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

Form 10-Q

(Mark one)

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

For the quarterly period ended June 30, 2018

or

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

For the transition period from___________ to ___________

Commission File Number 001-36529

MEDICAL TRANSCRIPTION BILLING, CORP.
(Exact name of registrant as specified in its charter)

Delaware	**22-3832302**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
7 Clyde Road Somerset, New Jersey	**08873**
(Address of principal executive offices)	*(Zip Code)*

(732) 873-5133
(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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company-, emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company," and "emerging growth 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 [X]
		Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. [X]

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

At August 6, 2018, the registrant had 11,846,424 shares of common stock, par value $0.001 per share, outstanding.

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Forward Looking Statements

Certain statements that we make from time to time, including statements contained in this Quarterly Report on Form 10-Q constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q are forward-looking statements. These statements, among other things, relate to our business strategy, goals and expectations concerning our products, future operations, prospects, plans and objectives of management. The words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases are used to identify forward-looking statements in this presentation. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Forward-looking statements in this Quarterly Report on Form 10-Q include, without limitation, statements reflecting management's expectations for future financial performance and operating expenditures (including our ability to continue as a going concern, to raise additional capital and to succeed in our future operations), expected growth, profitability and business outlook, increased sales and marketing expenses, and the expected results from the integration of our acquisitions.

Forward-looking statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from those anticipated by such statements. These factors include, among other things, the unknown risks and uncertainties that we believe could cause actual results to differ from these forward looking statements as set forth under the heading "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 7, 2018. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all of the risks and uncertainties that could have an impact on the forward-looking statements, including without limitation, risks and uncertainties relating to:

- our ability to manage our growth, including acquiring, partnering with, and effectively integrating the recent acquisition of Orion Healthcorp, Inc. and other acquired businesses into our infrastructure;

- our ability to retain our clients and revenue levels, including effectively migrating new clients and maintaining or growing the revenue levels of our new and existing clients;

- our ability to maintain operations in Pakistan and Sri Lanka in a manner that continues to enable us to offer competitively priced products and services;

- our ability to keep pace with a rapidly changing healthcare industry;

- our ability to consistently achieve and maintain compliance with a myriad of federal, state, foreign, local, payor and industry requirements, regulations, rules, laws and contracts;

- our ability to maintain and protect the privacy of confidential and protected Company, client and patient information;

- our ability to protect and enforce intellectual property rights;

- our ability to attract and retain key officers and employees, and the continued involvement of Mahmud Haq as executive chairman, all of which are critical to growing our business and integrating of our newly acquired businesses;

- our ability to comply with covenants contained in our credit agreement with our senior secured lender, Silicon Valley Bank and other future debt facilities;

- our ability to compete with other companies developing products and selling services competitive with ours, and who may have greater resources and name recognition than we have; and

- our ability to keep and increase market acceptance of our products and services.

Although we believe that the expectations reflected in the forward-looking statements contained in this Quarterly Report on Form 10-Q are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to update or revise any of such forward-looking statements, whether as a result of new information, future events, or otherwise, after the date of this Quarterly Report on Form 10-Q.

You should read this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

All references to "MTBC," "Medical Transcription Billing, Corp.," "we," "us," "our" or the "Company" mean Medical Transcription Billing, Corp. and its subsidiaries, except where it is made clear that the term means only the parent company.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

MEDICAL TRANSCRIPTION BILLING, CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash	$ 11,722,619	$ 4,362,232
Accounts receivable - net of allowance for doubtful accounts of $192,000 and $185,000 at June 30, 2018 and December 31, 2017, respectively	3,437,850	3,879,463
Contract asset	1,669,323	-
Current assets - related party	25,203	25,203
Prepaid expenses and other current assets	1,730,621	662,822
Total current assets	18,585,616	8,929,720
Property and equipment - net	1,388,173	1,385,743
Intangible assets - net	1,702,240	2,509,544
Goodwill	12,263,943	12,263,943
Other assets	424,725	436,713
TOTAL ASSETS	$ 34,364,697	$ 25,525,663
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 590,266	$ 991,859
Accrued compensation	1,033,945	1,137,351
Accrued expenses	922,244	616,778
Deferred rent (current portion)	88,697	81,826
Deferred revenue (current portion)	27,675	62,104
Accrued liability to related party	10,663	10,675
Notes payable - other (current portion)	81,295	168,718
Contingent consideration (current portion)	563,466	505,557
Dividend payable	1,056,217	747,147
Total current liabilities	4,374,468	4,322,015
Notes payable - other	140,613	120,899
Deferred rent	255,468	333,788
Deferred revenue	28,212	28,615
Contingent consideration	-	97,854
Deferred tax liability	450,072	372,072
Total liabilities	5,248,833	5,275,243
COMMITMENTS AND CONTINGENCIES (Note 7)		
SHAREHOLDERS' EQUITY:		
Preferred stock, par value $0.001 per share - authorized 2,000,000 shares; issued and outstanding 1,536,289 and 1,086,739 shares at June 30, 2018 and December 31, 2017, respectively	1,536	1,087
Common stock, $0.001 par value - authorized 19,000,000 shares; issued 12,405,973 and 12,271,390 shares at June 30, 2018 and December 31, 2017, respectively; outstanding, 11,665,174 and 11,530,591 shares at June 30, 2018 and December 31, 2017, respectively	12,406	12,272
Additional paid-in capital	52,710,345	45,129,517
Accumulated deficit	(21,794,949)	(23,509,386)
Accumulated other comprehensive loss	(1,151,474)	(721,070)
Less: 740,799 common shares held in treasury, at cost at June 30, 2018 and December 31, 2017	(662,000)	(662,000)
Total shareholders' equity	29,115,864	20,250,420
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 34,364,697	$ 25,525,663

See notes to condensed consolidated financial statements.

MEDICAL TRANSCRIPTION BILLING, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
NET REVENUE	$ 8,682,937	$ 7,784,750	$ 16,990,262	$ 16,004,824
OPERATING EXPENSES:				
Direct operating costs	4,333,573	4,197,824	8,817,628	9,420,560
Selling and marketing	403,057	268,958	708,071	624,469
General and administrative	3,054,205	2,771,811	5,654,939	5,758,474
Research and development	248,921	313,400	504,800	594,249
Change in contingent consideration	11,030	162,611	42,780	151,423
Depreciation and amortization	559,696	1,453,145	1,150,467	2,972,690
Restructuring charges	-	-	-	275,628
Total operating expenses	8,610,482	9,167,749	16,878,685	19,797,493
OPERATING INCOME (LOSS)	72,455	(1,382,999)	111,577	(3,792,669)
OTHER:				
Interest income	29,939	4,731	35,224	8,152
Interest expense	(74,167)	(285,144)	(148,248)	(564,569)
Other income - net	218,589	36,839	369,963	74,870
INCOME (LOSS) BEFORE INCOME TAXES	246,816	(1,626,573)	368,516	(4,274,216)
Income tax provision	51,536	67,030	98,200	127,332
NET INCOME (LOSS)	$ 195,280	$ (1,693,603)	$ 270,316	$ (4,401,548)
Preferred stock dividend	1,248,717	427,875	2,024,049	630,454
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (1,053,437)	$ (2,121,478)	$ (1,753,733)	$ (5,032,002)
Loss per common share:				
Basic and diluted loss per share	$ (0.09)	$ (0.20)	$ (0.15)	$ (0.48)
Weighted-average basic and diluted shares outstanding	11,665,174	10,833,075	11,641,190	10,504,417

See notes to condensed consolidated financial statements.

MEDICAL TRANSCRIPTION BILLING, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
NET INCOME (LOSS)	$ 195,280	$ (1,693,603)	$ 270,316	$ (4,401,548)
OTHER COMPREHENSIVE LOSS, NET OF TAX				
Foreign currency translation adjustment (a)	(227,258)	11,811	(430,404)	(30,851)
COMPREHENSIVE LOSS	$ (31,978)	$ (1,681,792)	$ (160,088)	$ (4,432,399)

(a) No tax effect has been recorded as the Company recorded a valuation allowance against the tax benefit from its foreign currency translation adjustments.

See notes to condensed consolidated financial statements.

