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

FORM 10-Q

(MARK ONE)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED **APRIL 30, 2013**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: **000-25809**

APOLLO MEDICAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-8046599**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

700 N. Brand Blvd., Suite 220
Glendale, California 91203
(Address of principal executive offices)

(818) 396-8050
Issuer's telephone number:

(Former Address: 700 N. Brand Blvd., Suite 450 Glendale, CA 91203)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: ☒ Yes ☐ No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): ☐ Yes ☒ No

As of June 13, 2013, there were34,843,441 shares of the registrant's common stock, $0.001 par value per share, issued and outstanding.

APOLLO MEDICAL HOLDINGS, INC.

INDEX TO FORM 10-Q FILING

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

APOLLO MEDICAL HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	April 30, 2013	January 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,575,500	$ 1,176,727
Accounts receivable, net	1,320,087	1,582,505
Due from affiliates	-	5,648
Prepaid expenses	85,200	72,628
Deferred financing costs, current	67,113	34,614
Total current assets	3,047,900	2,872,122
Deferred financing costs, non-current	211,375	218,640
Property and equipment, net	64,689	68,142
Goodwill	33,200	33,200
Other assets	30,981	30,981
TOTAL ASSETS	$ 3,388,145	$ 3,223,085
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 863,782	$ 950,651
Notes payable	594,745	594,765
Stock issuable	828,709	159,334
Total current liabilities	2,287,236	1,704,750
Convertible notes payable, net	2,035,828	1,909,714
Total liabilities	4,323,064	3,614,464
STOCKHOLDERS' DEFICIT		
Preferred stock, par value $0.001; 5,000,000 shares authorized; none issued	-	-
Common Stock, par value $0.001; 100,000,000 shares authorized, 34,843,441 shares issued and outstandingas of April 30, 2013 and January 31, 2013, respectively	34,844	34,844
Prepaid consulting	(554,050)	(616,014)
Additional paid-in-capital	11,489,102	11,248,566
Accumulated deficit	(11,871,387)	(11,022,272)
Total	(901,491)	(354,876)
Non-controlling interest	(33,428)	(36,503)
Total stockholders' deficit	(934,919)	(391,379)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 3,388,145	$ 3,223,085

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

APOLLO MEDICAL HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended April 30,	
	2013	**2012**
NET REVENUES	$ 2,446,566	$ 1,631,844
COST OF SERVICES	1,860,493	1,328,659
GROSS PROFIT	586,073	303,185
Operating expenses:		
General and administrative	1,291,393	351,547
Depreciation	6,652	4,791
Total operating expenses	1,298,045	356,338
LOSS FROM OPERATIONS	(711,972)	(53,153)
Other income (expense)		
Gain on change in fair value of derivative liabilities	-	123,838
Interest expense	(127,493)	(224,036)
Other expense	(246)	(5)
Total other expenses	(127,739)	(100,203)
LOSS BEFORE INCOME TAXES	(839,711)	(153,356)
Provision for Income Tax	9,404	4,000
NET LOSS	$ (849,115)	$ (157,356)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING - BASIC AND DILUTED	34,843,441	29,965,878
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.02)	$ (0.01)

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

APOLLO MEDICAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three months ended April 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (849,115)	$ (157,356)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	6,652	4,791
Issuance of shares for services	393,339	42,880
Non-cash stock option expense	229,887	61,254
Amortization of financing costs	30,766	21,210
Amortization of debt discount	32,839	163,458
Gain on change in fair value of warrant and derivative liabilites	-	(123,838)
Changes in assets and liabilities:		
Accounts receivable	262,418	(152,404)
Due to officers	-	6,064
Due from affiliates	5,648	(2,425)
Prepaid expenses and advances	(12,572)	(8,963)
Other assets	(21)	(1,450)
Accounts payable and accrued liabilities	(86,869)	15,619
Net cash provided by (used in) operating activities	12,972	(131,160)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment acquired	(3,199)	(9,270)
Net cash used in investing activities	(3,199)	(9,270)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	-	270,000
Distributions to non-controlling interest shareholder	-	(100,000)
Proceeds from subscribed common stock	300,000	-
Proceeds from issuance of convertible notes payable	100,000	-
Debt issuance costs	(11,000)	-
Net cash provided by financing activities	389,000	170,000
NET INCREASE IN CASH & CASH EQUIVALENTS	398,773	29,570
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	1,176,727	164,361
CASH & CASH EQUIVALENTS, ENDING BALANCE	$ 1,575,500	$ 193,931
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 18,062	$ 15,000
Income Taxes paid	$ 9,404	$ 8,240
Non-Cash Financing Activities		
Shares issuable and issued for note payable financing fees	$ 45,000	$ 25,661
Warrants issued in connection with convertible note issuance	$ 6,724	$ -
Shares issued for prepaid director services	$ -	$ 47,520

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

1. Description of Business

Apollo Medical Holdings, Inc. and its affiliated physician groups are a physician centric, integrated healthcare delivery system serving Medicare, Commercial and Medi-Cal beneficiaries in California. As of April 30, 2013, ApolloMed's physician network consisted of over 300 hospitalists, primary care physicians and specialist physicians primarily through our owned and affiliated physician groups. ApolloMed operates as a medical management holding company through the following wholly-owned subsidiary management companies: Apollo Medical Management, Inc. ("AMM"), Pulmonary Critical Care Management, Inc. ("PCCM"), Verdugo Medical Management, Inc. ("VMM") and ApolloMed ACO, Inc. ("ApolloMed ACO"). Through AMM, PCCM, and VMM, the Company manages affiliated medical groups, which consists of ApolloMed Hospitalists ("AMH"), Los Angeles Lung Center ("LALC"), and Eli Hendel, M.D., Inc. ("Hendel".) AMM, PCCM and VMM each operate as a physician practice management company ("PPM") and are in the business of providing management services to physician practice companies ("PPC") under long-term management service agreements. ApolloMedACO participates in the Medicare Shared Savings Program ("MSSP"), the goal of which is to improve the quality of patient care and outcomes through more efficient and coordinated approach among providers.

Consolidation of Maverick Medical Group, Inc.

On February 1, 2013 AMM entered into a management services agreement with Maverick Medical Group, Inc. ("MMG"), a newly formed independent practice association ("IPA"). Prior to February 1, 2013 MMG had no business operations. Under the MMG management services agreement ("MSA"), AMM has exclusive authority and will perform all non-medical management and administrative services related to the ongoing business operations of MMG. In addition, AMM has agreed to provide working capital to MMG to fund its initial operations. The MSA has an initial term of 20 years and is not terminable by either party except in the case of gross negligence, fraud, or other illegal acts by Apollo, or bankruptcy of Apollo. AMM is the primary beneficiary of MMG under the MSA, and consolidated the financial statements of MMG from the date of execution of the management agreement.

Going Concern

The Company's financial statements are prepared using United States generally accepted accounting principles ("GAAP") applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company incurred the following net operating loss and cash from operating activities for the three months ended April 30, 2013:

Net operating loss	$	711,972
Cash provided by operating activities	$	12,972

As of April 30, 2013 the Company's accumulated and stockholders' deficit was as follows:

Accumulated deficit	$	11,871,387
Stockholders' deficit	$	934,919

The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

To date the Company has funded its operations from internally generated cash flow and external sources, including the proceeds from the issuance of debt and equity securities which have provided funds for near-term operations and growth. The current operating plan indicates that losses from operations may be incurred for all of fiscal 2014. Consequently, we may not have sufficient liquidity necessary to sustain operations for the next twelve months and this raises substantial doubt that we will be able to continue as a going concern. On January 31, 2013 the Company raised through a private placement offering $880,000 of par value 9% Senior Subordinated Callable Convertible Promissory Notes maturing February 15, 2016 (the "9% Notes") and through April 30, 2013 had raised an aggregate of $980,000 in gross proceeds (see Note 5). In March, 2013, the Company initiated a private placement of up to 7,500,000 shares of its common stock at a price per share of $0.40 (the "Equity Offering"), and has raised approximately $300,000 during the three months ended April 30, 2013 (see Note 6). The Company intends to use the net proceeds after issue costs from the 9% Notes and the Equity Offering for working capital and general corporate purposes.

No assurances can be made that management will be successful in achieving its plan. If the Company is not able to raise substantial additional capital in a timely manner, the Company may be forced to cease operations.

2. Summary of Significant Accounting Policies

Accounting Principles

These condensed consolidated statements reflect all adjustments, consisting of normal recurring adjustments, which, in management's opinion, are necessary, and should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2012 as filed with the Securities and Exchange Commission ("SEC") on May 1, 2013.

Principles of Consolidation

Our consolidated financial statements include the accounts of Apollo Medical Holdings, Inc. and its wholly owned subsidiaries AMM, Aligned Healthcare Group ("AHI"), ApolloMedACO, PCCM, and VMM as well as PPC's managed under long-term management service agreements including AMH, LALC and Hendel. Some states have laws that prohibit business entities, such as Apollo, from practicing medicine, employing physicians to practice medicine, exercising control over medical decisions by physicians (collectively known as the corporate practice of medicine), or engaging in certain arrangements with physicians, such as fee-splitting. In California, we operate by maintaining long-term management service agreements with the PPC's, which are each owned and operated by physicians, and which employ or contract with additional physicians to provide hospitalist services. Under the management agreements, we provide and perform all non-medical management and administrative services, including financial management, information systems, marketing, risk management and administrative support. The management agreements typically have an initial term of 20 years unless terminated by either party for cause. The management agreements are not terminable by the PMC's, except in the case of gross negligence, fraud, or other illegal acts by Apollo, or bankruptcy of Apollo.

Through the management agreements and our relationship with the stockholders of the PPC's, we have exclusive authority over all non-medical decision making related to the ongoing business operations of the PPC's. Consequently, we consolidate the revenue and expenses of the PPCs from the date of execution of the management agreements.

All intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

Revenue consists of contracted and fee-for-service revenue. Revenue is recorded in the period in which services are rendered. Our revenue is principally derived from the provision of healthcare staffing services to patients within healthcare facilities. The form of billing and related risk of collection for such services may vary by customer. The following is a summary of the principal forms of our billing arrangements and how net revenue is recognized for each.

Contracted revenue represents revenue generated under contracts in which we provide physician and other healthcare staffing and administrative services in return for a contractually negotiated fee. Contract revenue consists primarily of billings based on hours of healthcare staffing provided at agreed-to hourly rates. Revenue in such cases is recognized as the hours are worked by our staff and contractors. Additionally, contract revenue also includes supplemental revenue from hospitals where we may have a fee-for-service contract arrangement or provide physician advisory services to the medical staff at specific facility. Contract revenue for the supplemental billing in such cases is recognized based on the terms of each individual contract. Such contract terms generally either provides for a fixed monthly dollar amount or a variable amount based upon measurable monthly activity, such as hours staffed, patient visits or collections per visit compared to a minimum activity threshold. Such supplemental revenues based on variable arrangements are usually contractually fixed on a monthly, quarterly or annual calculation basis considering the variable factors negotiated in each such arrangement. Such supplemental revenues are recognized as revenue in the period when such amounts are determined to be fixed and therefore contractually obligated as payable by the customer under the terms of the respective agreement. Additionally, we derive a portion of our revenue as a contractual bonus from collections received by our partners and such revenue is contingent upon the collection of third-party billings. These revenues are not considered earned and therefore not recognized as revenue until actual cash collections are achieved in accordance with the contractual arrangements for such services.

Fee-for-service revenue represents revenue earned under contracts in which we bill and collect the professional component of charges for medical services rendered by our contracted and employed physicians. Under the fee-for-service arrangements, we bill patients for services provided and receive payment from patients or their third-party payers. Fee-for-service revenue is reported net of contractual allowances and policy discounts. All services provided are expected to result in cash flows and are therefore reflected as net revenue in the financial statements. Fee-for-service revenue is recognized in the period in which the services are rendered to specific patients and reduced immediately for the estimated impact of contractual allowances in the case of those patients having third-party payer coverage. The recognition of net revenue (gross charges less contractual allowances) from such visits is dependent on such factors as proper completion of medical charts following a patient visit, the forwarding of such charts to our billing center for medical coding and entering into our billing system and the verification of each patient's submission or representation at the time services are rendered as to the payer(s) responsible for payment of such services. Revenue is recorded based on the information known at the time of entering of such information into our billing systems as well as an estimate of the revenue associated with medical services.

The Company through its subsidiary, ApolloMed ACO, participates in the Medicare Shared Savings Program ("MSSP") sponsored by the Centers for Medicare & Medicaid Services ("CMS"). The MSSP allows ACO participants to share in cost savings it generates in connection with rendering medical services to Medicare patients. Payments to ACO participants, if any, will be calculated by CMS on cost savings generated by the ACO participant based on a trailing 24 month medical service history. The MSSP is a newly formed program with no history of payments to ACO participants. The Company considers revenue, if any, under the MSSP, as contingent upon the realization of program savings as determined CMS, and are not considered earned and therefore are not recognized as revenue until cash payments from CMS are received. For the three months ended April 30, 2013, the Company recorded no revenue related to the MSSP.

