHRs") and grants for the development of health information exchange ("HIE"). Recognizing that HIE and EHR systems will not be implemented unless the public can be assured that the privacy and security of patient information in such systems is protected, HITECH also significantly expanded the scope of the privacy and security requirements under HIPAA. Most notable are the mandatory breach notification requirements and a heightened enforcement scheme that includes increased penalties, and which now apply to business associates as well as to covered entities. In addition to HIPAA, a number of states have adopted laws and/or regulations applicable in the use and disclosure of individually identifiable health information that can be more stringent than comparable provisions under HIPAA.

We believe that our operations comply with applicable standards for privacy and security of protected healthcare information. We cannot predict what negative effect, if any, HIPAA/HITECH or any applicable state law or regulation will have on our business.

Cybersecurity. We are a medical provider and comply with HIPAA and data sensitivity requirements as regulated by local and federal authorities. Our patient data is hosted, managed and secured with an approved Electronic Medical Record vendor. Cybersecurity is of paramount importance and our executive officers have implemented routine cyber breach insurance policies to protect our company from potential predatory initiatives to access patient and company data. See "Risk Factors – Our reputation and relationships with patients would be harmed if our patients' data, particularly personally identifying data, were to be subject to a cyber-attack or otherwise by unauthorized persons."

FDA Drug Approval Process

In the United States, pharmaceutical products are subject to extensive regulation by the Food and Drug Administration (the "FDA"). The Federal Food, Drug, and Cosmetic Act ("FDC Act") and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling and import and export of pharmaceutical products. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending new drug applications ("NDAs"), warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution. As a result of these regulations, pharmaceutical product development and approval are very expensive and time consuming.

Pharmaceutical product development for a new product or certain changes to an approved product in the United States typically involves preclinical laboratory and animal tests, the submission to the FDA of an investigational new drug ("IND"), which must become effective before clinical testing may commence, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human subjects or patients, the drug is tested to assess pharmacological actions, side effects associated with increasing doses and, if possible, early evidence on effectiveness. For dermatology products, Phase 2 usually involves trials in a limited patient population to determine metabolism, pharmacokinetics, the effectiveness of the drug for a particular indication, dosage tolerance and optimum dosage, and to identify common adverse effects and safety risks. If a compound demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 clinical trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit the FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug. In most cases the FDA requires two adequate and well-controlled Phase 3 clinical trials with statistically significant results to demonstrate the efficacy of the drug. A single Phase 3 clinical trial with other confirmatory evidence may be sufficient in rare instances where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of an effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

After completion of the required activities, including clinical testing, an NDA is prepared and submitted to the FDA. FDA approval of the NDA is required before marketing of the product may begin in the United States.

The FDA also may refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with the FDA's good clinical practice requirements. Additionally, the FDA typically inspects the facility or the facilities at which the drug is manufactured, and may inspect the sponsor company and investigator sites that participated in the clinical trials. The FDA will not approve the product unless compliance with current good manufacturing practice ("cGMP") is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective for the stated indication.

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction following FDA review of a resubmission of the NDA, the FDA will issue an approval letter.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy ("REMS"), to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals and elements to assure safe use ("ETASU"). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA generally uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Section 505(b)(2) New Drug Applications

Most drug products obtain FDA marketing approval pursuant to an NDA filed under section 505(b)(1) of the FDC Act. An alternative is a special type of NDA, commonly referred to as a Section 505(b)(2) NDA ("505(b)(2) NDA"), which enables the applicant to rely, in part, on the FDA's previous approval of a similar product, or published literature, in support of its application.

505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by, or for, the applicant and for which the applicant has not obtained a right of reference. If the 505(b)(2) NDA applicant can establish that reliance on the FDA's previous approval is scientifically appropriate, it may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all, or some, of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) NDA applicant.

Biologics

Biological products used for the prevention, treatment or cure of a disease or condition of a human being are subject to regulation under the FDC Act, except the section of the FDC Act which governs the approval of NDAs. Biological products are approved for marketing under provisions of the Public Health Service Act ("PHSA"), via a Biologics License Application ("BLA"). However, the application process and requirements for approval of BLAs and BLA supplements, including review timelines, are very similar to those for NDAs and NDA supplements, and biologics are associated with similar approval risks and costs as other drugs.

Post-Approval Requirements

Once an NDA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic safety reports is required following FDA approval of an NDA. The FDA also may require post-marketing testing, known as Phase 4 testing, REMS and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality-control, drug manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Pediatric Information

Under the Pediatric Research Equity Act, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data.

The Best Pharmaceuticals for Children Act ("BPCA") provides NDA holders a six-month extension of any exclusivity, patent or non-patent, for a drug if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric studies and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information. Information related to the product, patient population, phase of investigation, study sites and investigators and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Competitors may use this publicly available information to gain knowledge regarding the progress of our programs.

Regenerative Medicine Advanced Therapies (RMAT) Designation

The FDA has established a Regenerative Medicine Advanced Therapy ("RMAT") designation as part of its implementation of the 21st Century Cures Act, or Cures Act. The RMAT designation program is intended to fulfill the Cures Act requirement that the FDA facilitate an efficient development program for, and expedite review of, any drug that meets the following criteria: (1) it qualifies as a RMAT, which is defined as a cell therapy, therapeutic tissue engineering product, human cell and tissue product, or any combination product using such therapies or products, with limited exceptions; (2) it is intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition; and (3) preliminary clinical evidence indicates that the drug has the potential to address unmet medical needs for such a disease or condition. Like breakthrough therapy designation, RMAT designation provides potential benefits that include more frequent meetings with FDA to discuss the development plan for the product candidate, and eligibility for rolling review and priority review. Products granted RMAT designation may also be eligible for accelerated approval on the basis of a surrogate or intermediate endpoint reasonably likely to predict long-term clinical benefit, or reliance upon data obtained from a meaningful number of sites, including through expansion to additional sites. RMAT-designated products that receive accelerated approval may, as appropriate, fulfill their post-approval requirements through the submission of clinical evidence, clinical studies, patient registries, or other sources of real world evidence (such as electronic health records); through the collection of larger confirmatory data sets; or via post-approval monitoring of all patients treated with such therapy prior to approval of the therapy.

Other Regulatory Factors. Political, economic and regulatory influences are fundamentally changing the healthcare industry in the United States. Congress, state legislatures and the private sector continue to review and assess alternative healthcare delivery and payment systems. Potential alternative approaches could include mandated basic healthcare benefits, controls on healthcare spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, the creation of large insurance purchasing groups, and price controls. Legislative debate is expected to continue in the future and market forces are expected to demand only modest increases or reduced costs. For instance, managed care entities are demanding lower reimbursement rates from healthcare providers and, in some cases, are requiring or encouraging providers to accept capitated payments that may not allow providers to cover their full costs or realize traditional levels of profitability. We cannot reasonably predict what impact the adoption of federal or state healthcare reform measures or future private sector reform may have on our business.

In recent years, federal and state governments have launched several initiatives aimed at uncovering behavior that violates the federal civil and criminal laws regarding false claims and fraudulent billing and coding practices. Such laws require providers to adhere to complex reimbursement requirements regarding proper billing and coding in order to be compensated for their services by government payers. Our compliance program requires adherence to applicable law and promotes reimbursement education and training; however, a determination that our clinics' billing and coding practices are false or fraudulent could have a material adverse effect on us.

As a result of our participation in the Medicare and Medicaid programs, we are subject to various governmental inspections, reviews, audits and investigations to verify our compliance with these programs and applicable laws and regulations. Managed care payers may also reserve the right to conduct audits. An adverse inspection, review, audit or investigation could result in refunding amounts we have been paid; fines penalties and/or revocation of billing privileges for the affected clinics; exclusion from participation in the Medicare or Medicaid programs or one or more managed care payer network; or damage to our reputation.

We and our outpatient medical clinics are subject to federal and state laws prohibiting entities and individuals from knowingly and willfully making claims to Medicare, Medicaid and other governmental programs and third-party payers that contain false or fraudulent information. The federal False Claims Act encourages private individuals to file suits on behalf of the government against healthcare providers such as us. As such suits are generally filed under seal with a court to allow the government adequate time to investigate and determine whether it will intervene in the action, the implicated healthcare providers often are unaware of the suit until the government has made its determination and the seal is lifted. Violations or alleged violations of such laws, and any related lawsuits, could result in (i) exclusion from participation in Medicare, Medicaid and other federal healthcare programs, or (ii) significant financial or criminal sanctions, resulting in the possibility of substantial financial penalties for small billing errors that are replicated in a large number of claims, as each individual claim could be deemed a separate violation. In addition, many states also have enacted similar statutes, which may include criminal penalties, substantial fines, and treble damages.

Employees

As of November 28 , 2018, after giving effect to the Transactions, we employed 95 individuals, of which 73 were full-time employees. As of that date, none of our employees were governed by collective bargaining agreements or were members of a union. We consider our relations with our employees to be very good.

In the states in which our current outpatient clinics are located, persons performing designated medical or physical therapy services are required to be licensed by the state. Based on standard employee screening systems in place, all persons currently employed by us who are required to be licensed are licensed. We are not aware of any federal licensing requirements applicable to our employees.

Medical and Scientific Advisory Board

We intend to establish a Medical and Scientific Advisory Board under the direction of our Chief Scientific Officer comprised of physicians, other healthcare professionals, scientific researchers and university professors with experience in the areas of regenerative medicine. The Advisory Board is expected to meet periodically with our Board of Directors and management to discuss matters relating to our orthopedic therapies, range of medical treatments and strategic direction. Members of the Advisory board will be reimbursed by us for out-of-pocket expenses incurred in serving on the Advisory Board. We do not expect any Advisory Board members will have a conflict of interest between their obligation to us and their obligations to other companies or organizations.

Facilities

We manage our business operations from our principal executive office in Brentwood, Tennessee, in approximately 7,500 square feet of leased space. Our office lease extends through July 2024, under which we currently pay $17,465 per month. Our business is conducted at eleven outpatient medical clinics. For more information about our outpatient locations and the terms of their leases, see “Our Operations” above.

We expect total rent expense to be approximately $636,170 under our office and medical clinic leases for 2018.

We believe our present office space and locations are adequate for our current operations and for near-term planned expansion.

Legal Proceedings

There are no legal proceedings or arbitration proceedings currently pending against our company.

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information regarding our executive officers and directors as of the date of this prospectus:

Name	Age	Position
Jeffrey S. Ervin	41	Chief Executive Officer and Director
Matthew C. Wallis, DC	44	Chief Operating Officer and Director
Ian A. White, Ph.D.	44	Chief Scientific Officer
D. Anthony Bond, CPA	56	Chief Financial Officer
David Ellwanger	58	Director Nominee
George Hampton	49	Director Nominee
Dean Weiland	63	Director Nominee

Messrs. Ellwanger, Hampton and Weiland will assume their positions upon the closing of this offering.

The following information provides a brief description of the business experience of each executive officer, director and director nominee.

Executive Officers and Employee Directors

Jeffrey S. Ervin co-founded our company in March 2015 and serves as our Chief Executive Officer and a member of our Board of Directors. Mr. Ervin earned his M.B.A. from Vanderbilt University and has a history of working within strategic finance roles in the healthcare and high tech industries. Following his M.B.A., Mr. Ervin was the Senior Financial Analyst and Vice President of Finance for the Baptist Hospital System of Nashville from 2006 to September 2011, responsible for sourcing and managing direct investments to satisfy pension obligations. After these five years, Mr. Ervin joined Medicare.com parent Medx Publishing in October 2011 as the senior financial officer tasked with building administrative functions to satisfy rapid growth in the CMS education sector. During this time through March 2015, Medicare.com earned INC. 500 recognition and he was instrumental in the acquisition of Medicaid.com which was sold to United Healthcare Group. Mr. Ervin was also responsible for the disposition and ultimate sale of Medicare.com to eHealth Insurance.

As our Chief Executive Officer and a director, Mr. Ervin leads the Board and manages our company. Mr. Ervin brings extensive healthcare services industry knowledge and a deep background in growing early stage companies, mergers and acquisitions and capital market activities. His service as the Chief Executive Officer and a director creates a critical link between management and the Board.

Matthew C. Wallis, DC co-founded our company in March 2015 and serves as our Chief Operating Officer and a member of our Board of Directors. Dr. Wallis established the first Integrated Medicine and Chiropractic (IMAC) Regeneration Center in August 2000 and has led the Paducah, Kentucky center since then. Prior to establishing the first IMAC medical clinic, Dr. Wallis practiced as a licensed chiropractor in Kentucky. As our Chief Operating Officer, Dr. Wallis, has implemented consistent operating efficiencies for our sales, marketing and serviced delivery operations. Dr. Wallis received a Doctor of Chiropractic (DC) degree from Life University.

Dr. Wallis' 18 years of experience in the healthcare services industry, day-to-day operational leadership of our initial Paducah, Kentucky medical clinic and in-depth knowledge of our company's rehabilitative services make him well qualified as a member of the Board.

Ian A. White, Ph.D. joined our company in August 2018 and serves as our Chief Scientific Officer. Dr. White most recently founded and continues to serve as the President of BioFirma, LLC, a stem cell regenerative medicine research firm, of which we acquired an interest in August 2018. Prior to founding BioFirma in March 2018, he worked at the University of Miami's Miller School of Medicine – Interdisciplinary Stem Cell Institute from March 2013 to March 2018, where he published research in the field of regenerative medicine with Dr. Joshua Hare, including a book chapter on the use of mesenchymal stem cells in cardiology. Prior to his work at the University of Miami, Dr. White conducted research at the University of Georgia (February 2009 to January 2013) on embryonic stem cells, at Harvard University (August 2000 to August 2002) on immune stem cell differentiation, and at Dartmouth College (November 1999 to August 2000) on the genetics of gamete biology.

Dr. White is considered an expert in the field of regenerative medicine with 20 years of experience working in tissue regeneration and stem cell biology. Dr. White has published extensively in the field of stem cell biology, clinical stem cell applications and regenerative medicine. In 2016, he received an award for the "Best Manuscript" by the American Heart Association for his work highlighting the role of peripheral nerves in cardiac regeneration. Dr. White was recently elected Chairman of the Scientific Committee for the American Association of Stem Cell Physicians and holds an adjunct position at Bascom Palmer Eye Institute in Miami, Florida, where he is the lead scientist in charge of cell research in the Translational Ocular Regenerative Medicine Unit. Dr. White received a B.Sc. degree from Liverpool John Moores University and a M.Sc. degree from Liverpool School of Tropical Medicine, both in Liverpool, United kingdom, and a Ph.D. in Physiology, Biophysics and Systems Biology from Cornell University at its Ansary Stem Cell Institute.

D. Anthony Bond, CPA joined our company in October 2017 and serves as our Chief Financial Officer. Mr. Bond served from 2012 to September 2017 in senior financial capacities as an outside financial consultant with several healthcare organizations managing multi-state operations. From 2008 to 2012, Mr. Bond served as a Group Chief Financial Officer for Symbion Surgery Centers, a company with 20 surgery center facilities and two hospitals. Mr. Bond received a B.A. degree in Accounting from Middle Tennessee State University and is a Certified Public Accountant.

David Ellwanger has agreed to join our Board of Directors upon the closing of this offering. Mr. Ellwanger is currently the President of Health Plan Operations and Senior Vice President for Development of Intercede Health, a private managed care company, since January 2016. At Intercede Health, Mr. Ellwanger is involved in acquiring and building Medicare Advantage programs. From March 2014 to December 2015, Mr. Ellwanger was the President of Hospital Systems and Physicians for Healthways, the largest population health company in the country at the time. From September 2001 to May 2006, Mr. Ellwanger was the President of HealthSpring, an HMO, PPO and Medicare Advantage plan provider. HealthSpring went public in February 2006 and was eventually sold to CIGNA. From April 1994 to July 1997, Mr. Ellwanger worked for InPhyNet Medical Management, where he ran multiple primary care clinics and PPO accepting full risk capitation from insurance payors. InPhyNet went public in 1994 and was sold to MedPartners in 1996. Mr. Ellwanger began his healthcare career in 1985 with Partners National Health Plans, which eventually was merged into Aetna Health Plans. Mr. Ellwanger earned a B.B.A. degree in finance and financial management services from the University of Georgia.

Mr. Ellwanger has more than 33 years of experience operating insurance companies, physician practices and hospitals. Using this experience, Mr. Ellwanger brings insight to the Board and, in particular, with regard to aligning incentives across constituents for long-term results. Additionally, Mr. Ellwanger was part of several management teams that took companies public, such as HealthSpring and InPhyNet Medical Management. Mr. Ellwanger's experience and expertise in relevant market areas make him well qualified as a member of the Board.

George Hampton has agreed to join our Board of Directors upon the closing of this offering. Mr. Hampton has served as executive vice president of the primary care business unit for Horizon Pharmaceuticals, a publicly-traded biopharmaceuticals company, since February 2016. Mr. Hampton leads Horizon Pharmaceuticals' forward-looking strategy and establishes operational goals for the business. From April 2015 to February 2016, he was the executive vice president, global orphan business unit and international operations for Horizon Pharmaceuticals. From October 2008 to December 2014, Mr. Hampton served as a consultant to Horizon Pharmaceuticals focusing on preparing the company for the commercialization of its first product. Mr. Hampton has been involved in more than ten product launches in roles of increasing responsibility in sales, international marketing and operations at G.D. Searle (1992 to 2002), Abbott (now AbbVie) (2002 to 2005), and Amylin Pharmaceuticals (July 2007 to February 2009). Mr. Hampton earned a B.A. degree from Miami University in Oxford, Ohio.

Mr. Hampton has more than 25 years of experience as a successful executive in the pharmaceutical and biotech field on both a national and international scale including specific expertise in the autoimmune, primary care, orthopedic, diabetes, anti-infectives and cardiovascular spaces, making his input invaluable to the Board's discussions.

Dean Weiland has agreed to join our Board of Directors upon the closing of this offering. Mr. Weiland served as a Director, President and Chief Executive Officer of Cogent Healthcare, Inc., a privately-held healthcare company, from June 2013 until it was acquired by Sound Physicians in November 2014. Since November 2014, Mr. Weiland has been retired and serves on the board of VitaHeat, a privately-held company. Prior to Cogent, Mr. Weiland was a co-founder and served as Chief Operating Officer of Renal Advantage Inc. from October 2005 to December 2012. Renal Advantage grew to become the third largest dialysis company in the United States with 158 clinics in 19 states. Renal Advantage merged with Liberty Dialysis in 2010 and was acquired by Fresenius Medical Care in 2012. In 2003, Mr. Weiland was a co-founder of The Work Institute and served as its Chief Executive Officer until July 2005 when he left to form Renal Advantage. From 2000 to 2003, Mr. Weiland was a co-founder of Cleartrack Information Network, a healthcare data company, and served as its Chief Operating Officer from 1997 to 2000. Mr. Weiland served as Executive Vice President at MEDSTAT and the General Manager of Inforum, which were divisions of Thomson Reuters, a public company and held senior positions at Aladdin Industries from 1994 to 1997, and Coventry Corporation from 1993 to 1994. He began his career with Baxter Healthcare from 1977 to 1993, where he served as Vice President of New Business Initiatives for its Caremark division.

Mr. Weiland's in-depth knowledge of the healthcare market and the broad range of companies in the industry makes him well qualified as a member of the Board. He also brings transactional expertise in establishing a multi-state chain of medical clinics.

Board Composition

Our business and affairs are managed under the direction of our board of directors. The number of directors is determined by our board of directors, subject to the terms of our certificate of incorporation and bylaws that will become effective upon the completion of this offering. Upon the completion of this offering, our board of directors will consist of six members.

Director Independence

Upon the completion of this offering, our common stock will be listed on The NASDAQ Capital Market. Under Nasdaq rules, independent directors must comprise a majority of a listed company's board of directors within a specified period after completion of this offering. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees must be independent. Under Nasdaq rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Ellwanger, Hampton and Weiland, and one additional director, representing a majority of our directors, do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Nasdaq rules. In making these determinations, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Committees

Upon the closing of this offering, our board of directors will have three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Under Nasdaq rules, the membership of the audit committee is required to consist entirely of independent

directors, subject to applicable phase-in periods. The following is a brief description of our committees.

Audit committee. In accordance with our audit committee charter, after this offering, our audit committee will: oversee our corporate accounting and financial reporting processes and our internal controls over financial reporting; evaluate the independent public accounting firm's qualifications, independence and performance; engage and provide for the compensation of the independent public accounting firm; approve the retention of the independent public accounting firm to perform any proposed permissible non-audit services; review our consolidated financial statements; review our critical accounting policies and estimates and internal controls over financial reporting; and discuss with management and the independent registered public accounting firm the results of the annual audit and the reviews of our quarterly consolidated financial statements. We believe that our audit committee members meet the requirements for financial literacy under the current requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. In addition, the board of directors has determined that David Ellwanger is qualified as an audit committee financial expert within the meaning of SEC regulations. We have made this determination based on information received by our board of directors, including questionnaires provided by the members of our audit committee. The audit committee will be composed of Messrs. Ellwanger (Chairman), Hampton and Weiland.

Compensation committee. In accordance with our compensation committee charter, after this offering, our compensation committee will review and recommend policies relating to compensation and benefits of our officers and employees, including reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and setting compensation of these officers based on such evaluations. The compensation committee will also administer the issuance of stock options and other awards under our equity-based incentive plans. We believe that the composition of our compensation committee meets the requirements for independence under, and the functioning of our compensation committee complies with, any applicable requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. The compensation committee will be composed of Messrs. Hampton (Chairman) and Weiland.

Nominating and governance committee. In accordance with our nominating and governance committee charter, after this offering, our nominating and governance committee will recommend to the board of directors nominees for election as directors, and meet as necessary to review director candidates and nominees for election as directors; recommend members for each committee of the board; oversee corporate governance standards and compliance with applicable listing and regulatory requirements; develop and recommend to the board governance principles applicable to the company; and oversee the evaluation of the board and its committees. We believe that the composition of our nominating and governance committee meets the requirements for independence under, and the functioning of our compensation committee complies with, any applicable requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. The nominating and governance committee will be composed of Messrs. Weiland (Chairman) and Hampton.

Code of Business Conduct and Ethics

We will adopt a new code of business conduct and ethics that applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, which will be posted on our website. Our code of business conduct and ethics is a "code of ethics," as defined in Item 406(b) of Regulation S-K. The information contained on, or accessible from, our website is not part of this prospectus by reference or otherwise. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of business conduct and ethics on our website.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is an executive officer or employee of our company. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Limitations on Director and Officer Liability and Indemnification

Our certificate of incorporation limits the liability of our directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation and our bylaws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Any repeal of or modification to our certificate of incorporation and our bylaws may not adversely affect any right or protection of a director or officer for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal. Upon completion of this offering, our bylaws will also provide that we shall advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification.

Prior to the completion of this offering, we intend to enter into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our bylaws. These agreements, among other things, provide that we will indemnify our directors and executive officers for certain expenses (including attorneys' fees), judgments, fines, penalties and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of such person's services as one of our directors or executive officers, or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

The limitation of liability and indemnification provisions that will be contained in our certificate of incorporation and our bylaws upon completion of this offering may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. There is no pending litigation or proceeding involving one of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth summary compensation information for the following persons: (i) all persons serving as our principal executive officer during the years ended December 31, 2017 and 2016, and (ii) our two other most highly compensated executive officers who received compensation during the years ended December 31, 2017 and 2016 of at least $100,000 and who were executive officers on December 31, 2017 and 2016. We refer to these persons as our "named executive officers" in this prospectus. The following table includes all compensation earned by the named executive officers for the respective period, regardless of whether such amounts were actually paid during the period:

Name and Position	Years	Salary	Bonus	Stock Awards	Option Awards	Non-equity Incentive Plan Compensation	Non-qualified Deferred Compensation Earnings	All Other Compensation	Total
Jeffrey S. Ervin,	2017	$ 155,000	—	—	—	—	—	$ 40,000	$ 195,000
Chief Executive Officer	2016	$ 152,885	—	—	—	—	—	—	$ 152,885
Matthew C. Wallis, DC,	2017	$ 6,000	—	—	—	—	—	—	$ 6,000
Chief Operating Officer	2016	$ 6,231	—	—	—	—	—	—	$ 6,231
D. Anthony Bond,	2017	$ 26,754	—	—	—	—	—	—	$ 26,754
Chief Financial Officer (1)	2016	—	—	—	—	—	—	—	—

(1) Mr. Bond joined our company in October 2017.

Employment Agreements

Prior to the closing of this offering, we intend to enter into an employment agreement with each of our named executive officers. We expect that each of the agreements will become effective on the closing date of this offering, and will have an initial term that ends three years after the closing date with automatic one-year renewal periods thereafter.

Outstanding Equity Awards at December 31, 2017

No stock options or other equity awards were granted to any of our named executive officers during the year ended December 31, 2017, and no such awards were outstanding as of such date.

2018 Incentive Compensation Plan

Under our 2018 Incentive Compensation Plan (the "Plan"), adopted by our board of directors and holders of a majority of our outstanding shares of common stock in May 2018, 1,000,000 shares of common stock (subject to certain adjustments) are reserved for issuance upon exercise of stock options and grants of other equity awards. The Plan is designed to serve as an incentive for attracting and retaining qualified and motivated employees, officers, directors, consultants and other persons who provide services to us. The compensation committee of our board of directors administers and interprets the Plan and is authorized to grant stock options and other equity awards thereunder to all eligible employees of our company, including non-employee consultants to our company and directors.

The Plan provides for the granting of "incentive stock options" (as defined in Section 422 of the Code), non-statutory stock options, stock appreciation rights, shares of restricted stock, restricted stock units, deferred stock, dividend equivalents, bonus stock and awards in lieu of cash compensation, other stock-based awards and performance awards. Options may be granted under the Plan on such terms and at such prices as determined by the compensation committee of the board, except that the per share exercise price of the stock options cannot be less than the fair market value of our common stock on the date of grant. Each option will be exercisable after the period or periods specified in the stock option agreement, but all stock options must be exercised within ten years from the date of grant. Options granted under the Plan are not transferable other than by will or by the laws of descent and distribution. The compensation committee of the board has the authority to amend or terminate the Plan, provided that no amendment shall be made without stockholder approval if such stockholder approval is necessary to comply with any tax or regulatory requirement. Unless terminated sooner, the Plan will terminate ten years from its effective date.

Director Compensation

Following the closing of this offering, we intend to compensate each non-employee director through annual stock option grants and by paying a cash fee for each board of directors and committee meeting attended. Currently, our directors do not receive salaries or fees for serving on our board of directors, nor do they receive any compensation for serving on committees. No compensation was paid to our directors in the year ended December 31, 2017. Our board of directors will review director compensation annually and adjust it according to then current market conditions and good business practices.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policies and Procedures for Transactions with Related Persons

Our board of directors intends to adopt a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. Related persons include any executive officer, director or a holder of more than 5% of our common stock, including any of their immediate family members and any entity owned or controlled by such persons. Related person transactions refers to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which (i) we were or are to be a participant, (ii) the amount involved exceeds $120,000, and (iii) a related person had or will have a direct or indirect material interest. Related person transactions include, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person, in each case subject to certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act.

We expect that the policy will provide that in any related person transaction, our audit committee and board of directors will consider all of the available material facts and circumstances of the transaction, including: the direct and indirect interests of the related persons; in the event the related person is a director (or immediate family member of a director or an entity with which a director is affiliated), the impact that the transaction will have on a director's independence; the risks, costs and benefits of the transaction to us; and whether any alternative transactions or sources for comparable services or products are available. After considering all such facts and circumstances, our audit committee and board of directors will determine whether approval or ratification of the related person transaction is in our best interests. For example, if our audit committee determines that the proposed terms of a related person transaction are reasonable and at least as favorable as could have been obtained from unrelated third parties, it will recommend to our board of directors that such transaction be approved or ratified. In addition, once we become a public company, if a related person transaction will compromise the independence of one of our directors, our audit committee may recommend that our board of directors reject the transaction if it could affect our ability to comply with securities laws and regulations or Nasdaq listing requirements.

Each transaction described in "Certain Relationships and Related Transactions" was entered into prior to the adoption of our audit committee charter and the foregoing policy proposal.

Corporate Conversion

Effective June 1, 2018, we converted to a Delaware corporation and changed our name to IMAC Holdings, Inc. Prior to June 1, 2018, we were a Kentucky limited liability company controlled by Matthew C. Wallis, DC, Jason Brame, DC, and Jeffrey S. Ervin. Upon the Corporate Conversion, all of our outstanding membership interests were exchanged on a proportional basis for shares of common stock of IMAC Holdings, Inc.

Business Transactions

IMAC Management Services, LLC holds a long-term Management Services Agreement with Integrated Medicine and Chiropractic Regeneration Center PSC, a professional service corporation controlled by our co-founders Matthew C. Wallis, DC and Jason Brame, DC, which operates two IMAC Regeneration Centers in Kentucky. The Management Services Agreement is exclusive, extends through June 2048 and will automatically renew annually each year thereafter unless written notice is given within 180 days prior to the completion of the extended term. On June 29, 2018, Clinic Management Associates, LLC, controlled by Drs. Wallis and Brame, merged with and into our subsidiary IMAC Management Services, LLC. IMAC Management Services, LLC provides exclusive comprehensive management and related administrative services to the IMAC Regeneration Centers under the Management Services Agreement. Pursuant to the merger agreement with Clinic Management Associates, LLC, we agreed to pay cash or issue shares of our common stock having a value of $4,598,576 to its former owners upon the closing of this offering. In August 2018, Drs. Wallis and Brame agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the merger agreement. Dr. Wallis is an executive officer and greater than 5% beneficial owner in our company and will receive 75% of the sale price of Clinic Management Associates, LLC. Dr. Brame is a greater than 5% beneficial owner in our company and will receive 25% of the sale price of Clinic Management Associates, LLC. Under the Management Services Agreement, we will receive service fees based on the cost of the services we provide, plus a specified markup percentage, and a discretionary annual bonus.

We entered into a Unit Purchase Agreement with the equity owners of IMAC of St. Louis, LLC to acquire the remaining 64% of the outstanding units of the limited liability company membership interests we did not already own. This entity, doing business as the Ozzie Smith Center, operates two locations in Missouri. Pursuant to the terms of the Unit Purchase Agreement, we agreed to pay IMAC of St. Louis, LLC's former owners upon the closing of this offering $1,000,000 in cash and the remainder in shares of our common stock in the aggregate amount of $1,490,632. The former owners of IMAC of St. Louis, LLC have agreed to accept shares of our common stock upon the closing of this offering in lieu of any further cash payments for remaining consideration to be paid under the Unit Purchase Agreement. The effective date of the transaction was June 1, 2018. Dr. Wallis is an executive officer and greater than 5% beneficial owner in our company and will receive cash and stock compensation of $372,658.

We entered into a Unit Purchase Agreement with the equity owners of IMAC Regeneration Management of Nashville, LLC to acquire the remaining 24% of the outstanding units of the limited liability company membership interests we did not already own for an amount equal to $110,000 in cash (which was paid at the closing of the Unit Purchase Agreement) and $190,000 principal amount of 4% convertible notes (on the same terms as in our 2018 private placement). The effective date of this transaction was June 1, 2018. IMAC Regeneration Management of Nashville, LLC, now our 100%-owned subsidiary, and IMAC Regeneration Center of Nashville, P.C. previously agreed to a long-term, exclusive management services agreement on November 1, 2016. Mr. Ervin is an executive officer and greater than 5% beneficial owner in our company and will receive $50,000 of the sale price.

We are compensated under each of our management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation. Under our management services agreements, all obligations owed to us by the professional service corporations are secured by all accounts receivable, contract rights, revenues and general intangibles of the applicable professional service corporation. The management services agreements may be terminated by mutual agreement of the parties, by a non-breaching party after 30 days following an uncured breach by the other party, upon a bankruptcy of either party or by us upon 90 days' prior written notice to the other party.

Integrated Medicine and Chiropractic Regeneration Center PSC , IMAC Management Services, LLC, IMAC of St. Louis, LLC and IMAC Regeneration Management of Nashville, LLC are related companies having common ownership with us and our controlling stockholders and have been operating together with us as a single group since 2015.

In August 2018, we purchased 100% of the outstanding units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, a physical and occupational therapy business with four clinics serving the Springfield, Missouri metropolitan area. The purchase price was $22,930.94 in cash (which was paid at the closing of the Unit Purchase Agreement) and $870,000 payable in shares of our common stock upon the closing of this offering.

On August 20, 2018, we acquired a 70% ownership position of BioFirma, LLC for $1,000 in cash. The acquisition of this entity was not considered significant as measured under specific financial tests of the SEC. BioFirma produces NeoCyte, an umbilical cord-derived mononuclear cell product following the FDA's cGMP regulations. We intend to use approximately $500,000 of the net proceeds of this offering for further research and product development of NeoCyte and other regenerative medicine products, including obtaining regulatory approvals, certifications or designations from the FDA. A portion of the funds for BioFirma will be used for the employment of Ian A. White, Ph.D., Chief Scientific Officer, for a three-year period, as well as for equipment and manufacturing of the product. When it is market-ready, we intend to sell the NeoCyte product at our IMAC Regeneration Centers and other medical clinics.

Related Party Transactions

Integrated Medicine and Chiropractic Regeneration Center PSC advanced monies to and leased real estate from OLM, a related company. OLM is a variable interest entity, formed by Jason Brame DC, a founding member of our company, and the spouse of Matthew C. Wallis, DC, our Chief Operating Officer and director, to purchase real estate for expansion of the Kentucky medical clinic. In 2017, OLM decided to not develop the real estate, which was sold. Integrated Medicine and Chiropractic Regeneration Center PSC sustained the loss related to the real estate sale. The financial statements of OLM have not been included in our consolidated financial statements since Integrated Medicine and Chiropractic Regeneration Center PSC was deemed the primary beneficiary of OLM.

During the last two completed fiscal years, we contracted with SpeakLife to provide staff training and patient advocacy services for $99,000 per year. SpeakLife is owned by Mr. Brame. This contract was terminated on September 30, 2018.

During the last two completed fiscal years, we contracted with UCI to provide marketing services to chiropractic practitioners and source opportunities to expand chiropractic practices into regenerative medicine for $144,000 per year. UCI is owned by the spouse of Dr. Wallis. This contract was terminated on September 30, 2018.

We have a note payable to The Edward S. Bredniak Trust, the trustee of which is Edward S. Bredniak, a former director of our company, in the amount of $500,000 dated December 1, 2016. The note requires 36 monthly installments of $8,534 including principal and interest. The interest rate is fixed at 5% per annum. The note matures and has a balloon payment of $250,000 on December 31, 2019, and is secured by the personal guarantees of our former members. The proceeds of the note were used to secure our medical clinic lease in Chesterfield, Missouri.

On June 1, 2018, we entered into a note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. An existing note payable with this entity with an outstanding balance of $379,675.60 will be combined into the new note payable. The note carries an interest rate of 10% per annum and all outstanding balances are due and payable at the closing of this offering. The proceeds of this note are being used to satisfy ongoing working capital needs, expenses related to the preparation for this offering, equipment and construction costs related to new clinic locations, and potential business combination and transaction expenses. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

Indemnification Agreements

We intend to enter into an indemnification agreement with each of our directors and executive officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. See "Management—Limitations on Director and Officer Liability and Indemnification."

PRINCIPAL STOCKHOLDERS

The following table and accompanying footnotes set forth certain information with respect to the beneficial ownership of our common stock as of December 3, 2018, referred to in the table below as the "Beneficial Ownership Date," and as adjusted to reflect the sale of shares of our common stock offered by this prospectus, by:

- each person who is known to be the beneficial owner of 5% or more of the outstanding shares of our common stock;
- each member of our board of directors and each of our named executive officers individually; and
- all our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to stock options or warrants held by that person that are currently exercisable or exercisable within 60 days of the Beneficial Ownership Date and shares of restricted stock subject to vesting until the occurrence of certain events, including the closing of this offering, are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Percentage of beneficial ownership is based on 4,521,813 shares of common stock outstanding as of the Beneficial Ownership Date (which reflects the 0.6869-for-1 reverse stock split of our outstanding shares of common stock prior to the effectiveness of this offering) and 7,693,050 shares of common stock outstanding immediately after this offering, assuming that the underwriters do not exercise their option in full to purchase from us up to an additional 195,000 shares of our common stock.

To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name. Except as otherwise indicated, the address of each of the persons in this table is c/o IMAC Holdings, Inc., 1605 Westgate Circle, Brentwood, Tennessee 37027. Each of the persons and entities named in the table below acquired their shares of common stock pursuant to the Corporate Conversion. See "Corporate Conversion" for additional information.

Name of Beneficial Owner	Shares Beneficially Owned Before Offering	Percentage Beneficially Owned Before Offering	Percentage Beneficially Owned After Offering
Jeffrey S. Ervin	247,765	5.5%	
Matthew C. Wallis, DC	1,672,400	37.0%	
Ian A. White, Ph.D.	-	*	
D. Anthony Bond, CPA	-	*	
David Ellwanger	-	*	
George Hampton	-	*	
Dean Weiland	-	*	
Edward S. Bredniak(1)	1,734,343	38.4%	
Jason Brame(2)	557,469	12.3%	
All directors and executive officers as a group (7 persons)	1,920,165	42.5%	

* Less than 1% of outstanding shares.

(1) Represents s hares owned by The Edward S. Bredniak Trust, through which Mr. Bredniak exercises control as trustee. Mr. Bredniak previously served as a director of our company.

(2) Mr. Brame is a co-founding member of our company.

