instaCare Corp.
Form 10-Q
August 14, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

S QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

£ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-29315

INSTACARE CORP.

(Exact name of registrant as specified in its charter)

Nevada	**91-2105842**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2660 Townsgate Road, Suite 300

Westlake Village, California 91361

(Address of principal executive offices)

(805) 466-1973

(Registrant s telephone number, including area code)

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 S 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. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer £

Accelerated filer £

Non-accelerated filer £ (Do not check if a smaller reporting company)

Smaller reporting company S

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

The number of shares of Common Stock, $0.001 par value, outstanding on August 8, 2008, was 41,587,791 shares.

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements

instaCare, Corp.
Condensed Consolidated Balance Sheets

	June 30, 2008 (Unaudited)	December 31, 2007 Audited
Assets		
Current assets:		
Cash	$ 113,167	$ 4,353
Accounts receivable	966,126	669,041
Inventory	270,450	96,450
Prepaid expenses	4,131	3,816
Total current assets	1,353,874	773,660
Fixed assets net of accumulated depreciation of $163,126 and $145,000, respectively	18,124	36,250
Other assets		
Deposits	3,412	3,412
Amortizable loan fees	41,669	-
Total other assets	45,081	3,412
Total assets	$ 1,417,079	$ 813,322

instaCare, Corp.

Condensed Consolidated Balance Sheets

Liabilities and Stockholders Deficit		
Current liabilities:		
Accounts payable	$ 40,806	$ 120,107
Accrued liabilities	195,905	199,265
Accrued interest	502,335	412,837
Line of credit	586,923	467,044
Demand note related party	280	280
Notes payable, current portion	183,361	181,021
Convertible notes payable	1,452,688	1,377,689
Total current liabilities	2,962,298	2,758,243
Long-term debt, net of current portion	57,831	85,109
Stockholders (deficit)		
Preferred stock, $0.001 par value, 2,249,000 shares authorized, 207,526 shares issued and outstanding as of June 30, 2008 and December 31, 2007, respectively	207	207
Preferred series A stock, $0.001 par value, 750,000 shares authorized, no shares issued and outstanding as of June 30, 2008 and December 31, 2007, respectively	-	-
Preferred series C stock, $0.001 par value, 1,000,000 shares authorized, 17,860 shares issued and outstanding as of June 30, 2008 and December 31, 2007	18	18
Preferred series D stock, $0.001 par value, 1,000 shares authorized no shares issued and outstanding as of June 30, 2008 and December 31, 2007	-	-
Preferred series E stock, $0.001 par value, 1,000,000 shares authorized, no shares issued and outstanding as of June 30, 2008 and December 31, 2007	-	-
Common stock, $0.001 par value, 1,750,000,000 shares authorized, 39,962,071 and 29,200,026 shares issued and outstanding as of June 30, 2008 and December 31, 2007	39,962	29,200
Shares authorized and unissued, 725,720 and 3,700,294 as of June 30, 2008 and December 31, 2007, respectively	726	3,700

Additional paid in capital		17,713,847		17,353,200
Dividend payable		386,475		292,392
Accumulated (deficit)		(19,744,285)		(19,709,747)
Total stockholders (deficit)		(1,603,050)		(2,030,030)
Total liabilities and stockholders (deficit)	$	1,417,079	$	813,322

The accompanying notes are an integral part of these condensed consolidated financial Statements

InstaCare, Corp.

Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenue	$ 3,020,694	$ 1,036,849	$ 5,818,076	$ 2,120,131
Cost of sales	2,676,063	908,652	5,025,946	1,797,304
Gross profit	344,631	128,197	792,130	322,827
Expenses:				
General & administrative	64,558	78,967	125,304	181,526
Consulting	28,442	119,810	93,735	378,077
Payroll expense	79,815	34,664	200,335	87,898
Professional fees	22,240	57,486	67,596	81,976
Depreciation and amortization	9,063	11,745	18,126	23,490
Total expenses	204,118	302,672	505,096	752,967
Net operating income (loss)	140,513	(174,475)	287,034	(430,140)
Other income (expense):				
Contingent expenses	-	81,600	-	-
Financing costs	(66,786)	(1,907)	(116,260)	(11,123)
Interest expense, net	(56,075)	(55,788)	(111,393)	(112,493)
Total other income (expense)	(122,861)	23,905	(227,653)	(123,616)
Net income (loss)	17,652	(150,570)	59,381	(553,756)
Add: Dividends declared on preferred	-	-	-	-
Income (loss) available to common shareholders'	$ 17,652	$ (150,570)	$ 59,381	$ (553,756)
Weighted average number of common shares outstanding-diluted	216,264,003	11,341,941	211,122,433	10,768,735

Net income (loss) per share -diluted	$	0.00	$	(0.01)	$	0.00	$	(0.05)
Weighted average number of Common shares outstanding basic		38,546,597		11,341,941		36,297,301		10,768,735
Net income (loss) per share basic	$	0.00	$	(0.01)	$	0.00	$	(0.05)

The accompanying notes are an integral part of these condensed consolidated financial Statements

InstaCare, Corp.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Cash flows from operating activities		
Net income (loss)	$ 59,381	$ (553,756)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Shares issued for services and fees	94,453	133,650
Shares issued for financing	92,628	-
Options and warrants issued for services	12,853	299,146
Amortization of options issued for services	105,000	6,126
Amortization of financing fees	20,832	
Depreciation and amortization	18,126	23,490
Changes in operating assets and liabilities		
Accounts receivable	(297,085)	(264,256)
Inventory	(174,000)	(35,400)
Prepaid expenses	(315)	-
Accounts payable	(79,301)	56,009
Accrued interest	89,495	107,657
Accrued liabilities	(3,193)	(59,534)
Net cash (used) by operating activities	(61,126)	(286,868)
Cash flows from financing activities		
Proceeds from line of credit	4,519,637	-
Payments on line of credit	(4,399,758)	-
Proceeds from note payable - related party	-	151,218
Payments on note payable - related party	-	(68,150)
Payments on notes payable	(24,939)	-
Proceeds from convertible note payable	75,000	-
Payments on convertible note payable	-	(25,000)
Exercise of options	-	225,708
Net cash provided by financing activities	169,940	283,776
Net increase in cash	108,814	(3,092)
Cash - beginning	4,353	19,501
Cash - ending	$ 113,167	$ 16,409

Supplemental disclosures:				
Interest paid	$	19,582	$	-
Income taxes paid	$	-	$	-
Non-cash transactions:				
Shares issued for services	$	94,453	$	133,650
Options and warrants issued for services	$	12,853	$	299,146
Shares issued for financing	$	92,628	$	-
Accounts payable converted to note payable	$	-	$	160,385

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

instaCare, Corp.

Notes to Condensed Consolidated Financial Statements

Note 1 Basis of presentation

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

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the period ended December 31, 2007 and notes thereto included in the Company's Form 10-K. The Company follows the same accounting policies in the preparation of consolidated interim reports.

The Company was organized March 2, 2001 (Date of Inception) under the laws of the State of Nevada as ATR Search Corporation. On June 21, 2002, the Company merged with Medicius, Inc. and filed amended articles of incorporation changing its name to CareDecision Corporation and subsequently changed its name to instaCare Corp. effective February 17, 2005.