Concentrations

The Company had three major customers that contributed26%, 10% , and 10% of accounts receivable, respectively, as of April 30, 2013, and18%, 18%, and 17% of net revenues, respectively, for the three months ended April 30, 2013. The Company had three major customers during the three month period ended April 30, 2012 which contributed 26%, 10% and 9% of net revenues, respectively,

Fair Value of Financial Instruments

Our accounting for Fair Value Measurement and Disclosures defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This topic also establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level one — Quoted market prices in active markets for identical assets or liabilities;

Level two — Inputs other than level one inputs that are either directly or indirectly observable; and

Level three — Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each quarter.

The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair values due to the short maturities of these instruments.

Non-controlling Interest

The non-controlling interest recorded in our consolidated financial statements represents the pre-acquisition equity of those PPC's in which we have determined that we have a controlling financial interest and for which consolidation is required as a result of management contracts entered into with these entities. The nature of these contracts provide us with a monthly management fee to provide the services described above, and as such, the only adjustments to non-controlling interests in any period subsequent to initial consolidation would relate to either capital contributions or withdrawals by the non-controlling parties.

Activity within non-controlling interest for the three months ended April 30, 2013 consisted of the following:

Balance as of January 31, 2013	$	(36,503)
Stock-based compensation		3,075
Balance as of April 30, 2013	$	(33,428)

Basic and Diluted Earnings per Share

Basic net loss per share is calculated using the weighted average number of shares of the Company's common stock issued and outstanding during a certain period, and is calculated by dividing net loss by the weighted average number of shares of the Company's common stock issued and outstanding during such period. Diluted net loss per share is calculated using the weighted average number of common and potentially dilutive common shares outstanding during the period, using the as-if converted method for secured convertible notes, and the treasury stock method for options and warrants.

The following table sets forth the number of shares excluded from the computation of diluted earnings per share, as their inclusion would be anti-dilutive:

	April 30, 2013	April 30, 2012
Incremental shares assumed issued on exercise of in the money options	3,573,055	-
Incremental shares assumed issued on exercise of in the money warrants	1,403,721	268,500
	4,976,776	268,500

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Reclassifications

Certain reclassifications have been made to the accompanying fiscal year 2013 consolidated financial statements to conform them to the fiscal year 2014 presentation.

2. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	April 30, 2013	January 31, 2013
Accounts payable	$ 342,232	$ 394,915
D&O insurance payable	5,472	-
Income taxes payable	287	1,087
Accrued interest	54,975	9,310
Accrued professional fees	78,799	45,316
Accrued compensation	382,018	500,023
	$ 863,782	$ 950,651

3. Notes Payable

Senior Secured Note

The terms of the amended $500,000 Senior Secured Note provide for borrowings to bear interest at 8.0 % per annum with accrued interest payable in arrears on each of December 28, 2012, March 31, 2013, June 30, 2013 and October 15, 2013. The amended Note will mature on October 15, 2013, and may be prepaid at any time prior to September 29, 2013. At April 30, 2013 the Company has accrued an additional 100,000 restricted shares of the Company's common stock with a fair value of $45,000 to SpaGus required under the terms of the amended Note if principal and or accrued interest was outstanding on April 15, 2013. The Company accounted for this amendment as a modification and amendment financing costs will be amortized to interest expense over the life of the amended Note using the effective interest method.

Line of credit payable

The Company has a $100,000 revolving line of credit with a financial institution of which $94,745 was outstanding at April 30, 2013. Borrowings under the line of credit bear interest at the prime rate (as defined) plus 4.50% (7.75% per annum at April 30, 2013), interest only is payable monthly, and matures June 5, 2013. The line of credit is secured by substantially all assets of the Company's subsidiary, Eli M. Hendel, Inc.

4. Convertible Notes Payable

	April 30, 2013	January 31, 2013
10% Senior Subordinated Convertible Notes due January 31, 2016, net of debt discount of $166,685 (April 30, 2013) and $183,389 (January 31, 2013)	$ 1,083,315	$ 1,066,611
9% Senior Subordinated Convertible Notes due February 15, 2016, net of debt discount of $177,486 (April 30, 2013) and $186,897 (January 31, 2013)	802,513	693,103
8% Senior Subordinated Convertible Notes due February 1, 2015	150,000	150,000
Total Convertible Notes	2,035,828	1,909,714
Less: Current Portion	-	-
Long Term Portion	$ 2,035,828	$ 1,909,714

10% Senior Subordinated Callable Convertible Notes due January 31, 2016
The $1,250,000 10% Senior Subordinated Callable Convertible Notes (the "10% Notes") bear interest at a rate of 10% annually, payable semi- annually on January 31 and July 31. The 10% Notes rank senior to all other unsecured debt of the Company, have a fixed conversion price of $0.11485 per share, and are convertible at any time prior to maturity, January 31, 2016.

8% Senior Subordinated Convertible Promissory Notes due February 1, 2015
The $150,000 8% Senior Subordinated Promissory Convertible Notes bear interest at a rate of 8% annually, payable semi -annually on December 31 and June 30. The Notes mature and become due and payable on February 1, 2015 and rank senior to all other subordinated debt of the Company. The 8% Notes are convertible any time prior to February 1, 2015 at an initial conversion price of $0.25 per share of the Company's common stock. The Company may require the holders of the 8% Notes to convert to common stock at the then applicable conversion rate at any time after June 30, 2013 if: i) our 10% Notes have been fully repaid or converted and ii) the closing price of our common stock has exceeded 150% of the then applicable Conversion Price for no less than 30 consecutive trading days prior to giving notice. At any time on or after June 30, 2014, the Company may, at its sole option, redeem all of the Notes at a redemption price in cash equal to 108% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest up to, but excluding, the redemption rate.

9% Senior Subordinated Callable Convertible Promissory Notes due February 15, 2016
The 9% Notes bear interest at a rate of 9% per annum, payable semi-annually on August 15 and February 15. The principal of the 9% Notes plus any accrued yet unpaid interest is convertible at any time by the holder at a conversion price of $0.40 per share of Common Stock, subject to adjustment for stock splits, stock dividends and reverse stock splits. After 60 days prior notice, the Note is callable in full or in part by the Company at any time after January 31, 2015. If the Average Daily Value of Trades ("ADVT") during the prior 90 days as reported by Bloomberg is greater than $100,000, the Note is callable at a price of 105% of the Note's par value, and if the ADVT is less than $100,000, the Note is callable at a price of 110% of the Note's par value.

During the three months ended April 30, 2013 the Company issued additional units of the 9% Notes for aggregate proceeds of $100,000, and warrants to purchase the Company's common stock aggregating 75,000 shares at an exercise price of $0.40 per share.

The fair value of the warrants of $6,724 was based on the Company's closing stock price at the transaction date and inputs to the Black-Scholes option pricing model as follows:

Exercise Price	$	0.40
Expected Term (in years)		5.0
Volatility		36.7%
Dividend rate		0.0%
Interest rate		0.7%

This amount was recorded as additional debt discount which will be amortized to interest expense using the effective interest method over the term of the 9% Notes.

5. Income Taxes

The Company uses the liability method of accounting for income taxes as set forth in ASC 740 (formerly Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109")). Under the liability method, deferred taxes are determined based on differences between the financial statement and tax bases of assets and liabilities using enacted tax rates. The Company's effective tax rate is different from the federal statutory rate of 34% due primarily to operating losses that receive no tax benefit as a result of a valuation allowance recorded for such losses.

6. Stockholders' Deficit

Common Stock Placement

In March 2013, the Company initiated a private placement of up to 7,500,000 shares of its common stock at a price per share of $0.40 (the "Equity Offering"), and during the three months ended April 30, 2013 the Company has received proceeds of $300,000 which are being held in escrow pending a closing anticipated to take place on or around July 31, 2013. No shares have been issued in connection therewith at April 30, 2013.

Equity Incentive Plans

The Company's amended 2010 Equity Incentive Plan (the "2010 Plan") allowed the Board to grant up to 12,000,000 shares of the Company's common stock, and provided for awards including incentive stock options, non-qualified options, restricted common stock, and stock appreciation rights. As of April 30, 2013, there were no shares available for future grants under the 2010 Plan, and no further shares will be issued under the 2010 Plan.

On April 29, 2013 the Company's Board of Directors approved the Company's 2013 Equity Incentive Plan (the "2013 Plan"), pursuant to which 5,000,000 shares of the Company's common stock will be reserved for issuance thereunder. The Company received approval of the 2013 Plan Company's stockholders on May 19, 2013. The Company issues new shares to satisfy stock option and warrant exercises under the 2013 Plan. As of April 30, 2013 there were 3,810,333 shares available for future grants under the 2013 Plan.

Stock options and restricted common stock issued to non-employees as compensation for services to be provided to the Company are accounted for based upon the fair value of the services provided or the estimated fair value of the option or share, whichever can be more clearly determined. The Company recognizes this expense over the period in which the services are provided.

Share Issuances

On April 30, 2013 the Company's Board of Directors authorized the issuance of 300,000 shares of common stock to Kanehoe Advisors for consulting services, 300,000 shares of common stock to Gary Augusta for consulting services, and 100,000 shares of common stock for other professional services during the three months ended April 30, 2013. The 700,000 shares authorized had an aggregate cost of $315,000 and were recorded as stock-based compensation expense based on the fair values of the shares at the commitment dates. These shares were not issued as of April 30, 2013, and were recorded as a liability at April 30, 2013.

Option Issuances

During the three months ended April 30, 2013 the Company's Board of Directors authorized the issuance of options for 150,000 shares of common stock with an exercise price of $0.21 per share to Mark Meyers pursuant to Mr. Meyer's consulting agreement. The options vest immediately and expire on the tenth anniversary of issuance. The fair value of the 150,000 stock options of $55,774 was determined under the Black-Scholes option pricing model. The calculation was based on the Company's closing stock price on the date of grant and the following weighted-average inputs:

Expected term (years)	3.0
Volatility	17.4%
Dividends	0.0%
Interest rate	0.82%

In addition, during the three months ended April 30, 2013 , the Company issued awards of options for382,000 shares of the Company's common stock at an exercise price equal to the 30 day trailing volume-weighted average share price ("VWAP") of the Company's common stock from the date of grant. The options generally vest on a monthly basis over a 36 month period, and expire on the tenth anniversary of issuance. The aggregate fair value of the stock options of $94,162 was determined using the Black-Scholes option pricing model. The fair values of each option grant were estimated on the date of grant using the Black-Scholes option pricing model inputs. No options were issued during the three months ended April 30, 2012.

The weighted-average inputs for the three months ended April 30, 2013 were as follows:

Exercise Price	$	0.41
Expected Term (in years)	$	4.59
Volatility		26.0%
Dividend rate		0.0%
Interest rate		0.5%

Stock option activity for the three months ended April 30, 2013 is summarized below:

	Shares	Weighted Average Per Share Exercise Price	Weighted Average Remaining Life (Years)	Aggregate Intrinsic Value
Balance, January 31, 2013	5,300,000	$ 0.18	9.1	$ -
Granted	532,000	0.37	9.7	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Balance, April 30, 2013	5,832,000	$ 0.20	9.1	$ -
Vested and exercisable - April 30, 2013	3,398,419	$ 0.20	8.9	$ -

Stock-based compensation expense related to restricted stock and option awards is recognized over their respective vesting periods, and is as follows for the three months ended April 30:

	2013	2012
Stock-based compensation expense:		
Cost of services	$ 147,895	$ 61,254
General and administrative	475,331	42,880
	$ 623,226	$ 104,134

ApolloMed ACO 2012 Equity Incentive Plan

On October 18, 2012 ApolloMed ACO's Board of Directors adopted the ApolloMed Accountable Care Organization, Inc. 2012 Equity Incentive Plan (the "ACO Plan") and reserved 9,000,000 shares of ApolloMed ACO's common stock for issuance thereunder. The purpose of the ACO Plan is to encourage selected employees, directors, consultants and advisers to improve operations and increase the profitability of ApolloMed ACO and encourage selected employees, directors, consultants and advisers to accept or continue employment or association with ApolloMed ACO. No shares were issued under the ACO Plan for the three months ended April 30, 2013.

Awards of restricted stock under the Plan vest (i) one-third on the date of grant; (ii) one-third on the first anniversary of the date of grant, if the grantee has remained in service continuously until that date; and (iii) one-third on the second anniversary of the date of grant if the grantee has remained in service continuously until that date.