MEDICAL TRANSCRIPTION BILLING, CORP.
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury (Common) Stock	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
Balance- December 31, 2017 before adoption	1,086,739	$ 1,087	12,271,390	$ 12,272	$ 45,129,517	$ (23,509,386)	$ (721,070)	$ (662,000)	$ 20,250,420
Cumulative effect of adopting ASC 606	-	-	-	-	-	1,444,121	-	-	1,444,121
Balance- January 1, 2018 after adoption	1,086,739	$ 1,087	12,271,390	$ 12,272	$ 45,129,517	$ (22,065,265)	$ (721,070)	$ (662,000)	$ 21,694,541
Net income	-	-	-	-	-	270,316	-	-	270,316
Foreign currency translation adjustment	-	-	-	-	-	-	(430,404)	-	(430,404)
Issuance of stock under the Amended and Restated Equity Incentive Plan	29,550	29	134,583	134	(163)	-	-	-	-
Stock-based compensation, net of cash settlements	-	-	-	-	476,800	-	-	-	476,800
Tax withholding obligations on stock issued to employees	-	-	-	-	(226,250)	-	-	-	(226,250)
Issuance of preferred stock, net of fees and expenses	420,000	420	-	-	9,354,490	-	-	-	9,354,910
Preferred stock dividends	-	-	-	-	(2,024,049)	-	-	-	(2,024,049)
Balance - June 30, 2018	1,536,289	$ 1,536	12,405,973	$ 12,406	$ 52,710,345	$ (21,794,949)	$ (1,151,474)	$ (662,000)	$ 29,115,864

See notes to condensed consolidated financial statements.

MEDICAL TRANSCRIPTION BILLING, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING ACTIVITIES:		
Net income (loss)	$ 270,316	$ (4,401,548)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,150,467	2,972,690
Amortization of sales commissions	26,472	-
Deferred rent	(36,022)	(22,013)
Deferred revenue	(34,832)	659
Provision for doubtful accounts	112,406	320,616
Provision for deferred income taxes	78,000	110,000
Foreign exchange gain	(332,100)	(2,835)
Interest accretion	95,604	134,870
Non-cash restructuring charges	-	17,001
Stock-based compensation expense	537,402	208,035
Change in contingent consideration	42,780	151,423
Changes in operating assets and liabilities:		
Accounts receivable	329,207	530,913
Other assets	(91,643)	30,449
Accounts payable and other liabilities	(180,452)	(739,145)
Net cash provided by (used in) operating activities	1,967,605	(688,885)
INVESTING ACTIVITIES:		
Capital expenditures	(376,430)	(345,215)
Cash deposit paid for acquisition	(1,000,000)	-
Net cash used in investing activities	(1,376,430)	(345,215)
FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of placement costs	-	2,000,000
Proceeds from issuance of preferred stock, net of placement costs	9,415,000	6,536,217
Preferred stock dividends paid	(1,714,979)	(410,827)
Settlement of tax withholding obligations on stock issued to employees	(213,675)	(195,912)
Repayments of notes payable	(139,485)	(4,287,506)
Proceeds from line of credit	-	400,000
Repayments of line of credit	-	(400,000)
Contingent consideration payments	(82,725)	(33,114)
Other financing activities	(60,090)	(217,448)
Net cash provided by financing activities	7,204,046	3,391,410
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(434,834)	(23,704)
NET INCREASE IN CASH	7,360,387	2,333,606
CASH - Beginning of the period	4,362,232	3,476,880
CASH - End of period	$ 11,722,619	$ 5,810,486
SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES:		
Vehicle financing obtained	$ 75,372	$ 30,746
Dividends declared, not paid	$ 1,056,217	$ 422,206
SUPPLEMENTAL INFORMATION - Cash paid during the period for:		
Income taxes	$ 29,673	$ 7,263
Interest	$ 20,221	$ 254,414

See notes to condensed consolidated financial statements.

1. ORGANIZATION AND BUSINESS

Medical Transcription Billing, Corp. (and together with its subsidiaries "MTBC" or the "Company") is a healthcare information technology company that offers an integrated suite of proprietary cloud-based electronic health records and practice management solutions, together with related business services, to healthcare providers. The Company's integrated services are designed to help customers increase revenues, streamline workflows and make better business and clinical decisions, while reducing administrative burdens and operating costs. The Company's services include full-scale revenue cycle management, electronic health records, and other technology-driven practice management services for private and hospital-employed healthcare providers. MTBC has its corporate offices in Somerset, New Jersey and maintains account management teams in various US offices and operates facilities in Pakistan and Sri Lanka.

MTBC was founded in 1999 and incorporated under the laws of the State of Delaware in 2001. In 2004, MTBC formed MTBC Private Limited (or "MTBC Pvt. Ltd.") a 99.9% majority-owned subsidiary of MTBC based in Pakistan. The remaining 0.01% of the shares of MTBC Pvt. Ltd. is owned by the founder and Executive Chairman of MTBC. In 2016, MTBC formed MTBC Acquisition Corp. ("MAC"), a Delaware corporation, in connection with its acquisition of substantially all the assets of MediGain, LLC and its subsidiary, Millennium Practice Management Associates, LLC (together "MediGain"). MAC has a wholly-owned subsidiary in Sri Lanka, RCM MediGain Colombo, Pvt. Ltd. In conjunction with its continued growth of its offshore operations in Pakistan and Sri Lanka, in April 2017, MTBC began the winding down of its operations in India and Poland. These operations have been terminated and the Indian subsidiary is being liquidated. The Poland subsidiary has been liquidated.

In May 2018, MTBC formed MTBC Health, Inc. ("MHI") and MTBC Practice Management, Corp., ("MPM") each a Delaware corporation, in connection with its acquisition of substantially all of the revenue cycle, practice management, and group purchasing organization assets of Orion Healthcorp, Inc. and 13 of its affiliates (together, "Orion"). (See Note 15.) MHI is a direct, wholly owned subsidiary of MTBC, and was formed to own and operate the revenue cycle management and group purchasing organization businesses acquired from Orion. MPM is a wholly owned subsidiary of MHI, and was formed to own and operate the practice management business acquired from Orion.

2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and as required by Regulation S-X, Rule 8-03. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of items of a normal and recurring nature) necessary to present fairly the Company's financial position as of June 30, 2018, the results of operations for the three and six months ended June 30, 2018 and 2017 and cash flows for the six months ended June 30, 2018 and 2017. When preparing financial statements in conformity with GAAP, the Company must make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 significantly from those estimates.

The condensed consolidated balance sheet as of December 31, 2017 was derived from our audited consolidated financial statements. The accompanying unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017, which are included in the Company's Annual Report on Form 10-K, filed with the SEC on March 7, 2018.

Recent Accounting Pronouncements — From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") and are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently adopted and recently issued accounting pronouncements will not have a material impact on our condensed consolidated financial position, results of operations and cash flows.

The Company adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (ASC 606) on January 1, 2018 using a modified retrospective adoption methodology, whereby the cumulative impact of all prior periods is recorded in accumulated deficit or other impacted balance sheet items upon adoption. The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the previous accounting standard, the criterion impacting the timing of our revenue recognition was the requirement of fees to be either fixed or determinable, therefore, we did not recognize revenue for medical billing claims until we were notified of these collections, as the fees were not fixed or determinable until such time. The new guidance does not limit the recognition of revenue to only fees that are fixed or determinable. Instead, the standard focuses on recognizing revenue as value is transferred to customers. The impact as of January 1, 2018 on our medical billing services is a revenue recognition and reporting model that reflects revenue recognized over time rather than delaying the recognition of revenue until the point in time in which the fees to be charged become determinable. The impact to the accumulated deficit as of January 1, 2018 for the contract asset related to medical billing revenue was approximately $1.3 million. There was no material impact to the Company's other revenue streams.

The Company determined that the only significant incremental cost incurred to obtain contracts within the scope of ASC 606, are sales commissions paid to sales people and outside referral sources. Under the new standard, certain costs to obtain a contract, which we previously expensed, are deferred and amortized over the period of contract performance or a longer period, generally the expected client life. The impact to the accumulated deficit as of January 1, 2018 was approximately $101,000. As of June 30, 2018, the capitalized sales commissions were approximately $113,000. Amortization of capitalized sales commissions for the three and six months ended June 30, 2018 was approximately $14,000 and $26,000, respectively.

