

COMPREHENSIVE HEALTHCARE SOLUTIONS INC
Form 10-Q/A
February 28, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO.1 TO FORM 10-Q

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

For the quarterly period ended August 31, 2004

OR

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

Commission file number 0-26715

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

58-0962699
(I.R.S. Employer
Identification No.)

45 Ludlow Street, Suite 602
Yonkers, New York 10705
(Address of principal executive offices) (Zip Code)

(914) 375-7591
(Registrant's telephone number, including area code)

NANTUCKET INDUSTRIES, INC.
(Former name, former address and former fiscal year, if
changed since last report)

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of October 20, 2004, we had 13,095,470 shares of common stock outstanding, \$0.10 par value.

PART I - FINANCIAL INFORMATION

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Item 1. Financial Statements:

BASIS OF PRESENTATION

The accompanying unaudited financial statements are presented in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The accompanying statements should be read in conjunction with the audited financial statements for the year ended February 28, 2004. In the opinion of management, all adjustments (consisting only of normal occurring accruals) considered necessary in order to make the financial statements not misleading, have been included. Operating results for the six months ended August 31, 2004 are not necessarily indicative of results that may be expected for the year ending February 28, 2005. The financial statements are presented on the accrual basis.

The Company is filing this amended 10Q due to the fact that the financial statements for this period were not reviewed by an accountant who was registered with the Public Company Accounting Oversight Board ("PCAOB"). The accountant has applied for registration with PCAOB and has not received approval or denial with regard to its application. In the interim, the Company has engaged an accountant registered with the PCAOB in the event that the current accountant is not registered in a timely manner. The Company intends to file an amended 10Q with the reviewed financial statements as soon as possible.

Nantucket Industries, Inc.

FORM 10-Q

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Comprehensive Healthca

(F/K/A Nantucket

Consolidated Balance S

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No

Assets

Cash and cash equivalents \$
 Accounts receivable
 Inventories
 Prepaid expenses
 Stock subscription receivable
 Other current assets

Total current assets

Property, plant and equipment, net

Other assets, net

Goodwill
 Covenant not to compete
 Customer list
 Prepaid expenses

=====

Liabilities and Stockholders' Equity

Accounts payable \$
 Loans payable, current portion
 Obligation under capital lease, current portion
 Pre-petition taxes

Total current liabilities

Line of credit

Loan payable, net of current portion

Obligation under capital lease, net of current portion

Pre-petition taxes, net of current portion

Total liabilities

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Stockholders' equity

Common stock, \$.10 par value; authorized 20,000,000 shares;
 issued 12,808,959
 Additional paid-in capital
 Common stock subscribed
 Accumulated deficit

 Total stockholders' equity

 =====

\$

(1) Derived from audited financial statements

See accompanying

Comprehensive Healthca

(F/K/A Nantucket

Consolidated Statements of Opera
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Quarters ended August 31,

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Not reviewe

Net sales	\$	101,46
Cost of sales		94,93
Gross profit		6,53
Selling, general and administrative expenses		232,99
Loss from operations		(226,46
Other expense:		
Interest expense		83
Depreciation and amortization		12,70
Total other expense		13,53
Loss before income taxes		(239,99
Income taxes		
Net loss		(239,99
Net loss per share - basic and diluted		(.0
Weighted average common shares outstanding		12,684,61

See accompanying

Comprehensive Healthca

(F/K/A Nantucket

Consolidated Statements of Cash

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 Quarters ended August 31,

Not r

 Cash flows from operating activities:

Net loss	\$
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	
Decrease (increase) in assets:	
Accounts receivable	
Inventories	
Prepaid expenses	
Other current assets	
(Decrease) increase in liabilities:	
Accounts payable	

 Net cash used by operating activities

 Cash flows from investing activities:

 Additions to property, plant and equipment

 Cash flows from financing activities:

 Issue of stock for operations
 Proceeds from debenture
 Repayment of loan
 Payments on capital lease