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

Note 2 Going concern

The Company has an accumulated deficit of $19,744,285 as of June 30, 2008. These accumulated conditions have raised substantial doubt about the Company's ability to continue as a going concern. Although the Company s recent growth have greatly improved its cash flows, the Company nonetheless needs to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management is seeking additional financing, and is now looking for a merger or acquisition candidate. The Company intends to acquire interests in various business opportunities, which in the opinion of management will provide a profit to the Company. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and working capital needs. There is no assurance any of these transactions will occur. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 3 Fixed assets

Depreciation expense totaled $18,126 and $23,490 for the six-month period ended June 30, 2008 and 2007, respectively.

Note 4 Notes payable

Notes payable consisted of the following:

		June 30, 2008		**December 31, 2007**
Demand note from a related party, bearing interest at 9.5%	$	280	$	280
Revolving line of credit, with interest being paid in shares equal to 5% of each advance.		586,923		467,044
Promissory note, Bearing interest at 9% per annum, maturing June 20, 2010.		111,192		136,131
Convertible promissory note, bearing interest at 15% per annum, maturing June 30, 2009.		75,000		-
Promissory note, bearing interest at 9.5% per annum, Matured August 25, 2006, currently in default.		87,309		87,309
Convertible promissory note, bearing interest at 12% per annum, matured December 24, 2006, currently in default.		920,379		920,379
Convertible promissory note, bearing interest at 1.25% per month, maturing October 31, 2007		170,000		170,000

Promissory note, bearing interest at 12% per annum,				
Matured July 31, 2006, currently in default.		130,000		130,000
Convertible promissory note, bearing interest at 1.5%				
Monthly, maturing May 16, 2007		200,000		200,000
Total notes payable		2,281,083		2,111,143
Less current portion		2,223,252		2,026,034
Total long-term notes payable	$	57,831	$	85,109

The Company recorded interest expense totaling $111,393 and $112,493 during the six-months ended June 30, 2008 and 2007, respectively.

Note 5 Stockholder s equity

We are authorized to issue 5,000,000 shares of $0.001 par value preferred stock; of which 750,000 shares are designated as Series A, 20,000 shares are designated as Series C, 1,000 shares are designated as Series D and 1,000,000 shares are designated as Series E. The Company is authorized to issue 1,750,000,000 shares of $0.001 par value common stock.

On January 2, 2008, we issued 3,700,294 shares of common stock previously authorized.

On January 11, 2008, we issued 400,000 shares of our common stock valued at $16,000 for consulting services. In connection with the shares, we also issued a warrant to purchase up to 400,000 shares of our common stock at an exercise price of $0.078 per share expiring on December 31, 2010. The fair value of the warrant was $12,853 using the Black-Scholes valuation model.

During the six-months ended June 30, 2008, we issued 3,530,696 shares of our common stock to Centurion Credit Resources, LLC pursuant to our financing agreement. These shares represent a 5% financing fee for each advance received during each of the three months ending June 30, 2008. The fair value of the shares is $92,629, and has been recorded as financing fees. At June 30, 2008, 750,720 shares remained unissued.

We issued 216,775 shares of our common stock on January 31, 2008 pursuant to a consulting agreement with Cape McKinnon, Inc. As of June 30, 2008, we recorded consulting expense in the amount of $6,503, representing the fair value of the shares issued. Further, we have terminated this agreement effective as of June 30, 2008.

On February 29, 2008 we issued 150,000 shares of our common stock to an individual for services received pursuant to a consulting agreement. The fair value of $1,650 has been recorded as a consulting expense as of June 30, 2008.

During the six-months ended June 30, 2008, we issued 2,850,000 shares of our common stock in lieu of compensation to employees and officers of the Company for services received during the six-months ended June 30, 2008. We have record payroll expense in the amount of $61,500, the fair value of the shares issued.

On May 6, 2008 we issued 400,000 shares of our common stock for services. At June 30, 2008 we recorded consulting expense in the amount of $4,000 representing the fair value of the shares issued.

On May 7, 2008 we issued 40,000 to Steve Milic for license fees valued at $800. In addition, we issued 180,000 shares of our common stock to Mr. Milica's for consulting fees valued at $3,600, the fair value of the shares issued.

On May 7, 2008 we issued 20,000 shares of our common stock to an individual for consulting fees valued at $400, the fair value of the shares issued.

Note 6 Warrants and options

On February 7, 2008, 1,293,750 warrants issued to Mercator Momentum Fund, LP and Monarch Pointe Fund Ltd. and Pylon Management expired.

On January 11, 2008 we issued 400,000 warrants with an exercise price of $0.078 per share for consulting services. The warrants expire on December 31, 2010. The fair market value of the warrants based on the Black-Scholes model is $12,853 using the following assumptions: Strike Price $0.078; Stock Price $0.04; Volatility 167%; Term 2.75 years; Dividend Yield 0%; Interest Rate 2.61%. As of June 30, 2008, we have recorded consulting expense in the amount of $12,853.

On March 1, 2008, we issued a warrant to purchase 7,500,000 shares of our common stock with an exercise price of $0.03 pursuant to of loan agreement. The fair market value of the warrants based on the Black-Scholes model is $62,501 using the following assumptions: Strike Price $0.003; Stock Price $0.00; Volatility 171%; Term 2.75 years; Dividend Yield 0%; Interest Rate 1.87%. As of June 30, 2008, we have recorded financing expense in the amount of $5,208 and amortizable loan fees of $57,293 to be amortized over the one year term of the note.

A summary of outstanding stock options and warrants as of June 30, 2008 is as follows:

	Options		Warrants	
Outstanding 01/01/08	825,000	$1.73	2,662,090	$1.03
Granted	-	-	7,900,000	0.03
Cancelled	-	-	(1,293,750)	1.99
Exercised	-	-	-	-
Outstanding 06/30/08	825,000	$1.73	9,268,340	$0.05

Note 7 Net income per share

Basic earnings per common share are based on the weighted average number of common shares outstanding during the year. Diluted earnings per share is based on the weighted average number of common shares, plus all stock options and warrants convertible convertible into common stock for an additional 10,093,340 common shares; all preferred stock converted into common stock for an additional 131,306,866 common shares; and all convertible debt converted into common stock for an additional 36,317,200 common shares.

Note 8 Subsequent events

On July 9, 2008 we issued 725,720 shares of our common stock authorized and unissued at June 30, 2008.

On July 9, 2008, we issued 900,000 shares to our officers as prepaid services for the period ending September 30, 2008. The fair value of the shares on the date of grant was $18,000.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, estimate, intend, continue, believe, expect anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include, but are not limited to:

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increased competitive pressures from existing competitors and new entrants;

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increases in interest rates or our cost of borrowing or a default under any material debt agreements;

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deterioration in general or regional economic conditions;

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adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;

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loss of customers or sales weakness;

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inability to achieve future sales levels or other operating results;

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the unavailability of funds for capital expenditures and/or general working capital; and

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operational inefficiencies in distribution or other systems.

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our ability to recruit and hire key employees;

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the inability of management to effectively implement our strategies and business plans; and

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the other risks and uncertainties detailed in this report.