MATERIAL U.S. FEDERAL TAX CONSEQUENCES

The following is a general summary of material U.S. federal income tax consequences of the acquisition, ownership, and disposition of our warrants and shares of our common stock in the offering and the acquisition, ownership, and disposition of our shares of common stock issuable upon the exercise of our warrants.

Scope of this Summary

This summary is for general information purposes only and does not purport to be a complete analysis of all potential U.S. federal income tax consequences of the acquisition, ownership and disposition of our warrants and common stock. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. In addition, this summary does not take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular holder. Each holder should consult its own tax advisors regarding the U.S. federal, state and local, and non-U.S. tax consequences of the acquisition, ownership and disposition of our warrants and common stock.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of our warrants and common stock. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary.

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this prospectus. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis.

U.S. Holders

As used in this summary, the term "U.S. Holder" means a beneficial owner of (i) our warrants or common stock acquired pursuant to this prospectus or (ii) our common stock acquired upon exercise of our warrants that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation) organized under the laws of the U.S., any state thereof or the District of Colombia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

The term "Non-U.S. Holder" means any beneficial owner of (i) our warrants or common stock acquired pursuant to this prospectus or (ii) our common stock acquired upon the exercise of our warrants that is not a U.S. Holder.

Holders Subject to Special U.S. Federal Income Tax Rules

This summary deals only with persons or entities who (i) acquire our warrants or common stock in the offering or (ii) who receive our common stock upon the exercise of our warrants, and who hold such stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This summary does not address all aspects of U.S. federal income taxation that may be applicable to holders in light of their particular circumstances or to holders subject to special treatment under U.S. federal income tax law, such as (without limitation): banks, insurance companies, and other financial institutions; dealers or traders in securities, commodities or foreign currencies; regulated investment companies; U.S. expatriates or former long-term residents of the U.S.; persons holding our warrants or common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment; persons holding our warrants or common stock as a result of a constructive sale; entities that acquire our warrants or common stock that are treated as partnerships for U.S. federal income tax purposes and partners in such partnerships; real estate investment trusts; U.S. Holders that have a "functional currency" other than the U.S. dollar; holders that acquired our warrants or common stock in connection with the exercise of employee stock options or otherwise as consideration for services; or holders that are "controlled foreign corporations" or "passive foreign investment companies." Holders that are subject to special provisions under the Code, including holders described immediately above, should consult their own tax advisors regarding the U.S. federal, state and local, and non-U.S. tax consequences arising from and relating to the acquisition, ownership and disposition of our warrants and common stock.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds our warrants or common stock, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner or entity. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of our warrants and common stock.

Tax Consequences Not Addressed

This summary does not address the U.S. state and local, U.S. federal estate and gift, U.S. federal alternative minimum tax, or non-U.S. tax consequences to holders of the acquisition, ownership, and disposition of our warrants or common stock. Each holder should consult its own tax advisors regarding the U.S. state and local, U.S. federal estate and gift, U.S. federal alternative minimum tax, and non-U.S. tax consequences of the acquisition, ownership, and disposition of our warrants and common stock.

U.S. Federal Income Tax Consequences to U.S. Holders of the Acquisition, Ownership and Disposition of the Warrants and Common Stock

Distributions

Distributions made on our common stock generally will be included in a U.S. Holder's income as ordinary dividend income to the extent of our current and accumulated earnings and profits (determined under U.S. federal income tax principles) as of the end of our taxable year in which the distribution occurs. Dividends received by non-corporate U.S. Holders are generally taxed at a maximum tax rate of 20%, provided certain holding period and other requirements are satisfied. Distributions in excess of our current and accumulated earnings and profits will be treated as a return of capital to the extent of a U.S. Holder's adjusted tax basis in our common stock and thereafter as capital gain from the sale or exchange of such stock, which will be taxable according to rules discussed under the heading "Sale, Certain Redemptions or Other Taxable Dispositions of our warrants and common stock," below. Dividends received by a corporate holder may be eligible for a dividends received deduction, subject to applicable limitations.

Sale, Certain Redemptions or Other Taxable Dispositions of Warrants and Common Stock

Upon the sale, redemption, or other taxable disposition of our warrants or common stock, a U.S. Holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon such taxable disposition and (ii) the U.S. Holder's adjusted tax basis in the warrants or shares, as applicable. Such capital gain or loss will be long-term capital gain or loss if a U.S. Holder's holding period in our warrants or common stock is more than one year at the time of the taxable disposition. Long-term capital gains recognized by non-corporate U.S. Holders will generally be subject to a maximum U.S. federal income tax rate of 20%. Deductions for capital losses are subject to limitations.

Exercise of Warrants

A U.S. Holder generally will not recognize gain or loss on the exercise of our warrants and related receipt of our common stock (unless cash is received in lieu of the issuance of a fractional share of our common stock). A U.S. Holder's initial tax basis in our common stock received on the exercise of a warrant should be equal to the sum of (a) such U.S. Holder's tax basis in such warrant plus (b) the exercise price paid by such U.S. Holder on the exercise of such warrant. A U.S. Holder's holding period for our common stock received on the exercise of a warrant should begin on the date that such warrant is exercised by such U.S. Holder.

Certain Adjustments to the Warrants

Under Section 305 of the Code, an adjustment to the number of shares of our common stock that will be issued on the exercise of the warrants, or an adjustment to the exercise price of our warrants, may be treated as a constructive distribution to a U.S. Holder of the warrants if, and to the extent that, such adjustment has the effect of increasing such U.S. Holder's proportionate interest in our "earnings and profits" or assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to our shareholders). Adjustments to the exercise price of a warrant made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the holders of our warrants should generally not result in a constructive distribution.

Other U.S. Federal Income Tax Consequences Applicable to U.S. Holders

Additional Tax on Passive Income

Individuals, estates and certain trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends on and net gain from the disposition of our warrants or common stock. U.S. Holders should consult their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of our warrants or common stock.

Information Reporting and Backup Withholding

Information reporting requirements generally will apply to payments of dividends on our common stock and to the proceeds of a sale of our warrants or common stock paid to a U.S. Holder unless the U.S. Holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. Holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. Holder is notified by the IRS that it has failed to report in full payments of interest and dividend income. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, if any, provided the required information is furnished in a timely manner to the IRS.

U.S. Federal Income Tax Consequences to Non-U.S. Holders of the Acquisition, Ownership and Disposition of the Warrants and Common Stock

Exercise of Warrants

A Non-U.S. Holder generally will not recognize gain or loss on the exercise of a warrant and related receipt of our common stock (unless cash is received in lieu of the issuance of a fractional share of common stock and certain other conditions are present, as discussed below under "Sale or Other Taxable Disposition of Our Warrants, Common Stock and Preferred Stock"). A Non-U.S. Holder's initial tax basis in our common stock received on the exercise of a warrant should be equal to the sum of (a) such Non-U.S. Holder's tax basis in such warrant plus (b) the exercise price paid by such Non-U.S. Holder on the exercise of such warrant. A Non-U.S. Holder's holding period for our common stock received on the exercise of a warrant should begin on the date that such warrant is exercised by such Non-U.S. Holder.

Certain Adjustments to the Warrants

Under Section 305 of the Code, an adjustment to the number of our common stock that will be issued on the exercise of our warrants, or an adjustment to the exercise price of our warrants, may be treated as a constructive distribution to a Non-U.S. Holder of our warrants if, and to the extent that, such adjustment has the effect of increasing such Non-U.S. Holder's proportionate interest in our "earnings and profits" or assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to our shareholders).

Distributions

Distributions on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, they will constitute a return of capital and will first reduce a Non-U.S. Holder's basis in our common shares, but not below zero, and then will be treated as gain from the sale of stock, which will be taxable according to rules discussed under the heading "Sale or Other Taxable Disposition of Our Warrants and Common Stock," below. Any dividends paid to a Non-U.S. Holder with respect to our common shares generally will be subject to withholding tax at a 30% gross rate, subject to any exemption or lower rate under an applicable treaty if the Non-U.S. Holder provides us with a properly executed IRS Form W-8BEN-E or W-8BEN. A Non-U.S. Holder that provides us with a properly executed IRS Form W-8ECI (or other applicable form) relating to income effectively connected with the conduct of a trade or business within the United States will not be subject to the 30% withholding tax.

Dividends that are effectively connected with the conduct of a trade or business within the United States are not subject to the withholding tax (assuming proper certification and disclosure), but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates, subject to an applicable treaty that provides otherwise. Any such effectively connected income received by a non-U.S. corporation may, under certain circumstances, be subject to an additional branch profits tax on its effectively connected earnings and profits at a 30% rate, subject to any exemption or lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder of our common shares who wishes to claim the benefit of an applicable treaty rate or exemption is required to satisfy certain certification and other requirements. If a Non-U.S. Holder is eligible for an exemption from or a reduced rate of U.S. withholding tax pursuant to an income tax treaty, it may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Sale or Other Taxable Disposition of Our Warrants and Common Stock

In general, a Non-U.S. Holder of our warrants or common stock will not be subject to U.S. federal income tax on gain recognized from a sale, exchange, or other taxable disposition of such warrants or stock, unless:

- the gain is effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder (and, where an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder), in which case the Non-U.S. Holder will be subject to tax on the net gain from the sale at regular graduated U.S. federal income tax rates, and if the Non-U.S. Holder is a corporation, may be subject to an additional U.S. branch profits tax at a gross rate equal to 30% of its effectively connected earnings and profits for that taxable year, subject to any exemption or lower rate as may be specified by an applicable income tax treaty;

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met, in which case the Non-U.S. Holder will be subject to a 30% tax on the gain from the sale, which may be offset by U.S. source capital losses; or

- we are or have been a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time during the shorter of the Non-U.S. Holder's holding period or the 5-year period ending on the date of disposition of our warrants or common shares; provided, with respect to our warrants and common stock, that as long as our common stock is regularly traded on an established securities market as determined under the Treasury Regulations (the "Regularly Traded Exception"), a Non-U.S. Holder would not be subject to taxation on the gain on the sale of our warrants or common shares under this rule unless the Non-U.S. Holder has owned more than 5% of our common stock at any time during such 5-year or shorter period (a "5% Shareholder"). In addition, certain attribution rules apply in determining ownership for this purpose. While the common stock will be listed on The NASDAQ Capital Market and therefore may satisfy the Regularly Traded Exception, since our warrants are not expected to be listed on a securities market, our warrants are unlikely to qualify for the Regularly Traded Exception. Non-U.S. Holders should be aware that we have made no determination as to whether we are or have been a USRPHC, and we can provide no assurances that we are not and will not become a USRPHC in the future. In addition, in the event that we are or become a USRPHC, we can provide no assurances that our common stock will meet the Regularly Traded Exception at the time a Non-U.S. Holder purchases such securities or sells, exchanges or otherwise disposes of such securities. Non-U.S. Holders should consult with their own tax advisors regarding the consequences to them of investing in a USRPHC. As a USRPHC, a Non-U.S. Holder will be taxed as if any gain or loss were effectively connected with the conduct of a trade or business as described above in "Dividends" in the event that (i) such holder is a 5% Shareholder, or (ii) the Regularly Traded Exception is not satisfied during the relevant period.

Information Reporting and Backup Withholding

Generally, we must report annually to the IRS and to Non-U.S. Holders the amount of dividends paid on our common stock to Non-U.S. Holders and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides under the provisions of an applicable income tax treaty.

In general, a Non-U.S. Holder will not be subject to backup withholding with respect to payments of dividends that we make, provided we receive a statement meeting certain requirements to the effect that the Non-U.S. Holder is not a U.S. person and we do not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, that is not an exempt recipient. The requirements for the statement will be met if (1) the Non-U.S. Holder provides its name, address and U.S. taxpayer identification number, if any, and certifies, under penalty of perjury, that it is not a U.S. person (which certification may be made on IRS Form W-8BEN or W-8BEN-E, as applicable) or (2) a financial institution holding the instrument on behalf of the Non-U.S. Holder certifies, under penalty of perjury, that such statement has been received by it and furnishes us or our paying agent with a copy of the statement. In addition, a Non-U.S. Holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to payments of the proceeds of a sale of our warrants or common stock within the United States or conducted through certain U.S.-related financial intermediaries, unless the statement described above has been received, and we do not have actual knowledge or reason to know that a holder is a U.S. person, as defined under the Code, that is not an exempt recipient, or the Non-U.S. Holder otherwise establishes an exemption. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is furnished in a timely manner to the IRS.

Rules Relating to Foreign Accounts

Generally, we will be required to withhold tax at a rate of 30% on dividends in respect of our common stock, and gross proceeds from the sale of our common stock held by or through certain foreign entities, in the case of dividends, and beginning after December 31, 2018, in the case of such gross proceeds, unless such entity is in compliance with its obligations under the Foreign Account Tax Compliance Act, or "FATCA."

DESCRIPTION OF CAPITAL STOCK

The following description summarizes important terms of our capital stock. For a complete description, you should refer to our certificate of incorporation and bylaws, forms of which are incorporated by reference to the exhibits to the registration statement of which this prospectus is a part, as well as the relevant portions of the Delaware law. References to our certificate of incorporation and bylaws are to our certificate of incorporation and our bylaws, respectively, each of which will become effective upon completion of this offering. The description of our common stock and preferred stock reflects the completion of the Corporate Conversion that was effective as of June 1, 2018.

General

Prior to June 1, 2018, we were a Kentucky limited liability company and the rights and obligations of our members were governed by the IMAC Holdings, LLC operating agreement. On June 1, 2018, we effected the Corporate Conversion pursuant to which we converted into a Delaware corporation and changed our name to IMAC Holdings, Inc. The rights and obligations set forth in the IMAC Holdings, LLC operating agreement terminated immediately prior to the consummation of the Corporate Conversion. As of June 1, 2018, we are a federal taxpayer as opposed to a pass-through entity for tax purposes. The following description of our capital stock is a summary and is qualified in its entirety by reference to our certificate of incorporation and bylaws, the forms of which are filed as exhibits to the registration statement of which this prospectus forms a part.

Upon closing of this offering, our authorized capital stock will consist of 30,000,000 shares of common stock with a $0.001 par value per share, and 5,000,000 shares of preferred stock with a $0.001 par value per share, all of which shares of preferred stock are undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time. As of November 2 8 , 2018, there were 6,582,737 shares of common stock issued and outstanding, held of record by seven stockholders, and no shares of preferred stock issued or outstanding.

Prior to the effectiveness of this offering, we intend to file a certificate of amendment of our certificate of incorporation to effect a 0.6869-for-1 reverse stock split of our outstanding shares of common stock. As a result of the reverse stock split, we will have 4,521,813 outstanding shares of common stock prior to the effectiveness of this offering, plus an additional 1,871,237 shares of common stock issuable contemporaneously with the effectiveness of this offering in connection with our recent business transactions, 2018 private placement and consulting fee, for an aggregate of 6,393,050 shares of common stock before the issuance and sale of the securities offered by us in this offering.

Common Stock

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by the stockholders and there are no cumulative rights. Subject to any preferential rights of any outstanding preferred stock, holders of our common stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by the board of directors out of legally available funds. If there is a liquidation, dissolution or winding up of our company, holders of our common stock would be entitled to share in our assets remaining after the payment of liabilities and any preferential rights of any outstanding preferred stock.

Holders of our common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock will be fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

Preferred Stock

Under the terms of our certificate of incorporation, our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible future acquisitions and other corporate purposes, will affect, and may adversely affect, the rights of holders of common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of common stock until the board of directors determines the specific rights attached to that preferred stock. The effects of issuing preferred stock could include one or more of the following:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing changes in control or management of our company.

We have no present plans to issue any shares of preferred stock.

Warrants

The following is a brief summary of the material terms of the warrants offered pursuant to this prospectus and is subject in all respects to the provisions contained in the warrants, the form of which is filed as an exhibit to the registration statement of which this prospectus is a part. You should review a copy of the form of warrant for the complete description of the terms and conditions of the warrants being issued in this offering.

Form. The warrants will be issued in book-entry form under a warrant agent agreement between Equity Stock Transfer, LLC, as warrant agent, and us, and will initially be represented by one or more book-entry certificates deposited with DTC, and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC. You should review a copy of the form of warrant, which is attached as an exhibit to the registration statement of which this prospectus is a part, for a complete description of the terms and conditions of the warrants.

Exercisability. The warrants are exercisable at any time after the date of issuance, and at any time up to 5:00 p.m., Eastern time, on the date that is five years after the date on which such warrants are issued, at which time any unexercised warrants will expire and cease to be exercisable. The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and by payment in full in immediately available funds for the number of shares of common stock purchased upon such exercise.

Fractional Shares. No fractional shares of common stock will be issued in connection with the exercise of a warrant. In lieu of fractional shares, we will either pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price or round up to the next whole share.

Exercise Limitation. A holder will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage will not be effective until the 61st day after such notice to us.

Cashless Exercise. At any time when a registration statement covering the issuance of the shares of common stock issuable upon exercise of the warrants is not effective, the holder may, at its option, exercise its warrants on a cashless basis. When exercised on a cashless basis, a portion of the warrant is cancelled in payment of the purchase price payable in respect of the number of shares of our common stock that may be purchased upon such exercise.

Exercise Price; Anti-Dilution. The exercise price per share of common stock is equal to the initial public offering price of the units in this offering. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock.

Transferability. Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned without our consent. There is currently no trading market for the warrants and a trading market may never develop.

Exchange Listing. We do not plan on making an application to list the warrants on The NASDAQ Capital Market or any other securities exchange or market. We have applied to have our common stock underlying the warrants listed for trading on The NASDAQ Capital Market under the symbol "IMAC."

Fundamental Transactions. In the event of a fundamental transaction, as described in the warrants and generally including any reorganization, recapitalization or reclassification of our common stock, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the holders of the warrants will be entitled to receive upon exercise of the warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the warrants immediately prior to such fundamental transaction.

Rights as a Stockholder. Except as otherwise provided in the warrants or by virtue of such holder's ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the warrant.

We, with the consent of the warrant holders holding a majority of the then outstanding warrants (as measured by the number of shares of common stock underlying such outstanding warrants), may increase the exercise price, shorten the expiration date and amend all other warrant terms.

Unit Purchase Option

We have agreed to issue upon the closing of this offering, for nominal consideration, a unit purchase option to Cuttone & Co., LLC, as representative of the underwriters, entitling it to purchase a number of our securities equal to 4% of the securities sold in this offering. The underwriters' unit purchase option will have an exercise price equal to 120% of the public offering price of the units set forth on the cover page of this prospectus (or $6.60 per share and warrant) and may be exercised on a cashless basis. The underwriters' unit purchase option is not redeemable by us. This prospectus also covers the sale of the underwriters' unit purchase option and the shares of common stock and warrants (and shares of common stock underlying such warrants) issuable upon the exercise of the underwriters' unit purchase option. In addition, we have granted the underwriters "piggyback" registration rights with respect to the underlying shares. This piggyback registration right will not be greater than five years after the effective date of this offering in compliance with FINRA Rule 5110(f)(2)(G)(v). For additional information regarding our arrangements with the underwriters, see "Underwriting."

Effect of Certain Provisions of our Charter and Bylaws and the Delaware Anti-Takeover Statute

Certain provisions of Delaware law, our certificate of incorporation and our bylaws contain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, may have the effect of discouraging coercive takeover practices and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

No cumulative voting

The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our certificate of incorporation provides otherwise. Our certificate of incorporation and bylaws prohibit cumulative voting in the election of directors.

Undesignated preferred stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue one or more series of preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Calling of special meetings of stockholders and action by written consent

Our charter documents provide that a special meeting of stockholders may be called only by resolution adopted by our board of directors, chairman of the board of directors or chief executive officer or upon the written request of stockholders owning at least $33^{1}/_{3}$% of the outstanding common stock. Stockholder owning less than such required amount may not call a special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

Our charter documents provide that any action required or permitted to be taken by the stockholders of the company must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing by the stockholders.

Requirements for advance notification of stockholder nominations and proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. However, our bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Amendment of certificate of incorporation and bylaws

The amendment of certain provisions (including the above provisions) of our certificate of incorporation and bylaws requires approval by holders of at least two-thirds of our outstanding capital stock entitled to vote generally in the election of directors.

Section 203 of the Delaware General Corporation Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Choice of Forum

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if no Court of Chancery located within the State of Delaware has jurisdiction, the Federal District Court for the District of Delaware) will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by our directors, officers, or other employees to us or to our stockholders, (iii) any action asserting a claim against us or any director, officer or other employee arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or bylaws or (iv) any action asserting a claim against us or any director, officer or other employee that is governed by the internal affairs doctrine. It is possible that a court could rule that this provision is not applicable or is unenforceable. Any person or entity purchasing or otherwise acquiring shares of our capital stock will be deemed to have notice of and consented to this provision of our certificate of incorporation.

Limitations of Liability and Indemnification

See “Certain Relationships and Related Transactions—Indemnification Agreements.”

Exchange Listing

We intend to list our common stock for trading on The NASDAQ Capital Market under the symbol “IMAC.”

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock and warrant agent for our warrants will be Equity Stock Transfer, LLC. Its address is 237 West 37th Street, Suite 602, New York, NY 10018.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market has existed for any of our securities . Future sales of a substantial number of our shares of common stock, including shares issued upon the exercise of outstanding options or the exercise of the warrants covered by this prospectus, in the public market after our initial public offering, or the possibility of these sales occurring, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future.

We will have 7,693,050 shares of common stock outstanding immediately after the completion of this offering based on the number of shares outstanding on November 28, 2018 after giving effect to the reverse stock split described in "Description of Capital Stock" and assuming no exercise of outstanding options, warrants or warrants offered hereby and no exercise of the underwriters' over-allotment option after such date (or 7,888,050 shares if the underwriters exercise their over-allotment option to purchase additional shares in full). Of those shares, the 1,300,000 shares of common stock sold in the offering (or 1,495,000 shares if the underwriters exercise their over-allotment option to purchase additional shares in full) will be freely transferable without restriction, unless purchased by persons deemed to be our "affiliates" as that term is defined in Rule 144 under the Securities Act. Any shares purchased by an affiliate may not be resold except pursuant to an effective registration statement or an applicable exemption from registration, including an exemption under Rule 144 promulgated under the Securities Act. The remaining 6,393,050 shares of common stock to be outstanding immediately following the completion of this offering are "restricted," which means they were originally sold in offerings that were not registered under the Securities Act. Restricted shares may be sold through registration under the Securities Act or under an available exemption from registration, such as provided through Rule 144, which rules are summarized below. Taking into account the lock-up agreements described below, and assuming the representative of the underwriters does not release any stockholders from the lock-up agreements, the restricted shares of our common stock will be available for sale in the public market as follows:

- 1,300,000 shares will be eligible for sale immediately upon completion of this offering;
- 4,134,856 shares will become eligible for sale, subject to the provisions of Rule 144 or Rule 701, upon the expiration of lock-up agreements not to sell such shares entered into between the underwriters and such stockholders beginning 180 days after the date of this prospectus; and
- 386,956 additional shares will be eligible for sale from time to time thereafter upon expiration of their respective six-month holding periods.

Rule 144

In general, under Rule 144 of the Securities Act, as in effect on the date of this prospectus, a person (or persons whose shares are aggregated) who has beneficially owned restricted stock for at least six months, will be entitled to sell in any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding (76,931 shares immediately after this offering or 78,881 shares if the underwriters' over-allotment option to purchase additional shares and warrants is exercised in full); or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks immediately preceding the date on which the notice of sale is filed with the SEC.
- Subject to the lock-up agreements described above, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell within any three-month period a number of shares that does not exceed the greater of:
- 1% of the number of shares of our common stock then outstanding, which will equal approximately 76,931 shares immediately after this offering; and
- the average weekly trading volume in our common stock on Nasdaq during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales pursuant to Rule 144 are subject to requirements relating to manner of sale, notice and availability of current public information about us. A person (or persons whose shares are aggregated) who is not deemed to be an affiliate of ours for 90 days preceding a sale, and who has beneficially owned restricted stock for at least one year is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Rule 144 will not be available to any stockholders until we have been subject to the reporting requirements of the Exchange Act for 90 days.

Form S-8 Registration Statement

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register the shares of our common stock that are issuable pursuant to our 2018 Incentive Compensation Plan. Shares covered by this registration statement will be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resale of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers, directors or consultants who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under “Underwriting” included in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Lock-Up Agreements

All of the executive officers and directors and all of our stockholders have agreed that, without the prior written consent of the representative of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exercisable or exchangeable for our common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock;

whether any transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise. This agreement is subject to certain exemptions, as set forth in the section entitled “Underwriting.”

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement between us and the underwriters named below, for whom Cuttone & Co., LLC is acting as the representative, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the number of shares of our common stock and warrants listed next to its name in the following table:

Underwriter s	Number of Shares of Common Stock	Number of Warrants
Cuttone & Co., LLC		
Dawson James Securities, Inc.		
Total	1,300,000	1,300,000

Under the terms of the underwriting agreement, the underwriters are committed to purchase all of the shares and warrants offered by this prospectus (other than the shares subject to the underwriters' option to purchase additional shares and/or warrants), if the underwriters buy any of such shares and/or warrants. The underwriters' obligation to purchase the shares and warrants is subject to satisfaction of certain conditions, including, among others, the continued accuracy of representations and warranties made by us in the underwriting agreement, delivery of legal opinions and the absence of any material changes in our assets, business or prospects after the date of this prospectus.

The underwriters initially propose to offer the common stock and warrants directly to the public at the public offering price per share of common stock and accompanying warrant set forth on the front cover page of this prospectus and to certain dealers at such offering price less a concession not to exceed $ per share and $ per warrant. After the initial public offering of the shares of our common stock and warrants, the offering price and other selling terms may be changed by the underwriters. Sales of shares of our common stock and warrants made outside the United States may be made by affiliates of certain of the underwriters.

We have been advised by the representative of the underwriters that the underwriters intend to make a market in our securities but that they are not obligated to do so and may discontinue making a market at any time without notice. In connection with the offering, the underwriters or certain of the securities dealers may distribute prospectuses electronically.

Over-Allotment Option

We have granted to the underwriters an option to purchase up to an additional 195,000 shares of our common stock and/or warrants to purchase up to 195,000 shares of our common stock, in any combinations thereof, from us at the same price per security as they are paying for the securities shown in the table above. The underwriters may exercise this option in whole or in part at any time within 45 days after the date of this prospectus. To the extent the underwriters exercise this option, each underwriter will be committed, so long as the conditions of the underwriting agreement are satisfied, to purchase a number of additional shares and/or warrants proportionate to that underwriter's initial commitment as indicated in the table at the beginning of this section plus, in the event that any underwriter defaults in its obligation to purchase shares under the underwriting agreement, certain additional shares and/or warrants.

Discounts and Commissions

Except as disclosed in this prospectus, the underwriters have not received and will not receive from us any other item of compensation or expense in connection with this offering considered by the Financial Industry Regulatory Authority, Inc. ("FINRA"), to be underwriting compensation under its rule of fair price.

The underwriting discount is equal to the public offering price per security, less the amount paid by the underwriters to us per security. The underwriting discount was determined through an arms' length negotiation between us and the underwriters. We have agreed to sell the shares of common stock and accompanying warrants in this offering to the underwriters at the initial offering price of $ per unit, consisting of one share of common stock at $ per share and one warrant at $ per warrant, which represents the initial public offering price of the shares of common stock and accompanying warrants set forth on the cover page of this prospectus less a 6.25% underwriting discount.

The following table shows the per share and accompanying warrant and total underwriting discounts and commissions we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock and warrants.

		Total	
	Per Share	Without Over-Allotment Option	Maximum With Over-Allotment Option
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:	$	$	$
Total	$	$	$
Proceeds, before expenses, to us	$	$	$

		Total	
	Per Warrant	Without Over-Allotment Option	Maximum With Over-Allotment Option
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:	$	$	$
Total	$	$	$
Proceeds, before expenses, to us	$	$	$

We estimate that the total expenses of the offering payable by us, excluding underwriting discounts and commissions, will be approximately $ 412,500 .

We have agreed to pay a non-accountable expense allowance to the underwriters equal to 0.75% of the gross proceeds received in this offering. In addition, we have also agreed to pay or reimburse the underwriters for their expenses, including fees of counsel in connection with filing with FINRA, in an amount not to exceed $150,000 . All fees already paid shall be reimbursable to us to the extent not actually incurred. Further, pursuant to the underwriting agreement, the underwriters' obligations are subject to customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the underwriters of officers' certificates and legal opinions.

Underwriters' Unit Purchase Option

We have agreed to issue to the underwriters a unit purchase option to purchase a number of our securities equal to 4% of the securities and sold in this offering. The underwriters' unit purchase option will have an exercise price equal to 120% of the public offering price of the units set forth on the cover of this prospectus (or $6.60 per share and warrant) and may be exercised on a cashless basis. The underwriters' unit purchase option is not redeemable by us. This prospectus also covers the sale of the underwriters' unit purchase option and the shares of common stock and warrants (and shares of common stock underlying such warrants) issuable upon the exercise of the underwriters' unit purchase option. The underwriters' unit purchase option and the underlying securities have been deemed compensation by FINRA, and are therefore subject to FINRA Rule 5110(g)(1). In accordance with FINRA Rule 5110(g)(1), neither the underwriters' unit purchase option nor any securities issued upon exercise of the underwriters' unit purchase option may be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of such securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which the underwriters' unit purchase option is being issued, except the transfer of any security:

- by operation of law or by reason of reorganization of our company;
- to any FINRA member firm participating in this offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction described above for the remainder of the time period;
- if the aggregate amount of our securities held by either an underwriter or a related person do not exceed 1% of the securities being offered;
- that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund, and participating members in the aggregate do not own more than 10% of the equity in the fund; or
- the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction set forth above for the remainder of the time period.

In addition, in accordance with FINRA Rule 5110(f)(2)(G), the underwriters' unit purchase option may not contain certain anti-dilution terms.

Right of First Refusal

In connection with this offering, we granted Cuttone & Co., LLC a right of first refusal for a period of 15 months following the closing of this offering to act as our investment banker for any future investment banking activities where we hire an investment bank, on competitive market terms.

Stabilization

In accordance with Regulation M under the Exchange Act, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common stock, including short sales and purchases to cover positions created by short positions, stabilizing transactions, syndicate covering transactions, penalty bids and passive market making.

- Short positions involve sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any short position by either exercising their option to purchase additional shares or purchasing shares in the open market.

- Stabilizing transactions permit bids to purchase the underlying security as long as the stabilizing bids do not exceed a specific maximum price.

- Syndicate covering transactions involve purchases of our common stock in the open market after the distribution has been completed to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the underwriters' option to purchase additional shares. If the underwriters sell more shares than could be covered by the underwriters' option to purchase additional shares, thereby creating a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

- In passive market making, market makers in our common stock who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchase shares of our common stock until the time, if any, at which a stabilizing bid is made.

These activities may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result of these activities, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representative will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Indemnification

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of such liabilities.

Discretionary Accounts

The underwriters have informed us that they do not expect to make sales to accounts over which they exercise discretionary authority in excess of 5% of the shares of our common stock being offered in this offering.

IPO Pricing

Prior to this offering, no public market has existed for any of our securities. The initial public offering price has been negotiated between us and the underwriters. Among the factors considered in these negotiations are: the history of, and prospects for, us and the industry in which we compete; our past and present financial performance; an assessment of our management; the present state of our development; the prospects for our future earnings; the prevailing conditions of the applicable United States securities market at the time of this offering; previous trading prices for our common stock in the private market and market valuations of publicly traded companies that we and the underwriters believe to be comparable to us.

Lock-up Agreements

We have agreed that for a period of 180 days after the date of the underwriting agreement, we will not, without the prior written consent of Cuttone & Co., LLC, as representative of the underwriters, which may be withheld or delayed in Cuttone & Co.'s sole discretion:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any of our common stock or any securities convertible into or exercisable or exchangeable for our common stock, or file any registration statement under the Securities Act with respect to any of the foregoing; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our common stock,

whether any such transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise. The prior sentence will not apply to (i) the shares to be sold pursuant to the underwriting agreement, (ii) any shares of our common stock issued by us upon the exercise of an option or other security outstanding on the date hereof, (iii) such issuances of options or grants of restricted stock or other equity-based awards under our 2018 Incentive Compensation Plan and the issuance of shares issuable upon exercise of any such equity-based awards, and (iv) the filing by us of registration statements on Form S-8.

Each of our directors and our executive officers has agreed that, for a period ending 180 days after the date of the underwriting agreement, none of them will, without the prior written consent of the representative, which may be withheld or delayed in the representative's sole discretion:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for our common stock owned directly by such director or executive officer or with respect to which such director or executive officer has beneficial ownership; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of our common stock, whether any such transaction described above is to be settled by delivery of our common stock or such other securities, in cash or otherwise.

Notwithstanding the prior sentence, subject to applicable securities laws and the restrictions contained in our charter, our directors and executive officers may transfer our securities: (i) pursuant to the exercise or conversion of our securities, including, without limitation, options and warrants; (ii) as a bona fide gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth above; (iii) to any trust for the direct or indirect benefit of such director or executive officer or the immediate family of such director or executive officer, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth above; (iv) any transfer required under any benefit plans or the Company's charter or bylaws; (v) as required by participants in our 2018 Incentive Compensation Plan stock incentive plan in order to reimburse or pay federal income tax and withholding obligations in connection with vesting of restricted stock grants or the exercise of stock options or warrants; or (vi) in or in connection with any merger, consolidation, combination or sale of all or substantially all of our assets or in connection with any tender offer or other offer to purchase at least 50% of our common stock.

Notwithstanding the foregoing, nothing shall prevent our directors or executive officers from, or restrict their ability to, (i) purchase our securities in a public or private transaction, or (ii) exercise or convert any options, warrants or other convertible securities issued to or held by such director or executive officer, including those granted under our 2018 Incentive Compensation Plan.

Other Relationships

Cuttone & Co., LLC may in the future provide us and our affiliates with investment banking and financial advisory services for which Cuttone & Co., LLC may in the future receive customary fees. Cuttone & Co., LLC, as the representative, may release, or authorize us to release, as the case may be, the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

Electronic Distribution

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in the offering. The representative may allocate a number of shares and/or warrants to the underwriters and selling group members, if any, for sale to their online brokerage account holders. Any such allocations for online distributions will be made by the representative on the same basis as other allocations.

Listing

In connection with this offering, we intend to apply to have our common stock listed on The NASDAQ Capital Market under the symbol “IMAC.” There is no assurance that our common stock will be listed on The NASDAQ Capital Market or any other national securities exchange.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock and warrant agent for our warrants is Equity Stock Transfer, LLC.

Selling Restrictions

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45 106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31 103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33 105 Underwriting Conflicts (NI 33 105), the underwriter is not required to comply with the disclosure requirements of NI 33 105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

The underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. Accordingly, no public distribution, offering or advertising, as defined in CISA, its implementing ordinances and notices, and no distribution to any non-qualified investor, as defined in CISA, its implementing ordinances and notices, shall be undertaken in or from Switzerland, and the investor protection afforded to acquirers of interests in collective investment schemes under CISA does not extend to acquirers of shares.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or the ASIC, in relation to the offering.

This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, the Exempt Investors, who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Section 145 of the Delaware General Corporation Law, as amended, authorizes us to indemnify any director or officer under certain prescribed circumstances and subject to certain limitations against certain costs and expenses, including attorney's fees actually and reasonably incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, to which a person is a party by reason of being one of our directors or officers if it is determined that such person acted in accordance with the applicable standard of conduct set forth in such statutory provisions. Our certificate of incorporation contains provisions relating to the indemnification of director and officers and our by-laws extend such indemnities to the full extent permitted by Delaware law. We currently maintain insurance for the benefit of any director or officer, which cover claims for which we could not indemnify such persons.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for the issuer by Olshan Frome Wolosky LLP, New York, New York. The underwriters have been represented in connection with this offering by Schiff Hardin LLP, Washington, D.C.

EXPERTS

The consolidated financial statements of IMAC Holdings, Inc., as of December 31, 2016 and 2017, and for each of the two years in the period ended December 31, 2017, appearing in this prospectus and registration statement have been audited by Daszkal Bolton LLP, independent registered public accounting firm, as set forth in their report thereon appearing herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, which includes exhibits, schedules and amendments, under the Securities Act with respect to the securities we are offering pursuant to this prospectus. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the contract, agreement or other document summarized, but are not complete descriptions of all terms of those contracts, agreements or other documents. If we filed any of those contracts, agreements or other documents as an exhibit to the registration statement, you may read the contract, agreement or other document itself for a complete description of its terms. When we complete this offering, we will also be required to file annual, quarterly and special reports, proxy statements and other information with the SEC.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. To receive copies of public records not posted to the SEC's web site at prescribed rates, you may complete an online form at http://www.sec.gov, send a fax to (202) 772-9337 or submit a written request to the SEC, Office of FOIA/PA Operations, 100 F Street, N.E., Mail Stop 2736, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on their public reference room.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors
IMAC Holdings, Inc.
Brentwood, Tennessee

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of IMAC Holdings, Inc. (the "Company") at December 31, 2017 and 2016, and the related consolidated statements of operations and stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Daszkal Bolton LLP

We have served as the Company's auditors since 2017.

Boca Raton, Florida
May 31, 2018, except for Note 1 to which the date is June 1, 2018.