The following table reconciles the balances as presented for the three and six months ended June 30, 2018 to the balances prior to the adjustments made to implement the new revenue recognition standard for the same period:

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	As Presented	**Impact of New Revenue Standard**	**Previous Revenue Standard**	**As Presented**	**Impact of New Revenue Standard**	**Previous Revenue Standard**
NET REVENUE	$ 8,682,937	$ 279,560	$ 8,403,377	$ 16,990,262	$ 326,631	$ 16,663,631
OPERATING EXPENSES:						
Direct operating costs	4,333,573	-	4,333,573	8,817,628	-	8,817,628
Selling and marketing	403,057	(7,688)	410,745	708,071	(11,225)	719,296
General and administrative	3,054,205	-	3,054,205	5,654,939	-	5,654,939
Research and development	248,921	-	248,921	504,800	-	504,800
Change in contingent consideration	11,030	-	11,030	42,780	-	42,780
Depreciation and amortization	559,696	-	559,696	1,150,467	-	1,150,467
Total operating expenses	8,610,482	(7,688)	8,618,170	16,878,685	(11,225)	16,889,910
OPERATING INCOME (LOSS)	72,455	287,248	(214,793)	111,577	337,856	(226,279)
OTHER:						
Interest income	29,939	-	29,939	35,224	-	35,224
Interest expense	(74,167)	-	(74,167)	(148,248)	-	(148,248)
Other income - net	218,589	-	218,589	369,963	-	369,963
INCOME BEFORE INCOME TAXES	246,816	287,248	(40,432)	368,516	337,856	30,660
Income tax provision	51,536	-	51,536	98,200	-	98,200
NET INCOME (LOSS)	$ 195,280	$ 287,248	$ (91,968)	$ 270,316	$ 337,856	$ (67,540)
Preferred stock dividend	1,248,717	-	1,248,717	2,024,049	-	2,024,049
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (1,053,437)	$ 287,248	$ (1,340,685)	$ (1,753,733)	$ 337,856	$ (2,091,589)
Loss per common share:						
Basic and diluted (loss) income per share	$ (0.09)	$ 0.02	$ (0.11)	$ (0.15)	$ 0.03	$ (0.18)

These condensed consolidated financial statements include enhanced disclosures, particularly around the contract asset and the disaggregation of revenue. See Note 9, "Revenue," for these enhanced disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The new standard will require organizations that lease assets — referred to as "lessees" — to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP — which requires only capital leases to be recognized on the balance sheet — the new ASU will require both types of leases to be recognized on the balance sheet. The amendments in this ASU are effective for financial statements issued for annual periods beginning after December 15, 2018 with earlier adoption permitted.

We plan to adopt the new standard on a modified retrospective basis. We have assigned internal resources to assist in the evaluation of the potential impacts of this standard. Implementation efforts to date have included training on the new standards, the review of lease agreements and other contracts to evaluate potential embedded leases. The Company is continuing to evaluate the effect that Topic 842 will have on its consolidated financial statements and related disclosures. We are in the process of implementing changes to our processes and controls in conjunction with the review of existing lease agreements in connection with the adoption of the new standard. Implementation efforts to date have included training on the new standard, the review of lease agreements and other contracts and the purchase of software to assist us in the accounting and evaluation required under Topic 842. We anticipate that this standard will have a material impact on our consolidated financial statements, as all long-term leases will be capitalized on the condensed consolidated balance sheet. We expect that our leases designated as operating leases in Note 11 – Commitments and Contingencies included in our Annual Report on Form 10-K for the year ended December 31. 2017, filled with the Securities and Exchange Commission on March 7, 2018 will be reported on the consolidated balance sheet upon adoption.

Also in January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other* (Topic 350)*: Simplifying the Accounting for Goodwill Impairment*. The ASU modifies the accounting for goodwill impairment with the objective of simplifying the process of determining impairment levels. Specifically, the amendments in the ASU eliminate a step in the goodwill impairment test which requires companies to develop a hypothetical purchase price allocation when analyzing goodwill impairment. This eliminates the need for companies to estimate the fair value of individual existing assets and liabilities within a reporting unit. Instead, goodwill impairment will now be the amount by which a reporting unit's total carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other aspects of the goodwill impairment test process have remained the same. The ASU is effective for annual periods beginning in the year 2020, with early adoption permitted for any impairment tests after January 1, 2017. The Company has elected to early adopt ASU 2017-04. There is currently no impact on the condensed consolidated financial statements as a result of this adoption.

On February 14, 2018, the FASB issued ASU 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.* These amendments provide financial statement preparers with an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recorded. This guidance is effective for fiscal years beginning after December 15, 2018, and interim periods therein. Early adoption is permitted. We are currently assessing the impact this guidance will have on our consolidated financial statements.

3. ACQUISITION

2017 Acquisition

Effective July 1, 2017, the Company purchased substantially all of the assets of Washington Medical Billing, LLC ("WMB"), a Washington limited liability company. In accordance with the asset purchase agreement, the Company agreed to a non-refundable initial payment (the "Initial Payment Amount") of $205,000. In addition to the Initial Payment Amount, the Company agreed to pay the sellers a percentage of revenue collected from the WMB accounts for the three years, subsequent to the acquisition date to the extent such amounts in the aggregate exceed the Initial Payment Amount (the "WMB Installment Payments"). Based on the Company's revenue forecast, it does not appear that there will be any WMB Installment Payments and therefore the aggregate purchase price of WMB was determined to be $205,000.

Revenue earned from the WMB acquisition was approximately $47,000 and $113,000 during the three and six months ended June 30, 2018, respectively.

Pro forma financial information (Unaudited)

The unaudited pro forma information below represents condensed consolidated results of operations as if the WMB acquisition occurred on January 1, 2017. The pro forma information has been included for comparative purposes and is not indicative of results of operations that the Company would have had if the acquisitions occurred on the above date, nor is it necessarily indicative of future results. Pro forma information for the three and six months ended June 30, 2018 is not presented as there was no acquisition which was not fully reflected in the Company's condensed consolidated financial statements during those periods.

	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Total revenue	$ 8,041	$ 16,523
Net loss attributable to common shareholders	$ (2,108)	$ (5,003)
Net loss per common share	$ (0.19)	$ (0.48)

4. GOODWILL AND INTANGIBLE ASSETS-NET

Goodwill consists of the excess of the purchase price over the fair value of identifiable net assets of businesses acquired. The following is the summary of the changes to the carrying amount of goodwill for the six months ended June 30, 2018 and the year ended December 31, 2017:

	June 30, 2018	December 31, 2017
Beginning gross balance	$ 12,263,943	$ 12,178,868
Acquisition	-	85,075
Ending gross balance	$ 12,263,943	$ 12,263,943

Intangible assets include customer contracts and relationships and covenants not-to-compete acquired in connection with acquisitions, as well as trademarks acquired and software costs. Intangible assets - net as of June 30, 2018 and December 31, 2017 consist of the following:

	June 30, 2018	December 31, 2017
Contracts and relationships acquired	$ 16,491,300	$ 16,491,300
Non-compete agreements	1,236,377	1,236,377
Other intangible assets	1,521,664	1,498,417
Total intangible assets	19,249,341	19,226,094
Less: Accumulated amortization	(17,547,101)	(16,716,550)
Intangible assets - net	$ 1,702,240	$ 2,509,544

Amortization expense was approximately $854,000 and $2.6 million for the six months ended June 30, 2018 and 2017 and $415,000 and $1.3 million for the three months ended June 30, 2018 and 2017, respectively. The weighted-average amortization period is three years.

As of June 30, 2018, future amortization scheduled to be expensed is as follows:

Years Ending December 31		
2018 (six months)	$	737,104
2019		850,389
2020		103,127
2021		11,620
Total	$	1,702,240

5. NET LOSS PER COMMON SHARE

The following table presents the basic and diluted net loss per weighted-average shares outstanding for the three and six months ended June 30, 2018 and 2017:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Basic and Diluted:				
Net loss attributable to common shareholders	$ (1,053,437)	$ (2,121,478)	$ (1,753,733)	$ (5,032,002)
Weighted average shares applicable to common shareholders used in computing basic and diluted loss per share	11,665,174	10,833,075	11,641,190	10,504,417
Net loss attributable to common shareholders per share - Basic and Diluted	$ (0.09)	$ (0.20)	$ (0.15)	$ (0.48)

All unvested restricted stock units ("RSUs"), the 200,000 warrants granted to Opus Bank ("Opus"), the 2,000,000 warrants issued during the second quarter of 2017 as part of the registered direct sale of common stock (which expired unexercised in May 2018) and the 125,000 warrants granted to Silicon Valley Bank ("SVB") in October 2017 have been excluded from the above calculations as they were anti-dilutive. Vested RSUs and vested restricted shares have been included in the above calculations.

6. DEBT

SVB — During October 2017, the Opus credit facility was replaced with a revolving line of credit from SVB under a three-year agreement. The SVB credit facility is a $5 million secured revolving line of credit where borrowings are based on a formula of 200% of repeatable revenue adjusted by an annualized attrition rate as defined in the credit facility agreement. The full $5 million facility is generally available to the Company. Interest on the SVB revolving line of credit is charged at the prime rate plus 1.75%. There is also a fee of one-half of 1% annually for the unused portion of the credit line. The debt is secured by all of the Company's domestic assets and 65% of the shares in its offshore facilities. Future acquisitions are subject to approval by SVB.