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see Risk Factors in this document and in our Annual Report on Form 10-K for the six months ended June 30, 2008.

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

Overview of Current Operations

We are a publicly-traded distributor of life-saving and life-enhancing prescription drugs and diagnostics to several channels in the healthcare industry, a developer of patent-pending technologies for e-health and EMR applications that we employ to leverage and add value to our prescription drug and diagnostics business, and a Wi-Fi PDA technology provider to the lodging industry. We have recently added modules to our medical and EMR applications that allow for the management of medical products distribution and reporting management. We plan to market these new modules under the trade name Decision IT.

Our proprietary ResidenceWare, MD@Hand and Practice Probe technologies manage critical data, enhance productivity and e-commerce, and facilitate communication with applications in the healthcare, medical distribution and hotel/motel markets and industries. We have recently focused our business attention towards providing prescription drugs and medical diagnostics through several medical distribution channels.

During the next 12 months we plan to continue to focus our efforts on the following primary businesses:

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Providing medical communication devices based on networks of personal digital assistants (PDA). These products are believed to provide benefits of on demand medical information to private practice physicians, licensed medical service providers such as diagnostic testing laboratories, and medical insurers;

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The distribution of medical diagnostic products primarily aimed at institutions that service patients with diabetic and asthma related diseases and ailments. Our current market focus for these products is the long term care sector of the larger healthcare market, however we plan to expand into additional sectors where we can service certain chronic ambulatory disease states;

.

Providing medical communication devices based on networks of personal digital assistants (PDA) and desktop computers with software that manages decision, control, audit and fulfillment for the medical products distribution markets. These products are believed to provide benefits of on demand medical information to medical products manufacturers as part of their financial management of distribution contracts;

.

The distribution and fulfillment of prescriptions for ethical pharmaceuticals primarily aimed at the indigent and uninsured sectors of the greater medical service markets. Our first market focus for these products will be those state Medicaid and Federally chartered clinics (and initiatives) where funding for pharmaceutical fulfillment enterprises exists;

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Building electronic commerce networks based on personal digital assistants (PDA) to the hotels, motels and single building, multi-unit apartment buildings with a desire to offer local advertising and electronic services to their tenants/guests.

Seasonality

The distribution of medical products and medical diagnostics in aggregate account for the overwhelming percentage of our revenues. We have completed 14 quarters of operations in these markets. Our experiences point to a business that displays certain seasonal trends. In each of the last two operating years our order intake was concentrated in the first five months of the calendar year and to an identifiable but lesser degree in the last two months of the calendar year. One explanation is that these months correspond with the beginning of a prescription drug plan years where new prescription drug cards are distributed by insurers to their insured in January along with new plan formularies (price schedules). This in turn trends to influence stocking up buying/ordering behavior on the part of the insured.

Results of Operations for the three months ended June 30, 2008 and 2007 compared.

The following tables summarize selected items from the statement of operations for the three months ended June 30, 2008 compared to the three months ended June 30, 2007.

INCOME:

	For the three months ended		Increase (Decrease)	
	June 30,			
	2008	2007	$	%
Revenue	$ 3,020,694	$ 1,036,849	$ 1,983,845	191%
Cost of Sales	2,676,063	908,652	1,767,411	195%
Gross Profit	344,631	128,197	216,434	169%
Gross Profit Percentage of Sales	13%	12%		1%

Revenue

Our revenue for the three months ended June 30, 2008 was $3,020,694 compared to revenue of $1,036,849 in the three months ended June 30, 2007. This resulted in an increase in revenue of $1,767,411, or 191%, from the same period a year ago. The increase in revenue over the three months ended June 30, 2007 was a result of our market focus towards the direct sale of diabetic test strips and medical-surgical products into several prescription drug channels and our efforts to increase our gross profit margin.

Cost of sales / Gross profit percentage of sales

Our cost of sales for the three months ended June 30, 2008 was $2,676,063, an increase of $1,767,411, or 195% from $908,652 for the three months ended June 30, 2007. The increase in cost of sales during the current period was expected due to our increased sales over the prior quarter and an increase in our direct to patient market sales.

Gross profit as a percentage of sales increased from 12% for the three months ended June 30, 2007 to 13% for the three months ended June 30, 2008. The increase in gross profit margin was caused by a change in our primary suppliers whereby we were able to achieve stronger buying power on the increased volume.

EXPENSES:

	For the Three Months Ended June 30,			
	2008 Amount	2007 Amount	Increase / (Decrease) $	%
Expenses:				
General & administrative expenses	$ 64,558	$ 78,967	$ (14,409)	(18%)
Consulting services	28,442	119,810	(91,368)	(76%)
Payroll expense	79,815	34,664	45,151	130%
Professional fees	22,240	57,486	(35,246)	(61%)
Depreciation	9,063	11,745	(2,682)	(23%)
Total expenses	204,118	302,672	(98,554)	(33%)
Net operating income (loss)	140,513	(174,475)	314,988	181%
Other income (expense):				
Loss contingency	-	81,600	-	-
Financing costs	(66,786)	(1,907)	64,879	3402%
Interest (expense)	(56,075)	(55,788)	(287)	1%
Net income (loss)	$ 17,652	$ (150,570)	$ 168,555	112%

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2008 were $64,558, a decrease of $14,409, or 18%, from $78,967 for the three months ended June 30, 2007. We have focused our business development towards targeted market areas for our diabetic testing products, as a result of this focused agenda, we have been able to streamline overhead utilizing only those resources that directly attribute to our sales growth whereby allowing us to eliminate unnecessary general and administrative expenditures. It is the goal of management to continue efforts in limiting redundant overhead.

Consulting Services

We have historically relied on outside consultants for assistance in business development and sales. As we are becoming more seasoned in our pharmaceutical product lines, we have been able to limit the amount of outside services required to build and maintain our market share, evidenced by our decrease in consulting services for the three months ended June 30, 2008. During this quarter we expended $28,442 compared to $119,810 for the three months ended June 30, 2007, representing a decrease of 76% over the previous period.

Payroll expense

We currently staff five full-time positions. Each of which, assist in sales, marketing and administrative support. We have made tremendous efforts to maintain cash-flow through a reduction in salaries and wages. During the three months ended June 30, 2008 our payroll expense was comprised of cash totaling $15,315 and equity compensation of $64,500 compared to $34,664 in cash for the comparable period in 2007. Currently, our labor expense is approximately 2.6% of our total revenue verses 3.3% for the same period in the previous year. As our sales continue to grow, we anticipate our payroll expense will also increase at a pro rata rate.

Professional Fees

Our professional fees consist of legal, accounting and public company reporting services. Our fees for these services decreased by $35,246 compared to the three months ended June 30, 2008 as a result of a decrease in legal fees. During the three-months ended June 30, 2008 we incurred accounting fees of $19,500 and reporting costs of $2,740 compared to $41,076 in accounting fees, $13,500 in legal fees and $2,910 in reporting fees for the three-month period ended June 30, 2007. We anticipate these fees to remain stable throughout the remainder of the year.

Depreciation

Depreciation for the three months ended June 30, 2008 was $9,063, a decrease of $2,682 from $11,745 for the three months ended June 30, 2007. The decrease in depreciation is the expected result of asset reaching their expected useful lives.