IMAC Holdings, Inc.
Consolidated Balance Sheets
December 31, 2017 and 2016 and September 30, 2018 (Unaudited)

	December 31,		September 30,
	2017	2016	2018 (Unaudited)
ASSETS			
Current assets:			
Cash	$ 127,788	$ 876,205	$ 241,874
Accounts receivable, net	138,981	-	678,786
Employee/Shareholder receivables	1,005	301,000	8,867
Due from related parties	347,648	421,603	-
Other assets	93,040	2,743	423,325
Total current assets	708,463	1,601,551	1,352,852
Property and equipment, net	542,791	-	3,420,132
Other assets:			
Intangible assets, net	-	-	6,243,044
Security deposits	27,828	-	438,163
Total other assets	27,828	-	6,259,573
Total assets	$ 1,279,081	$ 1,601,551	$ 11,454,191
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued expenses	$ 56,665	$ 2,991	$ 882,813
Acquisition liabilities	-	-	7,259,208
Patient deposits	130,906	-	850,737
Due to related parties	95,501	48,099	-
Notes payable, current portion	157,932	-	3,855,628
Capital lease obligation, net of current portion	7,820	-	16,563
Line of credit	25,000	-	379,975
Total current liabilities	473,824	51,090	13,244,924
Long-term liabilities:			
Notes payable, net of current portion	456,152	500,000	357,697
Capital Lease Obligation	52,494	-	88,291
Deferred Rent	64,753	-	201,223
Lease Incentive Obligation	60,428	-	605,086
Total liabilities	1,107,651	551,090	14,497,221
Stockholders' equity:			
Preferred stock - $0.001 par value, 5,000,000 authorized, nil outstanding as of December 31, 2017 and 2016, and September 30, 2018 (unaudited)			
Common stock; $0.001 par value, 30,000,000 authorized, 6,582,737, 6,492,563, and 6,582,737 shares issued and outstanding as of December 31, 2017 and 2016 and September 30, 2018 (unaudited)	6,583	6,493	6,583
Additional paid-in capital	1,231,917	1,194,507	1,231,917
Accumulated deficit	(491,076)	(433,896)	(2,607,362)
Non-controlling interest	(575,994)	283,357	(1,674,168)
Total stockholders' equity	171,430	1,050,461	(3,043,030)
Total liabilities and stockholders' equity	$ 1,279,081	$ 1,601,551	$ 11,454,191

See accompanying notes to the consolidated financial statements.

IMAC Holdings, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2017 and 2016 and the Nine Months Ended September 30, 2018 and 2017 (Unaudited)

	2017	2016	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
Patient revenues	$ 1,378,313	$ -	$ 8,020,071	$ 685,252
Contractual adjustments	(723,688)	-	(4,655,881)	(354,990)
Total patient revenue, net	654,625	-	3,364,190	330,262
Management fees	131,400	15,000	64,000	97,800
Total revenue	786,025	15,000	3,428,190	428,062
Operating expenses:				
Patient expenses	63,216	4,266	425,609	42,853
Salaries and benefits	967,627	33,589	2,709,489	689,815
Share-based compensation	18,747	150,000	11,248	7,499
Advertising and marketing	119,867	25,000	470,199	61,159
General and administrative	465,740	21,192	1,980,827	243,440
Depreciation	65,895	-	544,820	36,422
Total operating expenses	1,701,092	234,047	6,142,192	1,081,188
Operating loss	(915,067)	(219,047)	(2,714,002)	(653,126)
Other income (expense):				
Interest income	14,821	4	7,541	11,375
Other income	-	-	18,356	-
Loss on disposal of assets	(2,744)	-	-	-
Interest expense	(27,151)	-	(102,092)	(22,056)
Total other income (expenses)	(15,074)	4	(76,195)	(10,681)
Loss before equity in earnings (loss) of non-consolidated affiliate	(930,141)	(219,043)	(2,790,197)	(663,807)
Equity in earnings (loss) of non-consolidated affiliate	13,609	(178,397)	(105,550)	14,273
Net Loss	(916,532)	(397,440)	(2,895,747)	(649,534)
Net loss attributable to the non-controlling interest	859,351	16,643	779,463	712,570
Net loss attributable to IMAC Holdings, Inc.	$ (57,181)	$ (380,797)	$ (2,116,284)	$ 63,036

See accompanying notes to the consolidated financial statements.

IMAC Holdings, Inc.
Consolidated Statement of Stockholders' Equity
For the Years Ended December 31, 2017 and 2016 and for the Nine Month-Period Ended September 30, 2018 (Unaudited)

	Number of Shares	Par	Additional Paid-In-Capital	Non-Controlling Interest	Accumulated Deficit	Total
Balance, January 1, 2016	3,606,979	$ 3,607	$ (2,607)	$ -	$ (53,099)	$ (52,099)
Issuance of shares for cash	2,524,885	2,525	1,047,475	-	-	1,050,000
Issuance of subsidiary shares for cash	-	-	-	300,000	-	300,000
Issuance of shares for services	360,698	361	149,639	-	-	150,000
Net loss	6,492,563	-	-	(16,643)	(380,797)	(397,440)
Balance, December 31, 2016	6,492,563	6,493	1,194,507	283,357	(433,896)	1,050,461
Issuance of shares for services	90,174	90	37,410	-	-	37,500
Net loss	-	-	-	(859,351)	(57,181)	(916,532)
Balance, December 31, 2017	6,582,737	6,583	1,231,917	(575,994)	(491,077)	171,429
Purchase of non-controlling interest	-	-	-	(318,712)	-	(318,712)
Net loss	-	-	-	(779,463)	(2,116,284)	(2,895,747)
Balance, September 30, 2018	6,582,737	$ 6,583	$ 1,231,917	$ (1,674,169)	$ (2,607,361)	$ (3,043,030)

See accompanying notes to the consolidated financial statements.

IMAC Holdings, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016 and the Nine Months Ended September 30, 2018 (Unaudited)

	2017	2016	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
Cash flows from operating activities:				
Net loss	$ (916,532)	$ (397,440)	$ (2,895,747)	$ (649,534)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	65,895	-	544,821	36,422
Deferred rent	64,753	-	136,470	55,517
Equity in (earnings) loss of non-consolidated affiliate	13,609	(178,397)	(105,550)	14,273
(Increase) decrease in operating assets:				
Accounts receivable, net	208,416	(305,000)	(547,667)	194,386
Due from related parties	-	-	(95,501)	80,362
Other assets	(90,296)	(2,743)	(330,285)	(37,994)
Security deposits	(27,828)	-	(410,335)	(21,000)
Increase (decrease) in operating liabilities:				
Accounts payable and accrued expenses	53,673	2,991	826,149	90,337)
Patient deposits	130,906	-	719,831	100,122
Due to shareholders	-	-	-	-
Lease incentive obligation	60,428	-	544,658	-
Net cash (used in) provided by operating activities	(436,976)	(880,589)	(1,613,156)	(137,109)
Cash flows from investing activities:				
Purchase of property and equipment	(546,470)	-	(2,405,999)	(492,812)
Investment in and loan to IMAC St. Louis, LLC	73,955	(421,603)	347,648	51,162
Net cash (used in) provided by investing activities	(472,515)	(421,603)	(2,058,351)	(441,650)
Cash flows from financing activities:				
Proceeds from notes payable	200,000	500,000	3,429,430	-
Payments on notes payable	(85,916)	-	(148,901)	(65,734)
Proceeds from line of credit	25,000	-	494,975	-
Payments on line of credit	-	-	(140,000)	-
Proceeds from capital lease obligation	-	-	52,437	62,216
Payments on capital lease obligation	(1,901)	-	(7,898)	-
Payment to non-controlling interest	(13,609)	-	-	(14,273)
Proceeds from non-controlling interest	-	178,397	105,550	-
Issuance of member units for cash	-	1,350,000	-	-
Contributions from members	37,500	150,000	-	37,500
Net cash provided by (used in) financing activities	161,074	2,178,397	3,785,593	19,709
Net (decrease) increase in cash	(748,417)	876,205	114,086	(559,050)
Cash, beginning of year	876,205	-	127,788	876,205
Cash, end of year	$ 127,788	$ 876,205	$ 241,874	$ 317,155
Supplemental cash flow information:				
Interest paid	$ 27,151	$ -	$ 102,092	$ 22,056
Non Cash Financing and Investing:				
Tangible and intangible assets acquired through acquisition liabilities	$ -	$ -	$ 7,139,397	$ -

See accompanying notes to condensed consolidated financial statements

IMAC Holdings, Inc.
Notes to the Consolidated Financial Statements

Note 1 – Description of Business

Effective June 1, 2018, the Company converted from IMAC Holdings, LLC a Kentucky Limited Liability Company to IMAC Holdings, Inc. a Delaware Corporation. This accounting change has been given retrospective treatment in the consolidated financial statements.

IMAC Holdings, Inc. and its Affiliates (the "Company") provide orthopedic therapies through its chain of IMAC Regeneration Centers. Through its consolidated and equity owned entities, its outpatient medical clinics provide conservative, non-invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. The Company has opened two (2) medical clinics located in Tennessee at December 31, 2017, and plans to expand in the Midwest and Southern United states. The Company has partnered with several well-known sports stars such as David Price in opening its medical clinics, with a focus around treating sports injuries.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of IMAC Holdings, Inc. ("IMAC Holdings") and the following entities which are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity: IMAC Management Services, LLC ("IMAC Management"), and IMAC Regeneration Management of Nashville, LLC ("IMAC Nashville"); the following entity which is consolidated with IMAC Regeneration Management of Nashville, LLC due to control by contract: IMAC Regeneration Center of Nashville, PC ("IMAC Nashville PC"); and the following which prior to June 1, 2018 was held as a minority interest, IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis").

In June 2018, the Company consummated certain transactions resulting in the acquisition of the outstanding equity interests in IMAC of St. Louis and Clinic Management Associates of KY, LLC, an entity which consolidates Integrated Medical and Chiropractic Regeneration Center, PSC due to control by contract. These entities are included in the consolidated financial statements from the date of acquisition.

In August 2018, the Company acquired 100% of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC (Advantage Therapy) and 70% of BioFirma LLC (BioFirma). Both companies are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity.

All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third- party payer, including Medicare. We recognize patient service revenue, net of contractual allowances, which we estimate based on the historical trend of our cash collections and contractual write-offs.

Other management service fees are derived from management services where the Company provides billings and collections support to the clinics and where management services are provided based on state specific regulations known as the corporate practice of medicine ("CPM"). Under the CPM, a business corporation is precluded from practicing medicine or employing a physician to provide professional medical services. In these circumstances, the Company provides all administrative support to the physician-owned PC through an LLC. The PC is consolidated due to control by contract (an "SMA" - Service Management Agreement). The fees we derive from these management arrangements are either based on a predetermined percentage of the revenue of each clinic or a percentage mark up on the costs of the LLC. We recognize other management service revenue in the period in which services are rendered. These revenues are earned by IMAC Management Services, LLC and are eliminated in consolidation to the extent owned.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short- term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents for the periods presented.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's consolidated financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write- offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Intangible Assets

The Company capitalizes the fair value of intangible assets acquired in business combinations. The Company performs valuations of assets acquired and liabilities assumed on each acquisition accounted for as a business combination and allocates the purchase price of each acquired business to its respective net tangible and intangible assets. Acquired intangible assets include trade names, non-compete agreements, customer relationships and contractual agreements.

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long lived assets for the periods presented.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $119,867, $25,000 and $470,199 (unaudited) and $61,159 (unaudited) for the years ended December 31, 2017 and 2016 and the nine months ended September 30, 2018 and 2017, respectively.

Income Taxes

IMAC Management, IMAC Texas, and IMAC Nashville are limited liability companies and are taxed as partnerships. IMAC Holdings, Inc. was taxed as a partnership through May 31, 2018. As a result, income tax liabilities are passed through to the individual members. Accordingly, no provision for income taxes is reflected in the consolidated financial statements.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At December 31, 2017 and 2016 and September 30, 2018, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Currently, the tax years subsequent to 2016 are open and subject to examination by the taxing authorities.

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the consolidated financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the years ended December 31, 2017 and 2016 and the nine months ended September 30, 2018.

Recent Accounting Pronouncements

The Company adopted *ASC Topic 606 Revenue from Contracts with Customers*. The provisions of ASC Topic 606 did not have a material impact on the Company's financial position or results of operations.

The Company plans to adopt the new lease accounting standard, ASC Topic 842, on January 1, 2019. Management believes the provisions of ASC Topic 842 will result in the recognition of right-of-use assets and related liabilities on its consolidated financial statements when adopted.

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. Cash and cash equivalents in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution was $0, $626,205, and $0 for the years ended December 31, 2017, December 31, 2016 and the nine month period ended September 30, 2018. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Revenue and Accounts Receivable

The Company had the following revenue and accounts receivable concentrations:

	December 31				September 30			
	2017		2016		2018 (Unaudited)		2017 (Unaudited)	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Patient payment	56%	56%	0%	0%	52%	52%	55%	55%
Medicare payment	12%	12%	0%	0%	23%	23%	21%	21%
Insurance payment	32%	32%	0%	0%	25%	25%	24%	24%

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at December 31:

	December 31		September 30
	2017	2016	2018 (unaudited)
Gross accounts receivable	$ 295,704	$ -	$ 897,011
Less: allowance for doubtful accounts and contractual adjustments	(156,723)	-	(218,225)
Accounts receivable, net	$ 138,981	$ -	$ 678,786

Note 5 – Business Acquisitions

During June 2018, the Company acquired two companies for an aggregate consideration of approximately $6.1 million, to be paid in cash and equity. The operating results of these two companies have been included in the Company's consolidated financial statements from their dates of acquisition. The Company accounted for the transactions as business combinations, and has allocated the purchase consideration to the net assets acquired based on estimated fair values.

In addition, during June 2018, the Company acquired the non-controlling interest held in a majority-owned subsidiary for $300,000.

During August 2018, the Company acquired two companies for an aggregate consideration of approximately $900,000, to be paid in cash and equity. The operating results of these two companies have been included in the Company's consolidated financial statements from their dates of acquisition. The Company accounted for the transactions as business combinations, and has allocated the purchase consideration to the net assets acquired based on estimated fair values.

IMAC Regeneration Center, PSC

On June 29, 2018 our subsidiary, IMAC Management Services LLC, completed a merger with Clinic Management Associates of KY LLC ("CMA of KY"). CMA of KY merged with and into IMAC Management Services LLC. CMA of KY ceased corporate existence and IMAC Management Services LLC continues as the surviving corporation. Through this merger, IMAC Management Services, LLC has a long-term Management Services Agreement to provide exclusive comprehensive management and related administrative services to Integrated Medicine and Chiropractic Regeneration Center PSC, an entity engaged in the practice of medicine through physicians and nurse practitioners. The Company has committed to pay approximately $4.6 million in stock to the previous owners of CMA of KY. Under the Management Services Agreement, the Company will receive service fees based on the cost of the services we provide, plus a specified markup percentage, and a discretionary annual bonus.

The Company has included the consolidated financial results of Integrated Medicine and Chiropractic Regeneration Center, PSC in the consolidated financial statements from the date of acquisition. The transaction costs associated with the acquisition were not material.

The following table summarizes the fair value of consideration paid and the preliminary allocation of purchase price to the fair value of tangible and intangible assets acquired and liabilities assumed:

	Fair Value
Intangible assets	$ 4,224,113
Property and equipment	607,257
Deposit	5,521
Line of credit	(119,902)
Notes payable	(118,413)
Net Assets Acquired	$ 4,598,576

The identifiable intangible assets acquired represents the Management Service Agreement, which entitles the Company with the right to control all non-medical development, management and administrative services associated with the operations and economics of the Integrated Medicine and Chiropractic Regeneration Center PSC.

IMAC of St. Louis, LLC

On June 1, 2018 the Company acquired the remaining 64% membership interest in IMAC of St. Louis, LLC not already owned by us, increasing the Company's ownership to 100%. IMAC of St. Louis, LLC operates two (2) Ozzie Smith Centers in Missouri. Pursuant to the terms of a Unit Purchase Agreement, the Company agreed to pay the current owners, upon the closing of our IPO offering, an amount equal to 1.05 times the total collections from payments at the Centers on account of regeneration-related services and associated products from the period from June 1, 2017 to May 31, 2018, which is estimated to be approximately $1,490,632. The purchase consideration will be payable $1,000,000 in cash and $490,632 in the form of shares of our common stock based on the price per share in the IPO offering.

The Company has included the financial results of IMAC of St. Louis LLC in the consolidated financial statements from June 1, 2018, the date of acquisition.

The following table summarizes the fair value of consideration paid and the preliminary allocation of purchase price to the fair value of intangible assets acquired:

	Fair Value	Useful Life
Non Compete	$ 1,591,507	3 years
Total intangible assets subject to amortization	$ 1,591,507	

IMAC Regeneration Management of Nashville, LLC

Also, on June 1, 2018 the Company acquired the remaining 25% of the outstanding units of the limited liability company membership interests not already owned by the Company in IMAC Regeneration Management of Nashville, LLC for $300,000 and will be payable $110,000 in cash and $190,000 in the form of shares of our common stock based on the price per share in the IPO offering.

The purchase price consideration in excess of the non-controlling interest acquired was recorded in earnings.

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC

On August 1, the Company entered into an agreement to purchase all outstanding membership units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC. The purchase price for the interests was equal to the dollar amount represented by .7 times the total Collections from payments for service in the Company account from June 1, 2017 to May 31, 2018. The purchase price is estimated to be approximately $892,000, of which $870,000 and $22,000 will be payable in equity and cash, respectively.

The Company has included the financial results of Advantage Hand in the consolidated financial statements from August 1, 2018, the date of acquisition.

The following table summarizes the fair value of consideration paid and the preliminary allocation of purchase price to the fair value of intangible assets acquired:

	Fair Value
Intangible assets	$ 750,189
Cash	45,736
Accounts Receivable, net	203,123
Other Assets	6,159
Property and equipment	18,647
Accounts Payable	(50,947)
Note Payable	(79,975)
Net Assets Acquired	$ 892,931

BioFirma, LLC

On August 1, 2018, the Company entered into an agreement to purchase 70% of all outstanding membership units of BioFirma LLC. The purchase price for the interests was $1,000 paid in cash. BioFirma owns a trademark on NeoCyte, an umbilical cord-derived mononuclear cell product following FDA cGMP regulations. The Company has committed up to $500,000 of offering proceeds for further research and development of NeoCyte and other regenerative medicine products.

The Company has included the financial results of BioFirma in the consolidated financial statements from August 1, 2018, the date of acquisition.

The following table summarizes the fair value of consideration paid and the preliminary allocation of purchase price to the fair value of intangible assets acquired:

	Fair Value
Intangible assets	$ 1,429
Non-Controlling interest	(429)
Net Assets Acquired	$ 1,000

Pro Forma Results of Operations (Unaudited)

The consolidated pro forma information presented below gives effect to the June 29, 2018 acquisition of Clinic Management Associates of KY, LLC, the June 1, 2018 acquisition of IMAC of St. Louis, LLC, the August 1, 2018 acquisitions of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC and the June 1, 2018 acquisition of the non-controlling interest in IMAC Regeneration Management of Nashville, LLC as if the transactions had occurred on January 1, 2016.

	Year ended		Nine months ended
	December 31 2016	December 31 2017	September 30 2018
Net revenue	$ 5,415,415	$ 9,596,315	$ 7,243,289
Net loss from continuing operations	(2,006,672)	(1,519,731)	(4,059,674)
Net loss	$ (2,207,956)	$ (2,187,530)	$ (4,155,785)

Note 6 – Property and Equipment

Property and equipment consisted of the following at December 31:

	Estimated Useful Life in Years	December 31 2017	December 31 2016	September 30 2018 (unaudited)
Land and Building	40	$ -	$ -	$ 1,175,000
Leasehold improvements	Shorter of asset or lease term	254,515	-	1,424,904
Medical equipment	5	242,899	-	747,632
Construction in Progress		-	-	-
Physical therapy equipment	5	90,337	-	246,207
Office furniture and fixtures	7	2,431	-	44,934
Computers	1.5	9,539	-	20,837
Office equipment	5	-	-	16,336
Signs	5	-	-	19,590
Chiropractic equipment	5	8,965	-	8,965
Vehicles	3	-	-	2,250
Total property and equipment		608,686	-	3,706,656
Less: accumulated depreciation		(65,895)	-	(286,522)
Total property and equipment, net		$ 542,791	$ -	$ 3,420,134

In March 2018, the Company purchased real estate in Lexington Kentucky for the development of an IMAC facility for approximately $1.2 million. The Company funded the purchase with a short term loan which will be replaced with a 15-year mortgage commitment.

Depreciation was $65,895 and $0 for the years ended December 31, 2017 and 2016 and $220,628 (unaudited) and $36,422 (unaudited) for the nine months ended September 30, 2018 and 2017.

Note 7 – Intangibles Assets

Intangible assets that were acquired in connection with the acquisition transactions (Note5) during 2018:

	September 30, 2018 (Unaudited) Cost	Accumulated Amortization	Net
Intangible assets:			
Management service agreement	4,975,731	(147,360)	4,828,371
Non compete agreement	1,591,507	(176,834)	1,414,673
Total intangible assets	$ 6,567,238	$ (324,194)	$ 6,243,044

Estimated future amortization of intangible assets is as follows:

Years Ending December 31,	
2018 (three months)	$ 230,461
2019	733,941
2020	733,941
2021	398,383
2022	140,804
Thereafter	4,005,513
	$ 6,243,044

Note 8 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2027. Certain leases contain renewal options.

Rent expense for the operating leases was $191,758 and $0 during the years ended December 31, 2017 and 2016 and $401,0177 (unaudited) and $114,670 (unaudited) during the nine months ended September 30, 2018 and 2017.

The required future minimum lease payments under the remaining non-cancelable operating leases consists of the following at September 30, 2018:

Years Ending December 31,	Amount
2018 (three months)	$ 216,838
2019	854,759
2020	794,101
2021	643,082
2022	641,947
Thereafter	1,651,210
Total	$ 4,801,937

Note 9 – Lines of Credit

IMAC St. Louis, LLC has a $150,000 line of credit with a financial institution that matures on November 15, 2018. The line bears interest at 4.25% per annum. The line is secured by substantially all of the Company's assets and personally guaranteed by the members. The LOC had a $150,000, $0 and $0 balance at December 31, 2017 and 2016, and at September 30, 2018 (unaudited).

IMAC Nashville, PC has a $150,000 line of credit with a financial institution that matures on October 15, 2018. The line bears interest at 6.50% per annum. The line is secured by substantially all of the Company's assets and personally guaranteed by the members. The LOC had a $25,000, $0, and $150,000 balance at December 31, 2017 and 2016 and September 30, 2018 (unaudited).

Integrated Medicine and Chiropractic Regeneration Center PSC has a $150,000 line of credit with a financial institution that matures on August 1, 2018. The line bears interest at 4.25% per annum. The line is secured by substantially all of the IMAC KY PC's assets and personally guaranteed by the members. The LOC had a $100,000, $140,000 and $150,000 balance at December 31, 2017 and 2016, and at September 30, 2018 (unaudited).

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC has a $100,000 line of credit with a financial institution that matures on November 20, 2020. The line bears interest at a variable rate which is currently 6.0% per annum. The line is secured by Advantage Therapy's accounts receivable and other IMAC Holdings assets. The LOC had a $79,975 balance at September 30, 2018 (unaudited).

Note 10-Notes Payable

	December 31		September 30
	2017	2016	2018 (unaudited)
On June 1, 2018, the Company entered into a note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. An existing note payable with this entity in the amount of $379,676 has been combined into the new note payable. The note carries an interest rate of 10% per annum and all outstanding balances are due and payable at the closing of this offering. The proceeds of this note are being used to satisfy ongoing working capital needs, expenses related to the preparation and execution of the offering, equipment and construction costs related to new clinic locations, and potential acquisition expenses.	$ 414,084	$ 500,000	$ 984,426
Note payable to a financial institution in the amount of $200,000 dated November 15, 2017. The note requires 66 consecutive monthly installments of $2,652 including principal and interest at 5%, with a balloon payment of $60,000 on June 15, 2018. The note matures on May 15, 2023, and is secured by the personal guarantees of the Company's members.	200,000	-	131,984
In January 2018, the Company commenced a private placement of up to $2 million of convertible notes, of which approximately $1.73 million has been subscribed as of March 6, 2018. The convertible notes accrue interest at 4% and mature in January 2019. The notes may be converted to equity at or prior to maturity at a 20% discount to the per share price of a sale of equity securities. At the time of issuance of the convertible notes, the Company was unable to calculate the amount of a beneficial conversion ("BCF") and related discount to be recorded until the occurrence of a Qualified Financing by the Company. Once the Qualified Financing has occurred, the Company will recognize the BCF and related interest charge associated with the discount, and the BCF will be classified as a liability if it meets the conditions for derivative treatment at the time of recognition.	-	-	1,530,000
In March 2018, the Company entered into a $1.2 million loan agreement with a financial institution to purchase real estate in Lexington, Kentucky for the development of an IMAC facility. The loan agreement is for 6-months and carries an interest rate 3.35%. The maturity of this note has been extended to December 31, 2018.	-	-	1,232,500
Note payable to a financial institution in the amount of $131,400 dated August 1, 2016. The note requires 120 monthly installments of $1,394 including principal and interest at 5%. The note matures on July 1, 2026, and is secured by a letter of credit.	-	-	108,214
Note payable to a financial institution in the amount of $200,000 dated May 4, 2016. The note requires 60 monthly installments of $3,881 including principal and interest at 4.25%. The note matures on May 4, 2021, and is secured by the equipment and personal guarantees of the Company's members.	-	-	117,214
Note payable to an employee in the amount of $101,906 dated March 8, 2017. The note requires 5 annual installments of $23,350 including principal and interest at 5%. The note matures on December 31, 2021, and is unsecured.	-	-	80,000
Note payable to a financial institution in the amount of $133,555 dated September 17, 2014. The note requires 60 monthly installments of $2,475 including principal and interest at 4.25%. The note matures on September 17, 2019.	-	-	28,987
	614,084	500,000	4,213,325
Less: current portion:	(157,932)	-	(3,855,628)
	$ 456,152	$ 500,000	$ 357,697

Principal maturities of notes payable are as follows at September 30, 2018:

Years Ending December 31,	Amount
2018 (three months)	$ 3,855,628
2019	106,554
2020	86,081
2021	73,147
2022	43,935
Thereafter	47,980
Total	$ 4,213,325

Note 11 – Related Party Transactions

From time to time, the Company advances funds to, and receives funds from, entities with common ownership. At December 31, 2017 and 2016 and September 30, 2018, the amounts owed to related parties was $95,501, $48,099 and $0, respectively.

The Company contracts with SpeakLife to provide staff training and patient advocacy services for $99,000 per year. SpeakLife is owned by Dr. Brame.

The Company contracts with UCI to provide marketing services to chiropractic practitioners and sources opportunities to expand chiropractic practices into regenerative medicine for $144,000 per year. UCI is owned by the spouse of Dr. Wallis.

Note 12 – Shareholders' Equity

Prior to the Company's conversion to a corporation, the Company had 400 member units authorized with 365 units issued and outstanding.

On June 1, 2018, the Company converted its 365 outstanding member units into 6,582,737 shares of common stock with a $0.001 par value. The conversion has been given retrospective treatment.

During 2016, the Company issued 2,524,885 shares of common stock for cash in the amount of $1,350,000, and 360,698 shares of common stock for services valued at $150,000.

During 2017, the Company issued 90,174 shares of common stock for services valued at $37,500.

The Company also has entered into certain agreements which may entitle or require the Company to settle its obligations through the issuance of common stock. See note 14.

Note 13 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 50% of up to 6 % of total compensation for those employees making salary deferrals. The Company made contributions of $13,379 and $914 during 2017 and 2016, respectively and $15,580 and $9,615 during the nine month periods ended September 30, 2018 and 2017, respectively.

Note 14 – Commitments and Contingencies

In connection with the acquisition transactions (Note 5), the Company has committed to fund these transactions using a combination of cash and shares of common stock.

In addition, in connection with an agreement with a consultant to provide strategic advisory services, the Company has committed to pay a monthly fee, in addition to a contingent fee payable in shares of common stock upon the effectiveness of a registration statement.

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

Report of Independent Registered Public Accounting Firm

To the Board of Directors
Integrated Medicine and Chiropractic Regeneration Center PSC
Paducah, Kentucky

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Integrated Medicine and Chiropractic Regeneration Center PSC. (the "Company") at December 31, 2017 and 2016, and the related consolidated statements of operations, consolidated statements of stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Daszkal Bolton LLP

We have served as the Company's auditors since 2017.

Boca Raton, Florida
May 31, 2018

Integrated Medicine and Chiropractic Regeneration Center PSC
Consolidated Balance Sheets
December 31, 2017 and 2016

	2017	2016
ASSETS		
Current assets:		
Cash	$ 15,994	$ 29,706
Accounts receivable, net	324,261	229,849
Employee and Member receivables	1,070	84,120
Other assets	65,780	37,749
Total current assets	407,105	381,424
Property and equipment, net	708,798	1,105,732
Other assets:		
Due from related parties	99,832	48,099
Security deposits	5,520	5,520
Total other assets	105,352	53,619
Total assets	$ 1,221,255	$ 1,540,775
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 84,180	$ 54,574
Patient deposits	161,929	165,161
Notes payable – current portion	49,989	76,950
Capital lease obligation, current portion	7,867	-
Line of credit	100,000	140,000
Total current liabilities	403,965	436,685
Long-term liabilities:		
Notes payable, net of current portion	80,000	575,095
Capital lease obligation, net of current portion	46,448	-
Deferred rent	44,960	33,000
Lease incentive obligation	205,708	-
Total liabilities	781,080	1,044,780
Stockholders' equity:		
Common stock, $1.00 par value, 1,000 shares issued and outstanding	1,000	1,000
Retained earnings	439,175	494,995
Total stockholders' equity	440,175	495,995
Total liabilities and stockholders' equity	$ 1,221,255	$ 1,540,775

See accompanying notes to the consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Consolidated Statements of Operations
For the Years Ended December 31, 2017 and 2016

	2017	2016
Patient Revenues	$ 13,258,419	$ 14,990,042
Contractual Adjustments	(8,298,287)	(11,678,158)
Total Patient Revenue	4,960,132	3,311,884
Operating expenses:		
Patient expenses	648,479	581,008
Salaries and benefits	2,334,770	1,999,455
Advertising and marketing	142,642	126,419
General and administrative	885,273	509,360
Depreciation and Amortization	197,945	139,614
Total operating expenses	4,209,109	3,355,856
Operating income (loss)	751,023	(43,972)
Other income (expense):		
Interest income	-	586
Loss on disposal of assets	(569,617)	-
Interest expense	(37,229)	(41,100)
Total other income (expenses)	(606,846)	(40,514)
Net income (loss)	$ 144,177	$ (84,486)

See accompanying notes to the consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2017 and 2016

	Common Stock		Retained	
	Shares	Amount	Earnings	Total
Balance, December 31, 2015	1,000	$ 1,000	$ 719,484	$ 720,484
Net loss	-	-	(84,486)	(84,486)
Distributions	-	-	(140,000)	(140,000)
Balance, December 31, 2016	1,000	$ 1,000	$ 494,998	$ 495,998
Net Income	-	-	144,177	144,177
Distributions	-	-	(200,000)	(200,000)
Balance, December 31, 2017	1,000	$ 1,000	$ 439,176	$ 440,176

See accompanying notes to the consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Net Income (loss)	$ 144,177	$ (84,486)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	197,945	139,614
Loss on disposal of assets	569,618	-
Deferred rent	11,960	10,400
(Increase) decrease in operating assets:		
Accounts receivable, net	(63,095)	72,997
Other assets	(28,031)	(34,502)
Security deposits	-	(5,521)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	29,608	9,664
Patient deposits	(3,232)	104,110
Lease incentive obligation	205,708	-
Net cash provided by operating activities	1,064,658	212,277
Cash flows from investing activities:		
Purchase of property and equipment	(656,507)	(22,716)
Proceeds of disposal of property and equipment	346,500	-
Net cash used in investing activities	(310,007)	(22,716)
Cash flows from financing activities:		
Proceeds from notes payable	100,000	-
Payments on notes payable	(622,057)	(84,329)
Proceeds from line of credit	140,000	247,095
Payments on line of credit	(180,000)	(227,919)
Payments on capital lease obligation	(6,306)	-
Distributions to stockholders	(200,000)	(140,000)
Net cash used in financing activities	(768,363)	(205,153)
Net decrease in cash	(13,713)	(15,592)
Cash, beginning of year	29,707	45,299
Cash, end of year	$ 15,994	$ 29,707

See accompanying notes to the consolidated financial statements.

Note 1 – Description of Business

Integrated Medicine and Chiropractic Regeneration Center, PCS ("IMAC Kentucky" or the "Company") provides orthopedic therapies. Its outpatient medical clinics provide conservative, non-invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of IMAC Kentucky and the accounts of OLM, a real-estate variable interest entity which IMAC Kentucky is its primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third- party payer, including Medicare. We recognize patient service revenue, net of contractual allowances, which we estimate based on the historical trend of our cash collections and contractual write-offs.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short- term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. At December 31, 2017 and 2016, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's consolidated financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivables from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long lived assets in 2017 and 2016.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $142,642 and $126,419 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

The Company is a chapter S corporation and taxes are recognized and assessed at the shareholder level.

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the consolidated financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the years ended December 31, 2017 and 2016.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, *ASC Topic 606 Revenue from Contracts with Customers*, takes effect for public entities January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on the Company's financial position or results of operations when adopted.

The new lease accounting standard, ASC Topic 842, takes effect for public entities January 1, 2019, and January 1, 2020 for private entities. Management believes the provisions of ASC Topic 842 will result in the recognition of lease assets and liabilities on its consolidated financial statements when adopted.

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. There were no balances in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution for the years ended December 31, 2017 and 2016. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Revenue and Accounts Receivable

The Company had the following revenue and accounts receivable concentrations at December 31:

	2017		2016	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Patient payment	47%	47%	27%	27%
Medicare payment	25%	25%	27%	27%
Insurance payment	28%	28%	46%	46%

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2017	2016
Gross accounts receivable	$ 876,381	$ 1,044,768
Less: allowance for doubtful accounts and contractual adjustments	552,120	814,919
Accounts receivable, net	$ 324,261	$ 229,849

Note 5 – Property and Equipment

	Estimated Useful Life in Years	2017	2016
Land	-	$ -	$ 172,379
Building	40	-	695,931
Computers	3	23,015	23,015
Machinery and equipment	5	792,988	667,780
Office equipment	5	36,328	18,067
Office furniture and fixtures	5	56,448	56,448
Rehab equipment	5	196,427	103,089
Vehicles	3	6,000	6,000
Leasehold improvements	Shorter of asset or lease term	468,146	105,707
Total property and equipment		1,579,352	1,848,416
Less: accumulated depreciation		(870,555)	(742,684)
Total property and equipment, net		$ 708,797	$ 1,105,732

Depreciation and amortization was $197,945 and $139,614 for the years ended December 31, 2017 and 2016, respectively.

Note 6 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2024. Certain leases contain renewal options.

Rent expense for the operating leases was $191,760 and $149,189 during the years ended December 31, 2017 and 2016, respectively.

Years Ending December 31,	Amount
2018	$ 242,924
2019	242,924
2020	202,698
2021	70,980
2022	74,923
Thereafter	88,331
Total	$ 922,780

Note 7 – Line of Credit

IMAC Western Kentucky, PC has a $150,000 line of credit with a financial institution that matures on August 1, 2018. The line bears interest at 4.25% per annum (The LOC has a $100,000 and $140,000 balance at December 31, 2017 and 2016, respectively). The line is secured by substantially all of the Company's assets and personally guaranteed by the members.

Note 8 – Notes Payable

	2017	2016
Note payable to an employee in the amount of $101,906 dated March 8, 2017. The note requires 5 annual installments of $23,350 including principal and interest at 5%. The note matures on December 31, 2021, and is unsecured.	$ 80,000	$ -
Note payable to a financial institution in the amount of $133,555 dated September 17, 2014. The note requires 60 monthly installments of $2,475 including principal and interest at 4.25%. The note matures on September 17, 2019.	49,989	76,950
Mortgage note payable to a financial institution in the amount of $963,050 dated December 11, 2013. The note required 120 monthly installments of principal and interest at 4.95%. The note was repaid in December 2017.	-	575,096
	129,989	652,046
Less: current portion	(49,989)	(76,950)
Total notes payable, net	$ 80,000	$ 575,096

Note 9 – Related Party Transactions

IMAC Kentucky advanced monies to and leased real estate from OLM, a related company. OLM is a variable interest entity, formed by a founder and a spouse of one of the founders of the Company to purchase real estate for expansion of the Kentucky medical clinic. In 2017, OLM decided to not develop the real estate, which was sold. The Company sustained the loss related to the real estate sale. The financial statements of OLM have been included in the consolidated financial statements since IMAC of Kentucky was deemed the primary beneficiary of OLM.

The Company contracts with SpeakLife to provide staff training and patient advocacy services for $99,000 per year. SpeakLife is owned by one of the Company's founders.

The Company contracts with UCI to provide marketing services to chiropractic practitioners and sources opportunities to expand chiropractic practices into regenerative medicine for $144,000 per year. UCI is owned by the spouse of one of the Company's founders.

As of December 31, 2017, the Company has the following receivable amounts outstanding from entities. These entities are related to the Company by common ownership.

	Amount
IMAC Holdings, LLC	$ 52,968
IMAC Regeneration Management of Nashville LLC	44,285
IMAC Regeneration Center of St. Louis LLC	2,579
	$ 99,832

Note 10 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 50% of up to 6 % of total compensation for those employees making salary deferrals. The Company made contributions of $13,597 and $11,575 during 2017 and 2016, respectively.

Note 11 – Commitments and Contingencies

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

Note 12 – Subsequent Events

In March 2018, IMAC Holdings, LLC, an entity related by common ownership, committed to enter into an exclusive Management Services Agreement ("MSA") to provide comprehensive management and related administrative services.