In connection with the SVB debt agreement, the Company paid SVB approximately $50,000 of fees upfront and issued warrants for SVB to purchase 125,000 shares of its common stock, and committed to pay an annual anniversary fee of $50,000 a year. Based on the terms in the SVB credit agreement, the warrants have a strike price equal to $3.92. They have a five-year exercise window and net exercise rights, and were valued at $3.12 per warrant. The SVB credit agreement contains various covenants and conditions governing the revolving line of credit. These covenants include a minimum level of adjusted EBITDA and a minimum liquidity ratio. At June 30, 2018, the Company was in compliance with all covenants.

Opus — On September 2, 2015, the Company entered into a credit agreement with Opus. Opus extended a credit facility totaling $10 million to the Company, inclusive of $8 million of term loans and a $2 million revolving line of credit. The Company's obligations to Opus were secured by substantially all of the Company's domestic assets and 65% of the shares in its offshore subsidiaries. During October 2017, the Opus credit facility was fully paid and then closed and replaced with the SVB facility.

Vehicle Financing Notes — The Company financed certain vehicle purchases both in the United States and in Pakistan. The vehicle financing notes have three to six year terms and were issued at current market rates.

Insurance Financing — The Company finances certain insurance purchases over the term of the policy life. The interest rate charged is 5.25%.

7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings — On May 30, 2018, the Superior Court of New Jersey, Chancery Division, Somerset County (the “Chancery Court”), denied the Company’s and MAC’s request to enjoin an arbitration proceeding demanded by a former customer related to RCM services provided by parties other than the Company and MAC. On June 15, 2018, the Company and MAC filed an appeal of the Chancery Court’s order. On July 19, 2018, the Chancery Court ordered that the arbitration be stayed pending the Company’s and MAC’s appeal. The demand for arbitration alleges breach of a billing services agreement between the former customer and Millennium Practice Management Associates, Inc., (“MPMA”) a subsidiary of MediGain, and seeks compensatory damages and costs. The Company and MAC contend they were never party to the billing services agreement giving rise to the arbitration claim, did not assume the obligations of MPMA under such agreement, and any agreement to arbitrate disputes arising under such agreement does not apply to the Company or MAC. While the allegations of breach of contract made by the former customer have not been the subject of ongoing legal proceedings, the Company and MAC believe that such allegations lack merit on numerous grounds. The Company’s and MAC’s appeal remains pending.

From time to time, we may become involved in other legal proceedings arising in the ordinary course of our business. Including the proceeding described above, we are not presently a party to any legal proceedings that, in the opinion of our management, would individually or taken together have a material adverse effect on our business, consolidated results of operations, financial position or cash flows of the Company.

Leases — The Company leases certain office space and other facilities under operating leases expiring through 2021. Certain of these leases contain renewal options. There is an offshore lease with monthly rent payments of approximately $21,000 that has a three-month cancellation provision. The Company also has month to month leases for its US corporate facility and other locations amounting to approximately $12,000 per month which it expects to remain month to month (See Note 8).

Future minimum lease payments under non-cancelable operating leases for office space as of June 30, 2018 are as follows:

Years Ending December 31	**Total**
2018 (six months)	$ 158,055
2019	198,193
Total	$ 356,248

Total rental expense, included in direct operating costs and general and administrative expense in the condensed consolidated statements of operations, amounted to approximately $436,000 and $453,000 for the six months ended June 30, 2018 and 2017, respectively, and $220,000 and $224,000 for the three months ended June 30, 2018 and 2017, respectively.

Acquisitions — In connection with some of the Company’s acquisitions, contingent consideration as of June 30, 2018 is payable in cash through 2019, which represents the date through which contingent payments are forecasted to be required. Depending on the terms of the agreement, if the performance measures are not achieved, the Company may pay less than the recorded amount, and if the performance measures are exceeded, the Company may pay more than the recorded amount.

8. RELATED PARTIES

The Company had sales to a related party, a physician who is the wife of the Executive Chairman. Revenues from this customer were approximately $9,000 and $8,000 for the six months ended June 30, 2018 and 2017, respectively and $4,000 for both the three months ended June 30, 2018 and 2017. As of June 30, 2018 and December 31, 2017, the receivable balance due from this customer was approximately $1,400 and $1,900, respectively.

The Company is a party to a nonexclusive aircraft dry lease agreement with Kashmir Air, Inc. (“KAI”), which is owned by the Executive Chairman. The Company recorded an expense of approximately $64,000 for both the six months ended June 30, 2018 and 2017 and $32,000 for both the three months ended June 30, 2018 and 2017. As of June 30, 2018 and December 31, 2017, the Company had a liability outstanding to KAI of approximately $11,000, which is included in accrued liability to related party in the condensed consolidated balance sheets.

The Company leases its corporate offices in New Jersey, its temporary housing for its foreign visitors, a storage facility and its backup operations center in Bagh, Pakistan, from the Executive Chairman. The related party rent expense was approximately $95,000 and $94,000 for the six months ended June 30, 2018 and 2017 respectively, and for both the three months ended June 30, 2018 and 2017 was approximately $47,000, and is included in direct operating costs and general and administrative expense in the condensed consolidated statements of operations. Current assets-related party in the condensed consolidated balance sheets includes security deposits related to the leases of the Company's corporate offices of approximately $13,000 as of both June 30, 2018 and December 31, 2017. The June 30, 2018 and December 31, 2017 balances also include prepaid rent paid to the Executive Chairman of approximately $12,000.

9. REVENUE

The Company accounts for revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which was adopted January 1, 2018 using the modified retrospective method. All revenue is recognized as our performance obligations are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under ASC 606. Under the new standard, the Company recognizes revenue when the services begin on the medical billing claims, which is generally upon receipt of the claim from the provider. For medical billing services, the Company estimates the value of the consideration it will earn over the remaining contractual period as our services are provided and recognizes the fees over the term; this estimation involves predicting the amounts our clients will ultimately collect associated with the services they provided. Certain significant estimates, such as payment-to-charge ratios, effective billing rates and the estimated contractual payment periods are required to measure medical billing revenue under the new standard. The timing of the revenue recognition of our other revenue streams were not materially impacted by the adoption of ASC 606.

All of our revenue is derived from contracts with customers and is reported as revenue in the condensed consolidated statements of operations. In many cases, our clients may terminate their agreements with 90 days' notice without cause, thereby limiting the term in which we have enforceable rights and obligations, although this time period can vary between clients. Our payment terms are normally net 30 days. We provide value to our clients over the term of the contract and recognize revenue ratably over the term, which is consistent with the measure of progress. In the event that we are entitled to variable consideration for services provided during a specific time period, fees for these services are allocated to and recognized over the specific time period. Our contracts contain penalty clauses for early termination. Although our contracts have stated terms of one or more years, under ASC 606 our contracts are considered month to month and accordingly, there is no financing component.

Disaggregation of Revenue from Contracts with Customers

We derive revenue from six primary sources: medical billing services, ancillary services, printing and mailing, clearinghouse and EDI (electronic data interchange) services, Enrollment*Plus*™ and professional services. All of our current contracts with customers contain a single performance obligation. For contracts where we provide multiple services such as where we perform multiple ancillary services, each service represents its own performance obligation. Selling prices are based on the contractual price for the service.

The following table represents a disaggregation of revenue for the three and six months ended June 30:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Medical billing revenue	$ 7,866,650	$ 7,013,263	$ 15,259,040	$ 14,345,898
Ancillary services	313,454	251,104	562,091	534,761
Printing and mailing	301,279	294,627	649,523	641,420
Clearinghouse and EDI services	141,901	185,842	335,340	372,177
Enrollment*Plus*	19,200	-	102,857	-
Professional services	40,453	39,914	81,411	110,568
Total	$ 8,682,937	$ 7,784,750	$ 16,990,262	$ 16,004,824

We apply the portfolio approach as permitted by ASC 606 as a practical expedient to contracts with similar characteristics and we use estimates and assumptions when accounting for those portfolios. Our contracts generally include standard commercial payment terms. We have no significant obligations for refunds, warranties or similar obligations and our revenue does not include taxes collected from our customers.

Medical billing revenue:

Medical billing is the recurring process of submitting and following up on claims with health insurance companies in order for the healthcare providers to receive payment for the services they rendered. MTBC invoices customers on a monthly basis based on the actual collections received by its customers and the agreed-upon rate in the sales contract. The series of services under medical billing revenue includes practice management software and related tools, electronic health records, revenue cycle management services and mobile health solutions. We consider the series of services provided under our medical billing contracts to be one performance obligation since the promises are not distinct in the context of the contract.