As of April 30, 2013, total unrecognized compensation costs related to non-vested stock-based compensation arrangements granted under our 2010 and 2013 Equity Plans, and the ACO Plan's and the weighted-average period of years expected to recognize those costs are as follows:

	Unrecognized Compensation Cost	Weighted Average Remaining Life (Years)
Common stock options	$ 326,128	0.8
ACO Plan restricted stock	$ 21,525	1.8

Warrants

Warrants consisted of the following as of and for the three months ended April 30, 2013:

	Aggregate intrinsic value	Number of warrants
Outstanding at January 31, 2013	$ -	2,936,000
Granted	-	75,000
Exercised	-	-
Cancelled	-	-
Outstanding at April 30, 2013	$ -	3,011,000

Exercise Price	Warrants outstanding	Weighted average remaining contractual life	Warrants exercisable	Weighted average exercise price
$ 0.11485	1,250,000	3.25	1,250,000	$ 0.1149
$ 0.11485	250,000	3.25	250,000	$ 0.1149
$ 0.45000	500,000	3.25	500,000	$ 0.4500
$ 0.50000	100,000	4.50	100,000	$ 0.5000
$ 0.45000	735,000	4.76	735,000	$ 0.4500
$ 0.40000	176,000	4.76	176,000	$ 0.4000
	3,011,000	3.75	3,011,000	$ 0.2818

Authorized stock

At April 30, 2013 the Company was authorized to issue up to 100,000,000 shares of common stock. The Company is required to reserve and keep available out of the authorized but unissued shares of common stock such number of shares sufficient to effect the conversion of all outstanding shares of the 10% Senior Subordinated Callable Convertible Notes, the 8% Senior Subordinated Convertible Promissory Notes, the 9% Senior Subordinated Callable Notes, the exercise of all outstanding warrants exercisable into shares of common stock, and shares granted and available for grant under the Company's 2013 Plan. The amount of shares of common stock reserved for these purposes is as follows at April 30, 2013:

Common stock issued and outstanding	34,843,441
Conversion of 10% Notes	10,883,761
Conversion of 8% Notes	600,000
Conversion of 9% Notes	2,006,283
Warrants outstanding	3,011,000
Stock options outstanding	5,832,000
Shares issuable under 2013 Equity Incentive Plan	3,810,333
	60,986,818

7. Commitments and Contingencies

Directors Agreement
On May 22, 2013, the Company's Board of Directors elected David Schmidt as an independent member of the Board, and entered into a Directors Agreement. The agreement provides in part for Mr. Schmidt to receive options to acquire 400,000 shares of the Company' s common stock at an exercise equal to the trailing 30 day volume-weighted average share price of the date of grant pursuant to the terms of the Company's 2013 Plan. The options will vest evenly on monthly basis over a 36 month period from date of grant.

Regulatory Matters
Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. We believe that we are in compliance with all applicable laws and regulations.

Legal
In the ordinary course of our business, we become involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by our affiliated hospitalists. We may also become subject to other lawsuits which could involve significant claims and/or significant defense costs. We believe, based upon our review of pending actions and proceedings, that the outcome of such legal actions and proceedings will not have a material adverse effect on our business, financial condition, results of operations, or cash flows. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on our business, financial condition, results of operations, or cash flows in a future period.

Liability Insurance

We believe that our insurance coverage is appropriate based upon our claims experience and the nature and risks of our business. In addition to the known incidents that have resulted in the assertion of claims, we cannot be certain that our insurance coverage will be adequate to cover liabilities arising out of claims asserted against us, our affiliated professional organizations or our affiliated hospitalists in the future where the outcomes of such claims are unfavorable. We believe that the ultimate resolution of all pending claims, including liabilities in excess of our insurance coverage, will not have a material adverse effect on our financial position, results of operations or cash flows; however, there can be no assurance that future claims will not have such a material adverse effect on our business.

Although we currently maintain liability insurance policies on a claims-made basis, which are intended to cover malpractice liability and certain other claims, the coverage must be renewed annually, and may not continue to be available to us in future years at acceptable costs, and on favorable terms.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in this Quarterly Report. In addition, reference is made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our most recent Annual Report on Form 10-K for the year ended January 31, 2013, filed with the Securities and Exchange Commission (SEC) on May 1, 2013.

In this Quarterly Report, unless otherwise expressly stated or the context otherwise requires, "Apollo," "we," "us" and "our" refer to Apollo Medical Holdings, Inc,, a Delaware corporation, and its wholly-owned subsidiary-management company, Apollo Medical Management, Inc., and affiliated medical groups. Our affiliated professional organizations are separate legal entities that provide physician services in California and with which we have management agreements. For financial reporting purposes we consolidate the revenues and expenses of all our practice groups that we own or manage because we have a controlling financial interest in these practices based on applicable accounting rules and as described in our accompanying financial statements. Also, unless otherwise expressly stated or the context otherwise requires, "our affiliated hospitalists" refer to physicians employed or contracted by either our wholly-owned subsidiaries or our affiliated professional organizations. References to "practices" or "practice groups" refer to our subsidiary-management company and the affiliated professional organizations of Apollo that provide medical services, unless otherwise expressly stated or the context otherwise requires.

The following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and the future results of Apollo that are based on management's current expectations, estimates, projections, and assumptions about our business. Words such as "may," "will," "could," "should," "target," "potential," "project," "expects," "anticipates," "intends," "plans," "believes," "sees," "estimates" and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including, but not limited to, those discussed in our most recent Annual Report on Form 10-K, including the section entitled "Risk Factors", as well as those discussed from time to time in the Company's other SEC filings and reports. In addition, such statements could be affected by general industry and market conditions. Such forward-looking statements speak only as of the date of this Quarterly Report or, in the case of any document incorporated by reference, the date of that document, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Report, or for changes made to this document by wire services or Internet service providers. If we update or correct one or more forward-looking statements, investors and others should not conclude that we will make additional updates or corrections with respect to other forward-looking statements.

Overview

Apollo Medical Holdings, Inc. and its affiliated physician groups ("ApolloMed". "We", "Our" or the "Company") are a physician centric, integrated healthcare delivery system serving Medicare, Commercial and Medi-Cal beneficiaries in California. ApolloMed's businesses operate primarily under risk and value-based contracts with health plans, Independent Physician Associations ("IPAs"), Hospitals and the Centers for Medicare and Medicaid Services' ("CMS") Medicare Shared Savings Program. We believe each major constituent of the healthcare delivery system, including patients, families, primary care physicians, specialists, acute care hospitals, alternative sites of inpatient care, physician groups and health plans can benefit from better coordinated of care. We are positioned to assist and provide "Best in Class" care coordination services to each of these constituents and assist in finding solutions to many of the challenges associated with patient care in the inpatient and outpatient settings.

ApolloMed was incorporated in California in 2001, beginning operations at Glendale Memorial Hospital as a hospital based physician group. The Company was organized around the admission and care of patients at inpatient facilities such as a hospital. We have successfully grown our inpatient strategy in a competitive market by providing high quality care for our patients and innovative solutions for our hospital and managed care clients by focusing on improving the inefficiencies associated with inpatient care, reducing readmissions and improving outcomes through better care coordination. Currently, we provide inpatient services at over 28 hospitals and long-term acute care facilities in Los Angeles and Central California where we have contracted with over 50 hospitals, IPAs and health plans to provide a range of inpatient services including hospitalist, intensivist, physician advisor and consulting services.

In 2012, the Company formed an Accountable Care Organization ("ACO"), ApolloMed ACO, to participate in CMS' Medicare Shared Savings Program. The ACO program is designed to work together with payors by aligning provider incentives. This alignment of provider incentives is intended to improve quality and medical outcomes for patients across the ACO and achieve cost savings for Medicare. We believe ApolloMed ACO is unique in that it leverages our best in class inpatient and outpatient capabilities.

Recent Developments

On February 1, 2013 Apollo Medical Management ("AMM")entered into a management services agreement with Maverick Medical Group, Inc. ("MMG"), a newly formed independent practice association ("IPA"). MMG will serve Medicare, Dual Eligible, Commercial and Medi-Cal patients residing in the greater Los Angeles area. MMG will operate under full and professional risk contracts with health plans through its network of over 150 Primary Care Physicians and Specialist physicians. Prior to February 1, 2013 MMG had no business operations. Under the MMG management services agreement ("MSA"), AMM has exclusive authority and will perform all non-medical management and administrative services related to the ongoing business operations of MMG. In addition, AMM has agreed to provide working capital to MMG to fund its initial operations. The MSA has an initial term of 20 years and is not terminable by either party except in the case of gross negligence, fraud, or other illegal acts by Apollo, or bankruptcy of Apollo. AMM is the primary beneficiary of MMG under the MSA, and consolidates the financial statements of MMG from the date of execution of the management agreement.

MMG and ApolloMed ACO are newly formed entities with no revenues, and will require working capital to fund their operations, which may be substantial. There can be no assurance that the Company will have adequate capital to fund the operations of MMG and ApolloMed ACO, or that they will generate sufficient cash flow in the future to fund their operations.

Results of Operations

The Company's results of operations were as follows for the three months ended April 30:

	2013	2012	Change	Percentage change
NET REVENUES	$ 2,446,566	$ 1,631,844	$ 814,722	49.9%
COST OF SERVICES	1,860,493	1,328,659	531,834	40.0%
GROSS PROFIT	586,073	303,185	282,888	93.3%
Operating expenses:				
General and administrative	1,291,393	351,547	939,846	267.3%
Depreciation	6,652	4,791	1,861	38.8%
Total operating expenses	1,298,045	356,338	941,707	264.3%
LOSS FROM OPERATIONS	$ (711,972)	$ (53,153)	$ (658,819)	1239.5%

The following table sets forth consolidated statements of operations stated as a percentage of net revenue:

	% of Net Revenues	
	2013	2012
NET REVENUES	100.0%	100.0%
COST OF SERVICES	76.0%	81.4%
GROSS PROFIT	24.0%	18.6%
Operating expenses:		
General and administrative	52.8%	21.5%
Depreciation	0.3%	0.3%
Total operating expenses	53.1%	21.8%
LOSS FROM OPERATIONS	-29.1%	-3.3%

Three months ended April 30, 2013 compared to three months ended April 30, 2012

Net revenues are comprised of net billings under the various fee structures from health plans, medical groups/IPA's and hospitals, and income from service fee agreements. The increase was attributable to:

$	630,387	New hospital contracts, increased same-market area growth and expansion of services with existing medical group clients at new hospitals.
$	184,335	Acquisition of VMM in August 2012.

Cost of services are comprised primarily of physician compensation and related expenses. The increase was attributable to:

$	(375,975)	Increase in physician costs attributable to new physicians hired to support new contracts.
$	(41,821)	Increase in physician stock-based compensation.
$	(101,083)	Acquisition of VMM in August 2012.
$	(12,955)	Increase in other physician costs due to physician increase.

Cost of services as percentage of net revenues decreased principally due to the inclusion of VMM in the Company's results of operations for the three months ended April 30, 2013.

General and administrative expenses include all salaries, benefits, supplies and operating expenses, including billing and collections functions, and our corporate management and overhead not specifically related to the day-to-day operations of our physician group practices. The Company is also funding initiatives associated with establishment of ApolloMed ACO, an Accountable Care Organization, and Maverick Medical Group, Inc. ("MMG"), a newly formed independent practice association ("IPA") that intends to operate as primary and specialist care association. Neither ApolloMed ACO nor MMG had revenue for the three months ended April 30, 2013. The increase in general and administrative expenses was attributable to:

$	(477,271)	Increase in stock-based compensation to employees, directors and consultants.
$	(66,946)	Increase in legal and professional fees to support the continuing growth of our operations.
$	(178,675)	Increase in personnel, services and related expenses related to the ACO and Maverick Medical initiatives.
$	(94,520)	Increase in administrative personnel and facilities costs to support growth in the business.
$	(122,434)	Increase in operating expenses due to the acquisition of VMM in August 2012.

Loss from operations increased primarily due to increase in stock- based compensation and the increase in spending associated with the ACO and IPA initiatives.

	2013	2012	Change
Gain on change in fair value of derivative liabilities	$ -	$ 123,838	$ (123,838)

The decrease in gain on change in fair value of warrant and derivative liabilities reflects the change in the fair value of the Company's warrant and derivative liabilities for the three months ended April 30, 2012. The Company did not have warrant or derivative liabilities as of January 31, 2013 and April 30, 2013.

	2013	2012	Change
Interest expense	$ 127,493	$ 224,036	$ (96,543)

Interest expense decreased due to discount amortization as a result of the bifurcation of the warrant and derivative liabilities in 2012 that resulted in additional debt discount and additional discount amortization for the three months ended April 30, 2012 (approximately $130,000), partially offset by higher interest expense as a result of higher borrowings under Notes Payable and the 9% Convertible Notes.

	2013	2012	Change
Net loss	$ 849,115	$ 157,356	$ 691,759

Net loss increased primarily due to increase in non-cash stock compensation and the increase in spending in the ACO and IPA initiatives.

Three Months Ended April 30, 2012 compared to Three Months Ended April 30, 2011

Net revenues for the three months ended April 30, 2012 of $1,631,844 increased $592,151, or 57 percent, over net revenues of $1,039,693 reported for the three months ended April 30, 2011 due to the Company's acquisitions and growth of fee for service revenues attributable to new hospital contracts, and expansion of services with existing medical group clients at new hospitals. Net revenues are comprised of net billings under the various fee structures from health plans, medical groups/IPA's and hospitals, and income from service fee agreements.