Integrated Medicine and Chiropractic Regeneration Center PSC
Condensed Consolidated Balance Sheets
March 31, 2018 (unaudited) and December 31, 2017

	March 31, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash	$ 65,876	$ 15,994
Accounts receivable, net	465,568	324,261
Employee and Member receivables	34,050	1,070
Other assets	65,880	65,780
Total current assets	631,374	407,105
Property and equipment, net	653,666	708,798
Other assets:		
Due from related parties	41,060	99,832
Security deposits	5,521	5,521
Total other assets	46,581	105,353
Total assets	$ 1,331,621	$ 1,221,256
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 144,572	$ 84,180
Patient deposits	300,885	161,929
Notes payable - current portion	48,412	49,989
Capital lease obligation, current portion	8,306	7,867
Line of credit	149,902	100,000
Total current liabilities	652,077	403,965
Long-term liabilities:		
Notes payable, net of current portion	74,675	80,000
Capital lease obligation, net of current portion	46,176	46,448
Deferred rent	42,194	44,960
Lease incentive obligation	193,495	205,708
Total liabilities	1,008,617	781,081
Stockholders' equity:		
Common stock, $1.00 par value, 1,000 shares issued and outstanding	1,000	1,000
Retained earnings	322,004	439,175
Total stockholders' equity	323,004	440,175
Total liabilities and stockholders' equity	$ 1,331,621	$ 1,221,256

See accompanying notes to the unaudited condensed consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Condensed Consolidated Statements of Operations
For the Three Months Ended March 31, 2018 and 2017 (Unaudited)

	2018 (unaudited)	2017 (unaudited)
Patient Revenues	$ 2,825,256	$ 2,930,075
Contractual Adjustments	(1,845,047)	(1,776,260)
Total patient revenue	980,209	1,153,815
Operating expenses:		
Patient expenses	138,853	126,320
Salaries and benefits	651,282	564,616
Advertising and marketing	44,817	40,511
General and administrative	203,376	208,985
Depreciation and amortization	59,752	33,621
Total operating expenses	1,098,080	974,053
Operating (loss) income	(117,871)	179,762
Other income (expense):		
Gain on disposal of assets	-	74,120
Interest income	4,096	
Interest expense	(3,395)	(22,010)
Total other income (expense)	701	52,110
Net (loss) income	$ (117,170)	$ 231,872

See accompanying notes to the unaudited condensed consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2018 and 2017 (Unaudited)

	2018 (unaudited)	2017 (unaudited)
Cash flows from operating activities:		
Net (loss) income	$ (117,170)	$ 231,873
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	59,752	33,620
Deferred rent	(2,766)	5,534
(Increase) decrease in operating assets:		
Accounts receivable, net	(115,515)	(180,229)
Other assets	(100)	(1,608)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	60,391	75,237
Patient deposits	138,956	126,628
Lease incentive obligation	(12,213)	(2,331)
Net cash provided by (used in) operating activities	11,335	288,724
Cash flows from investing activities:		
Purchase of property and equipment	(4,453)	(279,322)
Net cash used in investing activities	(4,453)	(279,322)
Cash flows from financing activities:		
Proceeds from notes payable	-	100,000
Payments on notes payable	(6,902)	(6,632)
Proceeds from line of credit	50,000	-
Payments on line of credit	(98)	(61,046)
Distributions to members	-	(20,000)
Net cash provided by financing activities	43,000	12,322
Net (decrease) increase in cash	49,882	21,724
Cash, beginning of quarter	15,994	29,706
Cash, end of quarter	$ 65,876	$ 51,430

See accompanying notes to the unaudited condensed consolidated financial statements.

Integrated Medicine and Chiropractic Regeneration Center PSC
Notes to the Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Description of Business

Integrated Medicine and Chiropractic Regeneration Center PSC ("IMAC Kentucky" or the "Company") provides orthopedic therapies. Its outpatient medical clinics provide conservative, minimally invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of IMAC Kentucky and the accounts of OLM, a real-estate variable interest entity which IMAC Kentucky is its primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Basis of Presentation

The condensed consolidated financial statements have been prepared by the Company, without audit. In the opinion of the Company's management, the financial statements reflect all adjustments (consisting of normal recurring adjustments, reclassifications and non-recurring adjustments) necessary to present fairly the financial position and results of operations and cash flows for the period presented herein, but are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2018.

Revenue Recognition

The Company's patient service revenue is derived from minimally invasive procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third- party payer, including Medicare. The Company recognizes patient service revenue, net of contractual allowances, which are estimated based on the historical trend of cash collections and contractual write-offs.

Note 2 – Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. The Company's service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short- term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. At March 31, 2018 and December 31, 2017, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's consolidated financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity, constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivables from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Note 2 – Summary of Significant Accounting Policies, continued

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Note 2 – Summary of Significant Accounting Policies, continued

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long lived assets for the three months ended March 31, 2018 and 2017, respectively.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $44,817 (unaudited) and $40,511 (unaudited) for the three months ended March 31, 2018 and 2017, respectively.

Income Taxes

The Company is a chapter S corporation and taxes are recognized and assessed at the shareholder level.

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the combined consolidated financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the three months ended March 31, 2018 and 2017, respectively.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, *ASC Topic 606 Revenue from Contracts with Customers*, takes effect for public entities on January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on the Company's financial position or results of operations when adopted.

Note 2 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

The new lease accounting standard, ASC Topic 842, takes effect for public entities on January 1, 2019. Management believes the provisions of ASC Topic 842 will result in the recognition of right of use assets and liabilities on its consolidated financial statements when adopted.

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. There were no balances in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution at March 31, 2018 and December 31, 2017, respectively. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Revenue and Accounts Receivable

The Company had the following revenue and accounts receivable concentrations at and for the three months ended March 31, 2018 (unaudited) and December 31, 2017:

	2018 (unaudited)		2017	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Patient payment	46%	46%	53%	53%
Medicare payment	22%	22%	24%	24%
Insurance payment	32%	32%	24%	24%

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at March 31, 2018 (unaudited) and December 31, 2017:

	2018 (unaudited)	2017
Gross accounts receivable	$ 1,356,105	$ 876,381
Less: allowance for doubtful accounts and contractual adjustments	890,537	552,120
Accounts receivable, net	$ 465,568	$ 324,261

Note 5 – Property and Equipment

Property and equipment consisted of the following at March 31, 2018 (unaudited) and December 31, 2017:

	Estimated Useful Life in Years	2018 (unaudited)	2017
Computers	3	$ 23,015	$ 23,015
Machinery and equipment	5	797,608	792,988
Office equipment	5	36,328	36,328
Office furniture and fixtures	5	56,448	56,449
Rehab equipment	5	196,428	196,427
Vehicles	3	6,000	6,000
Leasehold improvements	Shorter of asset or lease term	468,146	468,146
Total property and equipment		1,583,973	1,579,353
Less: accumulated depreciation		(930,307)	(870,555)
Total property and equipment, net		$ 653,666	$ 708,798

Depreciation and amortization was $59,752 (unaudited) and $29,271(unaudited) for the three months ended March 31, 2018 and 2017, respectively.

Note 6 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2024. Certain leases contain renewal options.

Rent expense for the operating leases was $49,067 (unaudited) and $45,850 (unaudited) during the three months ended March 31, 2018 and 2017, respectively.

Note 6 – Operating Leases, continued

The required future minimum lease payments under the remaining non-cancelable operating leases consists of the following at March 31, 2018 (unaudited):

Years Ending December 31,	Amount
2018 (9 months)	$ 182,193
2019	242,924
2020	202,698
2021	70,980
2022	74,923
Thereafter	88,331
Total	$ 862,049

Note 7 – Lines of Credit

IMAC Kentucky has a $150,000 line of credit with a financial institution that matures on August 1, 2018. The line bears interest at 4.25% per annum (The LOC has a balance of $149,902 (unaudited) and $100,000 at March 31, 2018 and December 31, 2017, respectively). The line is secured by substantially all of the Company's assets and personally guaranteed by the owners.

Note 8 – Notes Payable

Notes payable consisted of the following at March 31(unaudited):

	2018 (unaudited)	2017
Note payable to an employee in the amount of $101,906 dated March 8, 2017. The note requires 5 annual installments of $23,350 including principal and interest at 5%. The note matures on December 31, 2021, and is unsecured.	$ 80,000	$ 80,000
Note payable to a financial institution in the amount of $133,555 dated September 17, 2014. The note requires 60 monthly installments of $2,475 including principal and interest at 4.25%. The note matures on September 17, 2019.	43,087	49,989
	123,087	129,989
Less: current portion	(48,412)	(49,989)
Total notes payable, net	$ 74,675	$ 80,000

Principal maturities of notes payable at March 31, 2018 (unaudited) are as follows:

Years Ending December 31,	Amount
2018 (9 months)	$ 48,412
2019	34,675
2020	20,000
2021	20,000
Total	$ 123,087

Note 9 – Related Party Transactions

The Company contracts with SpeakLife to provide staff training and patient advocacy services for $99,000 per year. SpeakLife is owned by one of the Company's founders.

The Company contracts with UCI to provide marketing services to chiropractic practitioners and sources opportunities to expand chiropractic practices into regenerative medicine for $144,000 per year. UCI is owned by the spouse of one of the Company's founders.

At March 31, 2018 and December 31, 2017, the Company has receivable amounts outstanding from entities which are related to the Company by common ownership. Amounts due to the Company amounted to $41,060 (unaudited) and $99,832 at March 31, 2018 and December 31, 2017, respectively.

Note 10 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 50% of up to 6 % of total compensation for those employees making salary deferrals. The Company made contributions of $4,994 (unaudited) and $2,397 (unaudited) during the three months ended March 31, 2018 and 2017, respectively.

Note 11 – Commitments and Contingencies

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

Report of Independent Registered Public Accounting Firm

To the Board of Directors
IMAC Regeneration Center of St. Louis, LLC
St. Louis, Missouri

Opinion on the Financial Statements

We have audited the accompanying balance sheets of IMAC Regeneration Center of St. Louis, LLC (the "Company") at December 31, 2017 and 2016, and the related statements of operations and members' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Daszkal Bolton LLP

We have served as the Company's auditors since 2017.

Boca Raton, Florida
May 31, 2018

IMAC Regeneration Center of St. Louis, LLC
Balance Sheets
December 31, 2017 and 2016

	2017	2016
ASSETS		
Current assets:		
Cash	$ 34,911	$ 20,797
Accounts receivable, net	183,064	213,452
Other assets	29,355	31,726
Total current assets	247,330	265,975
Property and equipment, net	878,521	765,220
Other assets:		
Security deposits	454,814	504,814
Total other assets	454,814	504,814
Total assets	$ 1,580,665	$ 1,536,009
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 39,448	$ 90,507
Patient deposits	163,176	205,743
Notes payable – current portion	52,236	49,987
Related party note payable	420,788	500,000
Line of credit	150,000	-
Total current liabilities	825,648	846,237
Long-term liabilities:		
Notes payable, net of current portion	212,152	264,388
Deferred rent	98,959	65,700
Lease incentive obligation	424,844	355,230
Total liabilities	1,561,603	1,531,555
Members' equity	19,062	4,454
Total liabilities and members' equity	$ 1,580,665	$ 1,536,009

See accompanying notes to the financial statements.

IMAC Regeneration Center of St. Louis, LLC
Statements of Operations and Members' Equity
For the Years Ended December 31, 2017 and 2016

	2017	2016
Patient revenues:	$ 8,073,943	$ 3,171,811
Contractual adjustments	(5,364,015)	(2,258,157)
Total patient revenues, net	2,709,928	913,654
Operating expenses:		
Patient expenses	309,927	211,554
Salaries and benefits	1,327,527	661,882
Advertising and marketing	202,541	121,040
General and administrative	679,596	337,409
Depreciation	134,563	70,979
Total operating expenses	2,654,154	1,402,864
Operating income (loss)	55,774	(489,210)
Other income (expense):		
Interest income	2,670	-
Interest expense	(43,836)	(6,336)
Total other income (expense)	(41,166)	(6,336)
Net income (loss)	14,608	(495,546)
Member's equity, beginning of year	4,454	500,000
Member's equity, end of year	$ 19,062	$ 4,454

See accompanying notes to the financial statements.

IMAC Regeneration Center of St. Louis, LLC
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Net income (loss)	$ 14,608	$ (495,546)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	134,563	70,979
Deferred rent	33,259	65,700
(Increase) decrease in operating assets:		
Accounts receivable, net	30,388	286,548
Other assets	2,371	(31,726)
Security deposits	50,000	(504,814)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(51,059)	90,507
Patient deposits	(42,567)	205,743
Lease Incentive Obligation	69,614	355,230
Net cash provided by operating activities	241,178	42,621
Cash flows from investing activities:		
Purchase of property and equipment	(247,864)	(836,199)
Net cash used in investing activities	(247,864)	(836,199)
Cash flows from financing activities:		
Proceeds from notes payable	-	881,387
Payments on notes payable	(49,987)	(67,012)
Payments on related party note payable	(79,212)	-
Proceeds from line of credit	300,000	-
Payments on line of credit	(150,000)	-
Net cash provided by financing activities	20,801	814,375
Net increase in cash	14,115	20,797
Cash, beginning of year	20,797	-
Cash, end of year	$ 34,911	$ 20,797

See accompanying notes to the financial statements.

Note 1 – Description of Business

IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis") was formed in 2015 as a Limited Liability Company and provides orthopedic therapies. Through its entities, its outpatient medical clinics provide conservative, minimally invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. The Company has partnered with Ozzie Smith in opening its medical clinics, with a focus around treating sports injuries.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's patient service revenue is derived from minimally invasive procedures performed at the Company's outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third- party payer, including Medicare. The Company recognize patient service revenue, net of contractual allowances, which are estimated based on the historical trend of cash collections and contractual write-offs.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short- term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Note 2 – Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. At December 31, 2017 and 2016, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Note 2 – Summary of Significant Accounting Policies, continued

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long lived assets in 2017 and 2016.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $202,541 and $121,040 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

IMAC of St. Louis is a limited liability company taxed as a partnership. As a result, income taxes are passed through to the members. Accordingly, no provision for income taxes is reflected in the financial statements.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At December 31, 2017 and 2016, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. All tax years are open and subject to examination by the taxing authorities.

Note 2 – Summary of Significant Accounting Policies, continued

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the years ended December 31, 2017 and 2016.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, *ASC Topic 606 Revenue from Contracts with Customers*, takes effect for public entities January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on the Company's financial position or results of operations when adopted.

The new lease accounting standard, *ASC Topic 842*, takes effect for public entities January 1, 2019, and January 1, 2020 for private entities. Management believes the provisions of ASC Topic 842 will result in the recognition of lease assets and liabilities on its financial statements when adopted.

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. Cash and cash equivalents in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution. There were no balances in excess of the FDIC coverage for the years ended December 31, 2017 and 2016. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Note 3 – Concentration of Credit Risks, continued

Revenue and Accounts Receivable

The Company had the following revenue and accounts receivable concentrations at December 31:

	2017		2016	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Patient payment	57%	57%	52%	52%
Medicare payment	23%	23%	21%	21%
Insurance payment	20%	20%	27%	27%

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2017	2016
Gross accounts receivable	$ 545,482	$ 741,152
Less: allowance for doubtful accounts and contractual adjustments	362,418	527,700
Accounts receivable, net	$ 183,064	$ 213,452

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	Estimated Useful Life in Years	2017	2016
Computers	3	$ 5,713	$ 5,713
Machinery and equipment	5	294,320	166,503
Office furniture and fixtures	5	10,828	10,828
Signs	5	20,260	20,260
Leasehold improvements	Shorter of asset or lease term	752,942	632,895
Total property and equipment		1,084,063	836,199
Less: accumulated depreciation		(205,543)	(70,979)
Total property and equipment, net		$ 878,520	$ 765,220

Depreciation and amortization was $134,563 and $70,979 for the years ended December 31, 2017 and 2016, respectively.

Note 6 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2026. Certain leases contain renewal options.

Years Ending December 31,	Amount
2018	$ 254,866
2019	254,866
2020	254,866
2021	260,341
2022	253,565
Thereafter	753,360
Total	$ 2,031,864

Rent expense for the operating leases was $252,654 and $141,702 during the years ended December 31, 2017 and 2016, respectively.

Note 7 – Lines of Credit

IMAC St. Louis, LLC has a $150,000 line of credit with a financial institution that matures on November 15, 2018. The line bears interest at 4.25% per annum (The LOC has a $150,000 balance at December 31, 2017). The line is secured by substantially all of the Company's assets and is personally guaranteed by the members.

Note 8-Notes Payable

	2017	2016
Note payable to a financial institution in the amount of $131,400 dated August 1, 2016. The note requires 120 monthly installments of $1,394 including principal and interest at 5%. The note matures on July 1, 2026, and is secured by a letter of credit.	$ 116,525	$ 127,134
Note payable to a financial institution in the amount of $200,000 dated May 4, 2016. The note requires 60 monthly installments of $3,881 including principal and interest at 4.25%. The note matures on May 4, 2021, and is secured by the equipment and personal guarantees of the Company's members.	147,863	187,241
	264,388	314,375
Less: current portion:	(52,236)	(49,987)
	$ 212,152	$ 264,388

Note 8-Notes Payable, continued

Principal maturities of notes payable at December 31, 2017 are as follows:

Years Ending December 31,	Amount
2018	$ 52,236
2019	54,587
2020	57,047
2021	32,143
2022	13,615
Thereafter	54,760
Total	$ 264,388

Note 9 – Related Party Transactions

The Company owes the following amounts as of December 31, 2017 to the following related entities. These entities are related based on common ownership with the Company:

	Amount
Facility	$ 1,753
IMAC Holdings, LLC	2,577
Integrated Medicine and Chiropractic Regeneration Center PC	$ 4,330

This balance in included within accounts payable and accrued expenses on the balance sheets.

Note 10 – Members' Equity

Pursuant to its operating agreement, the Company has authorized 100 member units, and has 100 units issued and outstanding.

The Company maintains separate capital accounts for each member and is credited for capital contributions and each member's share of profits and is debited for distributions and each member's share of losses. The allocation of profit and losses is allocated to the members in accordance with their respective percentage interest in each entity.

Note 11 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 50% of up to 6 % of total compensation for those employees making salary deferrals. The Company made contributions of $891 and $0 during 2017 and 2016, respectively.

Note 12 – Commitments and Contingencies

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

Note 13 – Subsequent Events

In March 2018, the IMAC Holdings, LLC entered into an agreement to purchase sixty-four of one hundred of the outstanding ownership shares in the company held by others for an amount based on a percentage of collections from regeneration- related services and associated products for a defined period.

IMAC Regeneration Center of St Louis, LLC
Condensed Balance Sheets
March 31, 2018 (unaudited) and December 31, 2017

	March 31, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash	$ 16,055	$ 34,911
Accounts receivable, net	221,502	183,064
Other assets	13,630	29,355
Total current assets	251,187	247,330
Property and equipment, net	847,191	878,521
Other assets:		
Security deposits	454,814	454,814
Total other assets	454,814	454,814
Total assets	$ 1,553,192	$ 1,580,665
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 76,051	$ 35,117
Patient Deposits	243,077	163,176
Notes payable - current portion	52,814	52,236
Related party payable	128,593	4,331
Related party note payable	420,788	420,788
Line of credit	150,000	150,000
Total current liabilities	1,071,323	825,648
Long-term liabilities:		
Notes payable, net of current portion	198,730	212,152
Deferred Rent	97,209	98,959
Lease Incentive Obligation	409,962	424,844
Total liabilities	1,777,224	1,561,603
Members' equity (deficit)	(224,032)	19,061
Total liabilities and members' equity (deficit)	$ 1,553,192	$ 1,580,664

See accompanying notes to the unaudited condensed financial statements.

IMAC Regeneration Center of St Louis, LLC
Condensed Statements of Income and Members' Equity (Deficit)
For the Three Months Ended March 31, 2018 and 2017 (unaudited)

	2018 (unaudited)	2017 (unaudited)
Patient Revenues	1,726,631	1,814,432
Contractual Adjustments	(1,194,661)	(1,189,451)
Total patient revenues, net	$ 531,970	$ 624,981
Operating expenses:		
Patient expenses	101,761	111,909
Salaries and benefits	382,016	280,466
Advertising and marketing	72,489	36,226
General and administrative	168,772	139,338
Depreciation and Amortization	39,036	27,104
Total operating expenses	764,073	595,043
(Loss) income from operations	(232,103)	29,938
Other income (expense):		
Interest expense	(10,991)	(9,475)
Total other income (expense)	(10,991)	(9,475)
Net (loss) income	(243,094)	20,463
Members' equity, beginning of the period	19,062	4,454
Members' equity (deficit), end of the period	$ (224,032)	$ 24,916

See accompanying notes to the unaudited condensed financial statements.

IMAC Regeneration Center of St Louis, LLC
Condensed Statements of Cash Flows
For the Three Months Ended March 31, 2018 and 2017 (Unaudited)

	2018 (unaudited)	2017 (unaudited)
Cash flows from operating activities:		
Net (loss) income	$ (243,094)	$ 20,462
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	39,036	27,104
Deferred rent	(1,750)	-
(Increase) decrease in operating assets:		
Accounts receivable, net	(38,438)	44,428
Other assets	15,725	(1,715)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	165,196	(33,077)
Patient deposits	79,901	4,556
Lease incentive obligation	(14,882)	(9,267)
Net cash provided by operating activities	1,694	52,491
Cash flows from investing activities:		
Purchase of property and equipment	(7,706)	(127,690)
Net cash used in investing activities	(7,706)	(127,690)
Cash flows from financing activities:		
Payments on notes payable	(12,843)	(35,834)
Proceeds from line of credit	-	130,000
Net cash (used in) provided by financing activities	(12,843)	94,166
Net (decrease) increase in cash	(18,856)	18,967
Cash, beginning of period	34,911	20,797
Cash, end of period	$ 16,055	$ 39,764

See accompanying notes to the unaudited condensed financial statements.

IMAC Regeneration Center of St. Louis, LLC
Notes to the Condensed Financial Statements (Unaudited)

Note 1 – Description of Business

IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis") provides orthopedic therapies. Through its entities, its outpatient medical clinics provide conservative, minimally invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. The Company has partnered with Ozzie Smith in opening its medical clinics, with a focus around treating sports injuries.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The condensed financial statements have been prepared by the Company, without audit. In the opinion of the Company's management, the financial statements reflect all adjustments (consisting of normal recurring adjustments, reclassifications and non-recurring adjustments) necessary to present fairly the financial position and results of operations and cash flows for the period presented herein, but are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2018.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's patient service revenue is derived from minimally invasive procedures performed at the Company's outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third- party payer, including Medicare. The Company recognizes patient service revenue, net of contractual allowances, which are estimated based on the historical trend of our cash collections and contractual write-offs.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are not paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Note 2 – Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short- term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. At March 31, 2018 and December 31, 2017, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity, constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Note 2 – Summary of Significant Accounting Policies, continued

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long lived assets for the three months ended March 31, 2018 and 2017, respectively.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $202,541 and $121,040 for the year ended December 31, 2017 and December 31, 2016, respectively, and $72,489 (unaudited) and $36,226 (unaudited) for the three months ended March 31, 2018 and 2017, respectively.

Income Taxes

IMAC of St. Louis is a limited liability company taxed as a partnership. As a result, income taxes are passed through to the members. Accordingly, no provision for income taxes is reflected in the financial statements.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At March 31, 2018 and December 31, 2017, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. All tax years are open and subject to examination by the taxing authorities.

Note 2 – Summary of Significant Accounting Policies, continued

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the combined consolidated financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the three months ended March 31, 2018 and 2017, respectively.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, *ASC Topic 606 Revenue from Contracts with Customers*, takes effect for public entities January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on the Company's financial position or results of operations when adopted.

The new lease accounting standard, ASC Topic 842, takes effect for public entities on January 1, 2019. Management believes the provisions of ASC Topic 842 will result in the recognition of right of use assets and liabilities on its financial statements when adopted.

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. Cash and cash equivalents in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution. There were no balances in excess of the FDIC coverage at March 31, 2018 and December 31, 2017, respectively. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Revenue and Accounts Receivable

The Company had the following revenue and accounts receivable concentrations at and for the three months ended March 31:

	2018 (unaudited)		2017 (unaudited)	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Patient payment	58%	58%	59%	59%
Medicare payment	19%	19%	19%	19%
Insurance payment	23%	23%	22%	22%

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at March 31, 2018 (unaudited) and December 31, 2017:

	2018 (unaudited)	2017
Gross accounts receivable	$ 698,884	$ 545,482
Less: allowance for doubtful accounts and contractual adjustments	477,382	362,418
Accounts receivable, net	$ 221,502	$ 183,064

IMAC Regeneration Center of St. Louis, LLC
Notes to the Condensed Financial Statements (Unaudited)

Note 5 – Property and Equipment

Property and equipment consisted of the following at March 31, 2018 (unaudited) and December 31, 2017:

	Estimated Useful Life in Years	2018 (unaudited)	2017
Computers	3	$ 5,713	$ 5,713
Machinery and equipment	5	296,086	294,320
Office furniture and fixtures	5	10,828	10,828
Signs	5	20,260	20,260
Leasehold improvements	Shorter of asset or lease term	758,882	752,943
Total property and equipment		1,091,769	1,084,064
Less: accumulated depreciation		(244,578)	(205,543)
Total property and equipment, net		$ 847,191	$ 878,521

Depreciation and amortization was $39,036 (unaudited) and $27,104 (unaudited) for the three months ended March 31, 2018 and 2017, respectively.

Note 6 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2026. Certain leases contain renewal options.

Rent expense for the operating leases was $65,376 (unaudited) and $53,874 (unaudited) during the three months ended March 31, 2018 and 2017, respectively.

The required future minimum lease payments under the remaining non-cancelable operating leases consists of the following at March 31, 2018 (unaudited):

Years Ending December 31,	Amount
2018 (9 months)	$ 191,150
2019	254,866
2020	254,866
2021	260,341
2022	253,565
Thereafter	753,360
Total	$ 1,968,148

Note 7 – Lines of Credit

IMAC St. Louis, LLC has a $150,000 line of credit with a financial institution that matures on November 15, 2018. The line bears interest at 4.25% per annum (The LOC has a $150,000 balance at March 31, 2018). The line is secured by substantially all of the Company's assets and personally guaranteed by the members.

Note 8 – Notes Payable

Notes payable consisted of the following at March 31, 2018 (unaudited) and December 31, 2017:

	2018 (unaudited)	2017
Note payable to a financial institution in the amount of $131,400 dated August 1, 2016. The note requires 120 monthly installments of $1,394 including principal and interest at 5%. The note matures on July 1, 2026, and is secured by a letter of credit.	$ 113,789	$ 116,525
Note payable to a financial institution in the amount of $200,000 dated May 4, 2016. The note requires 60 monthly installments of $3,881 including principal and interest at 4.25%. The note matures on May 4, 2021, and is secured by the equipment and personal guarantees of the Company's members.	137,755	147,863
	251,544	264,388
Less: current portion:	(52,814)	(52,236)
	$ 198,730	$ 212,152

Principal maturities of notes payable at March 31, 2018 (unaudited) are as follows:

Years Ending December 31,	Amount
2018 (9 months)	$ 39,392
2019	54,587
2020	57,047
2021	32,143
2022	13,615
Thereafter	54,760
Total	$ 251,544

Note 9 – Related Party Transactions

From time to time, the Company advances funds to, and receives funds from, entities with common ownership.

At March 31, 2018 and December 31, 2017, the amounts owed to related parties was $128,593 (unaudited) and $4,331, respectively.

Note 10 – Members' Equity

Pursuant to its operating agreement, the Company has issued 100 member units, and has 100 units issued and outstanding.

The Company maintains separate capital accounts for each member and is credited for capital contributions and each member's share of profits and is debited for distributions and each member's share of losses. The allocation of profit and losses is allocated to the members in accordance with their respective percentage interest in each entity.

Note 11 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 50% of up to 6% of total compensation for those employees making salary deferrals. The Company made contributions of $2,709 (unaudited) and $0 (unaudited) during the three months ended March 31, 2018 and 2017, respectively.

Note 12 – Commitments and Contingencies

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

Independent Auditors' Report

To Management
Advantage Hand Therapy and Orthopedic Rehabilitation, LLC
Springfield, Missouri

We have audited the accompanying financial statements of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC (the "Company"), which comprise the balance sheets at December 31, 2017 and 2016, and the related statements of income and changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Daszkal Bolton, LLP

Fort Lauderdale, Florida
October 18, 2018

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC
Balance Sheets
December 31, 2017 and 2016 and June 30, 2018 (Unaudited)

	December 31,		June 30,
	2017	2016	2018
			(Unaudited)
Assets			
Current assets:			
Cash	$ 49,764	$ 54,992	$ 23,419
Accounts receivable, net	193,734	183,450	233,018
Prepaid expenses and other current assets	6,031	6,469	6,031
Total current assets	249,529	244,911	262,468
Property and equipment, net	28,570	46,500	21,022
Total assets	$ 278,099	$ 291,411	$ 283,490
Liabilities and Member's Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 17,467	$ 30,483	$ 52,170
Total current liabilities	17,467	30,483	52,170
Long-term liabilities:			
Line of credit	83,138	84,497	81,365
Total liabilities	100,605	114,980	133,535
Member's equity	177,494	176,431	149,955
Total liabilities and member's equity	$ 278,099	$ 291,411	$ 283,490

See accompanying notes to the financial statements.

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC
Statements of Income and Changes in Member's Equity
For the Years Ended December 31, 2017 and 2016 and the
Six Months Ended June 30, 2018 and 2017 (Unaudited)

	December 31,		June 30,	June 30,
	2017	2016	2018	2017
			(Unaudited)	(Unaudited)
Patient revenues, net	$ 1,271,630	$ 1,189,878	$ 661,377	$ 593,494
Operating expenses:				
Rent	84,717	80,007	38,622	48,806
Salaries and benefits	717,376	719,780	373,497	357,283
General and administrative	324,114	230,118	190,176	135,408
Depreciation	17,930	25,460	8,148	9,318
Total operating expenses	1,144,137	1,055,365	610,443	550,815
Operating income	127,493	134,513	50,934	42,679
Other income (expenses):				
Other income	216	218	154	158
Interest expense	(4,929)	(4,657)	(3,272)	(2,445)
Total other income (expenses)	(4,713)	(4,439)	(3,118)	(2,287)
Net income	122,780	130,074	47,816	40,392
Member's equity, beginning of period	176,431	155,644	177,494	176,431
Distributions	(121,717)	(109,287)	(75,355)	(74,303)
Member's equity, end of period	$ 177,494	$ 176,431	$ 149,955	$ 142,520

See accompanying notes to the financial statements.

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016 and the
Six Months Ended June 30, 2018 and 2017 (Unaudited)

	December 31,		June 30,	June 30,
	2017	2016	2018 (Unaudited)	2017 (Unaudited)
Cash flows from operating activities:				
Net income	$ 122,780	$ 130,074	$ 47,816	$ 40,392
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	17,930	25,460	8,147	9,318
(Increase) decrease in operating assets:				
Accounts receivable, net	(10,284)	9,125	(39,284)	(4,660)
Prepaid expenses and other assets	438	(717)	-	(298)
Increase (decrease) in operating liabilities:				
Accounts payable and accrued expenses	(13,016)	(31,584)	34,104	865
Net cash provided by operating activities	117,848	132,358	50,783	45,617
Cash flows from investing activities:				
Purchase of property and equipment	-	(8,997)	-	-
Net cash used in investing activities	-	(8,997)	-	-
Cash flows from financing activities:				
Proceeds from notes payable	-	15,000	-	-
Payments on notes payable	(1,359)	(3,500)	(1,773)	(1,000)
Distributions to members	(121,717)	(109,287)	(75,355)	(74,303)
Net cash used in financing activities	(123,076)	(97,787)	(77,128)	(75,303)
Net (decrease) increase in cash	(5,228)	25,574	(26,345)	(29,686)
Cash, beginning of period	54,992	29,418	49,764	54,992
Cash, end of period	$ 49,764	$ 54,992	$ 23,419	$ 25,306
Supplemental cash flow information:				
Interest paid	$ 4,929	$ 4,657	$ 3,272	$ 2,445

See accompanying notes to the financial statements.

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC
Notes to Financial Statements

Note 1 – Description of Business

Advantage Hand Therapy and Orthopedic Rehabilitation, LLC ("Advantage" or the "Company") provide physical and occupational therapy through its four clinics located in South Springfield, North Springfield, Monett, and Ozark, Missouri.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third-party payer, including Medicare. We recognize patient service revenue, net of contractual allowances, which we estimate based on the historical trend of our cash collections and contractual write-offs.

Fair Value of Financial Instruments

The carrying amount of accounts receivable approximate their respective fair values due to the short-term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents for the periods presented.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company's ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company's financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of over estimation of net revenues at the time of billing that may result in the Company receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance) and (vi) the risk of non-payment from uninsured patients.

The Company's accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company's facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company's financial condition or results of operations. The Company's collection policies and procedures are based on the type of payer, size of claim and estimated collection percentage for each patient account. The operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company's estimates. The Company's allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are credited to income when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expenses) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

Long-lived assets such as property and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long-lived assets for the periods presented.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses were $16,191, $19,931 and $12,361 (unaudited) and $10,336 (unaudited) for the years ended December 31, 2017 and 2016 and the six months ended June 30, 2018 and 2017, respectively.

Income Taxes

The Company is a single member limited liability company. As a result, income tax liabilities are passed through to the individual member. Accordingly, no provision for income taxes is reflected in the financial statements.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At December 31, 2017 and 2016 and June 30, 2018, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Legal Proceedings and Loss Contingencies

The Company is subject to various legal proceedings, many involving routine litigation incidental to business. The outcome of any legal proceeding is not within the Company's complete control, it is often difficult to predict and is resolved over very long periods of time. Estimating probable losses associated with any legal proceedings or other loss contingencies are very complex and require the analysis of many factors including assumptions about potential actions by third parties. Loss contingencies are disclosed when there is at least a reasonable possibility that a loss has been incurred and are recorded as liabilities in the financial statements when it is both (1) probable or known that a liability has been incurred and (2) the amount of the loss is reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. If a loss contingency is not probable or cannot be reasonably estimated, a liability is not recorded in the financial statements.

There are no known legal proceedings ongoing or loss contingencies for the years ended December 31, 2017 and 2016 and the six months ended June 30, 2018.

Recent Accounting Pronouncements

The new revenue recognition accounting standard, Accounting Standards Codification *("ASC") Topic 606 Revenue from Contracts with Customers*, takes effect for public entities January 1, 2018, and January 1, 2019 for private entities. Management does not believe the provisions of ASC Topic 606 will have a material impact on the Company's financial position or results of operations when adopted.

The Company plans to adopt the new lease accounting standard, ASC Topic 842, on January 1, 2019. Management believes the provisions of ASC Topic 842 will result in the recognition of right-of-use assets and related liabilities on its financial statements when adopted.

Date of Management's Review

Management has evaluated subsequent events through October 18, 2018, which is the date the financial statements were available to be issued

Note 3 – Concentration of Credit Risks

Cash

The Company places its cash with high credit quality financial institutions. The Company had no cash in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage of $250,000 per financial institution for the years ended December 31, 2017, December 31, 2016 and the six month period ended June 30, 2018. The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits. The Company has not experienced any losses on such accounts and does not feel it is exposed to any significant risk with respect to cash.

Note 4 – Accounts Receivable

Accounts receivable consisted of the following at December 31:

	December 31,		June 30,
	2017	2016	2018
			(unaudited)
Gross accounts receivable	$ 359,055	$ 369,764	$ 398,339
Less: allowance for doubtful accounts and contractual adjustments	(165,321)	(186,314)	(165,321)
Accounts receivable, net	$ 193,734	$ 183,450	$ 233,018

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	Estimated Useful Life in Years	December 31 2017	December 31 2016	June 30 2018 (unaudited)
Leasehold improvements	Shorter of asset or lease term	$ 47,597	$ 47,597	$ 47,597
Medical equipment	5	245,214	245,214	245,214
Office furniture and fixtures	7	26,476	26,476	26,476
Computers	1.5	32,726	32,726	32,726
Vehicles	5	63,067	63,067	63,067
Total property and equipment		415,080	415,080	415,080
Less: accumulated depreciation		(386,510)	(368,580)	(394,058)
Property and equipment, net		$ 28,570	$ 46,500	$ 21,022

Depreciation was $17,930 and $25,460 for the years ended December 31, 2017 and 2016 and $8,148 (unaudited) and $9,318 (unaudited) for the six months ended June 30, 2018 and 2017.

Note 6 – Operating Leases

The Company has certain cancelable and non-cancelable operating leases for facilities used in the treatment of patients, which expire on various dates through 2027. Certain leases contain renewal options.

Rent expense for the operating leases was $84,717 and $80,007 during the years ended December 31, 2017 and 2016 and $38,622 (unaudited) and $48,806 (unaudited) during the six months ended June 30, 2018 and 2017.

The required future minimum lease payments under the remaining non-cancelable operating leases consisted of the following at June 30, 2018:

Years Ending December 31,	
2018 (six months)	$ 36,252
2019	57,252
2020	33,250
2021	4,500
	$ 131,254

Note 7 – Line of Credit

The Company has a $100,000 line of credit with a financial institution that matures on November 20, 2020. The line bears interest at 4.25% per annum. The line is secured by substantially all of the Company's assets and personally guaranteed by the member. The LOC had a $83,138, $84,497 and $81,365 balance at December 31, 2017 and 2016, and at June 30, 2018 (unaudited).