 Net cash provided by financing activities

 Net increase in cash and cash equivalents

Cash and cash equivalents, beginning of period

 Cash and cash equivalents, end of period \$

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 Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for:	
Interest	\$
Income taxes	\$

See accompanying

Nantucket Industries, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements

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1. Summary of Significant Accounting Policies

a. The Company

Nantucket Industries, Inc. and its wholly owned subsidiaries (the "Company") were inactive from October 1999 until January 26, 2002. At that date a reverse merger with Accutone Inc. and Subsidiary occurred. (See note 1) Accutone Inc. is engaged in the business of selling and distributing hearing aids and providing the related audio logical services.

b. Principles of Consolidation

The consolidated financial statements include the accounts of Nantucket Industries, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

As a result of the above described acquisition, Nantucket Industries, Inc. (together with Accutone's wholly-owned subsidiary) has no business or assets other than those which it acquired through its acquisition of Accutone.

c. Accounts Receivable

An allowance for doubtful accounts is provided based upon historical bad debt experience and periodic evaluations of the aging of the accounts. No allowance was considered necessary since to date there has been no bad debt expense.

d. Property, Plant and Equipment

Property and equipment are stated at cost. Depreciation is computed for financial statement purposes, using the straight-line method over the estimated useful life. For income tax purposes, depreciation is computed using statutory rates.

e. Inventories

Inventories are stated at the lower of costs (first-in, first-out method) or market.

f. Intangible Assets

Intangible assets include customer lists, which are stated at cost. Amortization is computed for financial statement and tax purposes using the straight-line method over 15 years.

g. Income Taxes

The Company and its wholly owned subsidiaries file a consolidated federal income tax return. Deferred income taxes arise as a result of differences between financial statement and income tax reporting

Nantucket Industries, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements

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h. Earnings (Loss) Per Common Share

In fiscal year 1998, the Company adopted Statement of Financial Accounting Standards No. 128 (SFAS No. 128), Earnings Per Share, which requires public companies to present earnings per share and, if applicable, diluted earnings per share. All comparative periods must be restated as of February 28, 1998 in accordance with SFAS No. 128. Basic earnings per share are based on the weighted average number of common shares outstanding without consideration of potential common share equivalents. Diluted earnings per share are based on the weighted average number of common and potential common shares outstanding. The calculation takes into account the shares that may be issued upon exercise of stock options, if any, reduced by the shares that may be repurchased with the funds received from the exercise, based on the average price during the year.

i. Reporting Comprehensive Income

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 130 (SFAS No. 130), Reporting Comprehensive Income, which is effective for the Company's year ending February 27, 1999. SFAS No. 130 addresses the reporting and displaying of comprehensive income and its components. Earnings (loss) per share will only be reported for net earnings (loss), and not for comprehensive income. Adoption of SFAS No. 130 relates to disclosure within the financial statements and is not expected to have a material effect on the Company's financial statements.

j. Segment Information

In June 1997, the FASB also issued Statement of Financial Accounting Standards No. 131 (SFAS No. 131), Disclosure About Segments of an Enterprise and Related Information, which is effective for the Company's year ending February 27, 1999. SFAS No. 131 changes the way public companies report information about segments of their business in their financial statements and requires them to report selected segment information in their quarterly reports. Adoption of SFAS No. 131 relates to disclosure within the financial statements and is not expected to have a material effect on the Company's financial statements.

k. Fiscal Year The Company's fiscal year ends February 28.