Cost of services includes the payroll and consulting costs of the physicians, all payroll related costs, costs for all medical malpractice insurance and physician privileges. Cost of services was $1,328,659 for the three months ended April 30, 2012, or 84% of revenues, compared to $947,849 for the three months ended April 30, 2011, or 91% of revenues. The increase of $381,170 is attributable to $239,299 increase in physician costs attributable to new physicians hired to support new contracts, $36,441 increase in non-cash stock compensation, $33,402 increase related to the acquisition of PCCM and consolidation of LALC, and $72,028 in other cost related to supporting growth in new contracts and expansion of services.

General and administrative expenses include all salaries, benefits, supplies and operating expenses, not specifically related to the day-to-day operations of our physician group practices, including billing and collections functions, and our corporate management and overhead. During the three months ended April 30, 2012, the Company's executive management and certain of our physicians were active in seeking Company ACO designation. General and administrative expenses were $351,547, or 22% of revenues, for the three months ended April 30, 2012 compared to $276,355 for the three months ended April 30, 2011, or 27% of revenues. The increase of $75,192 is primarily the result of an increase in professional fees of $20,365 costs to support the continuing growth of our operations, $16,683 increase in salaries and wages to support in-house medical billing initiative, $6,500 increase in compensation due to the addition of two new directors to the Company's board of directors, $20,680 in additional administrative expenses due to the acquisition of PCCM and consolidation of LALC, and $10,964 in additional support other Company initiatives.

Depreciation and amortization expense was $4,791 for the three months ended April 30, 2012, and $3,293 for the three months ended April 30, 2011, primarily due to the addition of the Company's investment in a new billing system.

Loss from operations was $53,153 for the three months ended April 30, 2012 compared to a loss from operations of $187,444 in the same period in 2011, a decrease of $134,291 due to improvements in 2012 revenues and gross profit while adding contracts with hospitals, IPAs and Health plans and the hiring of several additional physicians.

Gain on change in fair value of warrant and derivative liabilities of $123,838 for three months ended April 30, 2012 reflects the change in the fair value of the Company's warrant and derivative liabilities at April 30, 2012 and January 31, 2012.

Interest expense and financing cost was $224,036 for the three months ended April 30, 2012, compared to $40,949 for the three months ended April 30, 2011. The increase of $183,087 was due to higher discount amortization $163,458, higher interest expense due to the Senior Secured Notes $16,835, and $7,794 due to other borrowings.

Net loss was $157,356 for the three months ended April 30, 2012, compared to a net loss of $228,930 for the three months ended April 30, 2011. The decrease in the net loss of $71,574 is primarily related to increase in revenue growth and lower cost of services as a percentage of revenue.

Liquidity and Capital Resources

At April 30, 2013, the Company had cash and cash equivalents of$1,575,500 compared to cash and cash equivalents of $1,176,727 at January 31, 2013. The Company has borrowings totaling $594,745 that mature within one year and $ 2,035,828 in long-term borrowings at April 30, 2013.

The Company incurred the following net operating loss and cash from operating activities for the three months ended April 30, 2013:

Net operating loss	$	711,972
Cash provided by operating activities	$	12,972

As of April 30, 2013 the Company's accumulated and stockholders' deficit was as follows:

Accumulated deficit	$	11,871,387
Stockholders' deficit	$	934,919

To date the Company has funded its operations from internally generated cash flow and external sources, including the proceeds from the issuance of debt and equity securities, which have provided funds for near-term operations and growth. The current operating plan indicates that losses from operations may be incurred for all of fiscal 2014. Consequently, we may not have sufficient liquidity necessary to sustain operations for the next twelve months and this raises substantial doubt that we will be able to continue as a going concern. On January 31, 2013 the Company raised through a private placement offering $880,000 of par value 9% Senior Subordinated Callable Convertible Promissory Notes maturing February 15, 2016 (the "9% Notes") through April 30, 2013 had raised an aggregate of $980,000 in gross proceeds. In March, 2013, the Company initiated a private placement of up to 7,500,000 shares of its common stock at a price per share of $0.40 (the "Equity Offering"), and has raised approximately $300,000 during the three months ended April 30, 2013.

No assurances can be made that management will be successful in achieving its plan. If the Company is not able to raise substantial additional capital in a timely manner, the Company may be forced to cease operations.

Three months ended April 30, 2013

For the three months ended April 30, 2013, cash provided by operations was$12,972. This was substantially the result of net losses of$849,115 offset by cash provided by non-cash expenses of $693,483 and change in working capital of $168,604 . Non-cash expenses primarily include depreciation expense, issuance of shares of common stock for services, stock option compensation expense, amortization of financing costs, and amortization of debt discount.

Cash provided by working capital was due to:

Decrease in Accounts receivable	$	262,418
Decrease in Due from affiliates	$	5,648

Cash used by working capital was due to:

Decrease in Accounts payable and accrued liabilities	$	(86,869)
Increase in Prepaid expenses and advances	$	(12,572)
Increase in Other assets	$	(21)

For the three months ended April 30, 2013, cash used in investing activities was$3,199 related to investment in office and technology equipment.

For the three months ended April 30, 2013, cash provided by financing activities was$389,000 related to $300,000 in proceeds from subscribed common stock and$89,000 in net proceeds from the issuance of 9% Senior Subordinated Convertible Notes. Borrowings were used primarily to fund working capital requirements, and the ACO and MMG initiatives.

Three months ended April 30, 2012

For the three months ended April 30, 2012, cash used in operations was $131,160. This was substantially a result of net losses of 157,356, cash used in working capital of $143,599, partially offset by non-cash expenses of $169,755. Non-cash expenses primarily include depreciation, issuance of shares of common stock for service, stock option compensation expense, amortization of financing costs, amortization of debt discount, and gain on change in fair value of warrant and derivative liabilities. Cash was used for working capital due to an increase in trade receivables of $152,404, an increase in due from affiliates of $2,425, an increase in financing costs of $5,000, and increase in prepaid expenses and advances of $3,963 and an increase in other assets of $1,450; partially offset by a net increase in due to officers of $6,604, and an increase in accounts payable and accrued liabilities of $15,619.

For the three months ended April 30, 2012, cash used in investing activities was $9,270 related to the Company's investment in a new billing system and office technology equipment.

For the three months ended April 30, 2012, cash provided by financing activities was $270,000 related to proceeds from the Senior Secured Note. Borrowings were used primarily to fund working capital requirements and technology investments.

Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. We believe that our critical accounting policies are limited to those described in the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2013. There have been no changes to our critical accounting policies since January 31, 2013.

Off Balance Sheet Arrangements

As of April 30, 2013, we had no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company holds fixed rate debt, which is not subject to changes in interest rates, except for its $100,000 line of credit, which bears interest at the prime rate plus 4.50%. The impact of a 1.0% increase in interest rate on our line of credit would not be material to the Company's consolidated results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

In connection with the preparation of this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial and Accounting Officer, of the effectiveness of our disclosure controls and procedures, as of April 30, 2013, in accordance with Rules 13a-15(b) and 15d-15(b) of the Exchange Act.

Based on that evaluation, our Chief Executive Officer and Principal Financial and Accounting Officer have concluded that our disclosure controls and procedures were not effective as of April 30, 2013.

We have identified the following three material weaknesses in our disclosure controls and procedures:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures, and concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures, and concluded that the control deficiency that resulted represented a material weakness.

3.We do not have review and supervision procedures for financial reporting functions. The review and supervision function of internal control relates to the accuracy of financial information reported. The failure to review and supervise could allow the reporting of inaccurate or incomplete financial information. Due to our size and nature, review and supervision may not always be possible or economically feasible.

Based on the foregoing material weaknesses, we have determined that, as of April 30, 2013, our internal controls over our financial reporting are not effective. The Company is taking remediating steps to address each material weakness. We continue to add employees and consultants to address these issues and we will continue to broaden the scope of our accounting and billing capabilities and realign responsibilities in our financial and accounting review functions.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Controls over Financial Reporting

There has been no change in our internal control over financial reporting during the three-month period ended April 30, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of our business, we become involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by our affiliated physicians. We may also become subject to other lawsuits, which could involve significant claims and/or significant defense costs.

We believe, based upon our review of pending actions and proceedings that the outcome of such legal actions and proceedings will not have a material adverse effect on our business, financial condition, results of operations, or cash flows. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on our business, financial condition, results of operations, or cash flows in a future period.

ITEM 1A. RISK FACTORS

Omitted.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In March 2013, the Company initiated a private placement of up to 7,500,000 shares of its common stock at a price per share of $0.40, and during the three months ended April 30, 2013 the Company has received proceeds of $300,000 which are being held in escrow pending a closing anticipated to take place on or around July 31, 2013. No shares have been issued in connection therewith at April 30, 2013.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Incorporation (filed as an exhibit to Registration Statement on Form 10-SB filed on April 19, 1999, and incorporated herein by reference).
3.2	Certificate of Ownership (filed as an exhibit to Current Report on Form 8-K filed on July 15, 2008, and incorporated herein by reference).
3.3	Second Amended and Restated Bylaws (filed as an exhibit to Form 10-Q filed on September 14, 2011, and incorporated herein by reference).
10.16+	Management Services Agreement, dated February 1, 2013, by and between Apollo Medical Management, Inc. and Maverick Medical Group Inc.
10.17+	Intercompany Revolving Loan Agreement, dated February 1, 2013, by and between Apollo Medical Management, Inc. and Maverick Medical Group, Inc.
	Exhibit 31 - Rule 13a-14(d)/15d-14(d) Certifications
31.1+	Certification by Chief Executive Officer
31.2+	Certification by Chief Financial Officer

	Exhibit 32 - Section 1350 Certifications
32.1+	Certification by Chief Executive Officer pursuant to 18 U.S.C. section 1350.
32.2+	Certification by Chief Financial Officer pursuant to 18 U.S.C. section 1350
	Exhibit 101 – Interactive Data Files
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

+ Filed herewith.

* Pursuant to Rule 406T of Regulation S-T, XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

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

APOLLO MEDICAL HOLDINGS, INC.

Dated: June 14, 2013

By: /s/ Warren Hosseinion
Warren Hosseinion
Chief Executive Officer and Director

Dated: June 14, 2013

By: /s/ Kyle Francis
Kyle Francis
Chief Financial Officer
(Principal Financial and Accounting Officer)

MANAGEMENT SERVICES AGREEMENT

This Management Agreement ("Agreement") is made and entered into as of this first day of February, 2013, (the "Effective Date") by and between Apollo Medical Management, Inc., a Delaware corporation ("Manager"), and Maverick Medical Group Inc., a California medical corporation ("Group"). Manager and Group are, at times, collectively referred to herein as "Parties".

Recitals:

A. Manager is a Delaware corporation engaged in the business of managing physician practices to enhance the quality and efficiency of the medical practices it manages.

B. Group is a California professional medical corporation organized as an independent practice association which has as its primary objective the delivery or arrangement for the delivery of professional health care services to enrollees of health plans;

C. Group desires retain Manager to provide assistance to Group in managing and administering certain non-medical aspects of Group's medical practice in a manner and to the extent permitted by law.

D. Group and Manager recognize that Group has sole responsibility for providing medical services to Group's patients, and Manager shall provide assistance and have final authority over to Group in managing and administering all non-medical functions of Group's medical practice.

THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Obligations of Manager.

1.1. Management Services. During the Term of this Agreement (as defined in Section 6.1), Group appoints and engages Manger, and Manger agrees to furnish to Group, in the sole and absolute discretion of Manager as to method and cost, those Management Services set forth in Exhibit A hereto. Notwithstanding such appointment and engagement, Group will have exclusive authority and control over the professional aspects of Group to the extent the same constitute or directly affect the practice of medicine, including all diagnosis, treatment and ethical determinations with respect to patients that are required by applicable law to be decided by a physician.

1.2. Performance of Manager's Services.

(a) Manager's Availability. Manager shall devote its best efforts to carrying out the terms of this Agreement and shall devote sufficient time and resources, as determined by Manager after consultation with Group, as is reasonably required to discharge its duties under this Agreement.

(b) Manager's Authority. Manager shall perform all additional and ancillary services, not otherwise described in this Agreement, that may in Manager's judgment, after consultation with Group, be reasonable and appropriate in order to meet Manager's obligations under this Agreement. Manager may subcontract with other persons or entities, including entities related to Manager by common ownership or control, and subcontractors of Group, to perform all or any part of the services required of Manager by this Agreement. For purposes of this Agreement, Manager shall have signatory rights on all bank accounts used by Group in the conduct of Group's practice, and Manager shall have the right to make deposits to and payments from such accounts as it deems appropriate in furtherance of its obligations hereunder, in accordance with Exhibit A.

(c) Manager's Responsibility. In all matters under this Agreement, Manager shall abide by all applicable state and federal laws and regulations, and applicable policies and procedures of Group.

(d) Reports to Group. On or before the twenty-fifth (25^{th}) day of the first month of each calendar quarter, Manager shall provide Group with an accounting of all billings and collections on behalf of Group, and all deposits to the account(s) of Group and payments from the account(s) of Group, effected by Manager for the benefit of Group during the immediately preceding calendar quarter. All reports shall be in such form as may be agreed between Manager and Group from time to time.