Note 8 – Commitments and Contingencies

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

From time to time, the Company is subject to threatened and asserted claims in the ordinary course of business. Because litigation and arbitration are subject to inherent uncertainties and the outcome of such matters cannot be predicted with certainty, future developments could cause any one or more of these matters to have a material impact on the Company's future financial condition, results of operations or liquidity.

Note 9 – Subsequent Event

On August 1, 2018, the Company entered into an agreement with IMAC Holdings, Inc. for the purchase of all of the outstanding membership units of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC. Upon consummation of the transaction, Advantage became a wholly-owned subsidiary of IMAC Holdings, Inc.

In June 2018, IMAC Holdings, LLC (the "Company") entered into transactions for the acquisition of the assets of Integrated Medicine and Chiropractic Regeneration Center PSC ("IMAC Kentucky") for stock consideration of approximately $5 million, and the acquisition of IMAC of St. Louis, LLC ("IMAC St. Louis") for stock consideration of approximately $1.6 million. The Company also entered into a transaction to purchase the outside minority ownership interest in IMAC Tennessee for approximately $0.7 million. In August 2018, the Company entered into a transaction to purchase 100% of all the units of membership interest of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC for cash and stock consideration of approximately $0.9 million. Funding for these transactions are to be provided through an underwritten public offering of 1,300,000 shares of common stock at $5.50 per share, before underwriting discounts resulting in estimated net proceeds of $6.38 million after deducting $0.77 million of estimated underwriting commissions and issuance costs. The unaudited pro forma consolidated statements of operations for the year ended December 31, 2017, and nine months ended September 30, 2018 give effect to the acquisitions and the issuances of common stock referred to above as if they occurred on January 1, 2017. The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed consolidated financial statements. The pro forma adjustments reflected herein are based on management's expectations regarding the acquisition and the issuances of common stock transactions discussed above. The acquisition will be accounted for under the purchase method of accounting, which involves determining the fair values of assets acquired and liabilities assumed. The purchase price allocation included in the unaudited pro forma financial statements is preliminary and based on management's best estimates. The preliminary purchase price allocation is subject to change based on numerous factors, including the final adjusted purchase price and the final estimated fair value of the assets acquired and liabilities assumed. Any such adjustments to the preliminary estimates of fair value reflected in the accompanying unaudited pro forma consolidated financial statements could be material. The unaudited pro forma consolidated financial statements are presented for illustrative purposes only and do not purport to indicate the financial condition or results of operations of future periods or the financial condition or results of operations that actually would have been realized had the transactions been consummated on the dates or for the periods presented.

"IMAC Group" represents the results of operations of IMAC Holdings, Inc. on an unaudited pro forma basis, assuming that the business transactions resulting in the consolidation of Integrated Medicine and Chiropractic Regeneration Center PSC, IMAC of St. Louis, LLC, IMAC Regeneration Management of Nashville, LLC, Advantage Hand Therapy and Orthopedic Rehabilitation, LLC and BioFirma, LLC were effective as of January 1, 2017.

IMAC Group
Unaudited Pro Forma Condensed Consolidated Statements of Operations
For the Nine Months Ended September 30, 2018

	IMAC Holdings	IMAC Kentucky	IMAC St. Louis	Advantage Therapy	BioFirma		Pro Forma Adjustments	IMAC Group Pro Forma
Patient revenues	$ 8,020,071	$ 9,492,453	$ 5,350,963	$ 2,262,120		(iv)	$ (5,774,032)	$ 19,351,574
Contractual adjustments	(4,655,881)	(5,976,195)	(3,543,103)	$ (1,334,651)	-	(iv)	3,401,543	(12,108,286)
Total patient revenues, net	3,364,190	3,516,258	1,807,860	927,469	-		(2,372,489)	7,243,288
Other revenue:								
Internal management fee revenue	64,000	-	-	-	-	(i)	(64,000)	-
Total revenue	3,428,191	3,516,258	1,807,860	927,469	-		(2,436,489)	7,243,288
Operating expenses:								
Patient expenses	425,609	382,253	212,663	28,255	-	(iv)	(121,170)	927,609
Salaries and benefits	2,709,489	1,586,214	1,075,116	579,791		(iv)	(1,073,680)	4,876,931
Professional fees: consulting	11,248		-				-	11,248
Advertising and marketing	470,199	83,457	156,609	17,700		(iv)	(73,576)	654,389
General and administrative	1,980,827	1,447,260	592,155	295,410		(i),(iv)	(1,374,698)	2,940,955
Depreciation and amortization	544,820	117,532	293,941	11,493	-	(ii),(iv)	924,402	1,892,188
Total operating expenses	6,142,192	3,616,716	2,330,484	932,649	-		(1,718,722)	11,303,320
Operating loss	(2,714,002)	(100,458)	(522,624)	(5,180)	-		(717,768)	(4,060,032)
Other income (expenses):								
Interest income	7,541		2,112	159		(i)	(7,541)	2,271
Gain on acquisition	18,356						-	18,356
Loss on disposal of assets	-		-				-	-
Interest expense	(102,092)	(8,147)	(28,933)	(2,109)	-	(i)	19,116	(122,166)
Total other income (expenses)	(76,195)	(8,147)	(26,821)	(1,950)	-		11,576	(101,539)
Loss before equity in earnings (loss) of non-consolidated affiliate	(2,790,197)	(108,605)	(549,446)	(7,130)	-		(706,192)	(4,161,571)
Equity in earnings (loss) of non-consolidated affiliate	(105,550)	-	-	-	-	(iii)	105,550	0
Net earnings (loss)	(2,895,747)	(108,605)	(549,446)	(7,130)	-		(600,642)	(4,161,571)
							-	
Net loss attributable to the non-controlling interest	779,463	108,605	-	-	-	(iv)	(151,827)	736,241
Net loss attributable to the IMAC Holdings Inc. stockholders	(2,116,284)	-	(549,446)	(7,130)	-		(752,469)	(3,425,330)

Footnotes

(i) To eliminate inter-company management fees and interest on loans

(ii) To record depreciation and amortization arising from purchase accounting adjustments of IMAC Kentucky, IMAC St. Louis, Advanced Therapy, and BioFirma for pre-acquisition periods

(iii) To eliminate redundancy of equity in earnings of IMAC St. Louis for the period prior to acquisition

(iv) To eliminate post acquisition activity included in IMAC Holdings Inc. historical consolidated amounts

IMAC Group
Unaudited Pro Forma Condensed Consolidated Statements of Operations
For the Year Ended December 31, 2017

	IMAC Holdings	IMAC Kentucky	IMAC St. Louis	Advantage Therapy	BioFirma		Pro-Forma Adjustments	IMAC Group Pro Forma
Patient revenues	$ 1,378,313	$ 13,258,419	$ 8,073,943	$ 3,101,537	$ -			$ 25,812,212
Contractual adjustments	(723,688)	(8,298,287)	(5,364,015)	(1,829,907)	-			(16,215,897)
Total patient revenue, net	654,625	4,960,132	2,709,928	1,271,630	-			9,596,315
Management fees	131,400	-	-	-	-	(i)	(131,400)	-
Total Revenue	786,025	4,960,132	2,709,928	1,271,630	-			9,596,315
Operating expenses:								
Patient expenses	63,216	648,479	309,927	36,013	-			1,057,635
Salaries and related expenses	967,627	2,334,770	1,327,526	717,376	-			5,347,299
Share-based compensation: consulting fees	18,747	-	-	-	-			18,747
Advertising and marketing	119,867	142,642	202,541	16,191	-			481,241
General and administrative	465,740	885,273	679,596	356,627	-	(i)	(131,400)	2,255,836
Depreciation and amortization	65,895	197,945	134,563	17,930	-	(ii)	1,539,432	1,955,765
Total operating expenses	1,701,092	4,209,109	2,654,153	1,144,137	-			11,116,523
Operating loss	(915,067)	751,023	55,775	127,493	-			(1,520,208)
Other income (expenses):								
Interest income	14,821	-	2,670	216	-	(i)	(14,855)	2,852
Interest expense	(27,151)	(37,229)	(43,836)	(4,929)	-	(i)	14,855	(98,290)
Loss on disposal of assets	(2,744)	(569,617)	-	-	-			(572,361)
Total other income (expenses)	(15,074)	(606,846)	(41,166)	(4,713)	-			(667,799)
Loss before equity in earnings(loss) of non-consolidated affiliates	(930,141)	144,177	14,609	122,780	-			(2,188,007)
Equity in earnings (loss) of non-consolidated affiliate	13,609	-	-	-	-	(iii)	(13,609)	-
Net earnings (loss)	(916,532)	144,177	14,609	122,780	-			(2,188,007)
Net loss attributable to the non-controlling interest	859,351	-	-	-	-	(ii)	143	859,494
Net loss attributable to the IMAC Holdings Inc. stockholders	(57,181)	144,177	14,609	122,780	-			(1,328,513)

Footnotes

[i] To eliminate inter-company management fees and interest on loans

[ii] To record depreciation and amortization arising from purchase accounting adjustments of IMAC Kentucky, IMAC St. Louis, Advanced Therapy, and BioFirma for pre-acquisition periods

[iii] To eliminate redundancy of equity in earnings of IMAC St. Louis for the period prior to acquisition

Units consisting of 1,300,000 Shares of Common Stock
and
Warrants to Purchase up to 1,300,000 Shares of Common Stock
(1,300,000 Shares of Common Stock Underlying the Warrants)

IMAC HOLDINGS, INC.

PROSPECTUS

CUTTONE & CO., LLC **DAWSON JAMES SECURITIES, INC.**

December , 2018

Until , 2019 (25 days after the date of this prospectus), all dealers that buy, sell or trade our securities , whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses and costs expected to be paid by us, other than estimated underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority (FINRA) filing fee and The NASDAQ Capital Market listing fee:

	Amount to be Paid
SEC registration fee	$ 2,251
FINRA filing fee	3,212
Nasdaq listing fee	25,000
Printing and engraving expenses	2,500
Legal fees and expenses	150,000
Accounting fees and expenses	75,000
Transfer agent and registrar fees	5,000
Miscellaneous	6,537
Total	$ 269,500

Each of the amounts set forth above, other than the registration fee and the FINRA filing fee, is an estimate.

ITEM 14. Indemnification of Directors and Officers

Effective as of May 31, 2018, we converted from a Kentucky limited liability company into a Delaware corporation and changed our name to IMAC Holdings, Inc. In connection with this conversion, we adopted a certificate of incorporation and bylaws and are now governed by the Delaware General Corporation Law, or the DGCL. Section 145(a) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if he or she acted under similar standards, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to be indemnified for such expenses which the court shall deem proper.

Section 145 of the DGCL further provides that: (i) to the extent that a former or present director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith; (ii) indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and (iii) the corporation may purchase and maintain insurance on behalf of any present or former director, officer, employee or agent of the corporation or any person who at the request of the corporation was serving in such capacity for another entity against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 145.

In addition, the proposed form of Underwriting Agreement (to be filed by amendment) is expected to provide for indemnification of our directors and officers by the underwriters against certain liabilities.

Article VI of our certificate of incorporation authorizes us to provide for the indemnification of officers, directors and third parties acting on our behalf to the fullest extent permissible under Delaware law.

We intend to enter into indemnification agreements with our directors, executive officers and others, in addition to indemnification provided for in our bylaws, and intend to enter into indemnification agreements with any new directors and executive officers in the future.

We have purchased and intend to maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

See also the undertakings set forth in response to Item 17 herein.

ITEM 15. Recent Sales of Unregistered Securities

Effective June 1, 2018, we converted from a Kentucky limited liability company into a Delaware corporation. In connection with the conversion, all of our outstanding membership interests were exchanged on a proportional basis into shares of common stock. The issuance of shares of common stock to our members in the conversion was exempt from registration under the Securities Act by virtue of the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transactions did not involve a public offering. No underwriters were involved in the issuances.

ITEM 16. Exhibits and Financial Statement Schedules

Exhibit Number	Description
1.1 *	Form of Underwriting Agreement.
3.1	Certificate of Incorporation of IMAC Holdings, Inc.
3.2	Bylaws of IMAC Holdings, Inc.
4.1	Specimen Common Stock Certificate.
4.2	Form of Common Stock Warrant certificate.
4. 3	Form of Warrant Agency Agreement between IMAC Holdings, Inc. and Equity Stock Transfer, LLC.
4. 4 *	Form of Underwriters' Unit Purchase Option.
5.1	Opinion of Olshan Frome Wolosky LLP, as to the legality of the securities being offered.
10.1†	2018 Incentive Compensation Plan (to be effective upon the closing of this offering).
10.2	Form of Indemnification Agreement.
10.3	Form of Securities Purchase Agreement between IMAC Holdings, LLC and investors listed therein.
10.4	Management Services Agreement between IMAC Holdings, LLC and Integrated Medicine and Chiropractic Regeneration Center PSC.
10.5	Unit Purchase Agreement among IMAC Holdings, Inc., IMAC of St. Louis, LLC and certain unitholders of IMAC of St. Louis LLC.
10.6	Promissory Note for $200,000, dated November 15, 2017, to Pinnacle Bank.
10.7	Promissory Note for $101,096, dated March 8, 2017, to Tommy West.
10.8	Promissory Note for $133,555.39, dated September 17, 2014, to Independence Bank of Kentucky.
10.9	Promissory Note for $1,232,500, dated March 29, 2018, to Independence Bank of Kentucky.
10.10	Commercial Line of Credit Agreement, dated July 9, 2017, between Integrated Medicine and Chiropractic Regeneration Center PSC and Independence Bank of Kentucky.
10.11	Promissory Note for $150,000, dated November 15, 2017, to Pinnacle Bank.
10.12	Commercial Line of Credit Agreement, dated May 1, 2018, between Integrated Medicine and Chiropractic Regeneration Center of St. Louis, LLC and Independence Bank of Kentucky.
10.13	Promissory Note, dated May 4, 2016, to Independence Bank of Kentucky.
10.14	Promissory Note for $500,000, dated December 1, 2016, to Edward S. Bredniak Revocable Trust U/A Dated August 14, 2015.
10.15	Promissory Note for $2,000,000, dated June 1, 2018, to Edward S. Bredniak Revocable Trust U/A Dated August 14, 2015.

10.16 Merger Agreement with Clinic Management Associates, LLC

10.17 Unit Purchase Agreement for Advantage Hand Therapy

10.18 Addendum to Merger Agreement with Clinic Management Associates, LLC.

10.19 Addendum to Unit Purchase Agreement among IMAC Holdings, Inc., IMAC of St. Louis, LLC and certain unitholders of IMAC of St. Louis LLC.

14.1 Code of Ethics and Business Conduct.

14.2 Code of Ethics for the CEO and Senior Financial Officers.

21.1 List of subsidiaries.

Exhibit Number	Description
23.1	Consent of Olshan Frome Wolosky LLP (included in the opinion filed as Exhibit 5.1).
23.2	Consent of Daszkal Bolton LLP, independent registered public accountants.
23.3	Consent of David Ellwanger.
23.4	Consent of George Hampton.
23.5	Consent of Dean Weiland.
24.1	Power of Attorney (set forth on signature page of the initial filing of this registration statement).

Unless otherwise indicated, exhibit has been previously filed.

† Compensatory plan or agreement.

* To be filed by amendment.

(b) Financial Statement Schedules

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

ITEM 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(l) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 3 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Brentwood, State of Tennessee, on the 3rd day of December 2018.

IMAC HOLDINGS, INC.

By: */s/ Jeffrey S. Ervin*
Jeffrey S. Ervin
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 3 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Jeffrey S. Ervin Jeffrey S. Ervin	Chief Executive Officer (principal executive officer) and Director	December 3 , 2018
*/s/ Matthew C. Wallis, DC** Matthew C. Wallis, DC	Chief Operating Officer and Director	December 3 , 2018
/s/ D. Anthony Bond, CPA D. Anthony Bond, CPA	Chief Financial Officer (principal financial and accounting officer)	December 3 , 2018
**By*: */s/ Jeffrey S. Ervin* Jeffrey S. Ervin Attorney-in-Fact		December 3 , 2018

EXHIBIT 4.2

FORM OF COMMON STOCK WARRANT CERTIFICATE

IMAC HOLDINGS, INC.

Warrant Shares: _____ Initial Exercise Date: December [●], 2018
Warrant Number: ___-1

CUSIP: [●]

THIS COMMON STOCK PURCHASE WARRANT CERTIFICATE (the "Warrant") certifies that, for value received, Cede & Co. or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after December [●], 2018 (the "Initial Exercise Date") and on or prior to the close of business on the five (5) year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from IMAC HOLDINGS, INC., a Delaware corporation (the "Company"), up to [●] shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant shall initially be issued and maintained in the form of a security held in book-entry form and the Depository Trust Company or its nominee ("DTC") shall initially be the sole registered holder of this Warrant, subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

Section 1. Definitions. The following terms shall have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Registration Statement" means the Company's registration statement on Form S-1 (File No. 333-227385).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for business.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transfer Agent" means Equity Stock Transfer, LLC, the current transfer agent of the Company, with a mailing address of 237 West 37th Street, Suite 602, New York, NY 10018, a phone number of (212) 575-5757, facsimile number (347) 584-3644, and an e-mail address of www.equitystock.com, and any successor transfer agent of the Company.

"Warrant Agency Agreement" means that certain warrant agency agreement, dated as of the Initial Exercise Date, between the Company and the Transfer Agent.

"Warrant Agent" means (i) with respect to Warrants held in book-entry form, Equity Stock Transfer, LLC, and any successor warrant agent of the Company and (ii) with respect to Warrants held through a physical certificate registered in the name of the Holder (other than Cede & Co.), the Company.

"Warrants" means this Warrant and other Common Stock Purchase Warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Subject to the provisions of Section 2(e) herein, exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding the foregoing in this Section 2(a), a holder whose interest in this Warrant is a beneficial interest in certificate(s) representing this Warrant held in book-entry form through DTC (or another established clearing corporation performing similar functions), shall effect exercises made pursuant to this Section 2(a) by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by DTC (or such other clearing corporation, as applicable), subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $_____, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at any time after the Initial Exercise Date, there is no effective registration statement registering, or no current prospectus available for, the issuance of the Warrant Shares to the Holder, then this Warrant may only be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (Eastern time) to 4:02 p.m. (Eastern time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (Eastern time) to 4:02 p.m. (Eastern time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares; provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $1.00 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date (other than any such failure that is solely due to any action or inaction by the Holder with respect to such exercise), and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to all (or substantially all) of the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to all (or substantially all) of holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation.

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction, purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds within five Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction). Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or e-mail a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or e-mail to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 10 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. If this Warrant is not held in global form through DTC (or any successor depositary), this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Warrant Agent (or, with respect to Warrants held through a physical certificate registered in the name of the Holder (other than Cede & Co.), the Company) shall register this Warrant, upon records to be maintained by the Warrant Agent (or, as applicable, the Company) for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company and the Warrant Agent may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the law of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant. If any party shall commence an action or proceeding to enforce any provisions of this Warrant, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile, by e-mail or sent by a nationally recognized overnight courier service, addressed to the Company, at 1605 Westgate Circle, Brentwood, Tennessee 37027, Attention: Mr. Jeffrey S. Ervin, Chief Executive Officer, facsimile number: (615) 505-3033, Email: jervin@imacrc.com, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, by e-mail or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of such Holder appearing on the books of the Warrant Agent. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (Eastern time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (Eastern time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. Notwithstanding any other provision of this Warrant, where this Warrant provides for notice of any event to the Holder, if this Warrant is held in global form by DTC (or any successor depositary), such notice shall be sufficiently given if given to DTC (or any successor depositary) pursuant to the procedures of DTC (or such successor depositary), subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

i) Warrant Agency Agreement. If this Warrant is held in global form through DTC (or any successor depositary), this Warrant is issued subject to the Warrant Agency Agreement. To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

j) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

k) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

l) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

m) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder or the beneficial owner of this Warrant, on the other hand.

n) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

o) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

IMAC HOLDINGS, INC.

By: _____
Name: Jeffrey S. Ervin
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: IMAC HOLDINGS, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:_____

Holder's Address:_____

EXHIBIT 4.3

WARRANT AGENCY AGREEMENT

WARRANT AGENCY AGREEMENT, dated as of December [●], 2018 ("Agreement"), between IMAC Holdings, Inc., a Delaware corporation (the "Company"), and Equity Stock Transfer, LLC (the "Warrant Agent").

W I T N E S S E T H

WHEREAS, pursuant to a registered offering by the Company of units, each unit consisting of one share of common stock, par value $0.001 per share (the "Common Stock"), and one warrant to purchase one share of Common Stock (the "Warrants"), pursuant to an effective registration statement on Form S-1 (File No. 333-227385) (the "Registration Statement"), the Company wishes to issue Warrants in book entry form entitling the respective holders of the Warrants (the "Holders," which term shall include a Holder's transferees, successors and assigns), to purchase an aggregate of up to 1,495,000 shares of Common Stock upon the terms and subject to the conditions hereinafter set forth (the "Offering");

WHEREAS, the shares of Common Stock and Warrants to be issued in connection with the Offering shall be immediately separable and will be issued separately, but will be purchased together in the Offering; and

WHEREAS, the Company wishes the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, registration, transfer, exchange, exercise and replacement of the Warrants and, in the Warrant Agent's capacity as the Company's transfer agent, the delivery of the Warrant Shares.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Affiliate" has the meaning ascribed to it in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(b) "Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which The Nasdaq Stock Market is authorized or required by law or other governmental action to close.

(c) "Close of Business" on any given date means 5:00 p.m., Eastern time, on such date; provided, however, that if such date is not a Business Day it means 5:00 p.m., Eastern time, on the next succeeding Business Day.

(d) "Person" means an individual, corporation, association, partnership, limited liability company, joint venture, trust, unincorporated organization, government or political subdivision thereof or governmental agency or other entity.

(e) "Warrant Certificate" means a certificate in substantially the form attached as Exhibit 1 hereto, representing such number of Warrant Shares as is indicated therein, provided that any reference to the delivery of a Warrant Certificate in this Agreement shall include delivery of notice from the Depositary or a Participant (each as defined below) of the transfer or exercise of Warrant in the form of a Global Warrant (as defined below).

(f) "Warrant Shares" means the shares of Common Stock underlying the Warrants and issuable upon exercise of the Warrants.

All other capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Warrant Certificate.

Section 2. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Warrant Agent hereby accepts such appointment. The Company may from time to time appoint a Co-Warrant Agent with the prior consent of the Warrant Agent, such consent to not be unreasonably withheld, delayed or conditioned. The Warrant Agent shall have no duty to supervise, and will in no event be liable for the acts or omissions of, any co-Warrant Agent.

Section 3. Global Warrants.

(a) The Warrants shall be issuable in book entry form (the "Global Warrants"). All of the Warrants shall initially be represented by one or more Global Warrants deposited with the Warrant Agent and registered in the name of Cede & Co., a nominee of The Depository Trust Company (the "Depositary"), or as otherwise directed by the Depositary. Ownership of beneficial interests in the Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) the Depositary or its nominee for each Global Warrant or (ii) institutions that have accounts with the Depositary (such institution, with respect to a Warrant in its account, a "Participant").

(b) If the Depositary subsequently ceases to make its book-entry settlement system available for the Warrants, the Company may instruct the Warrant Agent regarding other arrangements for book-entry settlement. In the event that the Warrants are not eligible for, or it is no longer necessary to have the Warrants available in, book-entry form, the Warrant Agent shall provide written instructions to the Depositary to deliver to the Warrant Agent for cancellation each Global Warrant, and the Company shall instruct the Warrant Agent to deliver to each Holder a Warrant Certificate.

(c) A Holder has the right to elect at any time or from time to time a Warrant Exchange (as defined below) pursuant to a Warrant Certificate Request Notice (as defined below). Upon written notice by a Holder to the Warrant Agent for the exchange of some or all of such Holder's Global Warrants for a Warrant Certificate evidencing the same number of Warrants, which request shall be in the form attached hereto as Annex A (a "Warrant Certificate Request Notice" and the date of delivery of such Warrant Certificate Request Notice by the Holder, the "Warrant Certificate Request Notice Date" and the deemed surrender upon delivery by the Holder of a number of Global Warrants for the same number of Warrants evidenced by a Warrant Certificate, a "Warrant Exchange"), the Warrant Agent shall promptly effect the Warrant Exchange and shall promptly issue and deliver to the Holder a Warrant Certificate for such number of Warrants in the name set forth in the Warrant Certificate Request Notice. Such Warrant Certificate shall be dated the original issue date of the Warrants, shall be manually executed by an authorized signatory of the Company, shall be in the form attached hereto as Exhibit 1, and shall be reasonably acceptable in all respects to such Holder. In connection with a Warrant Exchange, the Company agrees to deliver, or to direct the Warrant Agent to deliver, the Warrant Certificate to the Holder within three (3) Business Days of the Warrant Certificate Request Notice pursuant to the delivery instructions in the Warrant Certificate Request Notice ("Warrant Certificate Delivery Date"). If the Company fails for any reason to deliver to the Holder the Warrant Certificate subject to the Warrant Certificate Request Notice by the Warrant Certificate Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares evidenced by such Warrant Certificate (based on the VWAP (as defined in the Warrants) of the Common Stock on the Warrant Certificate Request Notice Date), $1.00 per Business Day for each Business Day after such Warrant Certificate Delivery Date until such Warrant Certificate is delivered or, prior to delivery of such Warrant Certificate, the Holder rescinds such Warrant Exchange. The Company covenants and agrees that, upon the date of delivery of the Warrant Certificate Request Notice, the Holder shall be deemed to be the holder of the Warrant Certificate and, notwithstanding anything to the contrary set forth herein, the Warrant Certificate shall be deemed for all purposes to contain all of the terms and conditions of the Warrants evidenced by such Warrant Certificate and the terms of this Agreement, other than Sections 3(c) and 9 herein, shall not apply to the Warrants evidenced by the Warrant Certificate. For purposes of this Section 3(c) only, the term "Holder" shall be deemed to be the owner of record of the Warrant.

Section 4. Form of Warrant Certificates. The Warrant Certificate, together with the form of election to purchase Common Stock ("Exercise Notice") and the form of assignment to be printed on the reverse thereof, shall be in the form of Exhibit 1 hereto.

Section 5. Countersignature and Registration.

(a) The Warrant Certificates shall be executed on behalf of the Company by its Chief Executive Officer, Chief Financial Officer or Vice President, either manually or by facsimile signature. The Warrant Certificates shall be countersigned by the Warrant Agent either manually or by facsimile signature and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer of the Company before countersignature by the Warrant Agent and issuance and delivery by the Company, such Warrant Certificates, nevertheless, may be countersigned by the Warrant Agent, issued and delivered with the same force and effect as though the person who signed such Warrant Certificate had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such an officer.

(b) The Warrant Agent will keep or cause to be kept, at one of its offices, or at the office of one of its agents, books for registration and transfer of the Warrant Certificates issued hereunder. Such books shall show the names and addresses of the respective Holders of the Warrant Certificates, the number of warrants evidenced on the face of each of such Warrant Certificate and the date of each of such Warrant Certificate. The Warrant Agent will create a special account for the issuance of Warrant Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Warrant Certificates; Mutilated, Destroyed, Lost or Stolen Warrant Certificates.

(a) With respect to the Global Warrant, subject to the provisions of the Warrant Certificate and the last sentence of this first paragraph of Section 6 and subject to applicable law, rules or regulations, at any time after the closing date of the Offering, and at or prior to the Close of Business on the Termination Date, any Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants may be transferred, split up, combined or exchanged for another Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants, entitling the Holder to purchase a like number of shares of Common Stock as the Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants surrendered then entitled such Holder to purchase. Any Holder desiring to transfer, split up, combine or exchange any Warrant Certificate or Global Warrant shall make such request in writing delivered to the Warrant Agent, and shall surrender the Warrant Certificate or Warrant Certificates to be transferred, split up, combined or exchanged at the principal office of the Warrant Agent, provided that no such surrender is applicable to the Holder of a Global Warrant. Any requested transfer of Warrants, whether in book-entry form or certificate form, shall be accompanied by reasonable evidence of authority of the party making such request that may be required by the Warrant Agent. Thereupon the Warrant Agent shall, subject to the last sentence of this first paragraph of Section 6, countersign and deliver to the Person entitled thereto a Warrant Certificate or Warrant Certificates, as the case may be, as so requested. The Company may require payment from the Holder of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Warrant Certificates. The Company shall compensate the Warrant Agent per the fee schedule mutually agreed upon by the parties hereto and provided separately on the date hereof.

(b) Upon receipt by the Warrant Agent of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of a Warrant Certificate, which evidence shall include an affidavit of loss, or in the case of mutilated certificates, the certificate or portion thereof remaining, and, in case of loss, theft or destruction, of indemnity in customary form and amount, provision of a bond and satisfaction of any other reasonable requirements established by Section 8-405 of the Uniform Commercial Code as in effect in the State of Delaware, and reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto, and upon surrender to the Warrant Agent and cancellation of the Warrant Certificate if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor to the Warrant Agent for delivery to the Holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Warrants; Exercise Price; Termination Date.

(a) The Warrants shall be exercisable commencing on the Initial Exercise Date. The Warrants shall cease to be exercisable and shall terminate and become void, and all rights thereunder and under this Agreement shall cease, at or prior to the Close of Business on the Termination Date. Subject to the foregoing and to Section 7(b) below, the Holder of a Warrant may exercise the Warrant in whole or in part upon surrender of the Warrant Certificate, if required, with the executed Exercise Notice and payment of the Exercise Price, which may be made, at the option of the Holder, by wire transfer or by certified or official bank check in United States dollars, to the Company at the principal office of the Company or to the office of one of its agents as may be designated by the Company from time to time. In the case of the Holder of a Global Warrant, the Holder shall deliver the executed Exercise Notice and the payment of the Exercise Price as described herein. Notwithstanding any other provision in this Agreement, a holder whose interest in a Global Warrant is a beneficial interest in a Global Warrant held in book-entry form through the Depositary (or another established clearing corporation performing similar functions), shall effect exercises by delivering to the Depositary (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by the Depositary (or such other clearing corporation, as applicable). Notwithstanding anything herein to the contrary, the Company acknowledges and agrees that upon delivery of an Exercise Notice or upon a Holder instructing its Participant to exercise, such Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to such exercise, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) by 12:00 p.m. Eastern Time on the third Trading Day (as defined in the Warrant Certificate) and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in the Warrant Certificate), following delivery of the Exercise Notice.

(b) Upon the Company's receipt of a Warrant Certificate at or prior to the Close of Business on the Termination Date set forth in such Warrant Certificate, with the executed Exercise Notice, accompanied by payment of the Exercise Price for the shares to be purchased (other than in the case of a Cashless Exercise) and an amount equal to any applicable tax, governmental charge or expense reimbursement referred to in Section 6 in cash, or by certified check or bank draft payable to the order of the Company (or, in the case of the Holder of a Global Warrant, the delivery of the executed Exercise Notice and the payment of the Exercise Price (other than in the case of a Cashless Exercise) and any other applicable amounts as set forth herein), the Company shall cause the Warrant Agent to, and the Warrant Agent shall, deliver the Warrant Shares underlying such Warrant Certificate or Global Warrant to or upon the order of the Holder of such Warrant Certificate or Global Warrant, registered in such name or names as may be designated by such Holder, no later than the Warrant Share Delivery Date. If the Company is then a participant in the DWAC system of the Depositary and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) the Warrant is being exercised via Cashless Exercise, then the certificates for Warrant Shares shall be transmitted by the Warrant Agent to the Holder by crediting the account of the Holder's broker with the Depositary through its DWAC system. For the avoidance of doubt, if the Company becomes obligated to pay any amounts to any Holders pursuant to Section 2(d)(i) or 2(d)(iv) of the Warrant Certificate, such obligation shall be solely that of the Company and not that of the Warrant Agent. Notwithstanding anything else to the contrary in this Agreement, except in the case of a Cashless Exercise, if any Holder fails to duly deliver payment to the Company of an amount equal to the aggregate Exercise Price of the Warrant Shares to be purchased upon exercise of such Holder's Warrant as set forth in Section 7(a) hereof, the Company will not obligated to cause the Warrant Agent to deliver certificates representing any such Warrant Shares (via DWAC or otherwise) until following receipt of such payment, and the applicable Warrant Share Delivery Date shall be deemed extended by one day for each day (or part thereof) until such payment is delivered to the Warrant Agent.

(c) In case the Holder of any Warrant Certificate shall exercise fewer than all Warrants evidenced thereby, a new Warrant Certificate evidencing the number of Warrants equivalent to the number of Warrants remaining unexercised may be issued by the Warrant Agent to the Holder of such Warrant Certificate or to his duly authorized assigns in accordance with Section 2(d)(ii) of the Warrant Certificate, subject to the provisions of Section 6 hereof.

Section 8. Cancellation and Destruction of Warrant Certificates. All Warrant Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Warrant Agent for cancellation or in canceled form, or, if surrendered to the Warrant Agent, shall be canceled by it, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Warrant Agent for cancellation and retirement, and the Warrant Agent shall so cancel and retire, any other Warrant Certificate purchased or acquired by the Company otherwise than upon the exercise thereof.

Section 9. Certain Representations; Reservation and Availability of Shares of Common Stock or Cash.

(a) This Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Warrant Agent, constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, and the Warrants have been duly authorized, executed and issued by the Company and, assuming due authentication thereof by the Warrant Agent pursuant hereto and payment therefor by the Holders as provided in the Registration Statement, constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms and entitled to the benefits hereof; in each case except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) As of the date hereof, the authorized common stock of the Company consists of 30,000,000 shares of Common Stock, of which [●] of Common Stock are issued and outstanding, [●] shares of Common Stock are reserved for issuance upon exercise of the Company's outstanding options and warrants, [●] shares of Common Stock are reserved for issuance upon conversion of the Company's other outstanding derivative securities, including, without limitation, 1,495,000 shares of Common Stock are reserved for issuance upon exercise of the Warrants. Except as disclosed in the Registration Statement, there are no other outstanding obligations, warrants, options or other rights to subscribe for or purchase from the Company any class of capital stock of the Company.

(c) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Common Stock or its authorized and issued shares of Common Stock held in its treasury, free from preemptive rights, the number of shares of Common Stock that will be sufficient to permit the exercise in full of all outstanding Warrants.

(d) The Warrant Agent will create a reserve account, into which shall be reserved such number of shares of Common Stock that are issuable upon the exercise of the Warrants in full, and from such reserve account shall the Common Stock be issued upon the exercise of Warrants.

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the original issuance or delivery of the Warrant Certificates or certificates evidencing Common Stock upon exercise of the Warrants. The Company shall not, however, be required to pay any tax or governmental charge which may be payable in respect of any transfer involved in the transfer or delivery of Warrant Certificates or the issuance or delivery of certificates for Common Stock in a name other than that of the Holder of the Warrant Certificate evidencing Warrants surrendered for exercise or to issue or deliver any certificate for shares of Common Stock upon the exercise of any Warrants until any such tax or governmental charge shall have been paid (any such tax or governmental charge being payable by the Holder of such Warrant Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax or governmental charge is due.

Section 10. Common Stock Record Date. Each Person in whose name any certificate for shares of Common Stock is issued (or to whose broker's account is credited shares of Common Stock through the DWAC system) upon the exercise of Warrants shall for all purposes be deemed to have become the holder of record for the Common Stock represented thereby on, and such certificate shall be dated the date upon which the Warrant Certificate evidencing such Warrant was duly surrendered (but only if required herein) and payment of the Exercise Price (and any applicable transfer taxes) and submission of the Exercise Notice was made; provided, however, that if the date of such surrender (if applicable), payment and submission is a date upon which the Common Stock transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding day on which the Common Stock transfer books of the Company are open.

Section 11. Adjustment of Exercise Price, Number of Shares of Common Stock or Number of the Company Warrants. The Exercise Price, the number of shares covered by each Warrant and the number of Warrants outstanding are subject to adjustment from time to time as provided in Section 3 of the Warrant Certificate. In the event that at any time, as a result of an adjustment made pursuant to Section 3 of the Warrant Certificate, the Holder of any Warrant thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock, thereafter the number of such other shares so receivable upon exercise of any Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the shares contained in Section 3 of the Warrant Certificate, and the provisions of Sections 7, 9 and 13 of this Agreement with respect to the shares of Common Stock shall apply on like terms to any such other shares. All Warrants originally issued by the Company subsequent to any adjustment made to the Exercise Price pursuant to the Warrant Certificate shall evidence the right to purchase, at the adjusted Exercise Price, the number of shares of Common Stock purchasable from time to time hereunder upon exercise of the Warrants, all subject to further adjustment as provided herein.

Section 12. Certification of Adjusted Exercise Price or Number of Shares of Common Stock. Whenever the Exercise Price or the number of shares of Common Stock issuable upon the exercise of each Warrant is adjusted as provided in Section 11 or 13, the Company shall (a) promptly prepare a certificate setting forth the Exercise Price of each Warrant as so adjusted, and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Warrant Agent and with each transfer agent for the Common Stock a copy of such certificate and (c) instruct the Warrant Agent to send a copy thereof to each Holder of a Warrant Certificate.

Section 13. Fractional Shares of Common Stock.

(a) The Company shall not issue fractions of Warrants or distribute Warrant Certificates which evidence fractional Warrants. Whenever any fractional Warrant would otherwise be required to be issued or distributed, the actual issuance or distribution shall reflect a rounding up of such fraction to the nearest whole Warrant.

(b) The Company shall not issue fractions of shares of Common Stock upon exercise of Warrants or distribute stock certificates which evidence fractional shares of Common Stock. Whenever any fraction of a share of Common Stock would otherwise be required to be issued or distributed, the actual issuance or distribution in respect thereof shall be made in accordance with Section 2(d)(v) of the Warrant Certificate.