Substantially all of our medical billing contracts contain variable consideration and we estimate the variable consideration which we expect to be entitled to over the contractual period associated with our medical billing contracts, which begins no earlier than go-live and recognize the fees over the term. When a contract includes variable consideration, we evaluate the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, we include the variable consideration in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. For the majority of our medical billing contracts, the total contractual price is variable because our obligation is to process an unknown quantity of transactions, as and when requested by our customers, over the contract period. We allocate the variable price to each claim processed using the time-series concept and recognize revenue based on the most likely amount of consideration to which we will be entitled to, which is generally the amount we have the right to invoice. Estimates to determine the variable consideration such as payment to charge ratios, effective billing rates, and the estimated contractual payment periods are updated at each reporting date.

The contract asset in the condensed consolidated balance sheet represents the revenue associated with the amounts our clients will ultimately collect associated with the services they have provided and the relative fee we charge associated with those collections. The performance obligations as of January 1, 2018 were substantially recognized in the quarter ended March 31, 2018. As of June 30, 2018, the estimated revenue expected to be recognized in the future related to the remaining performance obligations was approximately $1.7 million. As of June 30, 2018, the Company determined the contract asset for a significant customer, where the information was previously unavailable. Of the total contract asset at June 30, 2018, approximately $210,000 was related to this customer. We expect to recognize substantially all of the revenue for the remaining performance obligations over the next 3 months.

Our medical billing performance obligations consist of a series of distinct services that are substantially the same and have the same periodic pattern of transfer to our customers. We consider each periodic rendering of service to be a distinct performance obligation and, accordingly, recognize revenue over time.

Other revenue streams:

Ancillary services represent services such as coding and transcription that are rendered in connection with the delivery of medical billing and related services. The Company invoices customers monthly, based on the actual amount of services performed at the agreed upon rate in the contract. These services are only offered to medical billing customers. These services do not represent a material right because the services are optional to the customer and customers electing these services are charged the same price for those services as if they were on a standalone basis. Each individual coding or transcription transaction processed represents a performance obligation, which is satisfied once that individual service is completed.

The Company provides printing and mailing services for a non-medical billing customer and invoices on a monthly basis based on the number of prints, the agreed-upon rate per print and the postage incurred. The performance obligation is satisfied once the printing and mailing is completed.

The medical billing clearinghouse takes claim information from customers, checks the claims for errors and sends this information electronically to insurance companies. MTBC invoices customers on a monthly basis based on the number of claims submitted and the agreed-upon rate in the agreement. This service is provided to non-medical billing customers. The performance obligation is satisfied once the relevant submissions are completed.

MTBC also provides implementation and professional services to clearinghouse customers and records revenue monthly on a time and materials basis. This is a separate performance obligation from the clearinghouse and EDI services provided. The performance obligation is satisfied once the implementation or professional service is completed.

For the Enrollment*Plus* product, the Company receives a monthly fee per member for providing an electronic interchange for the enrollment of a customer's members using a platform that the Company developed. Enrollment*Plus* automates the customer's processing and enrollment of new members. The performance obligation is satisfied once the enrollment of members is completed.

For all of the above revenue streams, revenue is recognized over time, when invoiced, which closely matches point in time recognition, as the customer simultaneously receives and consumes the benefits provided by the Company. Each of the services provided above is considered a separate performance obligation and is satisfied over time, which is typically one month or less.

Information about contract balances:

Accounts receivable are shown separately at their net realizable value in our condensed consolidated balance sheets. Amounts that we are entitled to collect under the applicable contract are recorded as accounts receivable. Invoicing is performed at the end of each month when the services have been provided. The contract asset results from our medical billing services and is due to the timing of revenue recognition, submission of claims from our customers and payments from the insurance providers. The contract asset includes our right to payment for services already transferred to a customer when the right to payment is conditional on something other than the passage of time. For example, contracts for medical billing services where we recognize revenue over time but do not have a contractual right to payment until the customer receives payment of their claim from the insurance provider. The contract asset was approximately $1.7 million as of June 30, 2018. Changes in the contract asset are recorded as adjustments to net revenues and primarily result from providing services to customers that result in additional consideration and are offset by our right to payment for services becoming unconditional. Deferred revenue represents sign-up fees received from customers that are amortized over 3 years. The opening and closing balances of the Company's accounts receivable, contract asset and deferred revenue are as follows:

	Accounts Receivable, Net	Contract Asset	Deferred Revenue (current)	Deferred Revenue (long term)
Beginning balance as of January 1, 2018	$ 3,879,463	$ 1,342,692	$ 62,104	$ 28,615
(Decrease) increase, net	(441,613)	326,631	(34,429)	(403)
Ending balance as of June 30, 2018	$ 3,437,850	$ 1,669,323	$ 27,675	$ 28,212

Deferred commissions:

Our sales incentive plans include commissions payable to employees and third parties at the time of initial contract execution that are capitalized as incremental costs to obtain a contract. The capitalized commissions are amortized over the period the related services are transferred. Amortization of the capitalized commissions was $14,000 and $26,000 for the three and six months ended June 30, 2018, respectively. As we do not offer commissions on contract renewals, we have determined the amortization period to be the estimated client life, which is three years. Deferred commissions were approximately $113,000 at June 30, 2018 and are included in the Other Assets lines in our condensed consolidated balance sheets.

10. STOCK-BASED COMPENSATION

In April 2014, the Company adopted its Equity Incentive Plan, reserving 1,351,000 shares of common stock for grants to employees, officers, directors and consultants. During April 2017, this plan was amended and restated whereby an additional 1,500,000 shares of common stock and 100,000 shares of Series A Preferred Stock were added to the plan for future issuance. During June 2018, the Company's shareholders approved the addition of 200,000 preferred shares to the Equity Incentive Plan for future grants. As of June 30, 2018, 985,700 shares of common stock and 227,200 shares of Series A Preferred Stock are available for grant under our equity incentive plan. Permissible awards include incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, RSUs, performance stock and cash-settled awards and other stock-based awards in the discretion of the Compensation Committee of the Board of Directors including unrestricted stock grants.

The equity based RSUs contain a provision in which the units shall immediately vest and become converted into common shares at the rate of one common share per RSU, immediately after a change in control, as defined in the award agreement.

Common stock RSUs

During May 2018, a total of 150,000 RSUs of common stock were granted equally to two executive officers. The RSUs vest in one-third increments over the next 15 months from the grant date. During the third quarter of 2017, a total of 200,000 RSUs of common stock were granted equally to the four outside members of the Board of Directors and a total of 300,000 RSUs of common stock were granted equally to three executive officers. The RSUs vest over the next two years, at six month intervals.

The following table summarizes the RSU transactions related to the common stock under our equity incentive plan for the six months ended June 30, 2018:

Outstanding and unvested at January 1, 2018	605,969
Granted	231,200
Vested	(150,482)
Forfeited	(5,666)
Outstanding and unvested at June 30, 2018	681,021

Of the total outstanding and unvested at June 30, 2018, 591,251 RSUs are classified as equity and 89,770 RSUs are classified as a liability.

The liability for the cash-settled awards was approximately $45,000 and $41,000 at June 30, 2018 and December 31, 2017, respectively, and is included in accrued compensation in the condensed consolidated balance sheets.

Stock-based compensation expense

The Company recognizes compensation expense on a straight-line basis over the total requisite service period for the entire award. For stock awards classified as equity, the market price of our common stock or preferred stock on the date of grant is used in recording the fair value of the award. For stock awards classified as a liability, the earned amount is marked to market based on the end of period common stock price.

In 2017, the Compensation Committee of the Board of Directors approved executive bonuses to be paid in shares of Series A Preferred Stock, with the number of shares and the value based on specified criteria being achieved during the year. The Company accrued for this expense as based on the probable amount to be paid.

In 2018, the Compensation Committee has again approved executive bonuses to be paid in shares of Series A Preferred Stock, with the number of shares and the amount based on specified criteria being achieved during 2018. The achievement of these criteria will be determined after the year-end. Once the Company’s shareholders added additional shares of preferred stock to the Equity Incentive Plan, the Company begun accruing for 2018 bonuses based on the probability of achieving the results. During the quarter ended June 30, 2018, approximately $154,000 was accrued for the 2018 stock bonuses and is included in stock based compensation expense.

The following table summarizes the components of share-based compensation expense for the three and six months ended June 30, 2018 and 2017:

Stock-based compensation included in the Condensed Consolidated Statement of Operations:	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Direct operating costs	$ 8,475	$ 2,680	$ 9,859	$ 5,457
General and administrative	396,674	68,791	522,600	194,081
Research and development	4,563	7,218	4,944	8,497
Total stock-based compensation expense	$ 409,712	$ 78,689	$ 537,403	$ 208,035

11. INCOME TAXES

The current income tax provision for the six months ended June 30, 2018 and 2017 primarily relates to state minimum taxes and foreign income taxes. The deferred income tax provision for the six months ended June 30, 2018 and 2017 relates to the amortization of goodwill.