Total Expenses

Our operating expenses decreased $98,554 or 33% overall for the three months ended June 30, 2008. Our streamlined operational environment and limitations on the use of outside consultants has allowed for the decrease in total operational costs.

Net Operating Income (Loss)

We had net operating income in the amount of $140,513 for the three months ended June 30, 2008, versus a net operating loss of $174,475 for the three months ended June 30, 2007, a decrease of net operating totaling $314,988.

As we maintain our business focus toward building sales and minimizing unnecessary overhead, we look forward to a continued reward of positive earnings results.

Financing Costs

Financing costs for the three months ended June 30, 2008 were $66,786, an increase of $64,879 compared to $1,907 for the three months ended June 30, 2007. Our financing costs have increased substantially as a result of our revolving line of credit with Centurion Credit Resources LLC. This agreement allows us the necessary capital to finance and turn our inventory creating an ability to generate revenue we had not previously had due to our significant deficiencies in working capital. Our agreement with Centurion requires an interest payment equal to 5% of each advance. Interest payments are made to Centurion with common stock of the Company. The ability to pay in shares allows us to build our own working capital through the gross profit received on each sale with the anticipation of limiting the necessity for future working capital financing.

Interest Expense

Our interest expense has remained fairly consistent at $56,075 with the comparable period one year ago. Until such time as we are able to pay down or convert our existing debt, we anticipate a continued expense of this amount throughout the up coming year.

Net Income (Loss)

We achieved net income for the three months ended June 30, 2008 in the amount $17,652, an increase of $168,222 from our previous year net loss of $150,570. The decrease in net loss and our resulting profit was attributable to our overall decrease in general and administrative expenses and consulting fees during the quarter, as noted above.

Results of Operations for the six months ended June 30, 2008 and 2007 compared.

The following tables summarize selected items from the statement of operations for the three months ended June 30, 2008 compared to the three months ended June 30, 2007.

INCOME:

For the six months ended

	June 30,		Increase (Decrease)	
	2008	2007	$	%
Revenue	$ 5,818,076	$ 2,120,131	$ 3,697,945	174%
Cost of Sales	5,025,946	1,797,304	3,228,642	180%
Gross Profit	792,130	322,827	469,303	145%
Gross Profit Percentage of Sales	14%	15%		(1%)

Revenue

Our revenue for the six months ended June 30, 2008 was $5,818,076 compared to revenue of $2,120,131 in the six months ended June 30, 2007. This resulted in an increase in revenue of $3,697,945, or 174%, from the same period a year ago. The increase in revenue over the three months ended June 30, 2007 was a result of our market focus towards the direct sale of diabetic test strips and medical-surgical products into several prescription drug channels and our efforts to increase our gross profit margin.

Cost of sales / Gross profit percentage of sales

Our cost of sales for the six months ended June 30, 2008 was $5,025,946, an increase of $3,228,641, or 180% from $1,797,304 for the six months ended June 30, 2007. The increase in cost of sales during the current period was expected due to our increased sales over the prior quarter and an increase in our direct to patient market sales.

Gross profit as a percentage of sales decreased from 14% for the six months ended June 30, 2007 to 13% for the six months ended June 30, 2008. During the second quarter we made a change in our primary supplier in anticipation of achieving a higher margin on our sales through stronger buying power on increased volume.

EXPENSES:

	For the Six Months Ended June 30,			
	2008 Amount	2007 Amount	Increase / (Decrease) $	%
Expenses:				
General & administrative expenses	$ 125,304	$ 181,526	$ (56,222)	(31%)
Consulting services	93,735	378,077	(284,342)	(75%)
Payroll expense	200,335	87,898	112,437	128%
Professional fees	67,596	81,976	(14,380)	(18%)
Depreciation	18,126	23,490	(5,364)	(23%)
Total expenses	505,096	752,967	(247,871)	(167%)
Net operating income (loss)	287,034	(430,140)	717,174	167%

Other income (expense):							
Financing costs		(116,260)		(11,123)		105,137	945%
Interest (expense)		(111,393)		(112,493)		1,100	(1%)
Net income (loss)	$	59,381	$	(553,756)	$	613,137	111%

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2008 were $125,304, a decrease of $56,222, or 31%, from $181,526 for the six months ended June 30, 2007. We have focused our business development towards targeted market areas for our diabetic testing products, as a result of this focused agenda, we have been able to streamline overhead utilizing only those resources that directly attribute to our sales growth whereby allowing us to eliminate unnecessary general and administrative expenditures. It is the goal of management to continue efforts in limiting redundant overhead.

Consulting Services

We have historically relied on outside consultants for assistance in business development and sales. As we are becoming more seasoned in our pharmaceutical product lines, we have been able to limit the amount of outside services required to build and maintain our market share, evidenced by our decrease in consulting services for the six months ended June 30, 2008. During this quarter we expended $93,735 compared to $378,077 for the six months ended June 30, 2007, representing a decrease of 75% over the previous period.

Payroll expense

We currently staff five full-time positions. Each of which, assist in sales, marketing and administrative support. We have made tremendous efforts to maintain cash-flow through a reduction in salaries and wages. During the six months ended June 30, 2008 our payroll expense was comprised of cash totaling $33,835 and equity compensation of $166,500 compared to $87,898 in cash for the comparable period in 2007. Currently, our labor expense is approximately 3.4% of our total revenue verses 4.1% for the same period in the previous year. As our sales continue to grow, we anticipate our payroll expense will also increase at a pro rata rate.

Professional Fees

Our professional fees consist of legal, accounting and public company reporting services. Our fees for these services decreased by $14,380 compared to the six months ended June 30, 2008 as a result of a decrease in legal fees. During the six-months ended June 30, 2008 we incurred accounting fees of $64,000 and reporting costs of $3,596 compared to $56,076 in accounting fees, $15,500 in legal fees and $10,400 in reporting fees for the six month period ended June 30, 2007. We anticipate these fees to remain stable throughout the remainder of the year.

Depreciation

Depreciation for the six months ended June 30, 2008 was $18,126, a decrease of $5,364 from $23,490 for the six months ended June 30, 2007. The decrease in depreciation is the expected result of asset reaching their expected useful lives.

Total Expenses

Our operating expenses decreased $247,871 or 33% overall for the six months ended June 30, 2008. Our streamlined operational environment and limitations on the use of outside consultants has allowed for the decrease in total operational costs.

Net Operating Income (Loss)

We had net operating income in the amount of $287,034 for the six months ended June 30, 2008, versus a net operating loss of $430,140 for the six months ended June 30, 2007, a decrease of net operating totaling $717,171. As we maintain our business focus toward building sales and minimizing unnecessary overhead, we look forward to a continued reward of positive earnings results.

Financing Costs

Financing costs for the six months ended June 30, 2008 were $116,260, an increase of $105,137 compared to $11,123 for the six months ended June 30, 2007. Our financing costs have increased substantially as a result of our revolving line of credit with Centurion Credit Resources LLC. This agreement allows us the necessary capital to finance and turn our inventory creating an ability to generate revenue we had not previously had due to our significant deficiencies in working capital. Our agreement with Centurion requires an interest payment equal to 5% of each advance. Interest payments are made to Centurion with common stock of the Company. The ability to pay in shares allows us to build our own working capital through the gross profit received on each sale with the anticipation of limiting the necessity for future financing of working capital.