2. Obligations of Group.

2.1. Physician Services. Group shall be responsible for the rendition of all medical services, including without limitation, diagnosis or treatment of any condition; the prescribing, dispensing and/or administering of any medication, surgery, therapy, and the preparation of all medical reports.

2.2. Selection of Group Personnel. Group shall retain responsibility for the selection, hiring and termination of physicians, allied health professionals and medical assistants working in clinical capacities for the Group. Group, in consultation with Manager, shall be solely responsible for determining the compensation of all licensed medical professionals.

2.3. Supervision of Support Personnel. Group shall supervise and assume responsibility for any service provided by allied health professionals that require the supervision of a licensed physician. Manager shall have no control or direction over the delivery or provision of medical services and all such medical services shall be provided under the professional direction and supervision of Group's affiliated physicians. To the extent any act or service required of Manager in this Agreement should be construed or deemed, by any governmental authority, agency or court to constitute the practice of medicine, the performance of said act or service by Manager shall be deemed waived and forever unenforceable.

2.4. Designation of Agent. Group hereby designates and appoints Manager to act as Group's non-physician manager and to provide the services to Group in connection with Group's Practice as described in this Agreement. Group hereby designates Warren Hosseinion, M.D. and Kyle Francis as its designated representatives who are duly authorized by the Group to bind the Group and act on behalf of the Group in all respects pertaining to this Agreement.

2.5. Access to Information. Group acknowledges and agrees that all information and records concerning Group and Group's performance of services that may be obtained by Manager during the Term of this Agreement may be used by Manager for all purposes necessary or convenient to Manager's obligations under this Agreement.

2.6. Coding and Billing Procedures. Group shall retain responsibility for decisions relating to coding and billing procedure for patient care services. Group shall ensure the prompt and accurate preparation of patient records by its affiliated physicians. Such records shall conform with community standards both as to form and content and shall include all information necessary for Manager to properly discharge its responsibility to bill patients and third party payors on behalf of Group.

3. Confidentiality.

3.1. Definition. For the purpose of this Agreement, the term "Manager Confidential Information" shall include the following: (a) all documents and other materials, including but not limited to, all memoranda, clinical manuals, handbooks, production books, educational material and audio or visual recordings, which contain information relating to the operation of the Group or its programs (excluding written materials distributed to patients in the operation of the Group as promotion for the Group), (b) all methods, techniques and procedures utilized in providing services to the Group's patients not readily available through sources in the public domain, and (c) all trademarks, trade names, service marks, or protected software of Manager and their related data files. For purposes of this Agreement, the term "Group Confidential Information" shall include the following: (i) financial information of Group, (ii) medical records of patients receiving services from the Group, (iii) data relating to patient care and outcomes (whether individually identifiable with respect to any one patient or aggregated with information relating to multiple patients), (iv) risk management records, and (v) such other information that specifically pertains to Group and is proprietary to Group. Notwithstanding anything herein to the contrary, unless otherwise specified under applicable law, Group shall be deemed the "records owner," as such term is defined under applicable state law, of all patient records at the Group.

3.2. Agreements of Group. Group acknowledges and agrees that Manager Confidential Information is owned by Manager and has been disclosed to it in confidence and with the understanding that it constitutes valuable business information developed by Manager at great expenditure of time, effort and money. Group agrees that it shall not, without the express prior written consent of Manager, use Manager Confidential Information for any purpose other than the performance of this Agreement nor allow anyone access to such except on a need to know basis. Group further agrees to keep strictly confidential and hold in trust all Manager Confidential Information and not disclose or reveal such information to any third party (other than Group's professional advisors with a need to know such information, which advisors shall maintain the confidentiality thereof) without the express prior consent of Manager. Group hereby acknowledges Manager's right to use any technical or business expertise obtained during the course of its engagement hereunder in connection with its management of any other facility.

3.3. Agreements of Manager. Manager acknowledges and agrees that Group Confidential Information is owned by Group and has been disclosed to it in confidence and with the understanding that it constitutes valuable business information. Manager agrees that it shall not, without the express prior written consent of Group, use Group Confidential Information for any purpose other than the performance of this Agreement nor allow anyone access to such except on a need to know basis. Manager further agrees to keep strictly confidential and hold in trust all Group Confidential Information and not disclose or reveal such information to any third party (other than the affiliates of Manager and Manager's professional advisors with a need to know such information, which affiliates and advisors shall maintain the confidentiality thereof) without the express prior written consent of Group. Manager is permitted to disclose Group's Confidential Information to Manager's subcontractors for the performance of this Agreement. In connection with the foregoing, Manager shall ensure that its affiliates, including subcontractors, also maintain the confidentiality of Group Confidential Information in accordance with the terms hereof.

3.4. Disclosure. If Group or Manager or any of their respective representatives are requested by a person or entity to disclose Manager Confidential Information or Group Confidential Information, respectively, in any legal, quasi-legal or administrative proceeding, Group or Manager shall promptly notify the other party of such request so that the other party may take, at its expense, such steps necessary to protect Manager Confidential Information or Group Confidential Information, as applicable. If Group or Manager is thereafter required to disclose Manager Confidential Information or Group Confidential Information, as applicable, to the person or entity compelling such disclosure, only the part of such information as is required by law to be disclosed shall be disclosed.

3.5. Treatment on Termination. Upon termination of this Agreement by either party for any reason whatsoever, each party shall forthwith return to the other party all material constituting or containing Confidential Information of the other party, in a format that is usable or capable of conversion to a usable format, and no party thereafter shall use, appropriate, or reproduce such information or disclose such information to any third party. All costs of converting Confidential Information to a format useable by the recipient shall be borne by the recipient.

3.6. Medical Information & Patient Records. Each party shall maintain the confidentiality of all patient records, charts and other patient identifying information, and shall comply with all applicable State and Federal laws governing the confidentiality of medical records and related information. Pursuant to the Health Insurance Portability Accountability Act of 1996, as amended, and Subtitle D of the Health Information Technology for Economic and Clinical Health Act, the Parties hereto agree to be bound by the Business Associate Agreement attached hereto at Exhibit C and Incorporated here within.

3.7. Intellectual Property Rights. Group utilizes a proprietary database technology called ApolloWeb to enhance the quality and efficiency of the medical practices it manages. ("ApolloWeb"). From time to time, Group may provide Manager with software programs and related documentation, or improvements and upgrades thereto, to facilitate its use of ApolloWeb ("System-Related Software"). Group hereby grants Manager a nonexclusive, royalty-free license to reproduce, install and use on equipment owned or controlled by Group, and solely for Group's own purposes (which may be business or non-commercial, as applicable), any such System-Related Software only in the form it was provided or made available to Manager by Group, and only in connection with Manager's use of the ApolloWeb in accordance with this Agreement. Manager will not distribute, sublicense, modify, create derivative works of, sell, transfer or assign the System-Related Software, nor will Manager reverse engineer, decompile or disassemble any object code of System-Related Software except to the extent permitted by applicable law notwithstanding this restriction. Manager further agrees not to remove or destroy any proprietary markings or confidential legends placed upon or contained within any System-Related Software.

Group and its licensors reserve all right, title and interest in the ApolloWeb and System-Related Software, including all intellectual property rights therein (including without limitation all copyrights, patents, trade secrets, trademarks, service marks and trade names) subject to the licenses expressly set forth in this Agreement. This Agreement does not include any sale or transfer to Manager of Group intellectual property rights, including without limitation with respect to ApolloWeb or any System-Related Software.

Manager acknowledges that the content, data and other materials made available by Group are owned or licensed by Group (the "Third Party Materials"). Manager will not reproduce, distribute, modify, create derivative works of, or exercise any other rights in, such Third Party Materials except as authorized by Group.

4. Independent Contractors.

4.1. Independent Contractors. Manager is an independent contractor with respect to its obligations under this Agreement. Nothing contained herein shall be construed as creating any other type of relationship between the Parties other than one of independent contractor. In the performance of this Agreement, it is mutually understood and agreed that physicians are at all times acting and performing wholly independently and not as employees, agents, partners or joint venturers of Manager. They shall have no claim under this Agreement or otherwise against Manager for any compensation or benefits, including without limitation wages, workers' compensation, unemployment compensation, sick leave, vacation pay, retirement benefits, social security benefits, or any other employee benefits, all of which shall be the sole responsibility of Group.

5. Staffing of Manager and Group.

5.1. Non-physician Personnel. Manager shall be responsible for the payment to all persons employed or retained by Manager of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits that Manager may make available to its employees or contractors.

5.2. Licensed Professional Personnel. Group shall employ or contract with all physicians and other licensed professional personnel that Group, after consultation with Manager, deems to be required for the conduct of the practice. Group will not enter into any agreements with the licensed physicians it employs and contracts with to render care and treatment to its patients ("Participating Providers") unless such Participating Providers have: (i) current unrestricted licenses to practice their respective professions in the State of California and (ii) current unrestricted Federal Drug Enforcement Agency ("DEA") numbers. In addition, where Group contracts with individual physicians, such physicians will have medical staff membership at the hospitals required by the Plans and where Group contracts with licensed clinics and medical groups, at least one primary care physician practicing at each clinic or medical group will have medical staff membership at the hospitals required by Plans. Group further agrees to establish procedures to ensure that Participating Providers meet these requirements on an ongoing basis. Manager will reasonably cooperate with and assist Group to meet its obligations under this Section; provided, however, that Group acknowledges and agrees that it will retain ultimate responsibility for meeting such obligations. All such personnel shall be employees or contractors of Group, and Group shall be responsible for the payment to all such persons of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits which Group may make available to Group's employees or contractors; provided, however, that Manager shall have management responsibility over the non-medical aspects associated with Group's employment or contracting of such personnel.

6. Term and Termination.

6.1. Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect for a term of twenty (20) years (the "Initial Term") unless terminated earlier as provided in this Agreement. After the expiration of the Initial Term, the term of this Agreement will be automatically extended for additional terms of ten (10) years each (the "Renewal Terms"), unless either Party delivers written notice to the other Party of such intention not to extend the term of this Agreement, at least ninety (90) days prior to the expiration of the current term (the Initial Term as extend by all Renewal Terms, the "Term").

6.2. No Termination without Cause. This Agreement may be terminated only for cause as specified in Sections 6.3, 6.4, 6.5 below.

6.3. Termination For Cause. This Agreement may be terminated by either party for cause, upon sixty (60) days prior written notice to the other party specifying the cause upon which such termination is based. For purposes of this Agreement, "cause" shall have the meanings set forth below in Sections 6.4 and 6.5. Notwithstanding the foregoing, neither party may terminate this Agreement if, during the foregoing sixty (60) day period, the party to whom notice has been given successfully cures the failure or breach of performance upon which termination is based; provided, however, that if such failure or breach cannot be cured within the sixty (60) day period, termination shall not occur if the party to whom notice has been given takes material action during such sixty (60) day period to cure the failure or breach and thereafter diligently and continuously prosecutes such cure to completion.

6.4. By Group. Cause for termination by Group shall be limited to the following: (i) failure of any representation or warranty made by Manager in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Group; (ii) material failure by Manager to duly observe and perform the covenants and agreements undertaken by Manager herein; (iii) misrepresentation of material fact, or fraud, by Manager in the discharge of its obligations under this Agreement; (iv) if Manager shall dissolve, shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Manager of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

6.5. By Manager. Cause for termination by Manager shall be limited to the following: (i) failure of Group to pay the Management Fee (as defined in Section 7) in full and as required in Section 7 of this Agreement and Exhibit B attached hereto within [ten] [(10)] days after Group's receipt of written notice of a failure to pay when due; (ii) failure of any representation or warranty made by Group in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Manager; (iii) material failure by Group to duly observe and perform all the covenants and agreements undertaken by Group herein; (iv) misrepresentation of material fact, or fraud, by Group in the discharge of Group's obligations under this Agreement; or (v) if Group shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Group of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

6.6. Effect of Termination. Termination of this Agreement shall not discharge either party from any obligation which may have arisen and which remains to be performed upon the date of termination, including, but not limited to, the obligation to compensate Manager in accordance with Section 7 (Management Fee). Upon termination of this Agreement, Manager shall promptly deliver to Group all clinical and financial data maintained by Manager for Group's benefit. Manager shall make diligent efforts to collect receivables arising from services of Group prior to the date of termination and shall remit to Group in a timely fashion the allocable portion of all such collections. Similarly, following termination, all receivables that Group may directly collect arising from services of Group prior to the date of termination shall be allocated as provided herein, and Group shall remit to Manager in a timely fashion the allocable portion of Group's collections of the same.

7. Management Fee.

7.1. Management Fee. As compensation for its services hereunder, Manager will be paid a management fee (the "Management Fee") in the manner and amount set forth on Exhibit B attached hereto and incorporated herein by reference.

8. Rights of Entry and Inspection.

8.1. By Manager. Manager and its duly authorized representatives shall have the right at all reasonable times to enter upon Group's Premises for the purposes of carrying out the duties of Manager hereunder, and for inspection and verification of Group's books and records pertaining to Group's Practice; provided, however, that any such entry by Manager shall not unreasonably interfere with the conduct of Group's Practice.