Section 14. Conditions of the Warrant Agent's Obligations. The Warrant Agent accepts its obligations herein set forth upon the terms and conditions hereof, including the following to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrant Certificates shall be subject:

(a) Compensation and Indemnification. The Company agrees promptly to pay the Warrant Agent the compensation detailed on Exhibit 2 hereto for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for reasonable out-of-pocket expenses (including reasonable counsel fees) incurred without gross negligence, bad faith or willful misconduct by the Warrant Agent in connection with the services rendered hereunder by the Warrant Agent. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on the part of the Warrant Agent, arising out of or in connection with its acting as Warrant Agent hereunder, including the reasonable costs and expenses of defending against any claim of such liability.

(b) Agent for the Company. In acting under this Warrant Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligations or relationship of agency or trust for or with any of the Holders of Warrant Certificates or beneficial owners of Warrants.

(c) Counsel. The Warrant Agent may consult with counsel satisfactory to it, which may include counsel for the Company, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice of such counsel.

(d) Documents. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted by it in reliance upon any Warrant Certificate, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) Certain Transactions. The Warrant Agent, and its officers, directors and employees, may become the owner of, or acquire any interest in, Warrants, with the same rights that it or they would have if it were not the Warrant Agent hereunder, and, to the extent permitted by applicable law, it or they may engage or be interested in any financial or other transaction with the Company and may act on, or as depositary, trustee or agent for, any committee or body of Holders of Warrant Securities or other obligations of the Company as freely as if it were not the Warrant Agent hereunder. Nothing in this Warrant Agreement shall be deemed to prevent the Warrant Agent from acting as trustee under any indenture to which the Company is a party.

(f) No Liability for Interest. Unless otherwise agreed with the Company, the Warrant Agent shall have no liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Warrant Certificates.

(g) No Liability for Invalidity. The Warrant Agent shall have no liability with respect to any invalidity of this Agreement or any of the Warrant Certificates (except as to the Warrant Agent's countersignature thereon).

(h) No Responsibility for Representations. The Warrant Agent shall not be responsible for any of the recitals or representations herein or in the Warrant Certificates (except as to the Warrant Agent's countersignature thereon), all of which are made solely by the Company.

(i) No Implied Obligations. The Warrant Agent shall be obligated to perform only such duties as are herein and in the Warrant Certificates specifically set forth and no implied duties or obligations shall be read into this Agreement or the Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the Warrant Certificates. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the case of the receipt of any written demand from a Holder of a Warrant Certificate with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law.

Section 15. Purchase or Consolidation or Change of Name of Warrant Agent.

(a) Any corporation into which the Warrant Agent or any successor Warrant Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Warrant Agent or any successor Warrant Agent shall be party, or any corporation succeeding to the corporate trust business of the Warrant Agent or any successor Warrant Agent, shall be the successor to the Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 17. In case at the time such successor Warrant Agent shall succeed to the agency created by this Agreement any of the Warrant Certificates shall have been countersigned but not delivered, any such successor Warrant Agent may adopt the countersignature of the predecessor Warrant Agent and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

(b) In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent may adopt the countersignature under its prior name and deliver Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

Section 16. Duties of Warrant Agent. The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company, by its acceptance hereof, shall be bound:

(a) The Warrant Agent may consult with legal counsel reasonably acceptable to the Company (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Warrant Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chief Executive Officer, Chief Financial Officer or Vice President of the Company; and such certificate shall be full authentication to the Warrant Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) Subject to the limitation set forth in Section 14, the Warrant Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct, or for a breach by it of this Agreement.

(d) The Warrant Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Warrant Certificates (except its countersignature thereof) by the Company or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant Certificate; nor shall it be responsible for the adjustment of the Exercise Price or the making of any change in the number of shares of Common Stock required under the provisions of Section 11 or 13 or responsible for the manner, method or amount of any such change or the ascertaining of the existence of facts that would require any such adjustment or change (except with respect to the exercise of Warrants evidenced by Warrant Certificates after actual notice of any adjustment of the Exercise Price); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrant Certificate or as to whether any shares of Common Stock will, when issued, be duly authorized, validly issued, fully paid and nonassessable.

(f) Each party hereto agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the other party hereto for the carrying out or performing by any party of the provisions of this Agreement.

(g) The Warrant Agent is hereby authorized to accept instructions with respect to the performance of its duties hereunder from the Chief Executive Officer, Chief Financial Officer or Vice President of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable and shall be indemnified and held harmless for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer, provided Warrant Agent carries out such instructions without gross negligence, bad faith or willful misconduct.

(h) The Warrant Agent and any shareholder, director, officer or employee of the Warrant Agent may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorney or agents, and the Warrant Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorney or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

Section 17. Change of Warrant Agent. The Warrant Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing sent to the Company and to each transfer agent of the Common Stock, and to the Holders of record of the Warrant Certificates. The Company may remove the Warrant Agent or any successor Warrant Agent upon 30 days' notice in writing, sent to the Warrant Agent or successor Warrant Agent, as the case may be, and to each transfer agent of the Common Stock, and to the Holders of the Warrant Certificates. If the Warrant Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Warrant Agent or by the Holder of a Warrant Certificate (who shall, with such notice, submit his Warrant Certificate for inspection by the Company), then the Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new Warrant Agent, provided that, for purposes of this Agreement, the Company shall be deemed to be the Warrant Agent until a new warrant agent is appointed. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of a state thereof, in good standing, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Warrant Agent a combined capital and surplus of at least $50,000,000. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed; but the predecessor Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Warrant Agent and each transfer agent of the Common Stock, and mail a notice thereof in writing to the Holders of the Warrant Certificates. However, failure to give any notice provided for in this Section 17, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Warrant Agent or the appointment of the successor Warrant Agent, as the case may be.

Section 18. Issuance of New Warrant Certificates. Notwithstanding any of the provisions of this Agreement or of the Warrants to the contrary, the Company may, at its option, issue new Warrant Certificates evidencing Warrants in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price per share and the number or kind or class of shares of stock or other securities or property purchasable under the several Warrant Certificates made in accordance with the provisions of this Agreement.

Section 19. Notices. Notices or demands authorized by this Agreement to be given or made (i) by the Warrant Agent or by the Holder of any Warrant Certificate to or on the Company, (ii) subject to the provisions of Section 17, by the Company or by the Holder of any Warrant Certificate to or on the Warrant Agent or (iii) by the Company or the Warrant Agent to the Holder of any Warrant Certificate, shall be deemed given (a) on the date delivered, if delivered personally, (b) on the first Business Day following the deposit thereof with Federal Express or another recognized overnight courier, if sent by Federal Express or another recognized overnight courier, (c) on the fourth Business Day following the mailing thereof with postage prepaid, if mailed by registered or certified mail (return receipt requested), and (d) the date of transmission, if such notice or communication is delivered via facsimile or email attachment at or prior to 5:30 p.m. (Eastern time) on a Business Day and (e) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email attachment on a day that is not a Business Day or later than 5:30 p.m. (Eastern time) on any Business Day, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to the Company, to:

IMAC Holdings, Inc.
1605 Westgate Circle
Brentwood, Tennessee 37027
Attention: Mr. Jeffrey S. Ervin, CEO
Facsimile: (615) 505-3033
Email: jervin@imacrc.com

(b) If to the Warrant Agent, to:

Equity Stock Transfer, LLC
237 West 37th Street, Suite 602
New York, NY 10018
Attention: Ms. Nora Marckwordt, Director of Operations
Facsimile: (347) 584-3644
Email: nora@equitystock.com

For any notice delivered by email to be deemed given or made, such notice must be followed by notice sent by overnight courier service to be delivered on the next business day following such email, unless the recipient of such email has acknowledged via return email receipt of such email.

(c) If to the Holder of any Warrant Certificate, to the address of such Holder as shown on the registry books of the Company. Any notice required to be delivered by the Company to the Holder of any Warrant may be given by the Warrant Agent on behalf of the Company. Notwithstanding any other provision of this Agreement, where this Agreement provides for notice of any event to a Holder of any Warrant, such notice shall be sufficiently given if given to the Depositary (or its designee) pursuant to the procedures of the Depositary or its designee.

Section 20. Supplements and Amendments.

(a) The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any Holders of Global Warrant Certificates in order to add to the covenants and agreements of the Company for the benefit of the Holders of the Global Warrant Certificates or to surrender any rights or power reserved to or conferred upon the Company in this Agreement, provided that such addition or surrender shall not adversely affect the interests of the Holders of the Global Warrant Certificates in any material respect.

(b) In addition to the foregoing, with the consent of Holders of Warrants entitled, upon exercise thereof, to receive not less than a majority of the shares of Common Stock issuable thereunder, the Company and the Warrant Agent may modify this Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Warrant Agreement or modifying in any manner the rights of the Holders of the Global Warrant Certificates; provided, however, that no modification of the terms (including but not limited to the adjustments described in Section 11) upon which the Warrants are exercisable or reducing the percentage required for consent to modification of this Agreement may be made without the consent of the Holder of each outstanding warrant certificate affected thereby. As a condition precedent to the Warrant Agent's execution of any amendment, the Company shall deliver to the Warrant Agent a certificate from a duly authorized officer of the Company that states that the proposed amendment complies with the terms of this Section 20.

Section 21. Successors. All covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 22. Benefits of this Agreement. Nothing in this Agreement shall be construed to give any Person other than the Company, the Holders of Warrant Certificates and the Warrant Agent any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the Holders of the Warrant Certificates.

Section 23. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be governed by and construed in accordance with the law of the State of New York, without regard to the principles of conflicts of law thereof.

Section 24. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 25. Captions. The captions of the sections of this Agreement have been inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 26. Information. The Company agrees to promptly provide to the Holders of the Warrants any information it provides to the holders of the Common Stock, except to the extent any such information is publicly available on the EDGAR system (or any successor thereof) of the Securities and Exchange Commission.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

IMAC HOLDINGS, INC.

By: _____
Name: Jeffrey S. Ervin
Title: Chief Executive Officer

EQUITY STOCK TRANSFER, LLC

By: _____
Name:
Title:

Annex A: Form of Warrant Certificate Request Notice

WARRANT CERTIFICATE REQUEST NOTICE

To: Equity Stock Transfer, LLC as Warrant Agent for IMAC Holdings, Inc. (the "Company")

The undersigned Holder of Common Stock Purchase Warrants ("Warrants") in the form of Global Warrants issued by the Company hereby elects to receive a Warrant Certificate evidencing the Warrants held by the Holder as specified below:

1. Name of Holder of Warrants in form of Global Warrants: _____

2. Name of Holder in Warrant Certificate (if different from name of Holder of Warrants in form of Global Warrants): _____

3. Number of Warrants in name of Holder in form of Global Warrants: _____

4. Number of Warrants for which Warrant Certificate shall be issued: _____

5. Number of Warrants in name of Holder in form of Global Warrants after issuance of Warrant Certificate, if any: _____

6. Warrant Certificate shall be delivered to the following address:

_____

_____

_____

_____

The undersigned hereby acknowledges and agrees that, in connection with this Warrant Exchange and the issuance of the Warrant Certificate, the Holder is deemed to have surrendered the number of Warrants in form of Global Warrants in the name of the Holder equal to the number of Warrants evidenced by the Warrant Certificate.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

OLSHAN

1325 AVENUE OF THE AMERICAS • NEW YORK, NEW YORK 10019
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

December 3 , 2018

IMAC Holdings, Inc.
1605 Westgate Circle
Brentwood, Tennessee 37027

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to IMAC Holdings, Inc., a Delaware corporation (the "Company"), in connection with the registration of (i) 1,300,000 units (the "Units"), which consist of (ii) 1,300,00 shares (the "Offering Shares") of the Company's common stock, par value $0.001 per share ("Common Stock"), and (iii) warrants (the "Offering Warrants") to purchase up to an aggregate of 1,300,000 shares of Common Stock, (iv) 1,300,000 shares of Common Stock issuable upon exercise of the Offering Warrants, (v) a unit purchase option to purchase up to 4% of the Offering Shares and the Offering Warrants sold to investors granted to Cuttone & Co., LLC, as representative of the several Underwriters (the "Underwriters"), by the Company (the "Unit Purchase Option"), (vi) 52,000 shares of Common Stock (the "Underwriter Shares") and warrants to purchase up to an aggregate of 52,000 shares of Common Stock (the "Underwriter Warrants") included in the Unit Purchase Option that may be purchased by the Underwriters upon exercise of the Unit Purchase Option, (vii) 195,000 shares of Common Stock issuable to the Underwriters pursuant to the exercise of the Underwriters' over-allotment option (the "Over-Allotment Shares" and, together with the Offering Shares and the Underwriter Shares, the "Shares"), (vii i) warrants to purchase up to an aggregate of 195,000 shares of Common Stock issuable to the Underwriters pursuant to the exercise of the Underwriters' over-allotment option (the "Over-Allotment Warrants" and, together with the Underwriter Warrants and the Offering Warrants, the "Warrants"), (ix) 195,000 shares of Common Stock issuable upon exercise of the Over-Allotment Warrants (together with the shares of Common Stock issuable upon exercise of the Offering Warrants described in clause (iii) and the shares of Common Stock issuable upon exercise of the Underwriter Warrants described in clause (vi), the "Warrant Shares"), pursuant to a Registration Statement on Form S-1 under the Securities Act of 1933, as amended (the "Securities Act"), originally filed with the Securities and Exchange Commission (the "Commission") on September 17, 2018 (Registration No. 333-227385), as amended to date (the "Registration Statement"). The Units, the Shares, the Warrants and the Warrant Shares are referred to herein collectively as the "Securities."

The opinion expressed herein is limited exclusively to (i) the General Corporation Law of the State of Delaware (the "DGCL") and (ii) the laws of the State of New York, in each case as in effect on the date hereof, and we have not considered, and express no opinion on, any other laws or the laws of any other jurisdiction.

In rendering the opinions expressed herein, we have examined and relied upon the originals, or copies certified to our satisfaction, of (i) the Registration Statement and the prospectus included therein (the "Prospectus"), and all exhibits thereto; (ii) the Company's Certificate of Incorporation and any amendments to date certified by the Secretary of State of the State of Delaware; (iii) the Company's By-laws and any amendments to date certified by the Secretary of the Company; (iv) the minutes and records of the corporate proceedings of the Company with respect to the authorization of the issuance of the Securities covered by the Registration Statement and related matters thereto; (v) the form of Warrant, (vii) the form of U nderwriting A greement pursuant to which the Securities are to be sold (the "Underwriting Agreement"), (viii) the form of the Warrant Agency Agreement pursuant to which the offering warrants are to be issued, (ix) the form of Unit Purchase Option, (x) the form of Common Stock certificate, and (xi) such other records, documents and instruments as we have deemed necessary for the expression of the opinions stated herein.

In making the foregoing examinations, we have assumed the genuineness of all signatures (other than those of the Company), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies thereof and the authenticity of the originals of such latter documents. As to all questions of fact material to this opinion, where such facts have not been independently established, we have relied, to the extent we have deemed reasonably appropriate, upon representations or certificates of officers of the Company or governmental officials and representations of the Company in the Agreements.

Based upon and subject to the foregoing and to the other qualifications and limitations set forth herein, we are of the opinion that the (1) Shares have been duly authorized and will be validly issued, fully paid and non-assessable; (2)(a) when issued by the Company in accordance with and in the manner described in the Prospectus, the Offering Warrants, (b) when issued by the Company in accordance with and in the manner described in the Prospectus and the Underwriting Agreement, the Units and the Unit Purchase Option, (c) when issued by the Company in accordance with the manner described in the Prospectus and the Unit Purchase Option, the Underwriter Warrants, and (d) when issued by the Company in accordance with the Prospectus and the Underwriting Agreement, the Over-Allotment Warrants, will be legally binding obligations of the Company in accordance with their terms, except that with respect to the Warrants and the Unit Purchase Option: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law), (ii) as enforceability of any indemnification or contribution provision may be limited under the Federal and state securities laws, and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought; and (3) the Warrant Shares have been duly authorized, and if, as and when issued in accordance with the terms of the Warrants, will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement and any abbreviated registration statements relating thereto that may be filed to register additional securities identical to those covered by the Registration Statement (including a registration statement filed pursuant to Rule 462(b) under the Securities Act), and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting part of such Registration Statement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Olshan Frome Wolosky LLP

OLSHAN FROME WOLOSKY LLP

EXHIBIT 10.16

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER ("**Agreement**"), dated as of June 29, 2018, by and between IMAC Management Services LLC, a Kentucky limited liability company ("**Acquiror**"), and Clinic Management Associates of KY LLC, a Kentucky limited liability company (the "**Company**").

WHEREAS, the respective governing bodies of the Acquiror and the Company have each approved and adopted this Agreement and the transactions contemplated by this Agreement, in each case after making a determination that this Agreement and such transactions are advisable and fair to, and in the best interests of, such company and its unitholders; and

WHEREAS, pursuant to the transactions contemplated by this Agreement and on the terms and subject to the conditions set forth herein, the Company, in accordance with the Kentucky Limited Liability Company Act ("**KYLLCA**"), will merge with and into the Acquiror, with the Acquiror as the surviving corporation (the "**Merger**"); and

WHEREAS, for US federal income tax purposes, the parties intend that the Merger qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Section 275.345 of the KYLLCA, the Company shall be merged with and into the Acquiror at the Effective Time (as hereinafter defined). Following the Effective Time, the separate corporate existence of the Company shall cease, and the Acquiror shall continue as the surviving corporation (the "**Surviving Corporation**"). The effects and consequences of the Merger shall be as set forth in this Agreement and the KYLLCA.

2. Effective Time.

(a) Subject to the provisions of this Agreement, on the date hereof, the parties shall duly prepare, execute and file articles of merger (the "**Articles of Merger**") complying with Section 275.360 of the KYLLCA with the Secretary of State of the Commonwealth of Kentucky with respect to the Merger. The Merger shall become effective upon the earlier of the date first written above or the filing of the Articles of Merger (the "**Effective Time**").

(b) The Merger shall have the effects set forth in the KYLLCA, including without limitation, Section 275.365 of the KYLLCA. Without limiting the generality of the foregoing, from the Effective Time, (i) all the properties, rights, privileges, immunities, powers and franchises of the Company shall vest in the Acquiror, as the Surviving Corporation, and (ii) all debts, liabilities, obligations and duties of the Company shall become the debts, liabilities, obligations and duties of the Acquiror, as the Surviving Corporation.

3. Organizational Documents. The operating agreement of the Acquiror in effect at the Effective Time shall be the operating agreement of the Surviving Corporation until thereafter amended as provided therein or by the KYLLCA, and the articles of organization of the Acquiror in effect at the Effective Time, as amended pursuant to the Articles of Merger, shall be the articles of organization of the Surviving Corporation until thereafter amended as provided therein or by the KYLLCA.

4. Directors and Officers. The directors, managers and officers of the Acquiror immediately prior to the Effective Time shall be the directors, managers and officers of the Surviving Corporation from and after the Effective Time and shall hold office until the earlier of their respective death, resignation or removal or their respective successors are duly elected or appointed and qualified in the manner provided for in the articles of organization and operating agreement of the Surviving Corporation or as otherwise provided by the KYLLCA.

5. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of the Acquiror or the Company or the holders of shares of capital stock of the Company:

(a) each share of Units of the Company, with no par value per share ("**Company Units**"), issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive four million, five hundred ninety-eight thousand, five hundred seventy six dollars ($4,598,576.00) ("**Transaction Value**") or five hundred seventy-four thousand, eight hundred twenty-two shares of validly issued, fully paid and non-assessable share, .001 par value per store, of IMAC Holdings, Inc., a Delaware corporation ("**Surviving Company's Parent Stock**");

(b) each share of Company Units that is owned by the Acquiror or the Company (as treasury stock or otherwise) will automatically be canceled and retired and will cease to exist, and no consideration will be delivered in exchange therefor; and

(c) each share of capital stock of Acquiror issued and outstanding immediately prior to the Effective Time shall remain outstanding following the consummation of the Merger.

(d) the Company Units may be redeemed entirely or partially in the form of cash or mutually agreeable promissory note for the Transaction Value.

6. No Dissenting Shares. All holders of Company Units issued and outstanding immediately prior to the Effective Time voted in favor of adoption of this Agreement or consented thereto in writing.

7. Certificates. Upon surrender by the unitholders of the Company of the certificate or certificates (the "**Certificates**") that immediately prior to the Effective Time evidenced outstanding shares of Company Units to Acquiror for cancellation, together with a duly executed letter of transmittal and such other documents as Acquiror shall require, the holder of such Certificates shall be entitled to receive in exchange therefor one or more shares of Surviving Company's Parent Stock representing, in the aggregate, the whole number of shares that such holder has the right to receive pursuant to Section 5 after taking into account all Company Units then held by such holder. Each Certificate surrendered pursuant to the previous sentence shall forthwith be canceled. Until so surrendered and exchanged, each such Certificate shall, after the Effective Time, be deemed to represent only the right to receive shares of Surviving Company's Parent Stock pursuant to Section 5, and until such surrender or exchange, no such shares of Surviving Company's Parent Stock shall be delivered to the holder of such outstanding Certificate in respect thereof.

8. Submission to Service of Process. The Surviving Corporation agrees that it may be served with process in the Commonwealth of Kentucky in any proceeding for enforcement of any obligation of any constituent company of Kentucky, as well as the enforcement of any obligation of the Surviving Corporation arising from this merger and irrevocably appoints the Secretary of Commonwealth of Kentucky as its agent to accept services of process in any such suit or proceeding. The Secretary of State shall mail a copy of any such process to the surviving corporation at 2725 James Sanders Blvd., Paducah, KY 42001.

9. Entire Agreement. This Agreement together with the Articles of Merger constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, representations and warranties, and agreements, both written and oral, with respect to such subject matter.

10. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

12. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

13. Amendment and Modification: Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

14. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Kentucky.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

IMAC Management Services LLC

By: */s/ Jeff Ervin*
Name: Jeff Ervin
Title: CEO

Clinic Management Associates of KY LLC

By: */s/ Matt Wallis*
Name: Matt Wallis
Title: Member

By: */s/ Jason Brame*
Name: Jason Brame
Title: Member

EXHIBIT 10.17

UNIT PURCHASE AGREEMENT

dated as of July 31, 2018

by and among

IMAC HOLDINGS INC., a Delaware corporation,

ADVANTAGE HAND THERAPY AND ORTHOPEDIC REHABILITATION, LLC,

a Missouri limited liability company

and

Charles Renner, sole Unitholder of

ADVANTAGE HAND THERAPY AND ORHTOPEDIC REHABILITATION, LLC

Table of Contents

UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (this **"Agreement"**), dated as of July 31, 2018, is by and among IMAC Holdings Inc., a Delaware corporation (**"Holdings"**), Advantage Hand Therapy and Orthopedic Rehabilitation, LLC, a Missouri limited liability company (the **"Company"**), and Charles Renner, sole Unitholder of the Company (collectively, the **"Unitholder"**). Certain capitalized terms used herein are defined in Section 8.12.

RECITALS

WHEREAS, as of the date of this Agreement, the outstanding membership interests in the Company consist of 1 unit (the **"Units"** and those units of membership interests, the **"Interests"**);

WHEREAS, as of the date hereof, the Unitholder owns 100% of the outstanding Interests;

WHEREAS, the parties desire to enter into this Agreement to provide for the acquisition by Holdings of the Company through the purchase by Holdings from the Unitholder of the Interests.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I
THE UNIT PURCHASE

Section 1.1 Purchase and Sale of the Interests. Upon the terms and subject to the conditions of this Agreement, the Unitholder agrees to sell to Holdings, and Holdings agrees to purchase from the Unitholder, the Units at the Closing (the **"Unit Purchase"**). The purchase price for the Interests shall be equal to the dollar amount represented by .7 times the total Collections from payments for service in Company account from June 1, 2017 to May 31, 2018 and shall be paid in the form as follows, subject to adjustment as provided in Section 1.4 and offset as provided in Section 5.3(c):

(a) Twenty-two thousand, nine hundred thirty dollars and ninety-four cents ($22,930.94) in the form of cash payable at the Closing (the **"Cash Consideration"**); and

(b) 108,750 shares of common stock, par value $0.001 per share (the **"Holdings Shares"**), of Holdings (the **"Stock Consideration"** and, together with the Cash Consideration, the **"Total Consideration"**).

Payment of the Cash Consideration shall be made in immediately available funds to Unitholder no more than five Business Days after the Closing Date. Payment of the Stock Consideration shall be based on the gross price per share of the Holdings Shares received by Holdings (or otherwise calculable) in the last round of financing by Holdings of any of its shares of common stock, preferred stock or any other equity or equity-linked securities in a third-party financing transaction; provided, that, in the event an agreement or letter of intent for an initial public offering (which offering includes Holdings' contemplated public offering), is executed by Holdings establishing a valuation of Holdings and is actively in the process of being completed, the price shall not be less than the price per share of Holding Shares established (or calculable) in the agreement or letter of intent for such public offering.

Section 1.2 Closing. The closing of the Contemplated Transactions (the "**Closing**") will take place at a time and on a date to be specified by the parties (the "**Closing Date**"), which shall be August 1, 2018, or no later than the second Business Day after satisfaction or waiver (to the extent legally permissible) of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), at the offices of Olshan Frome Wolosky LLP, 1325 Avenue of the Americas, 15th Floor, New York, New York 10019, or at such other time, date or place as agreed to in writing by the parties hereto. At the Closing, the Unitholder will deliver to Holdings good and valid title to the Interests, free and clear of all Encumbrances, together with a certificate(s) for the Interests duly endorsed or accompanied by a power(s) duly endorsed in blank, with any required transfer stamps affixed thereto, against payment or delivery of the Total Consideration.

Section 1.3 Working Capital Adjustment.

(a) The Company and the Unitholder shall use commercially reasonable efforts to ensure that as of the close of business on the day prior to the Closing Date, the Company shall have Closing Date Working Capital in the amount of $75,000 (the **"Working Capital Threshold"**). Before the Closing Date, the Unitholder shall prepare, or cause to be prepared, in consultation with Holdings, and deliver to Holdings a statement (the **"Estimated Closing Date Working Capital Statement"**), which shall be subject to the prior review and approval of Holdings, setting forth the estimated Company Working Capital as of the close of business on the day prior to the Closing Date (the **"Estimated Closing Date Working Capital"**). The **"Company Working Capital"** shall be equal to the current assets minus the current liabilities of the Company (each as determined in accordance with GAAP and the working capital worksheet attached as Exhibit B hereto), including as a payable of the Company (i) any fees and out-of-pocket expenses incurred by the Company or the Unitholder (including fees and expenses of counsel and of any broker or finder), to be paid by the Company but which has not previously been paid by the Company, in connection with this Agreement or any of the other Transaction Documents or the consummation of any of the Contemplated Transactions, (ii) any liability for Taxes directly or indirectly arising out of or related to the consummation of any of the Contemplated Transactions and (iii) any liability for Transfer Taxes arising out of or related to any of the Contemplated Transactions and accrued or paid by the Company. The Estimated Closing Date Working Capital Statement shall fairly and accurately present the Estimated Closing Date Working Capital, determined in the manner set forth in the immediately preceding sentence. If the Estimated Closing Date Working Capital is less than the Working Capital Threshold, then the Cash Consideration payable on the Closing Date shall be reduced by the amount of such difference. If the Estimated Closing Date Working Capital is greater than the Working Capital Threshold, then the Cash Consideration payable on the Closing Date shall be increased by the amount of such excess.

(b) Within ninety (90) days after the Closing, Holdings shall prepare, or cause to be prepared, and deliver to the Unitholder a statement (the **"Closing Date Working Capital Statement"**) setting forth the actual Company Working Capital as of the close of business on the day prior to the Closing Date (the **"Closing Date Working Capital"**). The Closing Date Working Capital Statement shall fairly and accurately present the Closing Date Working Capital, determined in the manner set forth in the definition of Company Working Capital in Section 1.4(a).

(c) The Unitholder shall have a period of thirty (30) days after the date on which the Closing Date Working Capital Statement is delivered to them (the **"Review Period"**) to review the Closing Date Working Capital Statement. If the Unitholder objects to the calculation of the Closing Date Working Capital as set forth on such Closing Date Working Capital Statement, the Unitholder shall so inform Holdings in writing (the **"Objection"**) on or before the last day of the Review Period, setting forth in reasonable detail the basis of the Objection and the adjustments to the Closing Date Working Capital Statement which the Unitholder believes should be made. In the event that an Objection is not delivered to Holdings on or before the last day of the Review Period, the Unitholder shall be deemed to have agreed to the Closing Date Working Capital Statement. In the event that an Objection is delivered to Holdings on or before the last day of the Review Period, Holdings and the Unitholder shall attempt in good faith to reach an agreement with respect to any matters in dispute. If Holdings and the Unitholder are unable to resolve all of their differences within thirty (30) days after delivery of the Objection to Holdings, they shall refer their remaining differences to an independent public accountants as to which Holdings and the Unitholder shall mutually agree (the **"WC Arbiter"**). The WC Arbiter shall, based on those items as to which Holdings and the Unitholder has agreed and the WC Arbiter's determination regarding those items in dispute, finally determine the Closing Date Working Capital; provided, however, that the Closing Date Working Capital as finally determined by the WC Arbiter shall not be less than the amount proposed by Holdings or greater than the amount proposed by the Unitholder. The WC Arbiter's determination shall be set forth in writing and shall be conclusive and binding upon all parties hereto and may be entered as a final judgment in any court of competent jurisdiction. The non-prevailing party shall pay the fees of the WC Arbiter (unless the WC Arbiter otherwise determines), and each of Holdings and the Unitholder shall pay the fees and expenses of their own legal counsel, accountants and other Representatives. Each of the parties hereto shall make available to the WC Arbiter and each other party hereto all relevant books and records and any work papers (including those, if any, of the accountants of the Company) in its possession or readily obtainable by it relating to the Closing Date Working Capital, and all other items reasonably requested by the WC Arbiter and each other party hereto.

(d) The **"Final Working Capital Amount"** shall be (i) if no Objection is sent to Holdings prior to the end of the Review Period, the amount of Closing Date Working Capital set forth on the Closing Date Working Capital Statement delivered by Holdings, (ii) if an Objection is made but finally determined between Holdings and the Unitholder prior to referring any such dispute to a WC Arbiter, the amount of Closing Date Working Capital so finally determined between them; and (iii) if an Objection is sent to the WC Arbiter, the amount of Closing Date Working Capital finally determined by such WC Arbiter.

(e) If the Final Working Capital Amount is less than the Estimated Closing Date Working Capital, then Holdings shall offset against the Stock Consideration (by the forfeiture of Holdings Shares proportionally by the Unitholder) an amount equal to the difference between the Estimated Closing Date Working Capital and the Final Working Capital Amount. If the amount of such difference exceeds the amounts to be due (and not previously offset as provided herein), then any such excess shall be the obligation of the Unitholder and shall be paid to Holdings within ten (10) days after the determination of the Final Working Capital Amount.

(f) If the Final Working Capital Amount is greater than the Estimated Closing Date Working Capital, then the excess balance shall be paid by Holdings to the Unitholder within ten (10) days after the determination of the Final Working Capital Amount.

(g) Any amounts paid by a party pursuant to Section 1.4(e) or Section 1.4(f) will be treated as an adjustment to the Cash Consideration.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE UNITHOLDER

Except as set forth in the Company's disclosure schedule provided herewith (the **"Company Disclosure Schedule"**), the Company and the Unitholder hereby jointly and severally represent and warrant to Holdings, as of the date hereof and as of the Closing Date, except to the extent certain representations and warranties are limited to a certain date set forth in the applicable Section, as follows:

Section 2.1 Organization, Etc. The Company is duly formed, validly existing and in good standing under the Laws of the State of Missouri and has all requisite limited liability company power and authority to conduct its business as it is now being conducted and to own, lease and operate its properties and assets. The Company is qualified to do business and is in good standing in each jurisdiction in which the ownership of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Company Material Adverse Effect. True and complete copies of the Certificate of Formation of the Company (the **"Certificate of Formation"**), and Limited Liability Company Operating Agreement of the Company (the **"Operating Agreement"**), each as presently in effect, have been heretofore made available to Holdings. The Company is not in violation of any term or provision of the Certificate of Formation or Operating Agreement.

Section 2.2 Capitalization. The Company has 100 Units outstanding, 100% of which are owned of record and beneficially by the Unitholder, free and clear of all Encumbrances. No other securities of the Company are issued or outstanding. All outstanding Interests are duly authorized, validly issued, fully paid and non-assessable, and issued free from preemptive rights and in compliance with all applicable securities Laws. Except as set forth in Section 2.2 of the Company Disclosure Schedule, there are no outstanding (a) securities convertible into or exchangeable for Units of the Company, (b) options, warrants or other rights to purchase or subscribe for Units of the Company, or (c) contracts, commitments, agreements, understandings or arrangements of any kind relating to the issuance of any Units of the Company, any such convertible or exchangeable securities or any such options, warrants or rights, pursuant to which, in any of the foregoing cases, the Company is subject or bound. The Unitholder has not granted any power of attorney or proxy with respect to any Units owned by them. As a result of the Contemplated Transactions, Holdings will acquire good, valid and marketable title to the Interests free and clear of all Encumbrances, other than those that may be created or incurred by Holdings.

Section 2.3 Subsidiaries. The Company does not have any subsidiaries or own any equity interest in any other Person.

Section 2.4 Authority Relative to this Agreement. The Company has all requisite limited liability company power and authority, and the Unitholder has all requisite right, power and authority, to execute and deliver the Transaction Documents to which it or they are a party, to perform its or their obligations thereunder and to consummate the Contemplated Transactions. The execution and delivery of the Transaction Documents to which the Company is a party, the performance of its obligations thereunder and the consummation of the Contemplated Transactions have been duly and validly authorized by all required limited liability company action on the part of the Company, and no other limited liability company or other proceedings on the part of the Company are necessary to authorize the Transaction Documents to which it is a party or to consummate the Contemplated Transactions. This Agreement has been, and each of the other Transaction Documents to which it or they are a party will be, duly and validly executed and delivered by the Company and the Unitholder and, assuming this Agreement has been, and each of the other Transaction Documents to which it or they are a party will be, duly authorized, executed and delivered by the other parties thereto, this Agreement constitutes, and each of the other Transaction Documents to which it or they are a party will constitute, a legal, valid and binding obligation of each of the Company and the Unitholders, enforceable against each of the Company and the Unitholder in accordance with their respective terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity) (collectively, the "**Bankruptcy and Equity Principles**").

Section 2.5 Consents and Approvals; No Violations. Except as set forth on Section 2.5 of the Company Disclosure Schedule, none of the execution or delivery of any of the Transaction Documents by the Company or the Unitholders, the performance by the Company or the Unitholder of any of their obligations thereunder, or the consummation of any of the Contemplated Transactions by the Company or the Unitholder will (a) violate any provision of the Certificate of Formation or Operating Agreement, (b) require them to obtain or make any consent, waiver, approval, exemption, declaration, license, authorization or permit of, or registration or filing with or notification to, any U.S. federal, state, local or foreign government, executive official thereof, governmental, administrative or regulatory authority, agency, body or commission, including any court of competent jurisdiction, domestic or foreign (each, a **"Governmental Entity"**), (c) require a consent under, result in a material violation or material breach of, constitute (with or without notice or lapse of time or both) a material default (or give rise to any right of termination, cancellation, amendment or acceleration or any obligation) under, or result in the creation of any Encumbrance on any of the properties or assets of the Company pursuant to, any of the terms, conditions or provisions of any Material Contract or Lease or any contract to which the Unitholder is a party or by which the Unitholder or any of their properties or assets are bound, or (d) violate any Law of any Governmental Entity applicable to the Company or the Unitholder or by which the Company or the Unitholder or any of their respective properties or assets are bound.

Section 2.6 Financial Statements. The Company has previously delivered or made available to Holdings true and complete copies of the following financial statements, each of which is included in Section 2.6 of the Company Disclosure Schedule: the balance sheet and related statements of income and retained earnings of the Company as of and for each of the years ended December 31, 2016 and December 31, 2017, each of which has been compiled by the Company's independent registered public accounting firm (collectively, the "**Company Financials**"). Each of the Company Financials (i) has been prepared from, and is in accordance with, the books and records of the Company, (ii) does not deviate in any material respect from GAAP (except, in the case of unaudited financial statements, for the absence of footnotes and, in the case of interim financial statements, normal and recurring year-end adjustments (the nature or amount of which adjustments would not reasonably be expected, individually or in the aggregate, to be material)), and (iii) fairly presents in all material respects the financial position and results of operations of the Company as of the respective dates thereof and for the respective periods indicated therein (except that the unaudited financial statements do not contain footnotes and interim financial statements are subject to normal and recurring year-end adjustments (the nature or amount of which adjustments would not reasonably be expected, individually or in the aggregate, to be material)).

Section 2.7 No Undisclosed Liabilities.

(a) The Company does not have any liabilities or obligations of any nature (absolute, accrued, contingent or otherwise), except as and to the extent specifically set forth, disclosed in, provided for, reflected in or otherwise described in the Company Financials or in Section 2.7(a) of the Company Disclosure Schedule, and except for those incurred in the ordinary course of business since January 1, 2017.

(b) Section 2.7(b) of the Company Disclosure Schedule sets forth all indebtedness of the Company for borrowed money.