Interest Expense

Our interest expense has remained fairly consistent at $111,393 with the comparable period one year ago. Until such time as we are able to pay down or convert our existing debt, we anticipate a continued expense of this amount throughout the up coming year.

Net Income (Loss)

We achieved net income for the six months ended June 30, 2008 in the amount $59,381, an increase of $613,137 from our previous year net loss of $553,756. The decrease in net loss and our resulting profit was attributable to our overall decrease in general and administrative expenses and consulting fees during the quarter, as noted above.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can deliver our product to market, complete additional financial service company acquisitions and generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

The following table summarizes our current assets, liabilities and working capital at June 30, 2008 compared to December 31, 2007.

		June 30, 2008		**December 31, 2007**		**Increase / (Decrease) $**	**%**
Current Assets	$	1,353,874	$	773,660	$	580,214	75%
Current Liabilities		2,962,298		2,758,243		204,055	7%
Working Capital Deficit	$	1,608,424	$	1,984,583	$	(376,159)	

Internal and External Sources of Liquidity

MAG Entities Agreement

On February 7, 2005, we entered into agreements with Mercator Momentum Fund, LP and Monarch Pointe Fund, Ltd. (collectively, the Purchasers) and Mercator Advisory Group, LLC (MAG). Under the terms of the agreement, we agreed to issue and sell to the Purchasers, and the Purchasers agreed to purchase from the Company, 20,000 shares of Series C Convertible Preferred Stock at $100.00 per share. Additionally, we issued 1,250,000 warrants to purchase share of our common stock at $1.60 per share, all of the warrants expired on February 7, 2008. To date, MAG has converted 2,140 shares of their Series C preferred into 1,372,901 shares of our restricted common stock.

Pinnacle Investment Partners, LP Promissory Note

On March 24, 2004, we entered into a Secured Convertible Promissory Note with Pinnacle Investment Partners, LP for the principal amount of $700,000 with an interest rate of 12% per annum. On February 10, 2005 we entered into a note extension agreement whereby Pinnacle agreed to advance an additional $400,000 and extend the maturity until April 24, 2006. On July 1, 2006, we entered into a second extension of the note which matured on December 24, 2006. We are accruing interest at a default rate of 12% per annum. The note is convertible at a rate of $0.30 per share and has been secured by 2,212,500 shares of our common stock which can be sold by the lender as a means to repay the balance due. As of June 30, 2008, Pinnacle has sold 924,948 escrow shares valued at $406,215 which has been applied to accrued interest and the principal balance of the note.

Since August 3, 2006, the Company has not had contact with any of the Pinnacle fund management or attorney in fact. We have not delivered the shares called for under the July 1, 2006 extension after being advised by the fund management to stand still.

Promissory Notes with Dennis Cantor and Novex International

On May 23, 2006, we entered into a promissory note with Dennis Cantor and Novex International for the principal amount of $255,000. Pursuant to the note we promised to pay Dennis Cantor and Novex International the sum of $255,000 together with interest at a rate of one half of one percent (0.5%) every ten days beginning on May 23, 2006 and running through the maturity date of June 30, 2006. In the case of a default in payment of principal, all overdue amounts under the note shall bear a penalty obligation at a rate of twelve percent (12%) per annum accruing from the maturity date. On July 1, 2006, we extended the note to July 31, 2006. We have made principal payments of $125,000. As of June 30, 2008, the remaining principal balance was $130,000.

Convertible Loan Payment Agreement

On July 17, 2006, we entered into a convertible loan payment agreement with Wayne G. Knapp wherein Mr. Knapp agreed to loan the Company the sum of $200,000. The loan is for 120 days. On October 17, 2006, we renewed the note. On January 17, 2007, the parties verbally agreed to a renewal that expires on May 16, 2007. The note accrues monthly interest at a rate of 1.50% and the interest is payable quarterly in cash. The total amount owing pursuant to the agreement, was convertible at the option of Mr. Knapp at any time from July 17, 2006 until November 30, 2006, at the strike price equal to $0.32 per share or 90% of the final bid price of our common stock on the day prior to conversion with a floor price of $0.10 per share. We renewed Mr. Knapp s conversion option on January 17, 2007. We also issued Mr. Knapp a warrant to purchase 50,000 shares of our common stock at $0.32 per share through December 31, 2008. Mr. Knapp exercised his option on March 30, 2007.

Centurion Credit Resources

On November 17, 2007, we entered into an agreement with Centurion Credit Resources, LLC to secure a $1,000,000 revolving credit facility that is geared specifically to our business. This facility, offered to us at market credit rates. Terms of the credit facility allow us to increase the available credit in increments of $250,000 as our business grows. We drew down on this credit line for the first time on November 30, 2007 and have subsequently accomplished forty three (43) additional draw downs through June 30, 2008. We believe that this facility will adequately finance our at home diabetes diagnostics business through revenues rates of $7.5 million per quarter, and with the added credit increments offered, through $12.5 million per quarter. We are also entertaining additional proposed credit facilities with various hedge funds, commercial banks and a religious fund.

Cragmont Capital, LLC

On March 1, 2008, we entered into a Convertible Promissory Note Purchase Agreement with Cragmont Capital, LLC (Cragmont) wherein Cragmont agreed to loan the Company an aggregate sum of $250,000. As of June 30, 2008, we have received $75,000. The loan is for one year, maturing on February 28, 2009. The total amount owing pursuant to the agreement, is convertible at the option of the lender, at a strike price equal to $0.015 per share. Further we have agreed to issues 100 warrants with a strike price of $0.03 expiring on December 31, 2010 for every dollar loaned by Cragmont. During the three months ended June 30, 2008, we have terminated our relationship with Cragmont.

Cash Flow. Since inception, we have primarily financed our cash flow requirements through the issuance of common stock, the issuance of notes and sales generated income. With the growth of our current business in 2008 we may, during our normal course of business, experience net negative cash flows from operations, pending receipt of revenue which often are delayed as a result of the nature of the healthcare industry. Further, we may be required to obtain financing to fund operations through additional common stock offerings and bank or other debt borrowings, to the extent available, or to obtain additional financing to the extent necessary to augment our available working capital.

Satisfaction of our cash obligations for the next 12 months.

As of June 30, 2008, our cash balance was $113,167. Our plan for satisfying our cash requirements for the next twelve months is through additional equity, third party financing, and/or debt financing. We anticipate sales-generated income during that same period of time, but do not anticipate generating sufficient amounts of positive cash flow to meet our working capital requirements. Consequently, we intend to make appropriate plans to insure sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

As we expand operational activities, we may continue to experience net negative cash flows from operations, pending receipt of sales or development fees, and will be required to obtain additional financing to fund operations through common stock offerings and debt borrowings to the extent necessary to provide working capital. We received a substantial number of sales orders and refill orders beginning in mid-September 2006 which we could not fill. It was not until the company entered into the agreement with Centurion Credit Resources, LLC that the company could fill orders for patients and customers on a continuous basis. Until the Centurion credit line was put in place we managed to keep a small portion of our distribution activities going when our limited resources allowed us.

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

Expected purchase or sale of plant and significant equipment.