8.2. By Group. Group and its duly authorized representatives shall have the right at all reasonable times to enter upon Manager's premises for the purposes of carrying out the duties of Group hereunder, and for inspection and verification of Manager's books and records pertaining to Group's Practice; provided, however, that any such entry by Group shall not unreasonably interfere with the conduct of Manager's business.

9. Group's Representations and Warranties.

The following representations and warranties of Group are made to Manager for the purpose of inducing Manager to enter into this Agreement. Group represents and warrants as follows:

9.1. Properly Constituted. Group is a professional corporation, duly organized, validly existing and in good standing under the laws of the State of California, has the necessary corporate power and authority to own its property and to carry on Group's business as it is now being conducted, and to enter into and perform Group's obligations under this Agreement.

9.2. Consents. Group has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Group to enter into this Agreement.

9.3. No Conflicts. Group's Board of Directors has all requisite power to execute, deliver and perform this Agreement. Neither the execution and delivery of this Agreement, nor the consummation and performance of the transactions contemplated in this Agreement, will constitute a default or an event that would constitute a default under, or violation or breach of, Group's Articles of Incorporation, Bylaws or any license, lease, franchise, mortgage, instrument, or other agreement or arrangement to which Group may be bound.

9.4. Licenses and Permits. Group has in full force and effect all licenses, permits and certificates required to operate Group's Practice as it is being operated as of the date of this Agreement. All of the Group's shareholders and Participating Providers providing professional medical services are duly licensed to practice medicine without restriction in the State of California. Group shall promptly notify Manager should any of Group's shareholders or Participating Providers become ineligible to practice medicine in the State of California. Group shall not permit any persons who have become ineligible to practice medicine in California to retain shares of Group beyond such time periods as may be permitted by law.

9.5. Convictions. Neither Group nor any of its physician shareholders or Participating Providers have been convicted of any felony criminal offense related to healthcare, or is listed by a federal or state agency as debarred, excluded, or otherwise ineligible for federal or state program participation.

9.6. Contracts. Group has furnished Manager full and complete copies of all contracts and agreements affecting Group including, but not limited to, all contracts to which Group is a party.

9.7. Litigation. There is no action, suit, proceeding, investigation or litigation outstanding, pending or, to the best of Group's knowledge, threatened, affecting Group other than routine patient collection matters and professional liability cases adequately covered by insurance.

9.8. Participating Providers. Group represents and warrants that each Group Participating Provider is as of the date hereof, and will at all times during the Term:

(a) duly licensed to practice medicine within the State of California and in possession of a federal DEA number, all without limitation, restriction or condition whatsoever;

(b) entitled to receive Medicare and Medicaid reimbursement without limitation, restriction or condition whatsoever; and

(c) in compliance with the insurance requirements set forth in Section 11.1herein.

9.9. Compliance. Group represents and warrants that it and each Group Participating Provider will (i) comply with all applicable governmental laws, regulations, ordinances, and directives and (ii) perform his or her work and functions at all times in strict accordance with currently approved methods and practices in his or her field.

9.10. Disclosure. During the Term of this Agreement, Group shall have an affirmative obligation to make reasonable inquiries to ascertain the occurrence of any of the matters or events that would make the covenants contained in Sections 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, and 9.9 untrue, whether occurring at any time prior to, or during the Term of this Agreement, and to immediately disclose same to Manager in accordance with the notice provisions set forth in Section 12.4.

9.11. Additional Disclosures. Group shall also report the following to Manager, in accordance with the notice provisions set forth in Section 12.4, within three (3) business days of Group's knowledge of same:

(a) The employment or termination of any physician participating in the Group; and

(b) Any event that substantially interrupts, or may substantially interrupt, the Group or which may adversely affect its operation.

10. Manager's Representations and Warranties.

The following representations and warranties of Manager are made to Group for the purpose of inducing Group to enter into this Agreement. Manager represents and warrants as follows:

10.1. Properly Constituted. Manager is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has the necessary corporate power and authority to own its property and to carry on its business as it is now being conducted, and to enter into and perform its obligations under this Agreement.

10.2. No Conflicts. Manager has all requisite power to execute, deliver and perform this Agreement. Neither the execution and delivery of this Agreement, nor the consummation and performance of the transaction contemplated in this Agreement, will constitute a default, or an event that would constitute a default under, or violation or breach of, Manager's Articles of Incorporation, Bylaws or any license, lease, franchise, mortgage, instrument, or other agreement to which Manger may be bound.

10.3. Licenses and Permits. Manager has in full force and effect all licenses, permits and certificates required to operate its business as it is being operated as of the date of this Agreement.

10.4. Consents. Manager has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Manager to enter into this Agreement.

11. Insurance and Indemnity.

11.1. Professional Liability. Group shall at all times during the Term of the Agreement, at its sole cost and expense, procure and maintain, and cause all licensed health care personnel associated with Group's medical practice to similarly procure and maintain, professional liability insurance with minimum coverage limits of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) annual aggregate, and in such form and substance, and underwritten by such recognized companies, authorized to do business in California, as Manager may from time to time reasonably require, and shall provide copies of all such policies and renewals thereof to Manager upon request. In the event Group procures a "claims made" policy as distinguished from an "occurrence" policy, Group will procure and maintain at its sole cost and expense, prior to termination of such insurance, "tail" coverage to continue and extend coverage complying with this Agreement after the end of the "claims made" policy. Upon reasonable request from Manager, Group will cause to be issued to Manager proper certificates of insurance, evidencing that the foregoing provisions of this Agreement have been complied with, and said certificates will provide that prior to any cancellation or change in the underlying insurance during the policy period, the insurance carrier will first give thirty (30) calendar days written notice to Manager.

11.2. Indemnity. To the extent permissible under each party's respective policies of insurance, each party shall indemnify and hold harmless the other party, and its shareholders, directors, officers, employees and agents, from and against all damages, costs, expenses, liabilities, claims, demands, and judgments of whatever kind or nature, including reasonable attorneys' fees and costs, for which either party might liable, in whole or in part, arising out of or related to the acts and/or omissions of the indemnifying party and its shareholders, directors, officers employees and agents.

11.3. Limitation of Liability. Except for damages or liability arising from Manager's indemnification obligations under this Agreement, the Parties acknowledge and agree that in no event shall Manager, its affiliates and members, or their respective shareholders, directors, members, managers, officers, employees or agents be liable to Group for any special, indirect, incidental, exemplary or consequential damages, including without limitation loss of goodwill, lost profits, lost data or lost opportunities, in any way relating to this Agreement, even if either party has been notified of the possibility or likelihood of such damages occurring, and whether such liability is based on contract, tort, negligence, strict liability or otherwise. Further, except for damages or liability arising from Manager's indemnification obligations under this Agreement, in no event shall Manager's liability in the aggregate for any damages for any matter arising under this Agreement ever exceed the amount of the Management Fee payable to Manager for the three months prior to the date of the action, regardless of the form of action, whether based on contract, tort, negligence, strict liability or otherwise. The Parties agree that the allocation of risks under this Agreement is reasonable and appropriate under the circumstances.

12. General Provisions.

12.1. Assignment. Neither party shall assign any of its rights nor delegate any of its duties or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Manager may assign this Agreement to a successor in interest by providing notice to Group, which notice shall state the effective date of such assignment. Upon such assignment, the successor shall be responsible for the duties and responsibilities of Manager hereunder. Nothing contained in this Section shall prevent Manager from contracting with subcontractors for the performance of its duties hereunder. Nothing contained in this Agreement shall be construed to prevent the Manager from selling or conveying substantially all of its assets used in connection with the performance of this Agreement, nor shall Group be prohibited from selling or conveying substantially all of its assets provided that the Agreement continues in full force and effect.

12.2. Access to Books and Records. Manager shall make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives, this Agreement, and all books, documents and records relating to the nature and extent of the costs of services provided hereunder for a period of five (5) years after the furnishing of services pursuant hereto. In addition, if Manager's services under this Agreement are to be provided by subcontract and if that subcontract has a value or cost of Ten Thousand Dollars ($10,000.00) or more over a twelve-month period, Manager shall require in writing that the subcontractor make available to the Secretary and the Comptroller General, or their authorized representatives, for a period of five (5) years after the furnishing of such services, the subcontract and all books, documents and records relating to the nature and extent of the costs of the services provided thereunder.

12.3. Amendments. This Agreement may be amended at any time by mutual agreement of the Parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by the Parties. Notwithstanding the foregoing, should any provision of this Agreement be in conflict with a governing State or federal law, it shall be deemed amended accordingly.

12.4. Notices. Notices required under this Agreement shall be deemed given (i) at the time of personal delivery upon the party to be served; or (ii) twenty four (24) hours following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such service, or following deposit in the U.S. Mail, Express Mail for overnight delivery; or (iii) forty eight (48) hours following deposit in the U.S. Mail, registered or certified mail; and in any case postage prepaid and addressed as follows, or to such other addresses as either party may from time to time designate to the other:

To Group: Maverick Medical Group, Inc.
700 N. Brand Blvd, Suite 220

Glendale, CA 91203
To Manager: Apollo Medical Management, Inc.
700 N. Brand Blvd, Suite 220

Glendale, CA 91203

12.5. Entire Agreement. This Agreement together with all exhibits hereto, and all documents referred to herein, is the entire Agreement between the Parties regarding the subject matter hereof, and supersedes all other and prior agreements, whether oral or written.

12.6. Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their permitted successors and assigns.

12.7. Waiver of Provisions. No waiver of any terms or conditions hereof shall be valid unless given in writing, and signed by the party giving such waiver. A waiver of any term or condition hereof shall not be construed as a future or continuing waiver of the same or any other term or condition hereof. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. No failure to exercise, and no delay in exercising, on the part of either party, any privilege, any power or any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any privilege, right or power hereunder preclude further exercise of any other privilege, right or power hereunder.

12.8. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to conflicts of law.

12.9. Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the Parties. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by law and, to the extent necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties.

12.10. Attorneys' Fees. In the event that any action, including mediation or arbitration, is brought by either party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

12.11. Captions. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of any provision hereof.

12.12. Cumulation of Remedies. The various rights, options, elections, powers, and remedies of the respective Parties hereto granted by this Agreement are in addition to any others to which the Parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right of priority allowed by law.

12.13. No Third Party Rights. The Parties do not intend the benefits of this Agreement to inure to any third person not a signatory hereto; and accordingly, this Agreement shall not be construed to create any right, claim or cause of action against either party by any person or entity not a party hereto.

12.14. Construction of Agreement. The Parties agree that each party and its counsel have participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms. The language used in the Agreement will be construed, in all cases, according to its fair meaning, and not for or against any party hereto. The Parties acknowledge that each party has reviewed this Agreement and that rules of construction to the effect that any ambiguities are to be resolved against the drafting party will not be available in the interpretation of this Agreement.

12.15. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.16. Survival. The following provisions of this Agreement shall survive any termination hereof: Section 3 (Confidentiality), Section 6.6 (Effect of Termination), Section 11 (Insurance and Indemnity), and Section 12.2 (Access to Books and Records).

12.17. Jeopardy. In the event the performance by any Party hereto of any term, covenant, condition or provision of this Agreement should be determined by a state or federal court or governmental agency to be in violation of any statute, ordinance, or be otherwise deemed illegal ("Jeopardy Event"), then the Parties will use their best efforts to meet forthwith and attempt to negotiate an amendment to this Agreement to remove or negate the effect of the Jeopardy Event. In the event the Parties are unable to negotiate such an amendment within thirty (30) days following written notice by any Party of the Jeopardy Event, then any other Party may terminate this Agreement immediately upon written notice.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date:

Apollo Medical Management, Inc.
("MANAGER"):

By: /s/ Warren Hosseinion, M.D.

Its: Chief Executive Officer

Maverick Medical Group, Inc., a Medical Corporation
("Group"):

By: /s/ Warren Hosseinion, M.D.

Its: Chief Executive Officer

Exhibit A

Management Services

Group hereby engages Manager to provide the management services described herein, and Manager hereby accepts such engagement, all on the terms and conditions set out herein. Manager shall carry out its duties at the direction of Group and keep Group informed as to all major policy matters and other major decisions. Manager shall have all reasonable discretion in Group's non-clinical operations and shall exercise Manager's reasonable judgment in the management and operation of the administrative aspects in the absence of specific direction from Group.

Subject to the direction and approval of Group, Manager shall use its commercially reasonable efforts to perform the following management duties pursuant to this Agreement:

(a) Business Matters. Manager, on behalf of Group in its sole discretion, will maintain oversight and conduct an annual review and approval of utilization management activities; Manager shall determine and maintain adequate reserves to perform all duties as required by Group, including maintaining the Tangible Net Equity ("TNE") at levels required by the DMHC of all Risk Bearing Organizations ("RBOs") in the state; Manager will maintain oversight and, unless otherwise determined by Group, conduct an annual review of Group's Credentialing and Recredentialing activities.