Although the Company is forecasting a return to profitability, it has not had sufficient history of profitable operations which makes realization of a deferred tax asset difficult to support in accordance with ASC 740. Accordingly, a valuation allowance has been recorded against all Federal and state deferred tax assets as of June 30, 2018 and December 31, 2017. The valuation allowance has been applied to the net deferred tax assets and liabilities excluding the deferred tax liability related to the amortization of goodwill.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was enacted. Effective January 1, 2018, among other changes, the Act (a) reduces the U.S. federal corporate tax rate to 21 percent, provides for a deemed repatriation and taxation at reduced rates on historical earnings (a “Transition Tax”) of certain non-US subsidiaries owned by U.S. companies and establishes new mechanisms to tax such earnings going forward. For the Transition Tax, we are finalizing the estimated amount of accumulated foreign earnings. We expect to complete our analysis within the measurement period in accordance with Staff Accounting Bulletin (“SAB”) 118.

The Act includes a provision effective January 1, 2018 for a global intangible low-taxed income (“GILTI”) tax, which is a new U.S. income inclusion of certain foreign earnings under the Subpart F tax regulations, but ultimately allowable to be offset by the Company’s available net operating loss carryover. Companies can account for the GILTI inclusion in either the period incurred or establish deferred tax liabilities for the expected future taxes associated with accumulated GILTI. The Company elected to record the GILTI provisions as they are incurred each period. For the three and six months ended June 30, 2018, no GILTI tax liability was recorded.

The Company will continue to analyze the effects of the Act on its consolidated financial statements and operations. Our estimates are subject to change as we review the data available and any additional guidance. Any additional impacts from the enactment of the Act will be recorded as they are identified during the measurement period as provided in SAB 118. No provisional amounts were recorded during the six months ended June 30, 2018. We expect to conclude our analysis by the end of the third quarter.

12. RESTRUCTURING CHARGES

During March 2017, the Company decided to close its operations in Poland and India. In connection with the closing of these subsidiaries, in the first quarter of 2017, the Company expensed approximately $276,000 of restructuring charges representing primarily employee severance costs, remaining lease and termination fees, disposal of property and equipment and professional fees. The Company does not expect to record any additional restructuring charges for these closures.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

As of June 30, 2018 and December 31, 2017, the carrying amounts of receivables, accounts payable and accrued expenses approximated their estimated fair values because of the short term nature of these financial instruments.

Fair value measurements-Level 2

Our notes payable are carried at cost and approximate fair value since the interest rates being charged approximate market rates.

Contingent Consideration

The Company's contingent consideration of approximately $563,000 and $603,000 as of June 30, 2018 and December 31, 2017, respectively, are Level 3 liabilities. The fair value of the contingent consideration at June 30, 2018 and December 31, 2017 was primarily driven by changes in revenue estimates related to the acquisitions during 2015 and 2016, the passage of time and the associated discount rate. Due to the number of factors used to determine contingent consideration, it is not possible to determine a range of outcomes. Subsequent adjustments to the fair value of the contingent consideration liability will continue to be recorded in the Company's results of operations until all contingencies are settled.

The following table provides a reconciliation of the beginning and ending balances for the contingent consideration measured at fair value using significant unobservable inputs (Level 3):

	Fair Value Measurement at Reporting Date Using Significant Unobservable Inputs, Level 3 Six Months Ended June 30,	
	2018	**2017**
Balance - January 1,	$ 603,411	$ 929,549
Change in fair value	42,780	151,423
Settlement in the form of shares issued	-	(331,676)
Payments	(82,725)	(33,114)
Balance - June 30,	$ 563,466	$ 716,182

15. SUBSEQUENT EVENT

On May 4, 2018, the Company executed an asset purchase agreement ("APA") to acquire substantially all of the revenue cycle, practice management, and group purchasing organization assets of Orion. The acquisition was approved through a sale order dated June 29, 2018 by the United States Bankruptcy Court for the Eastern District of New York as a Section 363 purchase under Chapter 11 of the U.S. Bankruptcy Code. The final purchase price was $12.6 million. The final APA was approved by the Bankruptcy Court, with an effective date of July 1, 2018. We expect that this acquisition will be accounted for as a business combination.

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

The following is a discussion of our consolidated financial condition and results of operations for the three and six months ended June 30, 2018 and 2017 and other factors that are expected to affect our prospective financial condition. The following discussion and analysis should be read together with our Condensed Consolidated Financial Statements and related notes beginning on page 4 of this Quarterly Report on Form 10-Q.

Some of the statements set forth in this section are forward-looking statements relating to our future results of operations. Our actual results may vary from the results anticipated by these statements. Please see "*Forward-Looking Statements*" on page 2 of this Quarterly Report on Form 10-Q.

Overview

MTBC is a healthcare information technology company that provides a fully integrated suite of proprietary web-based solutions, together with related business services, to healthcare providers. Our integrated Software-as-a-Service ("SaaS") platform is designed to help our clients increase revenues, streamline workflows and make better business and clinical decisions, while reducing administrative burdens and operating costs. We are able to deliver our leading solutions at very competitive prices because we leverage our proprietary software, which automates our workflows and increases efficiency, together with our highly educated and specialized offshore workforce of approximately 2,000 team members at labor costs that we believe are approximately one-tenth the cost of comparable U.S. employees.

During July 2018, the Company acquired substantially all of the revenue cycle management, practice management and group purchasing assets of Orion Healthcorp, Inc. and 13 of its affiliates (together "Orion"). The Company paid $12.6 million in cash for the acquisition. This acquisition will expand the Company's revenue cycle management business and offer group purchasing of vaccines to physicians. The Company will also manage three pediatric practices in Ohio and Illinois.

Our flagship offering, PracticePro™, empowers healthcare practices with the core software and business services they need to address industry challenges on one unified SaaS platform. We deliver powerful, integrated and easy-to-use solutions to healthcare practices, which enable them to efficiently operate their businesses, manage clinical workflows and receive timely payment for their services. PracticePro consists of the following services which together constitute medical billing revenue:

- Practice management software and related tools, which facilitate the day-to-day operation of a medical practice;
- Electronic health records ("EHR"), which are easy to use, highly ranked, and allow our clients to reduce paperwork and qualify for government incentives;
- Revenue cycle management ("RCM") services, which include end-to-end medical billing, analytics, and related services; and
- Mobile Health ("mHealth") solutions, including smartphone applications that assist patients and healthcare providers in the provision of healthcare services.

While many of our clients leverage our full PracticePro suite, we also have a number of clients who utilize other popular EHR software, and for which we provide RCM services, including medical billing, analytics, and related services.

Adoption of our solutions requires little or no upfront expenditure by a practice. Additionally, our financial performance is linked directly to the financial performance of our clients because the vast majority of our revenues are based on a percentage of our clients' collections. The standard fee for our complete, integrated, end-to-end solution is among the lowest in the industry.

Our growth strategy involves two primary approaches: acquiring smaller RCM companies and then migrating the clients of those companies to our solutions, as well as growing organically through referrals from industry partners and our clients. Both prongs of our strategy have yielded positive results for us historically. The RCM service industry is highly fragmented, with many local and regional RCM companies serving small medical practices. We believe that the industry is ripe for consolidation and that we can achieve significant growth through acquisitions. We further believe that it is becoming increasingly difficult for traditional RCM companies to meet the growing technology and business service needs of healthcare providers without a significant investment in information technology infrastructure. Since the Company went public in July 2014, we have acquired substantially all of the assets of 12 RCM companies, including Orion. Although the specific arrangements have varied with each transaction, typical arrangements include a deeply-discounted price, consideration which is tied to revenues from customer relationships acquired, and structuring the acquisition as an asset purchase so as to limit our liability. We typically use our technology and our cost-effective offshore team to reduce costs promptly after the transaction closes, although there will be initial costs associated with the integration of the new businesses with our existing operations.

We believe we will also be able to further accelerate organic growth by partnering with industry participants, obtaining referrals and utilizing them as channel partners to offer integrated solutions to their clients. We have entered into arrangements with industry participants from which we began to derive revenue starting in mid-2014, including emerging EHR providers and other healthcare vendors that lack a full suite of solutions. We have developed application interfaces with numerous EHR systems, together with device and lab integration.