We do not anticipate the purchase or sale of any plant or significant equipment; as such items are not required by us at this time.

Going Concern

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

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

Stock-based Compensation: In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 123 (revised 2004) Share-Based Payment (SFAS 123R), which is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash Flows. Generally, the approach in Statement 123R is similar to the approach described in Statement 123. However, Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

Recent Accounting Developments

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS No. 159). SFAS No. 159 allows the company to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The adoption of SFAS 159 is not expected to have a material impact on our financial position, results of operation or cash flows.

In December 2007, the FASB issued SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements . This statement amends ARB 51 to establish accounting and reporting standards for the non-controlling (minority) interest in a subsidiary and for the de-consolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is equity in the consolidated financial statements. SFAS No. 160 is effective for fiscal years and interim periods beginning after December 15, 2008. The adoption of SFAS 160 is not expected to have a material impact on our financial position, results of operation or cash flows.

In December 2007, the FASB issued SFAS No. 141 (Revised), Business Combinations . SFAS 141 (Revised) establishes principals and requirements for how an acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree. This statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance will become effective for the fiscal year beginning after December 15, 2008. The adoption of SFAS 141(Revised) is not expected to have a material impact on our financial position, results of operation or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES.

Our Principal Executive Officer and Chief Financial Officer, Keith Berman, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on the evaluation, Mr. Berman concluded that our disclosure controls and procedures are effective in timely altering him to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We transact commerce in several medical products market channels. We also transact electronic commerce moving confidential medical data through our proprietary medical information technology devices and networks. Healthcare is a very litigious industry. The industry is also very intertwined. From time to time, we may become involved in claims and litigation that arise out of the normal course of business or the normal course of the business of our suppliers, payors, partners, patients and customers. Other than as noted below there are no pending matters at the current time that in management s judgment may be considered potentially material to us

instaCare Corp. vs. Ronald Kelly, et. al. (Kelly)

In July of 2005, the Company filed a complaint in the United States District Court, for the Central District of California (Case Number CV 05-4932-RSWL), against Ronald Kelly, Linda R. Kelly, Kimberly Kelly, and Kelly Company World Group, Inc., seeking damages for:

1.

Fraud;

2.

Declaratory Relief;

3.

Breach of Fiduciary Duty;

4.

RICO violations;

5.

Injunctive Relief;

6.

Conversion;

7.

Breach of Contract/Breach of Corporate Merger Agreement; and

8.

Accounting and Ancillary Relief.

On December 18, 2006, the United States District Court, for the Central District of California ordered, adjudged and decreed that the Company shall have judgment against Kelly in the amount of $200,000, pursuant to the stipulation of the parties.

In addition, pursuant to a mutual release agreement executed by both parties, Kelly waived any right, claim or ownership interest in any shares of common stock of the Company. Kelly returned 31,958,000 (pre-reverse split) shares of common stock to the Company which were placed in one of the Company s majority owned subsidiaries. The Company has recently stepped up its efforts to collect on this judgment.

instaCare Corp. vs. Investor Relations Services Inc. (IRS), Summit Trading, Ltd. (STL)

In August of 2005, the Company filed suit in the Superior Court for the State of California (Case Number BC337976) against IRS and STL, seeking Declaratory Relief and rescission of the alleged December 2004 agreements between the Company and IRS/STL. The complaint also sought damages for Intentional Interference with an Advantageous Business Relationship as a result of actions taken by IRS/STL.

On January 17, 2007, the Superior Court for the State of California in Los Angeles County rendered its tentative decision against Investors Relations Services and Summit Trading, Ltd., finding that the December 2004 agreements were never submitted to the Board of Directors, were never approved or authorized by the Board of Directors, and that the Company has no obligations to either IRS or STL. In March 2007, the Company filed a motion with the Superior Court for the State of California for reimbursement of attorney s fees and costs. We continue to pursue collection avenues.

ITEM 1A. RISK FACTORS.

Risks Relating To Our Business and Marketplace

Our limited operating history could delay our growth and result in the loss of your investment.

We were incorporated on March 2, 2001 and have previously been in the development stage and thus have had a limited operating history on which to base an evaluation of our business and prospects. Beginning in 2005, we have commenced operations and are no longer considered to be in the development stage. However, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development. Such risks include, but are not limited to, dependence on the growth of use of electronic medical information and services, the adoption of PDA based Internet appliances for the transmission and display of medical information, the need to establish our brand name, the ability to establish a sufficient client base, the level of use of medical providers and the management of growth. To address these risks, we must maintain and increase our customer base, implement and successfully execute our business and marketing strategy, continue to develop and improve our point of care software and patient processing system, provide superior customer service, respond to competitive developments and attract, retain, and motivate qualified personnel. There can be no assurance that we will be successful in addressing such risks, and the failure to do so could lead to an inability to meet our financial obligations and therefore result in bankruptcy and the loss of your entire investment in our common shares.

We have historically lost money and losses are expected to continue in the near future, which means that we may not be able to continue operations unless we obtain additional funding.

We have historically lost money. We had an accumulated deficit as of June 30, 2008, and December 31, 2007 of $19,744,285 and $19,709,747, respectively. In addition, our development activities since inception have been financially sustained by capital contributions. Future losses are likely to occur. Accordingly, we may experience significant liquidity and cash flow problems if we are not able to raise additional capital as needed and on acceptable terms. Thus, from time to time we might need to turn to the capital markets to obtain additional financing to fund payment of obligations and to provide working capital for operations. No assurances can be given that we will be successful in reaching or maintaining profitable operations.

We have been dependent on a small number of major customers to support our prescription drug distribution plan and to refer direct to patient business.

In fiscal 2007 our four largest customers accounted for approximately 98% of our net sales and in the first six months of 2008 these four customers accounted for approximately 92% of our net sales. We expect that a small but growing number of customers will continue to account for a substantial majority of our sales and that the relative dollar amount and mix of products sold to these customers can change significantly from year to year and how we are paid for business generated, assigned and referred by these customers can change as well. There can be no assurance that our major customers will continue to purchase products or refer business to us at current levels, or that the mix of products purchased will be in the same ratio. The loss of our largest customers, who not only buy product directly, but also refer substantial   direct to patient   business upon which we accept assignment or may provide direct billing and collection services or accept medical assignment for   direct to patient   business, or a decrease in product sales would have a material adverse effect on our business and financial condition.

Our internal controls may be inadequate, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company   s assets that could have a material effect on the financial statements.

We have one individual performing the functions of all officers and directors. This individual is responsible for monitoring and ensuring compliance with our internal control procedures. As a result, our internal controls may be inadequate or ineffective, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

We may not be able to retain our key personnel or attract additional personnel, which could affect our ability to generate revenue sufficient to continue as a going concern diminishing your return on investment.

Our performance is substantially dependent on the services and on the performance of our Management. instaCare is, and will be, heavily dependent on the skill, acumen and services of our CFO, Secretary and Treasurer, Keith Berman and our Chairman Robert Jagunich. Our performance also depends on our ability to attract, hire, retain and motivate our officers and key employees. The loss of the services of our executives could result in lost revenue depending on the length of time and effort required to find a qualified replacement. We have not entered into long-term employment agreements with our key personnel and currently have no "Key Employee" life insurance policies.