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Nantucket Industries, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements

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l. Reclassification

Certain prior year amounts have been reclassified in order to conform to

the current year's presentation.

m. Use of Estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

n. Impairment of Long-Lived Assets

The Company applies Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Accordingly, when indicators of impairment are present, the Company periodically evaluates the carrying value of property, plant and equipment and intangibles in relation to the operating performance and future undiscounted cash flows of the underlying business. The Company adjusts carrying amount of the respective assets if the expected future undiscounted cash flows are less than their book values. No impairment loss was required in fiscal year 2003.

o. Fair Value of Financial Instruments

Based on borrowing rates currently available to the Company for debt with similar terms and maturities, the fair value of the company's long-term debt approximate the carrying value. The carrying value of all other financial instruments potentially subject to valuation risk, principally cash, accounts receivable and accounts payable, also approximate fair value.

p. Goodwill and Other Intangible Assets

The Company applies Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). Accordingly, the Company ceased amortization of certain intangible assets i.e. the covenant not to compete, effective at the beginning of its February 28, 2003 fiscal year. An intangible asset with an indefinite useful life should be tested for impairment in accordance with the guidance in SFAS 142. A impairment loss would be recorded for any intangible that is determined to be impaired. No impairment loss was required in fiscal year 2003.

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Nantucket Industries, Inc.
and Subsidiaries

Notes to Consolidated Financial Statements

q. Advertising Costs

Costs for newspaper and other media advertising are expensed as incurred and were \$18,147, \$1,686 and \$0 in 2003, 2002 and 2001, respectively.

r. Sales return policy

The Company provides to all patients purchasing hearing aids a specific

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return period, a minimum of 45 days, if the patient is dissatisfied with the product. The Company does not provide an allowance in accrued expenses for returns since actual returns for this fiscal year were less than 2%. The return period can be extended an additional 15 days at the discretion of the dispensing audiologist. All the manufacturers that supply the Company accept all returns back for full credit within these return periods.

2. Concentration of Risk

Currently approximately 70% of the reorganized Company's business is based on contracts with The New York State Medical Assistance Program (Medicaid) and Empire Medicare Service (Medicare).

3. Acquisition of Audiology Practice

On February 28, 2002 the Company executed a contract with Park Avenue Medical Practice Associates, P.C. and Park Avenue Health Care Management, Inc. The Park Avenue Group directly employs medical professional personnel, including physicians in both general and specialty practices and other health care professionals such as podiatrists, audiologists, psychologists and psychotherapists.

Nursing homes and long term care facilities contract with Park Avenue for the services of Park Avenue's medical professionals, on a pre-determined schedule or on an as-needed basis. Pursuant to the terms of the agreement Park Avenue contributed its entire audiology practice to the Company. The contract also calls for Brad I. Markowitz, the president of Park Avenue Management to join the Company's Board of Directors. Mr. Markowitz is a banker by trade and has been with Park Avenue since 1995. At that time Park Avenue was servicing approximately seven nursing homes. Under his tutelage Park Avenue has grown to service over seventy long term care facilities. In addition, Mr. Markowitz serves on the Board of Trustees of several private companies.

The Company issued 1,200,000 shares of restricted common stock to acquire the audiology practice of Park Avenue Medical Associates P.C. Under the agreement the Company gains access to approximately 70 nursing homes to provide complete audiology services. As of February 28, 2003 the Company has entered into contracts with approximately 38 of these nursing homes. In addition, Park Avenue will continue to provide additional access to any new nursing homes they have contact with.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial results and plans for future business development activities, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions, competition and other uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission.

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The Company is filing this amended 10Q due to the fact that the financial statements for this period were not reviewed by an accountant who was registered with the Public Company Accounting Oversight Board ("PCAOB"). The accountant has applied for registration with PCAOB and has not received approval or denial with regard to its application. In the interim, the Company has engaged an accountant registered with the PCAOB in the event that the current accountant is not registered in a timely manner. The Company intends to file an amended 10Q with the reviewed financial statements as soon as possible.