(b) Management & Clinical Information Systems. Upon request and in consultation with Group, the planning, negotiation with third party vendors, selection, installation and operation of appropriate hardware and software (including but not limited to the Apollo Web database technology) to provide Group with management and clinical information systems support. All clinical and financial data pertaining to Group's practice shall be regularly backed up on electronic media, with additional hard copy back up when in the judgment of Manager, after consultation with Group, it is prudent to do so, and copies of such back up data in both electronic media and hard copy shall be provided to Group from time to time upon request of Group. Upon termination of this Agreement for any reason, all such data and back up data shall be promptly delivered to Group to ensure continuity of Group's financial and clinical operations. All such services shall comply, as appropriate, with the Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereto ("HGroupA").

(c) UR/QA. Assisting Group in the establishment and implementation of a program or programs of utilization review and quality assurance for the activities of Group, and in the formulation and implementation of related policies, procedures and protocols including, but not limited to both a monitoring function and the development and implementation of performance parameters, evidence based medicine protocols, and outcomes measurements

(d) Advertising. Marketing of physician services to hospitals, and otherwise coordinating advertising, marketing and similar activities conducted on behalf of Group, after consultation with Group.

(e) Capital. Consulting with Group regarding capital and financial needs, including seeking capital, undertaking the efforts to raise, and providing access to, capital for any lawful purpose, including without limitation working capital, acquiring other physician practices and acquiring other business assets of the practice.

(f) Contract Negotiation. Manager shall assist Group in setting the parameters under which Group will enter into, and in negotiating, contractual relations with hospitals and third party payors.

(g) Oversight of Subcontractors. Manager shall assist Group in setting parameters for and providing oversight of Group's non-medical subcontract managers, including Prospect Medical Group (and its successors or assigns, as applicable) ("Subcontractors").

(h) Annual Operating Plan. Manager will assist Group in preparing the annual operating plan of Group. Manager will prepare the Annual Operating Plan and submit it to Group no later than 90 days prior to the end of the calendar year. Group will be obligated to approve the Annual Operating Plan submitted by Manager no later than 30 days prior to the end of the calendar year.

(i) Major Decision Making. Manager will have the right to enter into commitments and financial obligations on behalf of Group without prior Group approval for amounts included in the Operating Plan. To the extent the transaction is outside the Operating Plan, Manager will have the right to bind Group for amounts up to $1,000,000 without prior Group approval.

(j) Other Services. Providing such other services as may be agreed between the Parties from time to time which may include, but not be limited to, physician recruitment services, contracting services (with hospitals and payors), physicians scheduling, payroll services for the physicians (as well as management company personnel), case management for patients, business strategy, and operating performance management.

Exhibit B

Management Fee

(a) In consideration of the management services to be rendered by Manager hereunder, Group shall pay Manager, each month, five percent (5%) of Group's gross revenue that Group receives for the performance of medical services by Group.

(b) On or before the twentieth (20th) day of the month following each month, Manager may deduct and pay to itself, from any account(s) of Group managed by Manager, all amounts due and owing to Manager as management fees for the immediately preceding month.

(c) Group desires to incentivize Manager to achieve operational and financial objectives as determined in the Operating Plan. Following the end of the calendar year, Group will pay Manager a bonus of 50% of the Group's excess cash, provided the operating and financial objectives mutually agreed to by Group and Manager and set forth in the Operating Plan are met. "Excess cash" for the calendar year shall be the amount of Group's annual net income (or loss) in excess of the target net income as mutually agreed upon by Manager and Group and set forth in the Operating Plan. The Group's annual net income (or loss) will be determined in accordance with U.S. generally accepted accounting principles and consistent with the Operating Plan.

Exhibit C

HIPAA BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT is made as of the _____day of _____, 2013 by and between Maverick Medical Group Inc. ("Covered Entity") and Apollo Medical Management Inc.

RECITALS:

WHEREAS, Apollo Medical Management Inc., (hereinafter referred to as "Business Associate"), provides services for Covered Entity (the "Service Arrangement") pursuant to which Covered Entity may disclose Protected Health Information ("PHI") to Business Associate in order to enable Business Associate to perform one or more functions for Covered Entity related to Treatment, Payment or Health Care Operations; and

WHEREAS, the parties desire to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Final Rule for Standards for Privacy of Individually Identifiable Health Information adopted by the United States Department of Health and Human Services and codified at 45 C.F.R. part 160 and part 164, subparts A & E (the "Privacy Rule"), the HIPAA Security Rule, codified at 45 C.F.R. Part 164 Subpart C (the "Security Rule") and Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH") including 45 C.F.R. Sections 164.308, 164.310, 164.312 and 164.316.

NOW THEREFORE, the parties to this Agreement hereby agree as follows:

1. Definitions. Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 C.F.R. §§ 160.103, 164.103, and 164.304, 164.501 and 164.502.

2. Obligations and Activities of Business Associate.

    a. Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Agreement, as Required by Law or as permitted by law, provided such use or disclosure would also be permissible by law by Covered Entity.

    b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate agrees to implement Administrative Safeguards, Physical Safeguards and Technical Safeguards ("Safeguards") that reasonably and appropriately protect the confidentiality, integrity and availability of PHI as required by the "Security Rule", including those safeguards required pursuant to 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.316, in the same manner that those requirements apply to Covered Entity pursuant to 45 C.F.R. § 164.504.

c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

d. Business Associate agrees to report to Covered Entity any use or disclosure for the PHI not provided for by this Agreement, including breaches of unsecured PHI as required by 45 C.F.R. § 164.410, and any Security Incident of which it becomes aware.

e. Business Associate agrees to ensure that any agent, including a subcontractor or vendor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information through a contractual arrangement that complies with 45 C.F.R. § 164.314.

f. Business Associate agrees to provide paper or electronic access, at the request of Covered Entity and in the time and manner designated by Covered Entity, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524. If the Individual requests an electronic copy of the information, Business Associate must provide Covered Entity with the information requested in the electronic form and format requested by the Individual and/or Covered Entity if it is readily producible in such form and format; or, if not, in a readable electronic form and format as requested by Covered Entity.

g. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. §164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.

h. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, created or received by Business Associate on behalf of Covered Entity available to Covered Entity, or at the request of Covered Entity to the Secretary, in a time and manner designated by Covered Entity or the Secretary, for the purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule and Security Rule.

i. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.

j. Business Associate agrees to provide to Covered Entity or an Individual, in a time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures for PHI in accordance with 45 §C.F.R. 164.528.

k. If Business Associate accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses, or discloses Unsecured Protected Health Information (as defined in 45 C.F.R. § 164.402) for Covered Entity, it shall, following the discovery of a breach of such information, promptly notify Covered Entity of such breach. Such notice shall include: a) the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been accessed, acquired or disclosed during such breach; b) a brief description of what happened, including the date of the breach and discovery of the breach; c) a description of the type of Unsecured PHI that was involved in the breach; d) a description of the investigation into the breach, mitigation of harm to the individuals and protection against further breaches; e) the results of any and all investigation performed by Business Associate related to the breach; and f) contact information of the most knowledgeable individual for Covered Entity to contact relating to the breach and its investigation into the breach.

l. Business Associate agrees that it will not receive remuneration directly or indirectly in exchange for PHI without authorization unless an exception under 13405(d) of the HITECH Act applies.

m. Business Associate agrees that it will not receive remuneration for certain communications that fall within the exceptions to the definition of Marketing under 45 C.F.R. §164.501 unless permitted by the HITECH Act.

n. Business Associate agrees that it will not use or disclose genetic information for underwriting purposes, as that term is defined in 45 C.F.R. § 164.502.

o. Business Associate hereby agrees to comply with state laws applicable to PHI and personal information of individuals' information it receives from Covered Entity, including the Massachusetts Data Security Regulations, 201 CMR 17.00 during the term of the Agreement.

    i. Business Associate agrees to: (a) implement and maintain appropriate physical, technical and administrative security measures for the protection of personal information as required by any state law, including 201 CMR 17.00; including, but not limited to: (i) encrypting all transmitted records and files containing personal information that will travel across public networks, and encryption of all data containing personal information to be transmitted wirelessly; (ii) prohibiting the transfer of personal information to any portable device unless such transfer has been approved in advance; and (iii) encrypting any personal information to be transferred to a portable device; and (b) implement and maintain a Written Information Security Program as required by any state law, including 201 CMR 17.00.

ii. The safeguards set forth in this Agreement shall apply equally to PHI, confidential and "personal information." Personal information means an individual's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident's financial account; provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

3. Permitted Uses and Disclosures by Business Associate.

   a. Except as otherwise limited to this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Arrangement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity required by 45 C.F.R. §164.514(d).

   b. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

   c. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

   d. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504 (e)(2)(i)(B).

   e. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.502(j)(1).

4. Obligations of Covered Entity

   a. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.

c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, provided that, to the extent permitted by the Service Arrangement, Business Associate may use or disclose PHI for Business Associate's Data Aggregation activities or proper management and administrative activities.

6. Term and Termination.

a. The term of this Agreement shall begin as of the effective date of the Service Arrangement and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Section.

b. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Service Arrangement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity.

ii. Immediately terminate this Agreement and the Service arrangement if Business Associate has breached a material term of this Agreement and cure is not possible; or

iii. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

c. Except as provided in paragraph (d) of this Section, upon any termination or expiration of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI. Business Associate shall ensure that its subcontractors or vendors return or destroy any of Covered Entity's PHI received from Business Associate.

d. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's written agreement that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous.

a. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.

b. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA, the Privacy and Security Rules and HITECH.

c. The respective rights and obligations of Business Associate under Section 6 (c) and (d) of this Agreement shall survive the termination of this Agreement.

d. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA and HITECH.

e. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

f. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, remedies, obligations or liabilities whatsoever.

g. Modification of the terms of this Agreement shall not be effective or binding upon the parties unless and until such modification is committed to writing and executed by the parties hereto.

h. This Agreement shall be binding upon the parties hereto, and their respective legal representatives, trustees, receivers, successors and permitted assigns.

i. Should any provision of this Agreement be found unenforceable, it shall be deemed severable and the balance of the Agreement shall continue in full force and effect as if the unenforceable provision had never been made a part hereof.

j. This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of California, including all matters of construction, validity and performance.

k. All notices and communications required or permitted to be given hereunder shall be sent by certified or regular mail, addressed to the other part as its respective address as shown on the signature page, or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

l. This Agreement, including such portions as are incorporated by reference herein, constitutes the entire agreement by, between and among the parties, and such parties acknowledge by their signature hereto that they do not rely upon any representations or undertakings by any person or party, past or future, not expressly set forth in writing herein.

m. Business Associate shall maintain or cause to be maintained sufficient insurance coverage as shall be necessary to insure Business Associate and its employees, agents, representatives or subcontractors against any and all claims or claims for damages arising under this Business Associate Agreement and such insurance coverage shall apply to all services provided by Business Associate or its agents or subcontractors pursuant to this Business Associate Agreement. Business Associate shall indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, costs and other expenses (including but not limited to, reasonable attorneys' fees and costs, administrative penalties and fines, costs expended to notify individuals and/or to prevent or remedy possible identity theft, financial harm, reputational harm, or any other claims of harm related to a breach) incurred as a result of, or arising directly or indirectly out of or in connection with any acts or omissions of Business Associate, its employees, agents, representatives or subcontractors, under this Business Associate Agreement, including, but not limited to, negligent or intentional acts or omissions. This provision shall survive termination of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

COVERED ENTITY
Maverick Medical Group Inc.

By: /s/ Warren Hosseinion, M.D.

Title: CEO

BUSINESS ASSOCIATE
Apollo Medical Management Inc.

By: /s/ Kyle Francis

Title: CFO

INTERCOMPANY REVOLVING LOAN AGREEMENT

This INTERCOMPANY REVOLVING LOAN AGREEMENT ("Loan Agreement"), dated as of February 1, 2013, is entered into by and between:

(1) Apollo Medical Management, Inc. ("Lender"); and

(2) Maverick Medical Group, Inc. a California professional medical corporation ("Borrower").

In consideration of the covenants, conditions and agreements set forth herein, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 "Advance" shall have the meaning given in Section 2.1 of the Loan Agreement.

1.2 "Business Day" shall mean any day on which commercial banks are not authorized or required to close in the United States.

1.3 "Commitment" shall mean an amount equal to **Five Million Dollars ($5,000,000.00).**

1.4 "Default" shall mean any event or circumstance not yet constituting an Event of Default but which, with the giving of any notice or the lapse of any period of time or both, would become an Event of Default.

1.5 "Event of Default" shall have the meaning given to that term in Section 5.01.

1.6 "GAAP" shall mean generally accepted accounting principles and practices as promulgated by the Financial Accounting Standards Board and as in effect in the United States from time to time, consistently applied. Unless otherwise indicated in this Loan Agreement, all accounting terms used in this Loan Agreement shall be construed, and all accounting and financial computations hereunder or thereunder shall be computed, in accordance with GAAP.