Our future success may also depend on our ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial, marketing and customer service personnel. Competition for such personnel is intense, and there can be no assurance that we will be able to successfully attract, assimilate or retain sufficiently qualified personnel. If we are unable to attract, retain, and train the necessary technical, managerial, marketing and customer service personnel, our expectations of increasing our clientele could be hindered, and the profitability of instaCare reduced.

Achieving market acceptance of new or newly integrated products and services is likely to require significant efforts and expenditures.

Achieving market acceptance for new or newly integrated products and services is likely to require substantial marketing efforts and expenditure of significant funds to create awareness and demand by participants in the healthcare industry. In addition, deployment of new or newly integrated products and services may require the use of additional resources for training our existing sales and customer service personnel and for hiring and training additional salespersons and customer service personnel. There can be no assurance that the revenue opportunities from new or newly integrated products and services will justify amounts spent for their development, marketing and rollout.

We could be subject to breach of warranty claims if our software products, information technology systems or transmission systems contain errors, experience failures or do not meet customer expectations.

We could face breach of warranty or other claims or additional development costs if the software and systems we sell or license to customers or use to provide services contain undetected errors, experience failures, do not perform in accordance with their documentation, or do not meet the expectations that our customers have for them. Undetected errors in the software and systems we provide or those we use to provide services could cause serious problems for which our customers may seek compensation from us. We attempt to limit, by contract, our liability for damages arising from negligence, errors or mistakes. However, contractual limitations on liability may not be enforceable in certain circumstances or may otherwise not provide sufficient protection to us from liability for damages.

If our systems or the Internet experience security breaches or are otherwise perceived to be insecure, we could lose existing clients and limit our ability to attract new clients.

A security breach could damage our reputation or result in liability. We retain and transmit confidential information, including patient health information. Despite the implementation of security measures, our infrastructure or other systems that we interface with, including the Internet, may be vulnerable to physical break-ins, hackers, improper employee or contractor access, computer viruses, programming errors, attacks by third parties or similar disruptive problems. Any compromise of our security, whether as a result of our own systems or systems that they interface with, could reduce demand for our services.

We do not have the financial resources to litigate actions involving our copyrights or patent applications.

We have applied to receive patent rights, and trademarks relating to our software. However, patent and intellectual property legal issues for software programs, such as our products, are complex and currently evolving. Patent applications are secret until patents are issued in the United States, or published in other countries, therefore, we cannot be sure that we are first to file any patent application for our technologies, primarily the technology that allows for the safe, secure and near seamless transmission of sensitive medical information from the point of care, directly to our mail order pharmacy. Should any of our patent claims be compromised or if, for example, one of our competitors has filed or obtained a patent before our claims have been prosecuted, or should a competitor with more resources desire to litigate and force us to defend or prosecute any patent rights, our ability to develop the market for our mail order pharmacy could be severely compromised, for we do not have the financial resources to litigate actions involving our patents and copyrights.

Our auditors have expressed substantial doubt as to our ability to continue as a going concern.

Due to our increasing deficit and our lack of revenue sufficient to support existing operations, there is substantial doubt about our ability to continue as a going concern. We may need to obtain additional financing in the event that we are unable to realize sufficient revenue. We may incur additional indebtedness from time to time to finance acquisitions, provide for working capital or capital expenditures or for other purposes There can be no assurance that we will have funds sufficient to continue operations, and the failure to do so could lead to an inability to meet our financial obligations and therefore result in bankruptcy and the loss of your entire investment in instaCare's common shares.

Risks Relating To Our Common Stock

If we fail to remain current on our reporting requirements, we could be removed from the OTC Bulletin Board, which would limit the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

Companies trading on the OTC Bulletin Board, such as us, generally must be reporting issuers under Section 12 of the Securities Exchange Act of 1934, as amended, and must be current in their reports under Section 13, in order to maintain price quotation privileges on the OTC Bulletin Board. More specifically, NASD has enacted Rule 6530, which determines eligibility of issuers quoted on the OTC Bulletin Board by requiring an issuer to be current in its filings with the Commission. Pursuant to Rule 6530(e), if we file our reports late with the Commission three times in a two-year period or our securities are removed from the OTC Bulletin Board for failure to timely file twice in a two-year period then we will be ineligible for quotation on the OTC Bulletin Board. We filed our Form 10-QSB for the periods ended June 30, 2006 and September 30, 2006 late, therefore, one more late filing will result in de-quotation from the OTC Bulletin Board. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

Because our common stock is deemed a low-priced Penny stock, an investment in our common stock should be considered high risk and subject to marketability restrictions.

Since our common stock is a penny stock, as defined in Rule 3a51-1 under the Securities Exchange Act, it will be more difficult for investors to liquidate their investment even if and when a market develops for the common stock. Until the trading price of the common stock rises above $5.00 per share, if ever, trading in the common stock is subject to the penny stock rules of the Securities Exchange Act specified in rules 15g-1 through 15g-10. Those rules require broker-dealers, before effecting transactions in any penny stock, to:

.

Deliver to the customer, and obtain a written receipt for, a disclosure document;

.

Disclose certain price information about the stock;

.

Disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;

.

Send monthly statements to customers with market and price information about the penny stock; and

.

In some circumstances, approve the purchaser s account under certain standards and deliver written statements to the customer with information specified in the rules.

Consequently, the penny stock rules may restrict the ability or willingness of broker-dealers to sell the common stock and may affect the ability of holders to sell their common stock in the secondary market and the price at which such holders can sell any such securities. These additional procedures could also limit our ability to raise additional capital in the future.

Recent and possible future issuances of common stock will have a dilutive affect on existing shareholders.

instaCare is authorized to issue up to 1,750,000,000 Shares of common stock. As of August 12, 2008, there were 41,587,791 shares of common stock issued and outstanding. Additional issuances of common stock may be required to raise capital, to acquire stock or assets of other companies, to compensate employees or to undertake other activities without stockholder approval. These additional issuances of common stock will increase outstanding shares and further dilute stockholders' interests. Because our common stock is subject to the existing rules on penny stocks and thinly traded, a large sale of stock, such as the shares we seek to have registered via this registration statement, may result in a large drop in the market price of our securities and substantially reduce the value of your investment.

Our common stock has been relatively thinly traded, may experience high price volatility and we cannot predict the extent to which a trading market will develop.

Our common stock has traded on the Over-the-Counter Bulletin Board. Our common stock is thinly traded compared to larger more widely known companies in our industry. Thinly traded common stock can be more volatile than common stock trading in an active public market. We cannot predict the extent to which an active public market for the common stock will develop or be sustained after this offering.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the penny stock rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

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

On January 2, 2008, we issued 446,071 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On January 2, 2008, we issued 750,000 shares of our common stock to employees for services rendered to the Company to the following service provider:

Name	Number of Shares
Alan Binder	250,000
Dale Richter	250,000
Shabnam Shahrabi	100,000
Frank Schwenden	150,000

The above shares issued were registered in a Registration Statement on Form S-8POS filed on August 31, 2007.