Overview

As a result of the acquisition of Comprehensive Network Solutions, Inc., headquartered in Austin, Texas we have changed the focus of our business plan. We are now focused on specialty health benefits products, including, but not limited to three levels of provider networks and one limited indemnity medical insurance plan. Comprehensive Network Solutions' products have been trademarked as ChiroCare Select, ChiroCare Advantage, ChiroCare Optima and CNS 500 Plan. We have been and will continue to work on expanding our product with additional benefits and alternative benefit funding options. As a result of the shift in focus of our business we have decided to change our name to Comprehensive Healthcare Solutions, Inc. to better reflect our marketing of "The Solution Card". Both Comprehensive Healthcare Solutions and The Solution Card were trademarked by us for further protection for our new business operations. These new expanded products are currently being offered to large employers, fraternal organizations, union benefit funds, business associations, insurance companies, municipalities and insurance agencies. The offerings are alternative cost and quality benefit solutions to prospects and clients who are uninsured or underinsured. These expanded products are also being offered to groups set forth above whose medical care costs are covered through existing traditional defined benefit health plans and have experienced large percentage increases in premiums as well as shrinking coverage and higher deductibles.

Currently, net sales substantially refer to fees earned by the provision of audiological testing in our offices as well as those provided on site in Nursing Homes, Assisted Living Facilities, Senior Care Facilities and Adult Day Care Centers as well as the sales and distribution of hearing aids generated in each of these venues. A majority of our audiology sales have represented reimbursement from Medicare, Medicaid and third party payors. Generally, reimbursement from these parties can take as long as 120 to 180 days. With the implementation of the billing of Medicare payers on-line we have recognized a shorter time of reimbursement from 120 days to approximately 90 days. Medicaid reimbursements can only be billed with various paper submissions which are mailed on a weekly basis. While we have attempted to find a method of expediting this paper submission process it seems unlikely that we will be able to accomplish this in our near future. As a result, Medicaid payments, which constitute approximately 60% of our reimbursement will continue to take 120 to 180 days to be realized.

Management had anticipated a growth in revenues resulting from the prior acquisition of the audiology practice of Park Avenue. This has not come to fruition. We believe that this was caused in part by our inability to attract additional audiologists on a timely basis and insufficient working capital as well as Management concentration of acquiring new businesses in related medical fields. Management believes that these revenues will increase in future periods by the utilization of a portion of our recent increases in working capital. This new capital will allow us to make improvements in the revenues streams and profitability of our audiology practices. Management has signed a contract to with an early intervention provider to open an additional audiological facility and has taken delivery of the audiology equipment required to operate the facility and it is anticipated the facility will commence operations on November 1, 2004. The services provided by this facility will concentrate its efforts on

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early intervention child care in the field of audiology and believes that the reimbursement rates and lower costs at this location will add to both revenues and profitability. Although Management believes that this expansion in audiological services will increase revenues and profitability, Management can not be certain that the result of these efforts will succeed.

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Management's expectations are that the acquisition of Comprehensive Network Solutions and the accelerated marketing of the medical health care discount cards will add to both revenues and profitability. It should be noted that the expenses related to the sales and marketing of these discount cards have utilized and will continue to utilize a major portion of the additional working capital realized in the last six months. (See Outlook)

On June 28, 2004, the Company announced the signing of an agreement to provide health care savings benefits to the employees of National Home Healthcare, Corp. based in Scarsdale, NY. Such agreement was subsequently rescinded by the parties.

THREE MONTHS ENDED AUGUST 31, 2004 COMPARED TO THREE MONTHS ENDED AUGUST 31, 2003

Sales for the third quarter of fiscal year ended 2004 and 2003 were \$101,468 and \$102,704, respectively. Management attributes the revenue decrease due to the summer season which usually creates a lag in revenues as well as the focus on our new business operations. Revenues from the audiological segment of the business have not increased as anticipated by management. This can be attributed to management being actively involved in pursuing potential mergers and/or acquisition candidates in related fields, which have diminished marketing efforts by the company to attempt to increase the number of facilities being serviced and therefore adding to our revenue base.

Cost of sales were \$94,934 and \$75,307, respectively. The increase was due to the higher costs of retaining audiological personnel as well as an increase in product costs.