Section 2.8 Absence of Certain Changes. Since December 31, 2016, except as set forth on Section 2.8 of the Company Disclosure Schedule, the Company has not (a) conducted business other than in the ordinary and usual course consistent with past practice, (b) suffered any Company Material Adverse Effect, (c) declared, set aside for payment or paid any dividend or other distribution (whether in cash, securities, property or any combination thereof) in respect of any Units, or redeemed or otherwise acquired any Units, (d) incurred any indebtedness for borrowed money or assumed, guaranteed or endorsed the obligations of any other Person, (e) acquired or Transferred or entered into a Contract to acquire or Transfer any assets outside the ordinary course of business, other than this Agreement, (f) created any Encumbrance on any of its properties or assets, (g) increased in any manner the rate or terms of compensation of any of its directors, officers or employees except for any increases for employees (other than the Unitholders) made in the ordinary course of business, (h) paid or agreed to pay any pension, retirement allowance or other material employee benefit not required by any existing Benefit Plan or Employee Arrangement, (i) entered into or amended any employment, bonus, severance or retirement Contract other than with employees (other than the Unitholders) in the ordinary course of business, (j) made or revoked any election relating to Taxes, (k) changed any methods of reporting income or deductions for U.S. federal income tax purposes, (l) made any capital expenditures, individually or in the aggregate, in excess of $10,000, (m) suffered any damage, destruction or loss (whether or not covered by insurance) to any of its material assets, (n) had any officer or key employee resign or terminate employment, or (o) settled or compromised any pending or threatened suit, action, proceeding or, other than in the ordinary course of business, claim.

Section 2.9 Compliance with Law. The Company is, and has been for the past three (3) years, in compliance in all material respects with all Laws applicable to it or any of its businesses, properties or assets, including, but not limited to, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Missouri state medical practice acts and regulations of the state board of medical examiners and state board of nursing. The Company has not received notice from any Governmental Entity of any violation of any provision of any applicable Law that remains unresolved.

Section 2.10 Material Contracts.

(a) Section 2.10(a) of the Company Disclosure Schedule sets forth a list of all Contracts that are material to the Company to which it is a party or by which it or any of its properties or assets is bound, including (i) any employment Contract or other Contract for services that is not terminable at will without liability for any penalty or severance payment, (ii) any Contract involving annual payments or receipts by the Company of $50,000 or more with respect to any such Contract, (iii) any Contract with each of the 15 largest customers and 10 largest suppliers of the Company, which largest customers and suppliers shall be determined using revenues/payments by the Company during the year ended December 31, 2017 (respectively, the "**Major Customers**" and the "**Major Suppliers**" and, collectively, the "**Major Customers and Suppliers**"), (iv) any Contract containing an exclusivity provision that restricts any of the Company's businesses or any Contract limiting its freedom to compete in any line of business, in any geographic area or with any Person, (v) any Contract providing for the borrowing or lending of money or any guarantee or, other than in the ordinary course of business, any indemnification of any third party, and (vi) any partnership or joint venture agreement (collectively, the "**Material Contracts**"). The Company has made available to Holdings true, correct and complete copies of all Material Contracts. The Company will not have any responsibilities, obligations or liabilities, contractual or otherwise, arising under any change of control provision of any Contract as a result of any of the Contemplated Transactions.

(b) Each of the Material Contracts constitutes the valid, legally binding and enforceable obligation of the Company and, to the Knowledge of the Company, each of the other parties thereto, except as may be limited by applicable Bankruptcy and Equity Principles. Each Material Contract is in full force and effect.

(c) Except as set forth in Section 2.10(c) of the Company Disclosure Schedule, the Company is not in breach or default in any material respect, and no event has occurred that with notice or lapse of time or both would constitute such a breach or default by the Company or permit termination, modification or acceleration, of or under any of the Material Contracts and, to the Knowledge of the Company, no other party to any of the Material Contracts is in breach or default in any material respect, and no event has occurred that with notice or lapse of time or both would constitute such a breach or default in any material respect by such party, of or under any of the Material Contracts. The Company has not received a written notice or claim by any party to a Material Contract in respect of any breach or default thereunder that remains unresolved.

(d) Except as set forth in Section 2.10(d) of the Company Disclosure Schedule, the Company has not received written notice of termination, cancellation, material reduction of services or non-renewal that is currently in effect with respect to any Material Contract and, to the Knowledge of the Company, no other party to a Material Contract plans to terminate, cancel or not renew, or materially reduce the services provided under, any such Material Contract.

Section 2.11 Permits. The Company has all material permits, licenses, certificates of authority and other authorizations from all Governmental Entities necessary for the conduct of its business as presently conducted (the **"Permits"**) and is in compliance in all material respects with the terms of its Permits. All such Permits are in full force and effect, and the Company has not received written notice of any event, inquiry or proceeding that is reasonably likely to lead to the revocation, amendment, failure to renew, limitation, suspension or restriction of any Permit.

Section 2.12 Litigation. Except as set forth in Section 2.12 of the Company Disclosure Schedule, there is no action, suit, proceeding or investigation pending or, to the Knowledge of the Company, threatened against the Company or any of its properties by or before any Governmental Entity. The Company is not subject to any outstanding injunction, writ, judgment, order or decree of any Governmental Entity. There is no action, suit, proceeding or investigation pending or, to Knowledge of the Company, threatened against any current or former officer, director, employee or consultant of any of the Company in his or her capacity as such. There is no action, suit or proceeding pending or, to the Knowledge of the Company, threatened against the Company or the Unitholder by or before any Governmental Entity that questions the validity of any of the Transaction Documents or any action to be taken in connection with the consummation of any of the Contemplated Transactions or would otherwise prevent or materially delay the consummation of any of the Contemplated Transactions.

Section 2.13 Taxes. Except as set forth in Section 2.13 of the Company Disclosure Schedule:

(a) The Company has

(i) duly and timely filed, or caused to be filed, in accordance with applicable Law, all material Company Tax Returns, each of which is true, correct and complete in all material respects,

(ii) duly and timely paid in full, or caused to be paid in full, all Company Taxes reflected on such Company Tax Returns, and

(iii) properly accrued, in a manner that does not deviate in any material respect from GAAP, on its books and records a provision for the payment of all Company Taxes that are due, are claimed to be due, or may or will become due with respect to any Tax period (or portion thereof) ending on or before the Closing Date.

(b) No extension of time to file a Company Tax Return, which Company Tax Return has not since been filed in accordance with applicable Law, has been filed. There is no power of attorney in effect with respect or relating to any Company Tax or Company Tax Return.

(c) No Company Tax Return has been filed, and no Company Tax has been determined, on a consolidated, combined, unitary or other similar basis (including, but not limited to, a consolidated U.S. federal income tax return). There is no circumstance (including, but not limited to, as a transferee or successor, under Code Section 6901 or Treasury Regulation Section 1.1502-6 (or similar provision of applicable Law), as result of a Tax sharing agreement or other Contract or by operation of Law) under which the Company is or may be liable for any Tax determined, in whole or in part, by taking into account any income, sale or asset of, or any activity conducted by, any other Person.

(d) The Company has complied in all material respects with all applicable Laws relating to the deposit, collection, withholding, payment or remittance of any Tax (including, but not limited to, Code Section 3402 or similar provision of applicable Law).

(e) There is no Encumbrance for any Tax upon any asset or property of the Company, except for any statutory lien for any Tax not yet due.

(f) No audit, action, assessment, examination, hearing, inquiry or investigation is pending or, to the Knowledge of the Company, threatened with regard to the Company, any Company Tax or any Company Tax Return.

(g) The statute of limitations for any audit, action, assessment, examination, hearing, inquiry or investigation relating to

(h) any Company Tax or any Company Tax Return has not been modified, extended or waived.

(i) Any material assessment, deficiency, adjustment or other similar item relating to any Company Tax or Company Tax Return has been reported to all Governmental Entities in accordance with applicable Law.

(j) No jurisdiction where no Company Tax Return has been filed or no Company Tax has been paid has made or threatened in writing to make a claim for the payment of any Company Tax or the filing of any Company Tax Return.

(k) The Company is not a party to any agreement with any Governmental Entity (including, but not limited to, any closing agreement within the meaning of Code Section 7121 or any analogous provision of applicable Law).

(l) The Company is not a party to any Contract that results or could reasonably be expected to result in any amount that is not deductible under Code Section 280G or Code Section 404, or any similar provision of applicable Law.

(m) The Company does not have any "tax-exempt bond-financed property" or "tax-exempt use property," within the meaning of Code Section 168(h) or any similar provision of applicable Law.

(n) No asset of the Company is required to be treated as being owned by any other Person pursuant to any provision of applicable Law (including, but not limited to, the "safe harbor" leasing provisions of Code Section 168(f)(8), as in effect prior to the repeal of those "safe harbor" leasing provisions).

(o) The Company is not and will not be required to include any item of income in, or exclude any item of deduction from, U.S. federal taxable income for any Tax period (or portion thereof) ending after the Closing Date, as a result of a change in method of accounting, any installment sale or open transaction, any prepaid amount, refund or credit.

(p) The Company is not and has not been a beneficiary or otherwise participated in any reportable transaction within the meaning of Treasury Regulation Section 1.6011-4(b)(1).

(q) The Company has not distributed securities of another Person and has not had its securities distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code Section 355 or Code Section 361.

(r) No election under Code Section 338 or any similar provision of applicable Law has been made or required to be made by or with respect to the Company.

Section 2.14 Title to Properties; Sufficiency of Assets.

(a) Except as set forth on Section 2.14(a) of the Company Disclosure Schedule, the Company has good, valid and marketable title to, or a valid leasehold or contractual interest in, all of the assets and properties (real and personal) which it owns or leases, and such assets and properties are owned or leased by it free and clear of all Encumbrances. Section 2.14(a) of the Company Disclosure Schedule contains a complete and correct list of all real property leased by the Company. The Company does not own and has never owned any real property. True, correct and complete copies of all lease agreements, including all amendments and modifications thereto, for all leased real property (the "**Leases**") have been made available to Holdings. All rents due under the Leases have been paid. The Company enjoys undisturbed possession of its leased real properties and is in compliance in all material respects with the terms of the Leases, and all Leases are in full force and effect. Each Lease constitutes the valid, legally binding and enforceable obligation of the Company and, to the Knowledge of the Company, each of the other parties thereto, except as may be limited by applicable Bankruptcy and Equity Principles. No party to any Lease has given written notice to the Company or made a claim in writing against the Company in respect of any breach or default thereunder.

(b) All tangible personal property owned or leased by the Company is in good operating condition and repair, ordinary wear and tear excepted and subject to routine maintenance, and is suitable and adequate for the uses for which it is being used. Except as set forth on Section 2.14(b) of the Company Disclosure Schedule, the Company's assets and properties (real, personal and intangible) include all material tangible and intangible assets, properties and rights necessary to conduct its businesses following the Closing Date in substantially the same manner as is currently conducted.

Section 2.15 Intellectual Property.

(a) All Intellectual Property owned or used by the Company in the conduct of its business as currently conducted is referred to as the "**Company Intellectual Property**." Section 2.15(a) of the Company Disclosure Schedule identifies all of the following Company Intellectual Property: (i) Patents and applications therefor, the number, issue date, title and priority information for each country in which any such Patent has been issued, or the application number, date of filing, title and priority information for each country in which any such Patent application is pending; (ii) registered and unregistered Trademarks (excluding Internet domain names) and applications for registration of Trademarks, the registration or application number related thereto (and, if applicable, the class of goods or the description of the goods or services covered thereby), the countries of filing and the expiration date of each registration in each country in which a registration was issued; (iii) registered and unregistered Copyrights and applications for registration of Copyrights, the registration number and registration date, or the application number and application date, related thereto, and the countries of filing; and (iv) registered Internet domain names. All of the Company Intellectual Property, the registrations and applications for registration of which are set forth on Section 2.15(a) of the Company Disclosure Schedule, is valid and in full force and effect. To the Knowledge of the Company, all of the other rights within the Company Intellectual Property are valid and subsisting. All filings for the Company Intellectual Property are in good standing.

(b) The Company owns and has good and valid title to the Company Intellectual Property, free and clear of all Encumbrances. The Company Intellectual Property constitutes all of the Intellectual Property necessary for the Company to conduct its business as such business is currently being conducted.

(c) Except as set forth on Section 2.15(c) of the Company Disclosure Schedule, the Company does not license any Intellectual Property (other than (i) widely available, commercial off-the-shelf third-party Software licensed to the Company on a non-exclusive basis or (ii) any open source Software, in the case of clauses (i) and (ii), as to which the Company is in compliance with the terms of the applicable license agreements and has made all payments required to be made thereunder) to or from any third party.

(d) To the Knowledge of the Company, there is no unauthorized use, disclosure, infringement or misappropriation of any Company Intellectual Property by any third party, including any current or former employee of the Company.

(e) The Company has not received any notice or other communication (in writing or otherwise) of any actual, alleged, possible or potential infringement, misappropriation or unlawful use of, and, to the Knowledge of the Company, the Company is not infringing, misappropriating or making unlawful use of, any Intellectual Property owned by any third party. There are no actions, suits or proceedings that are pending or, to the Knowledge of the Company, threatened against the Company with respect to any infringement, misappropriation or unlawful use of any Intellectual Property owned or used by any third party.

Section 2.16 Insurance. The Company maintains policies of fire and casualty, liability and other forms of insurance, in such amounts, with such deductibles, covering against such risks and losses and with such reputable insurers, as are customary for businesses of a type and size, and with assets and properties, comparable to those of the businesses of the Company. Set forth on Section 2.16 of the Company Disclosure Schedule is a listing of each insurance policy maintained by the Company, setting forth the issuers, amounts, deductibles and coverages for each, and a description of all material claims under any insurance policy maintained by the Company at any time during the past three years. All such policies are in full force and effect and all premiums due and payable thereon have been paid in full, and no notice of cancellation or termination has been received with respect to any such policy which has not been replaced on substantially similar terms prior to the date of such cancellation. There are no pending claims under any of such policies.

Section 2.17 Environmental Matters.

(a) The operations of the Company are in compliance with, in all material respects, and have complied with, in all material respects, all applicable Environmental Laws.

(b) The Company does not have any material liability under any Environmental Law nor is it responsible for any material liability of any other Person under any Environmental Law, whether by Contract, by operation of Law or otherwise

(c) The Company has not received any written information request, notice or other communication from a Governmental Entity, and there are no actions, suits, proceedings or investigations pending or, to the Knowledge of the Company, threatened against the Company, relating to any violation, or alleged violation of, or liability under, any Environmental Law or relating to any Hazardous Materials.

(d) For purposes of this Section 2.17, the following terms shall have the following meanings:

(i) **"Environmental Laws"** means all U.S. federal, state and local Laws of any Governmental Entity relating to (A) the generation, treatment, storage, disposal, use, handling, manufacturing, transportation or shipment of Hazardous Materials, or (B) the environment or to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment.

(ii) **"Hazardous Materials"** means (A) petroleum and petroleum products, radioactive materials and friable asbestos; and (B) chemicals and other materials and substances which are now defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," or "toxic pollutants" under any Environmental Law.

Section 2.18 Employee and Labor Matters. The Company is not a party to any collective bargaining or other labor union Contract applicable to Persons employed by it, no collective bargaining agreement is being negotiated by the Company, and, to the Knowledge of the Company, there are no activities or proceedings of any labor union to organize any of the employees of the Company. Except as set forth in Section 2.18 of the Company Disclosure Schedule, (a) the Company is in compliance in all material respects with all applicable Laws relating to employment and employment practices, wages, hours, occupational safety, health standards, severance payments, equal opportunity, payment of social security, national insurance and other Taxes, and terms and conditions of employment, (b) there are no charges with respect to or relating to the Company pending, or to the Knowledge of the Company, threatened by or before any Governmental Entity responsible for the prevention of unlawful or discriminatory employment practices or unfair labor practices, and (c) there is no strike, work stoppage, work slowdown, lockout, picketing, concerted refusal to work overtime, or other similar labor activity pending or, to the Knowledge of the Company, threatened against or involving the Company currently or within the last three years. All sums due for employee, consultant and independent contractor compensation and benefits, including pension and severance benefits, and all vacation time owing to any employees of the Company have been duly and adequately accrued on the accounting records of the Company. All individuals characterized and treated by the Company as consultants or independent contractors are properly treated as independent contractors under all applicable Laws. All employees of the Company classified as exempt under the Fair Labor Standards Act or applicable state and local wage and hour Laws are properly classified.

Section 2.19 Employee Plans.

(a) Section 2.19 of the Company Disclosure Schedule sets forth a true, correct and complete list of:

(i) all "employee benefit plans," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**) with respect to which the Company has any obligation or liability, contingent or otherwise (the **"Benefit Plans"**);

(ii) all current directors, officers and employees of the Company; and

(iii) all employment, consulting, termination, profit sharing, severance, change of control, individual compensation and indemnification agreements, and all bonus and other incentive compensation, deferred compensation, salary continuation, disability, severance, equity award, unit option, unit purchase, educational assistance, legal assistance, club membership, employee discount, employee loan, credit union and vacation agreements, policies and arrangements under which the Company has any obligation or liability (contingent or otherwise) in respect of any current or former officer, director, employee, consultant or contractor of the Company (the **"Employee Arrangements"**).

(b) In respect of each Benefit Plan and Employee Arrangement, a complete and correct copy of each of the following documents (if applicable) has been made available to Holdings: (i) the most recent plan and related trust documents, and all amendments thereto; (ii) the most recent summary plan description, and all related summaries of modifications thereto; (iii) the most recent Form 5500 (including schedules and attachments); (iv) the most recent Internal Revenue Service (**"IRS"**) determination, opinion or notification letter; and (v) each written Employee Arrangement, and all amendments thereto.

(c) None of the Benefit Plans or Employee Arrangements is subject to Title IV of ERISA, constitutes a defined benefit retirement plan or is a multiemployer plan described in Section 3(37) of ERISA, and the Company does not have any obligation or liability (contingent or otherwise) in respect of any such plans.

(d) The Benefit Plans and their related trusts intended to qualify under Sections 401 and 501(a) of the Code, respectively, have either received a favorable determination, opinion or notification letter from the IRS with respect to each such Benefit Plan as to its qualified status under the Code, or has remaining a period of time under applicable U.S. Treasury Regulations or IRS pronouncements in which to apply for such a letter and make any amendments necessary to obtain a favorable determination as to the qualified status of each such Benefit Plan.

(e) All contributions and other payments required to have been made by the Company to or under any Benefit Plan or Employee Arrangement by applicable Law or the terms of such Benefit Plan or Employee Arrangement (or any agreement relating thereto) have been timely and properly made.

(f) The Benefit Plans and Employee Arrangements have been maintained and administered in all material respects in accordance with their terms and applicable Laws.

(g) There are no pending or, to the Knowledge of the Company, threatened actions, claims, suits or proceedings against or relating to any Benefit Plan or Employee Arrangement (other than routine benefit claims by persons entitled to benefits thereunder) and, to the Knowledge of the Company, there are no facts or circumstances which could reasonably be expected to form the basis for any of the foregoing.

(h) The Company does not have any obligation or liability (contingent or otherwise) to provide post-retirement life insurance or health benefits coverage for current or former officers, directors, employees, consultants or contractors except (i) as may be required under Part 6 of Title I of ERISA, (ii) a medical expense reimbursement account plan pursuant to Section 125 of the Code, or (iii) through the last day of the calendar month in which the participant terminates employment.

(i) Neither the execution and delivery of any of the Transaction Documents nor the consummation of any of the Contemplated Transactions will (i) result in any payment becoming due to any director, officer, employee, consultant or contractor (current, former or retired) of the Company, (ii) increase any benefits under any Benefit Plan or Employee Arrangement or (iii) result in the acceleration of the time of payment of, vesting of, or other rights in respect of any such benefits (except as which may be required by the partial or full termination of any Benefit Plan intended to be qualified under Section 401 of the Code). No Benefit Plan or Employee Arrangement in effect immediately prior to the Closing Date would result, individually or in the aggregate (including as a result of this Agreement, any of the Transaction Documents or any of the Contemplated Transactions), in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code.

(j) Each Benefit Plan or Employee Arrangement that is a non-qualified deferred compensation plan or arrangement subject to Section 409A of the Code has been operated and administered in good faith compliance with Section 409A of the Code from the period beginning January 1, 2007, or the date such Benefit Plan or Employee Arrangement was established, whichever date is later, through the date hereof.

(k) The Company has made available to Holdings a true, complete and correct list of the following (if applicable) for each current employee, consultant and contractor of the Company: base salary; any bonus obligations; immigration status; hire date; time-off balance; and pay rate.

Section 2.20 Brokers and Finders. None of the Company, the Unitholder or any of their respective Representatives has employed any investment banker, broker or finder or incurred any liability for any investment banking fees, brokerage fees, commissions or finders' fees in connection with any of the Contemplated Transactions for which Holdings would be liable.

Section 2.21 Absence of Questionable Payments. None of the Company or the Unitholder or, to the Knowledge of the Company, any director, officer, employee, consultant or other Person acting on behalf of the Company has (a) used any Company funds for unlawful contributions, payments, gifts or expenditures, or (b) made any unlawful expenditures of Company funds relating to political activity to government officials or others. None of the Company or the Unitholder or, to the Knowledge of the Company, any director, officer, employee, consultant or other Person acting on behalf of the Company has offered, paid or agreed to pay to any Person (including any governmental official), or solicited, received or agreed to receive from any such Person, directly or indirectly, any unlawful contributions, payments, gifts, expenditures, money or anything of value for the purpose or with the intent of (a) obtaining or maintaining business for the Company, (b) facilitating the purchase or sale of any product or service, or (c) avoiding the imposition of any fine or penalty.

Section 2.22 Bank Accounts; Powers of Attorney. Section 2.22 of the Company Disclosure Schedule sets forth a true, complete and correct list showing: (a) all banks in which the Company maintains a bank account or safe deposit box (collectively, **"Bank Accounts"**), together with, as to each such Bank Account, the type of account, account number and the names of all signatories thereof and, with respect to each such safe deposit box, if any, the number thereof and the names of all Persons having access thereto; and (b) the names of all Persons holding powers of attorney from the Company, true, complete and correct copies of which have been made available to Holdings.

Section 2.23 Customers and Suppliers. There are no disputes between the Company, on the one hand, and any of the Major Customers and Suppliers, on the other hand, that relate to the operation of the business of the Company. Since December 31, 2016, none of the Major Customers and Suppliers has terminated, cancelled, not renewed or materially reduced, or notified the Company in writing of its intention to terminate, cancel, not renew or materially reduce, its relationship with the Company.

Section 2.24 Accounts Receivable. Except as set forth in Section 2.24 of the Company Disclosure Schedule, all accounts receivable of the Company have arisen from bona fide transactions in the ordinary course of business, are valid and enforceable, are collectible within 90 days in amounts not less than the amounts thereof carried on the books of the Company (except to the extent of the allowance for doubtful accounts shown on the Company Financials), and are not subject to set-off or counterclaim. Any allowances that the Company has established for doubtful accounts have been established on a basis consistent with past practice and do not deviate in any material respect from GAAP.

Section 2.25 Certain Transactions. Except as set forth on Section 2.25 of the Company Disclosure Schedule, none of the Unitholders, officers, directors or employees of the Company, or any of their respective Affiliates or any member of any such Person's immediate family (for this purpose, "immediate family" means such Person's spouse, parents, children and siblings), is presently a party to any Contract or transaction with the Company, including any Contract (i) providing for the furnishing of services by, (ii) providing for the rental of real or personal property from, or (iii) otherwise requiring payments to (other than for services in the foregoing capacities) any such Person or any corporation, partnership, trust or other entity in which any such Person has a substantial interest as a Unitholders, officer, director, trustee or partner.

Section 2.26 No Other Representations or Warranties. Except for the representations and warranties contained in this Article II, none of the Company, the Unitholder or any other Person makes any representations or warranties, and the Company and the Unitholder hereby disclaim any other representations or warranties, whether made by either of them or any officer, director, employee, agent or other Representative of the Company, the Unitholder or any other Person, with respect to this Agreement or any of the Contemplated Transactions. For the avoidance of doubt, the foregoing is not intended to limit the ability of a Holdings Indemnified Party to make a claim arising out, based upon or related to fraud and shall not be given any effect in the case of fraud.

Section 2.27 Disclosure. All factual information (taken as a whole) furnished by or on behalf of the Company or the Unitholder in writing (including electronically) to Holdings or any of its Representatives for purposes of or in connection with any of the Transactions Documents or any of the Contemplated Transactions is true and accurate in all material respects and not incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which such information was provided.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF HOLDINGS

Except as set forth in Holdings' disclosure schedule provided herewith (the **"Holdings Disclosure Schedule"**), Holdings hereby represents and warrants to the Company and the Unitholders, as of the date hereof and as of the Closing Date, except to the extent certain representations and warranties are limited to a certain date set forth in the applicable Section, as follows:

Section 3.1 Corporate Organization, Etc. Holdings is duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as it is now being conducted and to own, lease and operate its properties and assets.

Section 3.2 Authority Relative to this Agreement. Holdings has all requisite corporate power and authority to execute and deliver the Transaction Documents to which it is a party, to perform its obligations thereunder and to consummate the Contemplated Transactions. The execution and delivery of the Transaction Documents to which it is a party, the performance of its obligations thereunder and the consummation of the Contemplated Transactions have been duly and validly authorized by all required corporate action on the part of Holdings, and no other corporate or other proceedings on the part of Holdings are necessary to authorize the Transaction Documents to which it is a party or to consummate the Contemplated Transactions. This Agreement has been, and each of the other Transaction Documents to which it is a party will be, duly and validly executed and delivered by Holdings and, assuming this Agreement has been, and each of the other Transaction Documents to which it is a party will be, duly authorized, executed and delivered by the other parties thereto, this Agreement constitutes, and each of the other Transaction Documents to which it is a party will constitute, a legal, valid and binding obligation of Holdings, enforceable against it in accordance with their respective terms, except as limited by applicable Bankruptcy and Equity Principles.

Section 3.3 Capitalization of Holdings. The authorized capital stock of Holdings consists of 30,000,000 shares of the Holdings Shares and 5,000,000 shares of preferred stock, par value $0.001 per share. There are approximately 7,000,000 shares of the Holding Shares, and no shares of preferred stock, issued and outstanding as of the date of this Agreement. Holdings has no outstanding stock options, warrants, rights or commitments to issue Holdings Shares or other equity securities and no outstanding securities convertible into or exchangeable for Holdings Shares or other equity securities. All outstanding shares of the Holdings Shares are validly issued and outstanding, fully paid and nonassessable.

Section 3.4 Consents and Approvals; No Violations. None of the execution or delivery of any of the Transaction Documents by Holdings, the performance by Holdings of any of its obligations thereunder, or the consummation of any of the Contemplated Transactions by Holdings will (a) violate any provision of the organizational or governing documents of Holdings, (b) require it to obtain or make any consent, waiver, approval, exemption, declaration, license, authorization or permit of, or registration or filing with or notification to, any Governmental Entity, except for such consents, waivers, approvals, exemptions, declarations, licenses, authorizations, permits, registrations, filings and notifications which are listed in Section 3.3 of the Holdings Disclosure Schedule (the **"Holdings Consents"**), (c) require a consent under, result in a material violation or material breach of, constitute (with or without notice or lapse of time or both) a material default (or give rise to any right of termination, cancellation, amendment or acceleration or any obligation) under, or result in the creation of any Encumbrance on any of the properties or assets of Holdings pursuant to, any of the terms, conditions or provisions of any material Contract to which Holdings is a party or by which Holdings or any of its properties or assets is bound, or (d) violate any Law of any Governmental Entity applicable to Holdings or by which Holdings or any of its properties or assets is bound.

Section 3.5 Litigation. There is no action, suit or proceeding pending or, to the Knowledge of Holdings, threatened against Holdings by or before any Governmental Entity that questions the validity of any of the Transaction Documents or any action to be taken in connection with the consummation of any of the Contemplated Transactions or would otherwise prevent or materially delay the consummation of any of the Contemplated Transactions.

Section 3.6 Brokers and Finders. Holdings has not employed any investment banker, broker or finder or incurred any liability for any investment banking fees, brokerage fees, commissions or finders' fees in connection with any of the Contemplated Transactions for which the Company or the Unitholder would be liable.

Section 3.7 Sufficient Funds. Holdings will have sufficient cash on hand to pay the Cash Consideration and consummate the Contemplated Transactions at the Closing.

Section 3.8 Validity of Shares. The approximately 107,500 shares of Holdings Shares to be issued at the Closing pursuant to Section 1.1(b) hereof, when issued and delivered in accordance with the terms hereof, shall be duly and validly issued, fully paid and nonassessable. Based in part on the representations and warranties of the Unitholder in this Agreement and assuming the accuracy thereof, the issuance of the Holdings Shares at the Closing pursuant to Section 1.1(b) will be exempt from the registration and prospectus delivery requirements of the Securities Act and from the qualification or registration requirements of any applicable state blue sky or securities laws.

Section 3.9 No General Solicitation. In issuing the Holdings Shares hereunder, neither Holdings nor anyone acting on its behalf has offered to sell the Holdings Shares by any form of general solicitation or advertising.

Section 3.10 No Other Representations or Warranties. Except for the representations and warranties contained in this Article III, neither Holdings nor any other Person makes any representations or warranties, and Holdings hereby disclaims any other representations or warranties, whether made by it or any officer, director, employee, agent or other Representative of Holdings or any other Person, with respect to this Agreement or any of the Contemplated Transactions. For the avoidance of doubt, the foregoing is not intended to limit the ability of a Unitholder Indemnified Party to make a claim arising out, based upon or related to fraud and shall not be given any effect in the case of fraud.

ARTICLE IV
COVENANTS

Section 4.1 Conduct of the Business of the Company Pending the Closing. Except as otherwise expressly provided by this Agreement or with the prior written consent of Holdings, during the period between the date of this Agreement and the Closing, the Company will, and the Unitholder will cause the Company to, conduct its business and operations in the ordinary and usual course of business, in substantially the same manner as heretofore conducted, and use commercially reasonable efforts consistent therewith to preserve intact its properties, assets and business organization, to keep available the services of its officers, employees, consultants and contractors and to maintain its business relationships with customers, suppliers, distributors and others having commercially beneficial business relationships with it. Without limiting the generality of the foregoing, the Company will not, and the Unitholder will cause the Company not to, prior to the Closing, without the prior written consent of Holdings:

(a) issue, sell or pledge, or authorize or propose the issuance, sale or pledge of, any (i) additional Units or other equity interests, or securities convertible into or exchangeable for any such Units or interests, or any rights, warrants or options to acquire any such Units or interests or other convertible or exchangeable securities, or (ii) other securities in respect of, in lieu of, or in substitution for, any Units or other equity interests outstanding on the date hereof;

(b) split, combine or reclassify any Units or other equity interests;

(c) declare or pay any dividend or distribution to any Person;

(d) redeem, purchase or otherwise acquire any outstanding Units or other equity interests;

(e) propose or adopt any amendment to any of its organizational or governing documents;

(f) (i) incur or assume any long-term or short-term debt or issue any debt securities; (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; (iii) make any loans, advances or capital contributions to, or investments in, any other Person; (iv) pledge or otherwise encumber any Units or other equity interests; (v) Transfer or permit to be Transferred any Units or other equity interests of the Company; or (vi) mortgage or pledge any of its assets, tangible or intangible, or create or suffer to exist any Encumbrance thereupon;

(g) (i) increase in any manner the rate or terms of compensation or benefits of any of its directors, officers, employees, consultants or contractors, except for increases to employees (other than officers), consultants or contractors made in the ordinary course of business consistent with past practice, (ii) pay or agree to pay any pension, retirement allowance or other benefit not required or permitted by any existing Benefit Plan or Employee Arrangement to any director, officer, employee, consultant or contractor, whether past or present, or (iii) adopt, enter into, terminate or amend any Benefit Plan or Employee Arrangement;

(h) acquire, sell, lease or dispose of any assets outside the ordinary and usual course of business consistent with past practice;

(i) acquire (by merger, consolidation or acquisition of securities or assets) any corporation, partnership or other business organization or entity or division thereof or any equity interest therein;

(j) settle or compromise any pending or threatened suit, action, proceeding or, other than in the ordinary course of business consistent with past practice, claim;

(k) fail to comply in any material respect with any Law or Permit applicable to it or any of its assets or allow any Permit to lapse;

(l) sell, dispose of, permit to lapse or license any rights to any material Intellectual Property;

(m) change any of its banking or safe deposit arrangements;

(n) fail to maintain its books, accounts and records in the ordinary course on a basis consistent with prior years or make any change in the accounting principles, methods or practices used by it;

(o) amend, modify, waive any material provision of or terminate any Material Contract or enter into any Contract which, if entered into prior to the date hereof, would have been a Material Contract;

(p) make any capital expenditures in excess of $5,000 in the aggregate;

(q) satisfy, discharge, waive or settle any liabilities, other than in the ordinary course of business consistent with past practice;

(r) (i) fail to timely file any Tax Return that is due, (ii) file any amended Tax Return or claim for refund, (iii) consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment, (iv) make any Tax election, or (v) settle or compromise any Tax liability; or

(s) take, propose to take, or agree in writing or otherwise to take any of the actions described in this Section 4.1 or any action that would make any of the representations or warranties contained in this Agreement untrue, incomplete or incorrect in any material respect.

Section 4.2 Access to Information. From the date of this Agreement to the Closing, the Company will (a) give Holdings and its authorized Representatives reasonable access to all personnel, books, records, Contracts, customers, offices and other facilities and properties of the Company, (b) permit Holdings and its authorized Representatives to make such inspections thereof as Holdings may reasonably request and (c) cause the officers and employees of the Company to furnish Holdings with such financial and operating data and other information with respect to the business and operations of the Company as Holdings may from time to time reasonably request; provided, however, that all access under this Section 4.2 shall be conducted at a reasonable time, during normal business hours, on reasonable advance notice and in such a manner as not to interfere unreasonably with the operation of the business of the Company. Holdings shall be permitted to contact customers of the Company regarding such customers' business relationships with the Company, and the Company will cooperate with Holdings in facilitating such contacts with its customers. No investigation under this Section 4.2 shall affect or be deemed to modify any of the representations or warranties made by the Company or the Unitholder in this Agreement.

Section 4.3 Disclosure Supplements. From time to time prior to the Closing, the Company will supplement or amend the Company Disclosure Schedule with respect to any matter hereafter arising or of which the Company or the Unitholder becomes aware after the date hereof which, if existing, occurring or known at or prior to the date of this Agreement, would have been required to be set forth or described in the Company Disclosure Schedule or which is necessary to complete or correct any information in the Company Disclosure Schedule or in any representation or warranty which has been rendered inaccurate thereby. No such supplement or amendment shall be given effect for purposes of determining the satisfaction of the conditions set forth in Article VI hereof.

Section 4.4 Consents and Approvals. Each of the parties hereto shall use its commercially reasonable efforts to obtain as promptly as practicable all consents, waivers, approvals, exemptions, licenses and authorizations required to be obtained from any Person or Governmental Entity in connection with the consummation of any of the Contemplated Transactions; provided, however, that no party is required to make any payment to any Person or Governmental Entity to obtain any consents, waivers, approvals, exemptions, licenses or authorizations.

Section 4.5 Filings. Promptly after the execution of this Agreement, each of the parties hereto shall prepare and make or cause to be made any required filings, registrations, submissions and notifications under the Laws of any jurisdiction to the extent necessary to consummate any of the Contemplated Transactions.

Section 4.6 Further Assurances.

(a) Upon the terms and subject to the conditions herein provided, each of the parties hereto agrees to use its commercially reasonable efforts to take or cause to be taken all actions, and to do or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Contemplated Transactions.

(b) The Company and the Unitholder will use their commercially reasonable efforts to have employees of the Company identified by Holdings, if any, execute and deliver at will employment letters with the Company on terms and conditions acceptable to Holdings.

ARTICLE V
ADDITIONAL AGREEMENTS

Section 5.1 Acquisition Proposals. Neither the Company nor the Unitholder will, nor will either of them authorize or permit any officer, director, employee, consultant or contractor or any investment banker, attorney, accountant or other agent or Representative of the Company or the Unitholder acting on either of their behalf to, directly or indirectly, (a) solicit, initiate or intentionally encourage the submission of any Acquisition Proposal or (b) participate in any discussions or negotiations regarding, or furnish to any Person any information in respect of, or take any other action to facilitate, any Acquisition Proposal or any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal. Immediately after the execution and delivery of this Agreement, each of the Company and the Unitholder will, and will cause their respective officers, directors, employees, investment bankers, attorneys, accountants and other agents and Representatives to, cease and terminate any existing activities, discussions or negotiations with any parties conducted heretofore in respect of any possible Acquisition Proposal and will promptly inform Holdings of the receipt of any subsequent Acquisition Proposal. Each of the Company and the Unitholder will take all necessary steps to promptly inform the individuals or entities referred to in the first sentence of this Section 5.1 of the obligations undertaken in this Section 5.1. "**Acquisition Proposal**" means an inquiry, offer or proposal regarding any of the following (other than the Contemplated Transactions) involving the Company: (i) any merger, consolidation, share exchange, recapitalization, business combination or other similar transaction; (ii) any sale of Units or other equity interests or securities, (iii) any sale, lease, exchange, mortgage, pledge, Transfer or other disposition of all or any material portion of its assets in a single transaction or series of transactions; or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

Section 5.2 Public Announcements. Each of Holdings, on the one hand, and the Company and the Unitholders, on the other hand, will consult with one another before issuing any press release or otherwise making any public statements in respect of any of the Contemplated Transactions, including the Unit Purchase, and will not issue any such press release or make any such public statement without the prior written consent of the other party; provided, however, that any party may at any time make disclosures regarding the Contemplated Transactions if it is advised by legal counsel that such disclosure is required under applicable Law or by a Governmental Entity, in which case the disclosing party will consult with the other parties hereto prior to such disclosure.

Section 5.3 Indemnification.