1.7 "Governmental Authority" shall mean any domestic or foreign national, state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.8 "Indebtedness" of any Person shall mean and include the aggregate amount of, without duplication (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services (other than accounts payable incurred in the ordinary course of business determined in accordance with generally accepted accounting principles), (d) all obligations under capital leases of such Person, (e) all obligations or liabilities of others secured by a lien on any asset of such Person, whether or not such obligation or liability is assumed, (f) all guaranties of such Person of the obligations of another Person; (g) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement upon an event of default are limited to repossession or sale of such property), (h) net exposure under any interest rate swap, currency swap, forward, cap, floor or other similar contract that is not entered to in connection with a bona fide hedging operation that provides offsetting benefits to such Person, which agreements shall be marked to market on a current basis, (i) all reimbursement and other payment obligations, contingent or otherwise, in respect of letters of credit.

1.9 "LIBOR Rate" shall mean the rate per annum, calculated to the nearest .01%, at which U.S. dollar deposits are offered in the London interbank market for one month periods as quoted in the "Money Rates" column of The Wall Street Journal on the first Business Day of each calendar month. All computations of such interest shall be based on a year of 360 days and actual days elapsed. Such LIBOR Rate shall remain in effect until it is adjusted on the first Business Day of the following calendar month.

1.10 "Loan Agreement" shall have the meaning set forth in the opening paragraph of this document.

1.11 "Loan Documents" shall mean and include this Loan Agreement and any other documents, instruments and agreements delivered to Lender in connection with this Loan Agreement.

1.12 "Obligations" shall mean and include all Advances, debts, liabilities, and financial obligations, howsoever arising, owed by Borrower to Lender of every kind and description (whether or not evidenced by any note or instrument), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to the terms of any of the Loan Documents, including, without limitation, all interest, fees, charges, expenses, reasonable attorneys' fees (and expenses) and accountants' fees (and expenses) chargeable to Borrower or payable by Borrower hereunder or thereunder.

1.13 "Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a Governmental Authority.

1.14 "Termination Date" shall mean the **fifth** anniversary of the date of this Loan Agreement.

ARTICLE 2
ADVANCES

2.1 Terms. Subject to the terms and conditions of this Loan Agreement, Lender agrees to advance to Borrower from time to time and until the Termination Date, such sums as Borrower may request (the "Advances") but which shall not exceed, in the aggregate principal amount at any one time outstanding, the Commitment. Advances shall be made in lawful currency of the United States of America and shall be made in same day or immediately available funds. Each Advance shall be in an amount equal to at least $10,000 or any integral multiple of $5,000 in excess thereof and shall be made three Business Days after written request (or telephonic request confirmed in writing). Subject to the terms and conditions hereof, Borrower may borrow pursuant to this Section 2.1, prepay the Advances and reborrow pursuant to this Section 2.1.

2.2 Payment of Outstanding Amounts.

(a) If not paid earlier, the outstanding principal and interest balance of all Advances shall be due and payable to the Lender on the Termination Date.

(b) Not used.

2.3 Interest Payments. Interest on the outstanding principal balance under the Advances shall accrue at the greater of 10% per annum or LIBOR Rate in effect. All computations of such interest shall be based on a year of 360 days and actual days elapsed for each day on which any principal balance is outstanding under the terms of the Loan Agreement.

2.4 Interest Payments. All accrued and unpaid interest shall be due on the first Business Day of each month. If not paid earlier, all outstanding accrued interest hereunder shall be due and payable to the Lender on the Termination Date.

2.5 Other Payment Terms.

(a) Manner. Borrower shall make all payments due to Lender hereunder in lawful money of the United States and in same day or immediately available funds.

(b) Date. Whenever any payment due hereunder shall fall due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest or fees, as the case may be.

(c) Default Rate. From and after the occurrence of an Event of Default and during the continuance thereof, Borrower shall pay interest on all Obligations not paid when due, from the date due thereof until such amounts are paid in full at a per annum rate equal to the three (3) percentage points in excess of the rate otherwise applicable to Advances. All computations of such interest shall be based on a year of 360 days and actual days elapsed.

2.6 Loan Account. The Obligations of Borrower to Lender hereunder shall be evidenced by one or more accounts or records maintained by Lender in the ordinary course of business. The accounts or records maintained by Lender shall be presumptive evidence of the amount of such Obligations, and the interest and principal payments thereon. Any failure so to record or any error in so doing shall not, however, limit, increase or otherwise affect the obligation of Borrower hereunder to pay any amount owning hereunder. Upon Lender's request, Borrower shall execute or obtain and deliver all instruments, documents or writings as Lender may, from time to time, request to protect, insure, or enforce its interest, rights or remedies created by, provided in or as a result of this Loan Agreement or any other instrument or document executed by Borrower in connection with this Loan Agreement, whether now existing or hereafter arising, including, without limitation, the execution of a promissory note in favor of Lender (a “Note”). In addition to all other sums agreed to be paid to Lender hereunder, and all instruments, documents and writings securing same, Borrower shall reimburse Lender for all expenses paid or incurred by Lender in any manner related to its Obligations, including without limitation, fees and expenses (including reasonable attorneys’ fees and expenses) relating to the enforcement and collection thereof.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF BORROWER

To induce Lender to enter into this Loan Agreement and to make Advances hereunder, Borrower represents and warrants to Lender as follows:

3.1 Due Incorporation, etc. Borrower is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation.

3.2 Authority. The execution, delivery and performance by Borrower of each Loan Document to be executed by Borrower and the consummation of the transactions contemplated thereby (i) are within the power of Borrower and (ii) have been duly authorized by all necessary actions on the part of Borrower.

3.3 Enforceability. Each Loan Document executed, or to be executed, by Borrower has been, or will be, duly executed and delivered by Borrower and constitutes, or will constitute, a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

ARTICLE 4
CONDITIONS TO MAKING ADVANCES

Lender's obligation to make the initial Advance and each subsequent Advance is subject to the prior satisfaction or waiver of all the conditions set forth in this Article 4.

4.1 Principal Loan Documents. Borrower shall have duly executed and delivered to Lender: (a) the Loan Agreement; and (b) such other documents, instruments and agreements as Lender may reasonably request.

4.2 Representations and Warranties Correct. The representations and warranties made by Borrower in Article 3 hereof shall be true and correct as of the date on which each Advance is made and after giving effect to the making of the Advance. The submission by Borrower to Lender of a request for an Advance shall be deemed to be a certification by the Borrower that as of the date of borrowing, the representations and warranties made by Borrower in Article 3 hereof are true and correct.

4.3 No Event of Default or Default. No Event of Default or Default has occurred or is continuing.

4.4 Total Outstanding Advances. The total aggregate principal amount of outstanding Advances does not exceed the Commitment.

ARTICLE 5
EVENTS OF DEFAULT

5.1 Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Loan Agreement and the Note:

(a) Failure to Pay. Borrower shall fail to pay (i) the principal amount of all outstanding Advances on the Termination Date hereunder; (ii) any interest, Obligation or other payment required under the terms of this Loan Agreement or any other Loan Document on the date due and such failure shall continue for five (5) Business Days after Borrower's receipt of Lender's written notice thereof to Borrower; or (iii) any Indebtedness (excluding Obligations) owed by Borrower to Lender on the date due and such failure shall continue for five (5) Business Days after Borrower's receipt of Lender's written notice thereof to Borrower.

(b) Breaches of Covenants. Borrower shall fail to observe or perform any other covenant, obligation, condition or agreement contained in this Loan Agreement or any other Loan Document and (i) such failure shall continue for ten (10) Business Days, or (ii) if such failure is not curable within such ten (10) Business Day period, but is reasonably capable of cure within thirty (30) Business Days, either (A) such failure shall continue for thirty (30) Business Days or (B) Borrower shall not have commenced a cure in a manner reasonably satisfactory to Lender within the initial ten (10) Business Day period; or

(c) Representations and Warranties. Any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Borrower to Lender in writing in connection with any of the Loan Documents, or as an inducement to Lender to enter into this Loan Agreement, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; or

(d) Voluntary Bankruptcy or Insolvency Proceedings. Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidation or custodian of itself or of all or a substantial part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated in full or in part, (v) become insolvent (as such term is defined in 11 U.S.C. '101 (32), as amended from time to time), (vi) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vii) take any action for the purpose of effecting any of the foregoing; or

(e) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of Borrower or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to Borrower or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) calendar days of commencement.

5.2 Rights of Lender upon Default.

(a) Acceleration. Upon the occurrence or existence of any Event of Default described in Sections 5.1(d) and 5.1(e), automatically and without notice or, at the option of Lender, upon the occurrence of any other Event of Default, all outstanding Obligations payable by Borrower hereunder shall become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Loan Documents to the contrary notwithstanding.

(b) Cumulative Rights, etc. The rights, powers and remedies of Lender under this Loan Agreement shall be in addition to all rights, powers and remedies given to Lender by virtue of any applicable law, rule or regulation of any Governmental Authority, any transaction contemplated thereby or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Lender's rights hereunder.

ARTICLE 6
MISCELLANEOUS

6.1 Notices. Except as otherwise provided herein, all notices, requests, demands, consents, instructions or other communications to or upon Lender or Borrower under this Agreement or the other Loan Documents shall be in writing and telecopied, mailed or delivered to each party at its telecopier number or address set forth below (or to such other telecopier number or address for any party as indicated in any notice given by that party to the other party). All such notices and communications shall be effective (a) when sent by Federal Express or other overnight service of recognized standing, on the Business Day following the deposit with such service; (b) when mailed by registered or certified mail, first class postage prepaid and addressed as aforesaid through the United States Postal Service, upon receipt; (c) when delivered by hand, upon delivery; and (d) when telecopied, upon confirmation of receipt; provided, however, that any notice delivered to Lender under Article 2 shall not be effective until received by Lender.

LENDER: Apollo Medical Management, Inc.
700 N. Brand Blvd. Suite 220
Glendale, California 91203
Attention: CFO

BORROWER: Maverick Medical Group, Inc.
700 N. Brand Blvd. Suite 220
Glendale, California 91203
Attention: CEO

6.2 Waivers; Amendments. Any term, covenant, agreement or condition of this Loan Agreement or any other Loan Document may be amended or waived if such amendment or waiver is in writing and is signed by Borrower and Lender. No failure or delay by Lender in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right. A waiver or consent given hereunder shall be effective only if in writing and in the specific instance and for the specific purpose for which given.

6.3 Successors and Assigns. This Loan Agreement and the other Loan Documents shall be binding upon and inure to the benefit of Borrower, Lender and their respective successors and permitted assigns, except that Borrower may not assign or transfer (and any such attempted assignment or transfer shall be void) any of its rights or obligations under any Loan Document without the prior written consent of Lender.

6.4 Set-off. In addition to any rights and remedies of Lender provided by law, Lender shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, upon the occurrence and during the continuance of a Default or an Event of Default, to set-off and apply against any Indebtedness, whether matured or unmatured, of Borrower to Lender (including, without limitation, the Obligations), any amount owing from Lender to Borrower. The aforesaid right of set-off may be exercised by Lender against Borrower or against any trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, receiver or execution, judgment or attachment creditor of Borrower or against anyone else claiming through or against Borrower or such trustee in bankruptcy, debtor-in- possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by Lender prior to the occurrence of a Default or an Event of Default. Lender agrees promptly to notify Borrower after any such set-off and application made by Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

6.5 No Third Party Rights. Nothing expressed in or to be implied from this Agreement or any other Loan Document is intended to give, or shall be construed to give, any Person, other than the parties hereto and thereto and their permitted successors and assigns, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or any other Loan Document.

6.6 Partial Invalidity. If at any time any provision of this Loan Agreement or any of the Loan Documents is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Loan Agreement or such other Loan Documents, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction, shall in any way be affected or impaired thereby.

6.7 Governing Law. This Loan Agreement and each of the other Loan Documents shall be governed by and construed in accordance with the laws of the State of California without reference to conflicts of law rules.

6.8 Construction. Each of this Loan Agreement and the other Loan Documents is the result of negotiations among, and has been reviewed by, Borrower, Lender and their respective counsel. Accordingly, this Loan Agreement and the other Loan Documents shall be deemed to be the product of all parties hereto, and no ambiguity shall be construed in favor of or against Borrower or Lender.

6.9 Entire Agreement. This Loan Agreement and the other Loan Documents, taken together, constitute and contain the entire agreement of Borrower and Lender with respect to the subject matter hereby and supersede any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Loan Agreement as of the date first set forth above.

BORROWER:

Maverick Medical Group, Inc.

By: /s/ Warren Hosseinion, M.D.
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

LENDER:

Apollo Medical Management, Inc.

By: /s/ Kyle Francis
Name: Kyle Francis
Title: Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Warren Hosseinion, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apollo Medical Holdings, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. Apollo Medical Holdings, Inc. other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. Apollo Medical Holdings, Inc. other certifying officer and I are have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: June 14, 2013

By: Warren Hosseinion

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kyle Francis, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apollo Medical Holdings, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. Apollo Medical Holdings, Inc. other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. Apollo Medical Holdings, Inc. other certifying officer and I are have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: June 14, 2013

By: Kyle Francis

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Apollo Medical Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended April 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Warren Hosseinion, Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: June 14, 2013

By: Warren Hosseinion

Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Apollo Medical Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended April 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kyle Francis, Chief Financial Officer and Principal Accounting Officer of the Company, certify, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dated: June 14, 2013

By: Kyle Francis

Chief Financial Officer