General and administrative costs were \$232,997 and \$61,117, respectively. The difference is attributable to the costs related to the expansion of marketing and sales operations from the acquisition of Comprehensive Network Solutions, Inc. which included consulting fees, administration fees, costs of business travel to the our subsidiary in Austin Texas as well as other related legal and accounting expenses.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities were \$(181,421) and \$(236,856), respectively. Cash flows from financing activities were \$199,166 and \$312,001, respectively. These changes were due primarily to the issuance of restricted common stock of \$205,000. These proceeds were primarily used to begin marketing "The Solution Card" the medical care discount family cards of Comprehensive Network Solutions, Inc. as well as supplying working capital to our Austin Texas subsidiary.

Working capital totaled \$419,072 and \$134,851, respectively for the quarter ended August 31, 2004 and August 31, 2003, respectively. The increase in working capital was attributable to an increase in cash of \$136,008, an increase in accounts receivable of \$11,206; an increase in prepaid expenses of \$51,010; and an increase in stock subscription receivables of \$100,000. For the most part, management believes that these increase were due to its ability to raise

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additional capital based upon interest generated by the acquisition of Comprehensive Network Solutions, Inc. and the development of the "Solution Card", the Company's newly developed and expanded medical care discount card.

Outlook

On March 1, 2004 pursuant to a Stock Purchase Agreement, we acquired one hundred percent (100%) of the issued and outstanding shares of common stock of Comprehensive Network Solutions, Inc. based in Austin, Texas from the Comprehensive shareholders in consideration for the issuance of a total of 250,000 restricted shares of our common stock to the Comprehensive shareholders. Pursuant to the Agreement, Comprehensive became our wholly owned subsidiary. Additional consideration of \$60,000 was also paid to Comprehensive to be used as working capital and we assumed a liability of \$25,000 for marketing services performed by an individual. Such liability was satisfied through the issuance of 25,000 shares of our restricted common stock to such individual. All shares issued in this transaction have a holding period of two years.

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As a result of the acquisition of Comprehensive Network Solutions, Inc., headquartered in Austin, Texas we have changed the focus of our business plan. We are now focused on specialty health benefits products, including, but not limited to three levels of provider networks and one limited indemnity medical insurance plan. Comprehensive Healthcare Solutions' products have been trademarked as ChiroCare Select, ChiroCare Advantage, ChiroCare Optima and CNS 500 Plan. We have been and will continue to work on expanding our product with additional benefits and alternative benefit funding options. As a result of the shift in focus of our business we have decided to change our name to Comprehensive Healthcare Solutions, Inc. to better reflect our marketing of "The Solution Card". Both Comprehensive Healthcare Solutions and The Solution Card were trademarked by us for further protection for our new business operations. These new expanded products are currently being offered to large employers, fraternal organizations, union benefit funds, business associations, insurance companies, municipalities and insurance agencies. The offerings are alternative cost and quality benefit solutions to prospects and clients who are uninsured or underinsured. These expanded products also are being offered to groups set forth above whose medical care costs are covered through existing traditional defined benefit health plans and have experienced large percentage increases in premiums as well as shrinking coverage and higher deductibles.

Comprehensive Network Solutions, Inc. and its parent, Comprehensive Healthcare Solutions, Inc. specialize in creating, marketing and distributing value added healthcare savings programs, services, and products. Together the Company will give individuals, families, large employers, unions, fraternal and business organizations access to healthcare providers offering up to 16 major healthcare services at significantly discounted fees for a low annual charge. It is intended to market these products in the West, Midwest and Southern United States predominantly to underserved markets where individuals either have limited health benefits, or no insurance. These markets may vary widely from senior populations with Medicare (no prescription benefits), part-time employees, to some of the over 40 million uninsured in the United States looking for lower cost medical services and access to providers.

Although the Company does not sell insured plans the discounts realized by its members through its programs typically range from 10% to 75% off providers' usual and customary fees. The Company's programs require members to pay the provider at the time of service, thereby eliminating the need for any insurance claims filing. These discounts, which are similar to managed care discounts, typically save the individual more than the cost of the program itself.