(a) Indemnification by the Unitholders. Subject to the other terms of this Section 5.3, the Unitholder will defend, indemnify and hold harmless Holdings, its Affiliates and each of Holdings' and its Affiliates' respective Representatives (collectively, the **"Holdings Indemnified Parties"**), from and against and in respect of any and all losses, liabilities, obligations, claims, actions, damages, judgments, penalties, fines, settlements and expenses, including reasonable attorneys' fees (collectively, **"Losses"**), incurred by any of the Holdings Indemnified Parties arising out of, based upon or related to (i) any inaccuracy or breach of any of the representations or warranties made by the Company and/or the Unitholder in this Agreement, (ii) any breach of or failure to comply with any covenant or agreement made by the Company and/or the Unitholder in this Agreement, or (iii) any Company Taxes for any Tax period (or portion thereof) ending on or prior to the Closing Date, excluding 50% of any Transfer Taxes incurred in connection with this Agreement or any of the Contemplated Transactions. "**Transfer Taxes**" shall mean any transfer, documentary, sales, use, stamp, registration and other substantially similar Taxes and fees.

(b) Indemnification by Holdings. Subject to the other terms of this Section 5.3, Holdings will defend, indemnify and hold harmless the Unitholders, their respective Affiliates and each of the Unitholders' and their respective Affiliates' respective Representatives (collectively, the **"Unitholder Indemnified Parties"**) from and against and in respect of any and all Losses incurred by any of the Unitholder Indemnified Parties arising out of, based upon or related to (i) any inaccuracy or breach of any of the representations or warranties made by Holdings in this Agreement, or (ii) any breach of or failure to comply with any covenant or agreement made by Holdings in this Agreement.

(c) Indemnification Procedure.

(i) The Person seeking indemnification under this Section 5.3 (the "**Indemnified Party**") shall give to the party(ies) from whom indemnification is sought (the "**Indemnifying Party**") prompt written notice of any third-party claim which may give rise to any indemnity obligation under this Section 5.3, and the Indemnifying Party will have the right to assume the defense of any such claim through counsel of its own choosing, by so notifying the Indemnified Party within 10 days of receipt of the Indemnified Party's written notice; provided, however, that such counsel shall be reasonably satisfactory to the Indemnified Party. Failure of the Indemnified Party to give prompt notice shall not affect the Indemnifying Party's indemnification obligations hereunder except to the extent the Indemnifying Party is materially prejudiced by such failure. If the Indemnified Party desires to participate in any such defense assumed by the Indemnifying Party, it may do so at its sole cost and expense; provided, however, that the Indemnified Party will be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if, in the reasonable judgment of counsel to the Indemnified Party, a conflict or potential conflict exists, or there are separate or additional defenses available to the Indemnified Party, that would make such separate representation advisable. If the Indemnifying Party declines to assume any such defense or fails to diligently pursue any such defense, then the Indemnifying Party will be liable for all reasonable costs and expenses incurred by the Indemnified Party in connection with investigating, defending, settling and/or otherwise dealing with such claim, including reasonable fees and disbursements of counsel. The parties hereto agree to cooperate with each other in connection with the defense of any such claim. The Indemnifying Party will not, without the prior written consent of the Indemnified Party, settle, compromise, or consent to the entry of any judgment with respect to any such claim, unless such settlement, compromise or judgment (A) does not result in the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any Affiliate thereof, (B) does not involve any remedies other than monetary damages, and (C) includes an unconditional release of the Indemnified Party and its Affiliates for all liability arising out of such claim and any related claim. The Indemnified Party will not, without the prior written consent of the Indemnifying Party, which will not be unreasonably withheld, delayed or conditioned, settle, compromise, or consent to the entry of any judgment with respect to any such claim.

(ii) If an indemnification claim by any Indemnified Party is not disputed by the Indemnifying Party within 20 days after the Indemnifying Party's having received written notice thereof, or has been resolved by a Law of a Governmental Entity, by a settlement of the indemnification claim in accordance with Section 5.3(c)(i), or by agreement of the Indemnified Party and the Indemnifying Party (any of the foregoing, a **"Resolution"**), then (A) in the case of indemnification under Section 5.3(b), Holdings will pay to the Unitholder Indemnified Party promptly following such Resolution an amount equal to the Losses of such Unitholder Indemnified Party as set forth in such Resolution, or (B) in the case of indemnification under Section 5.3(a), Holdings will offset against the Stock Consideration (by the forfeiture of Holdings Shares proportionally by the Unitholders) an amount equal to the Losses of the Holdings Indemnified Party as set forth in such Resolution; provided, that if the amount of such Losses exceeds the amounts to be due (and not previously offset as provided herein), then any such excess shall be the obligation of the Unitholder and shall be paid to such Holdings Indemnified Party promptly following such Resolution.

(d) Limitations.

(i) The foregoing indemnification obligations under Section 5.3(a)(i) and 5.3(b)(i) will survive the consummation of the Unit Purchase until the second anniversary of the Closing Date; provided, however, that the right to indemnification arising out of, based upon or related to any inaccuracy or breach of any of the representations or warranties contained in Sections 2.1, 2.13, 2.19, 2.2, 2.3, 2.4, 2.5, 2.20, 3.1, 3.2, 3.3, 3.5 and the first sentence of Section 2.14(a) will survive until 60 days after the expiration of the applicable statute of limitations, including any extensions thereof, and provided, further, that claims first asserted in writing within the applicable survival period will not thereafter be barred.

(ii) Except for any indemnification claims arising out of, based upon or related to fraud or intentional misrepresentation, or any indemnification claims arising out of, based upon or related to any of the Fundamental Representations (none of which are subject to the limitations in this Section 5.3(d)(ii)), the Unitholder will have no liability to the Holdings Indemnified Parties for indemnification claims brought under Section 5.3(a)(i) until the total amount of Losses in respect of indemnification claims under such section exceeds $25,000 in the aggregate, and then the Holdings Indemnified Parties will be entitled to recover all such amounts, including the original $25,000.

(iii) Except for any indemnification claims arising out of, based upon or related to fraud or intentional misrepresentation, or any indemnification claims arising out of, based upon or related to any of the Fundamental Representations (none of which will be counted towards the Claims Cap), the maximum liability of the Unitholder for any and all Losses in respect of indemnification claims brought under Section 5.3(a)(i) shall be limited to an amount equal to $25,000 (the **"Claims Cap"**).

(iv) Except for any indemnification claims arising out of, based upon or related to fraud or intentional misrepresentation, or any indemnification claims arising out of, based upon or related to any of the Fundamental Representations (none of which are subject to the limitations in this Section 5.3(d)(iv)), Holdings will have no liability to the Unitholder Indemnified Parties for indemnification claims brought under Section 5.3(b)(i) until the total amount of Losses in respect of indemnification claims under such section exceeds $25,000 in the aggregate, and then the Unitholder Indemnified Parties will be entitled to recover all such amounts, including the original $25,000.

(v) Except for any indemnification claims arising out of, based upon or related to fraud or intentional misrepresentation, or any indemnification claims arising out of, based upon or related to any of the Fundamental Representations (none of which will be counted towards the Claims Cap), the maximum liability of Holdings for any and all Losses in respect of indemnification claims brought under Section 5.3(b)(i) shall be limited to an amount equal to the Claims Cap.

(vi) The right of an Indemnified Party to indemnification hereunder will not be affected by any investigation conducted, or any knowledge acquired (or capable or being acquired), at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy of, or compliance with, any of the representations, warranties, covenants or agreements set forth in this Agreement.

(vii) For purposes of this Section 5.3, the terms “material” and “Company Material Adverse Effect”, as such terms are used in any representation or warranty contained in Article II or III, shall be disregarded and, for purposes of this Section 5.3, such representations and warranties shall be deemed to be not qualified by such terms.

(viii) In calculating the amount of Losses recoverable pursuant to this Section 5.3, the amount of such Losses shall be reduced by (A) any insurance proceeds actually received by the Indemnified Party from any unaffiliated insurance carrier offsetting the amount of such Loss, net of any expenses incurred by the Indemnified Party in obtaining such insurance proceeds (including the payment of a deductible with respect to the same and any premium increase directly attributable thereto), and (B) any recoveries actually received by the Indemnified Party from other Persons pursuant to indemnification (or otherwise) with respect thereto, net of any expenses incurred by the Indemnified Party in obtaining such payment. If any Losses for which indemnification payments have actually been received by the Indemnifying Party hereunder are subsequently reduced by any insurance payment or other recovery actually received from another Person, the Indemnified Party shall promptly remit the amount of such recovery to the applicable Indemnifying Party (up to the amount of the payment by the applicable Indemnifying Party, after deducting therefrom the full amount of the expenses incurred by such Indemnified Party (i) in procuring such recovery or (ii) in connection with such indemnification to the extent required to be, but which have not been, paid or reimbursed).

(ix) Following the Closing Date, the sole and exclusive remedy of the Holdings Indemnified Parties and the Unitholder Indemnified Parties for any of the matters set forth in this Section 5.3 shall be indemnification in accordance with this Section 5.3, except with respect to any claim arising out of, based upon or related to fraud or intentional misrepresentation, a breach of any of the covenants set forth in Section 5.5 or as otherwise provided in Section 8.8. Each Indemnified Party entitled to indemnification hereunder shall use commercially reasonable efforts to mitigate Losses for which it seeks indemnification hereunder, and the costs and expenses incurred in connection with such mitigation efforts shall be deemed Losses for purposes of this Section 5.3.

(e) The parties to this Agreement agree to treat any indemnity payment made pursuant to this Section 5.3 as an adjustment to the Total Consideration for U.S. federal, state and local income tax purposes.

Section 5.4 Notification of Certain Matters. From the date of this Agreement to the Closing, each of the Company and the Unitholder will give prompt notice to Holdings, and Holdings will give prompt notice to the Company and the Unitholders, of (a) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be likely to cause any representation or warranty made by it or them contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing, (b) any failure of the Company, the Unitholder or Holdings, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it or them hereunder, (c) any notice or other communication received from any third party alleging that the consent of such third party is or may be required in connection with any of the Contemplated Transactions, or (d) in the case of the Company, any facts or circumstances that could reasonably be expected to result in a Company Material Adverse Effect; provided, however, that the delivery of any notice pursuant to this Section 5.4 will not cure such breach or non-compliance or limit or otherwise affect the rights, obligations or remedies available hereunder to the party receiving such notice.

Section 5.5 Non-Competition. As a material inducement to Holdings' consummation of the Contemplated Transactions, including Holdings' acquisition of the goodwill associated with the business of the Company, the Unitholder agrees as follows:

(a) The Unitholder will not, for a period of three (3) years following the Closing Date (computed by excluding from such computation any time during which any of the Unitholder is found by a court of competent jurisdiction to have been in violation of any provision of this Section 5.5(a)) (the "**Restricted Period**"), directly or indirectly, for itself or on behalf of or in conjunction with any other Person, engage in, invest in or otherwise participate in (whether as an owner, employee, officer, director, manager, consultant, independent contractor, agent, partner, advisor, or in any other capacity) any business that competes with the business of the Company (such business, the "**Restricted Business**") in any Restricted Area, or at any time following the Closing Date make any use of any Company Intellectual Property other than in connection with the business of the Company. Notwithstanding the above, the foregoing covenant shall not be deemed to prohibit the acquisition as a passive investment of not more than one percent (1%) of the capital stock of a competing business whose stock is traded on a national securities exchange or over-the-counter market.

(b) The Unitholder will not, for a period of three (3) years following the Closing Date (computed by excluding from such computation any time during which any of the Unitholder is found by a court of competent jurisdiction to have been in violation of any provision of this Section 5.5(b)), directly or indirectly, for itself or on behalf of or in conjunction with any other Person, (i) solicit or hire (or assist or encourage any other Person to solicit or hire), or otherwise interfere in any manner with the employment or consulting relationship of, any Person who is an employee or consultant of any of Holdings, the Company or any of Holdings' other subsidiaries (each, a "**Restricted Entity**"), other than by general public advertisement or other such general solicitation not specifically targeted at any such Person, (ii) induce or request any customer of any Restricted Entity to reduce, cancel or terminate its business with a Restricted Entity or otherwise interfere in any manner in any Restricted Entity's business relationship with any of its customers, or (iii) solicit or accept business from any customer of any Restricted Entity in connection with a Restricted Business. For purposes of this Section 5.5(b), a Person shall be deemed to be an employee, consultant or customer of any Restricted Entity if any such relationship existed or exists at any time (A) during the thirty (30) days prior to the execution of this Agreement or (B) after the Closing Date and during the operation of this provision, and any such Person shall cease to have the applicable status one year after the termination of any such relationship.

(c) The Unitholder agrees that the foregoing covenants are reasonable with respect to their duration, geographic area and scope, to protect, among other things, Holdings' acquisition of the goodwill associated with the business of the Company. If a judicial or arbitral determination is made that any provision of this Section 5.5 constitutes an unreasonable or otherwise unenforceable restriction against the Unitholders, then the provisions of this Section 5.5 shall be rendered void with respect to the Unitholder only to the extent such judicial or arbitral determination finds such provisions to be unenforceable. In that regard, any judicial or arbitral authority construing this Section 5.5 shall be empowered to sever any prohibited business activity, time period or geographical area from the coverage of any such agreements and to apply the remaining provisions of this Section 5.5 to the remaining business activities, time periods and/or geographical areas not so severed. Moreover, in the event that any provision, or the application thereof, of this Section 5.5 is determined not to be specifically enforceable, Holdings shall nevertheless be entitled to recover monetary damages as a result of the breach of such agreement.

(d) The Unitholder acknowledges that they have carefully read and considered the provisions of this Section 5.5. The Unitholder acknowledges that they have received and will receive sufficient consideration and other benefits to justify the restrictions in this Section 5.5. The Unitholder also acknowledges and understands that these restrictions are reasonably necessary to protect interests of Holdings, including protection of the goodwill acquired, and the Unitholder acknowledges that such restrictions will not prevent them from conducting businesses that are not included in the Restricted Business set forth in this Section 5.5 during the periods covered by the restrictive covenants set forth in this Section 5.5. The Unitholder also acknowledges that the Contemplated Transactions constitute full and adequate consideration for the execution and enforceability of the restrictions set forth in this Section 5.5.

Section 5.6 Tax Covenants.

(a) To the extent permitted under applicable Law, the Company and the Unitholder shall close or terminate (or cause to be closed or terminated), as of the close of business on the Closing Date, each Tax period relating to any Company Tax or Company Tax Return.

(b) To the extent not filed prior hereto, the Unitholder will prepare or cause to be prepared, in accordance with applicable Law and consistent with past practice of the Company, each Company Tax Return for each Pre-Closing Period. At least twenty (20) days prior to the date on which a Company Tax Return for a Pre-Closing Period is due (after taking into account any valid extension), the Unitholder will deliver such Company Tax Return to Holdings. No later than five (5) days prior to the date on which a Company Tax Return for a Pre-Closing Period is due (after taking into account any valid extension), Holdings may make reasonable changes and revisions to such Company Tax Return. The Unitholder will cooperate fully in making any reasonable changes and revisions to any Company Tax Return for a Pre-Closing Period. At least three (3) days prior to the date on which a Company Tax Return (as reasonably revised by Holdings) for a Pre-Closing Period is due (after taking into account any valid extension), the Unitholder will pay to Holdings an amount equal to any Company Tax due with respect to such Company Tax Return, and Holdings will file such Company Tax Return.

(c) Holdings will prepare and file each Company Tax Return for any Post-Closing Period or any Straddle Period in accordance with applicable Law. At least twenty (20) days prior to the date on which a Company Tax Return for a Straddle Period is due (after taking into account any valid extension), Holdings will deliver such Company Tax Return to the Unitholders. No later than five (5) days prior to the date on which a Company Tax Return for any Straddle Period is due (after taking into account any valid extension), the Unitholder may make reasonable changes and revisions to such Company Tax Return. Holdings will cooperate fully in making any reasonable changes and revisions to any Company Tax Return for any Straddle Period. At least three (3) days prior to the date on which such Company Tax Return (as reasonably revised by the Unitholders) for a Straddle Period is due (after taking into account any valid extension), the Unitholder will pay to Holdings an amount equal to the Company Tax on such Company Tax Return to the extent such Company Tax relates, as determined under Section 5.6(d), to the portion of such Straddle Period ending on and including the Closing Date.

(d) In the case of a Company Tax payable for a Straddle Period, the portion of such Company Tax that relates to the portion of the Straddle Period ending on the Closing Date will (i) in the case of a Tax other than a Tax based upon or related to income, employment, sales or other transactions, franchise or receipts, be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of all of the days in the Straddle Period; and (ii) in the case of a Tax based upon or related to income, employment, sales or other transactions, franchise or receipts, be deemed equal to the amount that would be payable if the Straddle Period ended on the Closing Date and such Tax was based on an interim closing of the books as of the close of business on the Closing Date.

(e) Each party will promptly forward to the others a copy of all written communications from any Governmental Entity relating to any Company Tax or Company Tax Return for a Pre-Closing Period or Straddle Period. Upon reasonable request, each party will make available to the others all information, records and other documents relating to any Company Tax or any Company Tax Return for a Pre-Closing Period or Straddle Period. The parties will preserve all information, records and other documents relating to a Company Tax or a Company Tax Return for a Pre-Closing Period or Straddle Period until the date that is six (6) months after the expiration of the statute of limitations applicable to the Company Tax or the Company Tax Return. Prior to transferring, destroying or discarding any information, records or documents relating to any Company Tax or any Company Tax Return for a Pre-Closing Period or Straddle Period, the Unitholder will give to Holdings reasonable written notice and, to the extent Holdings so requests, the Unitholder will permit Holdings to take possession of all such information, records and documents. In addition, the parties will cooperate with each other in connection with all matters relating to the preparation of any Company Tax Return or the payment of any Company Tax for a Pre-Closing Period or Straddle Period and in connection with any audit, action, suit, claim or proceeding relating to any such Company Tax or Company Tax Return, and Holdings will have the right to control any such audit, action, suit, claim or proceeding. Nothing in this Section 5.6(e) will affect or limit any indemnity or similar provision or any representations, warranties or obligations of any of the parties. Each party will bear its own costs and expenses in complying with the provisions of this Section 5.6(e).

(f) Holdings and the Unitholder shall each be liable for and each shall pay when due fifty percent (50%) of all Transfer Taxes incurred in connection with this Agreement or any of the Contemplated Transactions. The party required by any applicable Law to file a Tax Return or other documentation with respect to such Transfer Taxes shall do so within the time period prescribed by Law, and the other party shall promptly reimburse such party for any Transfer Taxes for which the other party is responsible upon receipt of notice that such Transfer Taxes are payable. To the extent permitted by any applicable Law, the parties hereto shall cooperate in taking reasonable steps to minimize any Transfer Taxes.

(g) The Unitholder will not make or request a refund of any Company Tax or with respect to any Company Tax Return or amend any Company Tax Return, unless Holdings, in its reasonable discretion, consents in writing thereto. Holdings will not be obligated to seek or request any refund of any Company Tax or amend any Company Tax Return, unless Holdings is reimbursed for out-of-pocket costs incurred in preparing such Tax Return and Holdings determines in its reasonable discretion that neither Holdings nor any of its subsidiaries will be adversely impacted by filing such Tax Return.

(h) Any Tax sharing or similar agreement with respect to or involving the Company will be terminated as of the Closing Date, without liability to the Company, and will have no further effect for any year (whether the current year, a future year or a past year). Any amounts payable under any Tax sharing or similar agreement will be cancelled as of the Closing Date, without any liability to the Company.

Section 5.7 Retention Agreements. Retention Agreements shall be executed at, and shall be a condition precedent for Closing for Chuck Renner (the "**Employee Unitholder**") Under their Retention Agreements, the form of which is attached as Exhibit A hereto, the Employee Unitholder shall be entitled to receive a base salary. The Retention Agreement shall have a three (3) year term and provide for other terms customary for retention arrangements of other Holdings management; the final terms of which will be mutually agreed upon by both Holdings and each of the Employee Unitholders. No rights to employment will exist unless and until the Retention Agreements are executed and delivered.

ARTICLE VI
CONDITIONS TO CONSUMMATION OF THE UNIT PURCHASE

Section 6.1 Conditions to Each Party's Obligations to Effect the Unit Purchase. The respective obligations of each party to consummate the Contemplated Transactions are subject to the fulfillment at or prior to the Closing of each of the following conditions, any or all of which may be waived in writing in whole or in part by the party being benefited thereby, to the extent permitted by applicable Law:

(a) Holdings, the Company and the Unitholder shall have timely obtained from each Governmental Entity all authorizations, approvals, licenses, permits, waivers and consents necessary for consummation of any of the Contemplated Transactions, as determined by Holdings.

(b) There shall not be in effect any Law of any Governmental Entity of competent jurisdiction restraining, enjoining, making illegal or otherwise preventing or prohibiting consummation of any of the Contemplated Transactions, or imposing any limitation on the operation or conduct of the business of the Company or Holdings after the Closing, and no Governmental Entity shall have instituted or threatened to institute any proceeding seeking any such Law.

(c) No action, suit or proceeding shall have been instituted or threatened against any of the parties hereto seeking to restrain, materially delay or prohibit, or to obtain substantial damages or other injunctive or other equitable relief with respect to, the consummation of any of the Contemplated Transactions.

Section 6.2 Conditions to the Obligation of Holdings. The obligation of Holdings to consummate the Contemplated Transactions is subject to the fulfillment at or prior to the Closing of each of the following additional conditions, any or all of which may be waived in writing in whole or part by Holdings to the extent permitted by applicable Law:

(a) The representations and warranties of the Company and of the Unitholder contained herein qualified as to materiality or Company Material Adverse Effect shall be true and correct in all respects and those not so qualified shall be true and correct in all material respects as of the date hereof and at and as of the Closing Date as though such representations and warranties were made at and as of such date (except for representations and warranties made as of a specified date, which shall speak only as of the specified date).

(b) Each of the Company and the Unitholder shall have performed or complied with in all material respects all agreements, covenants and conditions contained herein required to be performed or complied with by it or them prior to or at the time of the Closing.

(c) Since December 31, 2016, there shall not have been any event, change, effect, occurrence or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect

(d) No action, suit or proceeding shall be pending or threatened against the Company.

(e) The Company and the Unitholder shall have delivered to Holdings certificates, dated the date of the Closing, signed by an executive officer of the Company and by the Unitholders, certifying as to the fulfillment of the conditions specified in Section 6.2(a), Section 6.2(b), Section 6.2(c) and Section 6.2(d).

(f) The Company Consents and the Holdings Consents shall have been obtained.

(g) Holdings shall have completed its due diligence investigation of the Company to the satisfaction of Holdings in its sole discretion.

(h) The Company shall have delivered to Holdings an income statement for the period of June 1, 2017 through May 31, 2018, which income statement shall be complete and correct and shall not deviate in any material respect from GAAP.

(i) The Retention Agreements shall have been executed and delivered by the Company and the Employee Unitholders.

(j) All proceedings of the Company and the Unitholder that are required in connection with the Contemplated Transactions shall be reasonably satisfactory in form and substance to Holdings and its counsel, and Holdings and its counsel shall have received such evidence of any such proceedings, good standing certificates (if applicable), organizational and governing documents, certified if requested, as may be reasonably requested and is customary in transactions such as this one.

(k) The Unitholder shall have executed and delivered to Holdings a lock-up agreement, in customary form, with respect to restricting the sale or otherwise transfer of the Holding Shares for 180 days from the date of a prospectus for an initial public offering by Holdings, as and to the extent requested by the underwriter of such public offering.

(l) All agreements set forth on Section 6.2(l) of the Company Disclosure Schedule shall have been terminated, without any further liability or obligation of any of the Company thereunder, and shall cease to be of force or effect.

Section 6.3 Conditions to the Obligations of the Company and the Unitholders. The respective obligations of the Company and the Unitholder to consummate the Contemplated Transactions are subject to the fulfillment at or prior to the Closing of each of the following additional conditions, any or all of which may be waived in writing in whole or in part by the Company or the Unitholder to the extent permitted by applicable Law:

(a) The representations and warranties of Holdings contained herein qualified as to materiality shall be true and correct in all respects and those not so qualified shall be true and correct in all material respects as of the date hereof and at and as of the Closing Date as though such representations and warranties were made at and as of such date (except for representations and warranties made as of a specified date, which shall speak only as of the specified date).

(b) Holdings shall have performed or complied with in all material respects all agreements, covenants and conditions contained herein required to be performed or complied with by it prior to or at the time of the Closing.

(c) Holdings shall have delivered to the Unitholder a certificate, dated the Closing Date, signed by an executive officer of Holdings, certifying as to the fulfillment of the conditions specified in Section 6.3(a) and Section 6.3(b).

Section 6.4 Closing Deliveries. At Closing, the following documents will be delivered, or caused to be delivered, to the parties as set forth in each subsection:

(a) The Employee Unitholder shall deliver to Holdings the Retention Agreements.

ARTICLE VII
TERMINATION

Section 7.1 Termination by Mutual Agreement. This Agreement may be terminated and the Unit Purchase may be abandoned at any time prior to the Closing, by mutual written consent of Holdings and the Unitholders.

Section 7.2 Termination by either Holdings or the Unitholders. This Agreement may be terminated and the Unit Purchase may be abandoned at any time prior to the Closing by Holdings or the Unitholder if:

(a) the Unit Purchase shall not have been consummated by December 31, 2018;

(b) any Law permanently restraining, enjoining or otherwise prohibiting or preventing consummation of the Unit Purchase shall become final and non-appealable; or provided, however, that the right to terminate this Agreement pursuant to this Section 7.2 shall not be available to any party (and in the case of the Unitholders, including the Company) that has breached in any material respect its obligations under this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of the Unit Purchase to be consummated.

Section 7.3 Termination by the Unitholders. This Agreement may be terminated and the Unit Purchase may be abandoned at any time prior to the Closing by the Unitholders, if any representation of Holdings contained in this Agreement shall have been inaccurate, or Holdings shall have breached any representation, warranty, covenant or other agreement contained in this Agreement, in any such event that would give rise to the failure of a condition set forth in Section 6.3(a) or (b) hereof, which inaccuracy or breach cannot be or has not been cured within twenty (20) days after the giving of written notice by the Unitholder to Holdings thereof.

Section 7.4 Termination by Holdings. This Agreement may be terminated and the Unit Purchase may be abandoned at any time prior to the Closing by Holdings, if any representation of the Company and/or the Unitholder contained in this Agreement shall have been inaccurate, or the Company and/or the Unitholder shall have breached any representation, warranty, covenant or other agreement contained in this Agreement, in any such event that would give rise to the failure of a condition set forth in Section 6.2(a) or (b) hereof, which inaccuracy or breach cannot be or has not been cured within twenty (20) days after the giving of written notice by Holdings to the Unitholder thereof.

Section 7.5 Effect of Termination and Abandonment. In the event of the termination of this Agreement and the abandonment of the Unit Purchase pursuant to this Article VII, this Agreement (other than this Section 7.5, Section 5.2 and Article VIII) shall become void and of no effect with no liability on the part of any party hereto (or of any of its directors, officers, employees, consultants, contractors, agents, attorneys or other Representatives); provided, however, that no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach of this Agreement by such party.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Entire Agreement; Assignment.

(a) This Agreement (including the exhibits hereto, the Holdings Disclosure Schedule and the Company Disclosure Schedule) constitutes the entire agreement among the parties hereto in respect of the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, among the parties in respect of the subject matter hereof.

(b) Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by the Company or the Unitholders, on the one hand, or Holdings, on the other hand, without the prior written consent of the other party(ies). Any assignment in violation of the preceding sentence shall be void.

Section 8.2 Notices. All notices, requests, demands, instructions and other documents and communications to be given under this Agreement shall be in writing and shall be deemed given (a) three (3) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent if sent by facsimile or email, provided that in the case of facsimile receipt is confirmed and in the case of e-mail the e-mail is not returned with an undeliverable, delayed or similar message, (c) when delivered, if delivered personally to the intended recipient, and (d) one Business Day following sending by overnight delivery via a nationally recognized overnight courier service, and in each case, addressed to a party at the following address for such party:

if to Holdings, to:	IMAC Holdings Corp. 2725 James Sanders Blvd. Paducah, Kentucky 42001 Attention: Mr. Jeff Ervin, Chief Executive Officer Facsimile: E-mail: jervin@imacrc.com
with a copy (which shall not constitute notice) to:	Olshan Frome Wolosky LLP 1325 Avenue of the Americas, 15th Floor New York, New York 10019 Attention: Spencer G. Feldman, Esq. Facsimile: (212) 451-2222 Email: sfeldman@olshanlaw.com
if to the Company or the Unitholders, to:	Advantage Therapy 2017 W. Woodland St. Springfield, Missouri 65807 Attention: Charles Renner Email: chuck@advantagetherapyonline.com

or to such other address, email address or facsimile number as the party to whom notice is given shall have previously furnished to the other parties in writing in the manner set forth above.

Section 8.3 Governing Law; Jurisdiction; WAIVER OF JURY TRIAL. This Agreement shall be governed by and construed in accordance with the Laws of the State of Missouri, without giving effect to the choice of law principles thereof to the extent that the application of the Laws of another jurisdiction would be required thereby. All actions, suits or proceedings arising out of or relating to this Agreement or any of the other Transaction Documents shall be heard and determined exclusively in any Missouri state or federal court. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in Missouri for the purpose of any action, suit or proceeding arising out of or relating to this Agreement or any of the other Transaction Documents, and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper, or that this Agreement, any of the other Transaction Documents or any of the Contemplated Transactions may not be enforced in or by any of the above-named courts. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 8.2. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING HEREUNDER.

Section 8.4 Expenses. Except as otherwise provided by this Agreement, all fees and out-of-pocket expenses incurred in connection with this Agreement or any of the other Transaction Documents or the consummation of any of the Contemplated Transactions shall be paid by the party incurring the same.

Section 8.5 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 8.6 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its successors and permitted assigns, and, except as provided in Section 5.3, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.7 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 8.8 Specific Performance. Notwithstanding Section 5.3(d)(ix), the parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent any breach or threatened of this Agreement and to enforce specifically the terms and provisions of this Agreement, without the requirement to post a bond or other security, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 8.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto. Facsimile or .pdf signatures shall have the same force and effect as original signatures.

Section 8.10 Interpretation.

(a) The words “hereof,” “herein,” “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its successors and permitted assigns.

(b) The phrases “the date of this Agreement,” “the date hereof,” and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the opening paragraph of this Agreement.

(c) The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 8.11 Amendment and Modification; Waiver. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by Holdings, the Company and the Unitholders. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 8.12 Definitions. As used herein,

"Affiliate" has the meaning given to it in Rule 12b-2 of Regulation 12B under the Exchange Act.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the State of New York generally are closed for regular banking business.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collections" mean the gross selling price received by the Company from the sale of its regeneration-related services and associated products, less (a) normal or customary trade, cash, prompt payment and/or quantity discounts, (b) refunds, returns, claims or allowances, rebates and chargebacks, and (c) fees and commissions paid to third-party dealers, distributors and other selling agents (other than employees of the Company). A regeneration-related service or associated product is considered sold hereunder when paid for, if paid for before delivery, or when shipped or mailed or otherwise delivered. All sales shall be bona fide, arm's-length transactions.

"Company Consents" means each of the consents, waivers, approvals, exemptions, declarations, licenses, authorizations, permits, registrations, filings and notifications of or with each Governmental Entity or under or pursuant to each Contract listed in Section 2.5 of the Company Disclosure Schedule required to be made or obtained in connection with the execution or delivery of any of the Transaction Documents by the Company or the Unitholders, the performance by the Company or the Unitholder of any of its or their obligations thereunder, or the consummation of any of the Contemplated Transactions.

"Company Material Adverse Effect" means any event, development, change, circumstance, effect, occurrence or condition that, either individually or in the aggregate, (i) has caused or would reasonably be expected to cause a material adverse effect on the business, operations, financial condition or results of operations of the Company, or (ii) prevents or materially impairs or delays the ability, or would reasonably be expected to prevent or materially impair or delay the ability, of the Company or the Unitholder to perform any of their respective obligations under any of the Transaction Documents or to consummate any of the Contemplated Transactions.

"Company Tax" means any Tax, if and to the extent that the Company is or may be potentially liable under applicable Law, under Contract or on any other grounds (including, but not limited to, as a transferee or successor, under Code Section 6901 or Treasury Regulation Section 1.1502-6 (or similar provision of applicable Law), as a result of any Tax sharing or other agreement, or by operation of Law) for any such Tax.

"Company Tax Return" means any Tax Return filed or required to be filed with any Governmental Entity, if, in any manner or to any extent, relating to or inclusive of the Company or any Company Tax.

"Contemplated Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents, including the Unit Purchase.

"Contract" means any written or oral contract, agreement, license, lease, instrument or note that creates a legally binding obligation.

"Encumbrance" means any lien, encumbrance, security interest, claim, charge, surety, mortgage, option, pledge, easement, limitation or restriction (including on any right to vote or Transfer any asset or security) of any nature whatsoever.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fundamental Representations" means the representations and warranties contained in Sections 2.1, 2.2, 2.3, 2.4, 2.5, 2.13, 2.19, 2.20, 3.1, 3.2, 3.3, 3.5 and the first sentence of Section 2.14(a).

"GAAP" means United States generally accepted accounting principles applied on a consistent basis throughout the periods involved.

"Intellectual Property" means all intellectual property rights arising from or in respect of the following: (i) all patents and applications therefor, including continuations, divisionals, provisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon (collectively, "**Patents**"), (ii) all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, slogans, Internet domain names and individual, entity and business names, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof (collectively, "**Trademarks**"), (iii) copyrights and registrations and applications therefor, works of authorship and mask work rights (collectively, "**Copyrights**"), (iv) all computer programs and software (including any and all software implementations of algorithms, models and methodologies, whether in source code, object code or other form, but excluding off-the-shelf commercial or shrink-wrap software), databases and compilations (including any and all data and collections of data), and all descriptions, flow-charts and other work product used to design, plan, organize or develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, all technology supporting any of the foregoing, and all documentation, including user manuals and other training documentation, related to any of the foregoing (collectively, "**Software**"), and (v) all trade secrets, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), creations, improvements and other similar materials, and all recordings, graphs, drawings, reports, analyses and other works of authorship, and other tangible embodiments of the foregoing, in any form except teaching techniques, and all related technology.

"Knowledge" means the actual knowledge, after reasonable inquiry, of (i) in the case of the Company, of each of the Unitholders, (ii) in the case of the Unitholders, the Unitholders, and (ii) in the case of Holdings, Jeff Ervin and Anthony Bond.

"Law" means any order, writ, injunction, decree, judgment, permit, license, ordinance, law, statute, rule, regulation, administrative interpretation, directive or other requirement of any Governmental Entity.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act).

"Pre-Closing Period" means any Tax period ending on or before the Closing Date.

"Post-Closing Period" means any Tax period beginning after the Closing Date.

"Representative" means, with respect to any Person, each of such Person's Affiliates, directors, officers, employees, partners, members, managers, consultants, advisors, accountants, attorneys, representatives and agents.

"Restricted Area" means the States of Kentucky, Missouri, Tennessee and Texas.

"Retention Agreements" mean the Retention Agreements between the Company and each of the Employee Unitholder in the form attached hereto as Exhibit A.

"Straddle Period" means any Tax period beginning before the Closing Date and ending after the Closing Date.

"Tax" means any tax, charge, deficiency, duty, fee, levy, toll or other amount (including any net income, gross income, profits, gross receipts, excise, property, sales, ad valorem, withholding, social security, retirement, excise, employment, unemployment, minimum, alternative, add-on minimum, estimated, severance, stamp, occupation, environmental, premium, capital stock, disability, windfall profits, use, service, net worth, payroll, franchise, license, gains, customs, transfer, recording, registration or other tax) assessed or otherwise imposed by any Governmental Entity or under applicable Law, together with any interest, penalties or any other additions or increases.

"Tax Return" means mean any return, election, declaration, report, schedule, information return, document, information, opinion, statement, or any amendment to any of the foregoing (including any consolidated, combined or unitary return and any related or supporting information) with respect to Taxes.

"Transaction Documents" means this Agreement and the Retention Agreements.

"Transfer" means any sale, assignment, pledge, hypothecation or other disposition or Encumbrance.

"Treasury Regulations" means the regulations promulgated under the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed on its behalf as of the date first above written.

IMAC HOLDINGS CORP.

By: */s/ Jeff Ervin*
Name: Jeff Ervin
Title: Chief Executive Officer

ADVANTAGE HAND THERAPY AND ORTHOPEDIC REHABILITATION, LLC

By: */s/ Charles Renner*
Name: Charles Renner
Title: Owner

THE UNITHOLDER:

/s/ Charles Renner
Charles Renner

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Name of Parent Company	Subsidiary State of Organization
IMAC of St. Louis, LLC	IMAC Holdings, Inc.	Missouri
IMAC Regeneration Management of Nashville, LLC	IMAC Holdings, Inc.	Tennessee
IMAC Management Services LLC	IMAC Holdings, Inc.	Kentucky
IMAC Regeneration Management, LLC	IMAC Holdings, Inc.	Texas
Advantage Hand Therapy and Orthopedic Rehabilitation, LLC	IMAC Holdings, Inc.	Missouri
BioFirma LLC (70% owned by Parent)	IMAC Holdings, Inc.	Florida

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

IMAC Holdings, Inc.
Brentwood, Tennessee

We hereby consent to the use of our report dated May 31, 2018 (except for Note 1 to which the date is June 1, 2018), on the consolidated financial statements of IMAC Holdings, Inc. for the years ended December 31, 2017 and 2016, included herein on this registration statement of IMAC Holdings, Inc. on Form S-1 and to the reference to our firm under the heading “Experts” in the Prospectus.

/s/ Daszkal Bolton LLP

Boca Raton, Florida
December 3 , 2018