Our continued investment in sales and marketing during 2018 has helped us sign new customers which we expect will accelerate organic growth. Our newly launched talkEHR™ is a free medical billing product, but is designed to encourage users to upgrade to a revenue-generating, premium billing solution. Since the third quarter 2017 launch of talkEHR, approximately 1,700 providers have signed-up for talkEHR, with 260 as active users. Twenty-nine providers have already upgraded to our premium billing. As we move forward, we intend to continue to strategically promote talkEHR to new users, while encouraging providers who have already signed-up to actively use talkEHR in their day-to-day practice and upgrade to our premium billing solution.

Our offshore operations in Pakistan and Sri Lanka accounted for approximately 32% and 28% of total expenses for the six months ended June 30, 2018 and 2017, respectively. A significant portion of those expenses were personnel-related costs (approximately 79% of foreign costs for the both six months ended June 30, 2018 and 2017, respectively). Because personnel-related costs are significantly lower in Pakistan and Sri Lanka than in the U.S. and many other offshore locations, we believe our offshore operations give us a competitive advantage over many industry participants. All of the medical billing companies that we have acquired used domestic labor or subcontractors from higher cost locations to provide all or a substantial portion of their services. We are able to achieve significant cost reductions as we shift these labor costs to our offshore operations.

Key Performance Measures

We consider numerous factors in assessing our performance. Key performance measures used by management, including adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted net income and adjusted net income per share, are non-GAAP financial measures, which we believe better enable management and investors to analyze and compare the underlying business results from period to period.

These non-GAAP financial measures should not be considered in isolation, or as a substitute for or superior to, financial measures calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Moreover, these non-GAAP financial measures have limitations in that they do not reflect all the items associated with the operations of our business as determined in accordance with GAAP. We compensate for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis, and we provide reconciliations from the most directly comparable GAAP financial measures to the non-GAAP financial measures. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted net income and adjusted net income per share provide an alternative view of performance used by management and we believe that an investor's understanding of our performance is enhanced by disclosing these adjusted performance measures.

Adjusted EBITDA excludes the following elements which are included in GAAP net income (loss):

- Income tax expense or the cash requirements to pay our taxes;
- Interest expense, or the cash requirements necessary to service interest on principal payments, on our debt;
- Foreign currency gains and losses and asset impairment charges and other non-operating expenditures;
- Stock-based compensation expense and cash-settled awards, based on changes in the stock price;
- Non-cash depreciation and amortization charges, and does not reflect any cash requirements for replacement for capital expenditures;
- Integration costs, such as severance amounts paid to employees from acquired businesses, transaction costs, such as brokerage fees, pre-acquisition accounting costs and legal fees, exit costs related to terminating leases and other contractual agreements, costs related to specific transactions and restructuring charges arising from discontinued facilities and operations; and
- Changes in contingent consideration.

Set forth below is a presentation of our adjusted EBITDA for the three and six months ended June 30, 2018 and 2017:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	($ in thousands)			
Net revenue	$ 8,683	$ 7,785	$ 16,990	$ 16,005
GAAP net income (loss)	$ 195	$ (1,694)	$ 270	$ (4,402)
Provision for income taxes	51	67	98	127
Net interest expense	44	280	113	556
Foreign exchange / other expense	(185)	28	(332)	(10)
Stock-based compensation expense	409	79	537	208
Depreciation and amortization	560	1,453	1,151	2,973
Integration, transaction and restructuring costs	472	92	651	551
Change in contingent consideration	11	163	43	151
Adjusted EBITDA	**$ 1,557**	**$ 468**	**$ 2,531**	**$ 154**

Adjusted operating income and adjusted operating margin exclude the following elements which are included in GAAP operating income (loss):

- Stock-based compensation expense and cash-settled awards, based on changes in the stock price;
- Amortization of purchased intangible assets;
- Integration costs, such as severance amounts paid to employees from acquired businesses, transaction costs, such as brokerage fees, pre-acquisition accounting costs and legal fees, exit costs related to terminating leases and other contractual agreements, costs related to specific transactions and restructuring charges arising from discontinued facilities and operations; and
- Changes in contingent consideration.

Set forth below is a presentation of our adjusted operating income and adjusted operating margin, which represents adjusted operating income as a percentage of net revenue, for the three and six months ended June 30, 2018 and 2017:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	($ in thousands)			
Net revenue	$ 8,683	$ 7,785	$ 16,990	$ 16,005
GAAP net income (loss)	$ 195	$ (1,694)	$ 270	$ (4,402)
Provision for income taxes	51	67	98	127
Net interest expense	44	280	113	556
Other income - net	(218)	(37)	(370)	(75)
GAAP operating income (loss)	72	(1,384)	111	(3,794)
GAAP operating margin	0.8%	(17.8%)	0.7%	(23.7%)
Stock-based compensation expense	409	79	537	208
Amortization of purchased intangible assets	337	1,199	698	2,462
Integration, transaction and restructuring costs	472	92	651	551
Change in contingent consideration	11	163	43	151
Non-GAAP adjusted operating income	**$ 1,301**	**$ 149**	**$ 2,040**	**$ (422)**
Non-GAAP adjusted operating margin	15.0%	1.9%	12.0%	(2.6%)

Adjusted net income and adjusted net income per share exclude the following elements which are included in GAAP net income (loss):

- Foreign currency gains and losses and asset impairment charges and other non-operating expenditures;
- Stock-based compensation expense and cash-settled awards, based on changes in the stock price;
- Amortization of purchased intangible assets;
- Integration costs, such as severance amounts paid to employees from acquired businesses, transaction costs, such as brokerage fees, pre-acquisition accounting costs and legal fees, exit costs related to terminating leases and other contractual agreements, costs related to specific transactions and restructuring charges arising from discontinued facilities and operations;
- Changes in contingent consideration; and
- Income tax expense resulting from the amortization of goodwill related to our acquisitions.

No tax effect has been provided in computing non-GAAP adjusted net income and non-GAAP adjusted net income per share as the Company has sufficient carry forward net operating losses to offset the applicable income taxes. The following table shows our reconciliation of GAAP net income (loss) to non-GAAP adjusted net income for the three and six months ended June 30, 2018 and 2017:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	($ in thousands)			
GAAP net income (loss)	$ 195	$ (1,694)	$ 270	$ (4,402)
Foreign exchange / other expense	(185)	28	(332)	(10)
Stock-based compensation expense	409	79	537	208
Amortization of purchased intangible assets	337	1,199	698	2,462
Integration, transaction and restructuring costs	472	92	651	551
Change in contingent consideration	11	163	43	151
Income tax expense related to goodwill	40	56	78	110
Non-GAAP adjusted net income	**$ 1,279**	**$ (77)**	**$ 1,945**	**$ (930)**

Set forth below is a reconciliation of our non-GAAP adjusted net income per share to our GAAP net loss attributable to common shareholders, per share.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
GAAP net loss attributable to common shareholders, per share	$ (0.09)	$ (0.20)	$ (0.15)	$ (0.48)
Impact of preferred stock dividend	0.11	0.05	0.17	0.10
Net income (loss) per end-of-period share	0.02	(0.15)	0.02	(0.38)
Foreign exchange / other expense	(0.02)	0.00	(0.03)	0.00
Stock-based compensation expense	0.04	0.01	0.05	0.02
Amortization of purchased intangible assets	0.03	0.11	0.06	0.21
Integration, transaction and restructuring costs	0.04	0.01	0.06	0.05
Change in contingent consideration	0.00	0.01	0.00	0.01
Income tax expense related to goodwill	0.00	0.00	0.01	0.01
Non-GAAP adjusted net income per share	**$ 0.11**	**$ (0.01)**	**$ 0.17**	**$ (0.08)**
End-of-period shares	11,665,174	11,451,427	11,665,174	11,451,427

For purposes of determining non-GAAP adjusted net income per share, the Company used the number of common shares outstanding at the end of June 30, 2018 and 2017. Non-GAAP adjusted net income per share does not take into account dividends paid on our preferred stock. No tax effect has been provided in computing non-GAAP adjusted net income and non-GAAP adjusted net income per common share as the Company has sufficient carry forward net operating losses to offset the applicable income taxes.

Key Metrics

In addition to the line items in our consolidated financial statements, we regularly review the following key metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections, make strategic business decisions, and assess market share trends and working capital needs. We believe information on these metrics is useful for investors to understand the underlying trends in our business.

Set forth below are our key operating and financial metrics for RCM customers using our platform, which excludes acquired customers who have not migrated to our platform as well as customers of our clearinghouse, EDI and other services. Revenue from practices using our platform accounted for approximately 39% and 47% of our revenue for the six months ended June 30, 2018 and 2017, respectively.