On January 4, 2008, we issued 4,223 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On January 4, 2008, we issued 1,250,000 shares of our restricted common stock to our CFO for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On January 4, 2008, we issued 1,250,000 shares of our restricted common stock to Michael Petras, an affiliate to Robert Jagunich, our Chairman, for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision. The recipient is considered an affiliate.

On January 14, 2008, we issued 400,000 shares of our restricted common stock to two individuals for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On January 31, 2008, we issued 648,630 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On January 31, 2008, we issued 216,775 shares of our restricted common stock to Cape Mc Kinnon for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On February 29, 2008, we issued 384,963 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On February 29, 2008, we issued 150,000 shares of our restricted common stock to an individual for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On March 31, 2008, we issued 480,807 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On March 31, 2008, we issued 1,650,000 shares of our common stock to employees and officers for services rendered to the Company to the following:

Name	**Number of Shares**
Alan Binder	225,000
Dale Richter	225,000
Keith Berman	600,000
Robert Jagunich	600,000

The above shares issued to Messrs. Binder and Richter were registered in a Registration Statement on Form S-8POS filed on August 31, 2007.

On May 6, 2008, we issued 784,241 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On May 6, 2008, we issued 600,000 shares each of our restricted common stock to two of our officers for services to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On May 6, 2008, we issued 133,325 shares of our restricted common stock to Solar Grid, Inc. for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On May 6, 2008, we issued 266,675 shares of our restricted common stock to an individual for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On May 28, 2008, we issued 220,000 shares of our restricted common stock to an individual for license fees and services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On May 28, 2008, we issued 20,000 shares of our restricted common stock to an individual for services provided to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On June 4, 2008, we issued 506,335 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

Subsequent issuances

On July 9, 2008, we issued 725,720 shares of our restricted common stock to Centurion Credit Resources as financing fees in connection with our line of credit. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

On July 9, 2008, we issued 450,000 shares each of our restricted common stock to two of our officers for services to the Company. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2). The recipient of the shares was afforded an opportunity for effective access to files and records of the Company that contained the relevant information needed to make its investment decision, including the Company s financial statements and 34 Act reports. We reasonably believe that the recipient, immediately prior to issuing the shares, had such knowledge and experience in our financial and business matters that it was capable of evaluating the merits and risks of its investment. The recipient had the opportunity to speak with our president and directors on several occasions prior to its investment decision.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended June 30, 2008.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

We did not submit any matters to a vote of our security holders during the first quarter of 2008.

ITEM 5. OTHER INFORMATION.

On January 14, 2008 through its group buying organization, MedAssets, the company s wholly owned subsidiary Pharma Tech Solutions, Inc. executed letters of commitment for the distribution of products manufactured by:

1.

3M Corporation

2.

Hollister, Inc.

3.

Kimberly-Clark Inc.

On January 28, 2008 the company entered into a revised agreement with Sanvita, Inc., a spinoff of a former division of Becton Dickenson. This agreement titled Second Addendum to Medical Benefit Distributor Agreement provides the company with enhanced discounts and allowances.

On January 28, 2008 the company completed its agreement with S J Pharmacy, Inc. dba Genrich United Pharmacy (Genrich) whereby the company is provided with exclusive access to the use of certain state and federal licenses and provider ID numbers. Upon completion of this agreement:

1.

Genrich applied for a second DEA license to be utilized exclusively by the company

2.

the company opened its 3rd distribution facility and now transacts commerce through this facility in Phoenix, AZ

On February 27, 2008 through its MedAssets group buying organization, the company s wholly owned subsidiary Pharma Tech Solutions, Inc. executed letters of commitment for the distribution of products manufactured by Siemens Medical Solutions Diagnostics.

ITEM 6. EXHIBITS.

				Incorporated by reference		
Exhibit number	**Exhibit description**	**Filed herewith**	**Form**	**Period ending**	**Exhibit No.**	**Filing date**
3(i)(a)	Articles of Incorporation Filed March 2, 2001		10-SB		3a	9/27/01
3(i)(b)	Articles of Amendments to Articles of Incorporation Filed May 9, 2001		10-SB		3b	9/27/01
3(i)(c)	Articles of Amendments to Articles of Incorporation Filed August 2, 2002		10-QSB	6/30/02	3.1c	8/22/02
3(ii)	Bylaws of CareDecision Corporation March 16, 2001		10-SB		3c	9/27/01
10.31	Subscription Agreement Mercator Momentum Fund, LP, Monarch Pointe Fund, LTD & Mercator Advisory Group, LLC February 7, 2005		SB-2/A		10.1	2/11/05
10.32	Certificate of Designation of Preferences and Rights of Series C Convertible Preferred Stock Mercator Momentum Fund, LP, Monarch Pointe Fund, LTD & Mercator Advisory Group, LLC February 2005		SB-2/A		10.2	2/11/05
10.33	Registration Rights Agreement - Mercator Momentum Fund, LP, Monarch Pointe Fund, LTD & Mercator Advisory Group, LLC February 2005		SB-2/A		10.3	2/11/05
10.34	Warrant Agreement ($0.02) - Mercator Advisory Group, LLC February 7, 2005		SB-2/A		10.4	2/11/05

10.35	Warrant Agreement ($0.02) - Mercator Momentum Fund, LP February 7, 2005	SB-2/A	10.5	2/11/05
10.36	Warrant Agreement ($0.02) - Monarch Pointe Fund, Ltd. February 7, 2005	SB-2/A	10.6	2/11/05
10.37	Warrant Agreement ($0.03) - Mercator Advisory Group, LLC February 7, 2005	SB-2/A	10.7	2/11/05
10.38	Warrant Agreement ($0.03) - Mercator Momentum Fund, LP February 7, 2005	SB-2/A	10.8	2/11/05
10.39	Warrant Agreement ($0.03) - Monarch Pointe Fund, Ltd. February 7, 2005	SB-2/A	10.9	2/11/05
10.40	Secured Convertible Promissory Note Pinnacle Investment Partners, LP March 24, 2004	SB-2/A	10.10	2/11/05
10.41	Pledge and Security Agreement Pinnacle Investment Partners, LP March 24, 2004	SB-2/A	10.11	2/11/05
10.42	Securities Purchase Agreement Pinnacle Investment Partners, LP March 24, 2004	SB-2/A	10.12	2/11/05
10.43	Note Extension Agreement Pinnacle Investment Partners, LP September 24, 2004	SB-2/A	10.13	2/11/05
10.44	Note Extension Pinnacle Investment Partners, LP February 10, 2005	SB-2/A	10.14	2/11/05
10.45	The 2004 Stock Option Plan - Amended	S-8	99	9/8/06
10.46	Intangible Property, License Acquisition Agreement CN	8-K	10.1	10/21/05

Pharmacy, Svetislav Milic, & Nathan Kaplan	June 7, 2005

10.47	Secured Promissory Note Mercator Momentum Fund, LP August 25, 2005		8-K	10.2	10/21/05
10.48	Secured Promissory Note Monarch Pointe Fund,LTD August 25, 2005		8-K	10.3	10/21/05
31.1	Certification of Principal Executive and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Principal Executive and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

instaCare Corp.

(Registrant)

By:*/s/ Keith Berman*

Keith Berman, Chief Financial Officer

(On behalf of the Registrant and as Principal Financial

Officer)

Date: August 14, 2008