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Membership Service Programs

The Company is and will continue to initially offer memberships to individuals, large employers, unions, union benefits funds, associations and insurance companies.

Cardholders will be offered discounts for products and services ranging from 10% to 75% depending on the area of coverage and the specific procedures. Below are examples of the range of discounts in the major service categories:

Service	Discount Off Usual and Customary
Dental Care	10-45%
Vision Care	
Prescription eyeglasses	10-60%
Contact Lenses	10-60%
Sunglasses	20-50%
Lasik (vision correction)	10-30%
Hearing Aids	15-40%
Prescription Drugs	10-50%
Chiropractic Care	25%
Orthodontics	23-35%
Physical Therapy	15-20%
Fitness Centers	Preferred Rate
Acupuncture	25%
Physicians	20%-40%
Hospitals	20%-50%

The Company anticipates that it will be adding additional medical services and ancillary products in the course of the upcoming year.

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Our goal is to implement the Comprehensive business model initially in the North East and then expand nationwide. In order to implement these goals, we are interviewing potential qualified candidates to fill various positions of sales, marketing and administration. To date, we have already met with and presented our various discount health care products and services. We estimate that in order to achieve these goals, we will require financing from sources other than cash flow, within the next eighteen months, in an amount ranging from \$750,000 to \$1,000,000. Since the acquisition, we have been successful in raising approximately \$350,000 through private equity offerings. The Form 10-Q for the period ended May 31, 2004 reflected that we had raised \$2,000,000 through private equity financing. This was an error and the number raised as of such time was \$200,000. Although we have previously been unsuccessful in raising significant capital, our management believes that the current financial market upturn as well as the benefits of the acquisition of Comprehensive Network Solutions, Inc. will assist us in potentially raising additional capital. Management believes that the acquisition of Comprehensive and the aggressive marketing of "The Solution Card" will add significant revenues and profitably during the upcoming year to the consolidated Comprehensive family of businesses.

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The Company changed its name to Comprehensive HealthCare Solutions, Inc. in order to better reflect the direction that the Company is taking in expanding its marketing efforts in various segments of the healthcare industry. In addition, the Company signed a consulting and employment agreement with Mr. Paul S. Rothman to become the President of the Company. John Treglia will remain in his other current positions with the Company. Mr. Rothman has been assisting the Company in the acquisition of Comprehensive Network Solutions, Inc. and the development and implementation of its new marketing concepts since May of 2004.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position, results of operations or cash flows due to adverse changes in market prices and rates. Our short-term debt bears interest at fixed rates; therefore our results of operations would not be affected by interest rate changes.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our principal executive officer and principal financial officer evaluated our disclosure controls and procedures (as defined in rule 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) as of a date within 90 days before the filing of this annual report (the Evaluation Date). Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the Evaluation Date, the disclosure controls and procedures in place were adequate to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported on a timely basis in accordance with applicable rules and regulations. Although our principal executive officer and principal financial officer believes our existing disclosure controls and procedures are adequate to enable us to comply with our disclosure obligations, we intend to formalize and document the procedures already in place and establish a disclosure committee.

Changes in internal controls

We have not made any significant changes to our internal controls subsequent to the Evaluation Date. We have not identified any significant deficiencies or material weaknesses or other factors that could significantly affect these controls, and therefore, no corrective action was taken.

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PART II - OTHER INFORMATION

- | | | |
|---------|--|----------------|
| Item 1. | Legal Proceedings: | None |
| Item 2. | Changes in Securities: | None |
| Item 3. | Defaults Upon Senior Securities: | Not Applicable |
| Item 4. | Submission of Matters to a Vote of Security Holders: | None |
| Item 5. | Other Information: | None |

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- Item 6. Exhibits and Reports on Form 8-K:
- a. Exhibits
 - b. Reports on Form 8-K

SIGNATURES

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

COMPREHENSIVE HEALTHCARE SOLUTIONS, INC.

By: /s/ John H. Treglia

JOHN H. TREGLIA
CEO, CFO and President

Dated: February 28, 2005