Days in Accounts Receivable: Days in accounts receivable measures the median number of days between the day a claim is submitted by us on behalf of our customer, and the date the claim is paid to our customer. Our clients' median days in accounts receivable was approximately 39 days for primary care and 41 days for combined specialties for the twelve months ended June 30, 2018, and approximately 35 days for primary care and 41 days for combined specialties for the twelve months ended June 30, 2017, as compared to the national average of 36 and 40 days, respectively, as reported by the Medical Group Management Association in 2016.

Providers and Practices Served: As of June 30, 2018, we provided RCM and related services to approximately 3,300 providers (which we define as physicians, nurses, nurse practitioners, physician assistants and other clinical staff that render bills for their services), representing approximately 730 practices. In addition, we served approximately 220 clients who were not medical practices, but are service organizations who serve the healthcare community. As of June 30, 2017, we served approximately 2,600 providers representing approximately 750 practices.

Sources of Revenue

Revenue: We primarily derive our revenues from revenue cycle management services, typically billed as a percentage of payments collected by our customers. This fee includes RCM as well as the ability to use our EHR and practice management software as part of the bundled fee. All of these services are considered medical billing revenue. These payments accounted for approximately 91% and 90% of our revenues during the three months ended June 30, 2018 and 2017, respectively and 90% for both the six months ended June 30, 2018 and 2017.

We earned approximately 2% of our revenue from clearinghouse and EDI clients during both the three and six months ended June 30, 2018 and 2017. We earned approximately 3% and 4% of our revenue from printing and mailing operations during the three and six months ended June 30, 2018, respectively. We earned approximately 4% of our revenue from printing and mailing for both the three and six months ended June 30, 2017.

Operating Expenses

Direct Operating Costs. Direct operating cost consists primarily of salaries and benefits related to personnel who provide services to our customers, claims processing costs, and other direct costs related to our services. Costs associated with the implementation of new customers are expensed as incurred. The reported amounts of direct operating costs do not include depreciation and amortization, which are broken out separately in the condensed consolidated statements of operations.

Selling and Marketing Expense. Selling and marketing expense consists primarily of compensation and benefits, commissions, travel, advertising expenses.

Research and Development Expense. Research and development expense consists primarily of personnel-related costs and third-party contractor costs.

General and Administrative Expense. General and administrative expense consists primarily of personnel-related expense for administrative employees, including compensation, benefits, travel, occupancy and insurance, software license fees and outside professional fees.

Contingent Consideration. Contingent consideration represents the portion of consideration payable to the sellers of some of our acquisitions, the amount of which is based on the achievement of defined performance measures contained in the purchase agreements. Contingent consideration is adjusted to fair value at the end of each reporting period.

Depreciation and Amortization Expense. Depreciation expense is charged using the straight-line method over the estimated lives of the assets ranging from three to five years. Amortization expense is charged on either an accelerated or on a straight-line basis over a period of three years for most intangible assets acquired in connection with acquisitions.

Interest and Other Income (Expense). Interest expense consists primarily of interest costs related to our working capital line of credit, term loans and amounts due in connection with acquisitions, offset by interest income. Other income (expense) results primarily from foreign currency transaction gains (losses) and income earned from temporary cash investments.

Income Tax. In preparing our condensed consolidated financial statements, we estimate income taxes in each of the jurisdictions in which we operate. This process involves estimating actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and financial reporting purposes. These differences result in deferred income tax assets and liabilities. Although the Company is forecasting a return to profitability, it incurred cumulative losses, which make realization of a deferred tax asset difficult to support in accordance with ASC 740. Accordingly, a valuation allowance has been recorded against all deferred tax assets as of June 30, 2018 and December 31, 2017.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was enacted. Effective January 1, 2018, among other changes, the Act (a) reduces the U.S. federal corporate tax rate to 21 percent, provides for a deemed repatriation and taxation at reduced rates on historical earnings (a "Transition Tax") of certain non-US subsidiaries owned by U.S. companies and establishes new mechanisms to tax such earnings going forward. For the Transition Tax, further information is required to finalize the estimated amount of accumulated foreign earnings as well as to validate the amount of earnings represented by the aggregate foreign cash position as defined in the Tax Act. We expect to complete our analysis within the measurement period in accordance with Staff Accounting Bulletin ("SAB") 118.

The Act includes a provision effective January 1, 2018 for a global intangible low-taxed income ("GILTI") tax. Companies can either account for the GILTI inclusion in the period in which they are incurred or establish deferred tax liabilities for the expected future taxes associated with GILTI. The Company elected to record the GILTI provisions as they are incurred each period.

The Company will continue to analyze the effects of the Act on its consolidated financial statements and operations. Our estimates are subject to change as we review the data available and any additional guidance. Any additional impacts from the enactment of the Act will be recorded as they are identified during the measurement period as provided in SAB 118. No provisional amounts were recorded during the six months ended June 30, 2018. We expect to conclude our analysis by the end of the third quarter.

Critical Accounting Policies and Estimates

We prepare our condensed consolidated financial statements in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expense and related disclosures. We base our estimates, assumptions and judgments on historical experience, current trends and various other factors that we believe to be reasonable under the circumstances. The accounting estimates used in the preparation of our condensed consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. On a regular basis, we review our accounting policies, estimates, assumptions and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. The methods, estimates and judgments that we use in applying our accounting policies have a significant impact on our results of operations.

Critical accounting policies are those policies used in the preparation of our condensed consolidated financial statements that require management to make difficult, subjective, or complex adjustments, and to make estimates about the effect of matters that are inherently uncertain. As a result of our adoption of the new revenue recognition standard on January 1, 2018, we re-assessed the estimates, assumptions, and judgments that are most critical in our recognition of revenue.

We account for revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Our revenue recognition policies require us to make significant judgments and estimates. Under ASC 606, certain significant accounting estimates, such as payment-to-charge ratios, effective billing rates and the estimated contractual payment periods are required to measure the medical billing revenue. We analyze various factors including, but not limited to, contractual terms and conditions, the credit-worthiness of our customers and our pricing policies. Changes in judgment on any of the above factors could materially impact the timing and amount of revenue recognized in a given period.

We estimate the variable consideration which we expect to be entitled to over the contractual period associated with our medical billing contracts, which begins no earlier than go-live, and recognize the fees over the term. The estimate of variable consideration included in the transaction price typically involves estimating the amounts our clients will ultimately collect associated with the services they provide and the relative fee we charge associated with those collections. When reviewing our estimates, in order to ensure that our estimates do not pose a risk of significantly overstating our revenue in any reporting period, we will apply constraints, when appropriate, to certain estimates around our variable consideration. Variable consideration estimates are updated at each reporting period.

Although we believe that our approach to estimates and judgements is reasonable, actual results could differ, and we may be exposed to increases or decreases in revenue that could be material. Our estimates of variable consideration may prove to be inaccurate, in which case we may have understated or overstated the revenue recognized in an accounting period. The amount of variable consideration recognized to date that remains subject to estimation is included within the contract asset on the condensed consolidated balance sheet.

Revenue is recognized as the performance obligations are satisfied. We derive revenue from six primary sources: medical billing revenue, ancillary services, clearinghouse and EDI services, professional services, Enrollment*Plus* and printing and mailing. All of our revenue arrangements are based on contracts with customers. Most of our contracts with customers contain single performance obligations, although certain contracts do contain multiple performance obligations. We account for individual performance obligations separately if they are distinct. For contracts where we provide multiple services such as where we perform multiple ancillary services, each service represents its own performance obligation. Selling prices are based on the contractual price for the service.

Other than the additional estimates as a result of ASC 606 discussed above, there have been no material changes in our critical accounting policies and estimates from those described in the Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 7, 2018.

Results of Operations

The following table sets forth our consolidated results of operations as a percentage of total revenue for the periods shown.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net revenue	100.0%	100.0%	100.0%	100.0%
Operating expenses:				
Direct operating costs	49.9%	53.9%	51.9%	58.9%
Selling and marketing	4.6%	3.5%	4.2%	3.9%
General and administrative	35.2%	35.6%	33.3%	36.0%
Change in contingent consideration	0.1%	2.1%	0.3%	0.9%
Research and development	2.9%	4.0%	3.0%	3.7%
Depreciation and amortization	6.4%	18.7%	6.8%	18.6%
Restructuring charges	0.0%	0.0%	0.0%	1.7%
Total operating expenses	99.1%	117.8%	99.5%	123.7%
Operating income (loss)	0.9%	(17.8%)	0.5%	(23.7%)
Interest expense - net	0.5%	3.6%	0.7%	3.5%
Other income - net	2.5%	0.5%	2.2%	0.5%
Income (loss) before income taxes	2.9%	(20.9%)	2.0%	(26.7%)
Income tax provision	0.6%	0.9%	0.6%	0.8%
Net income (loss)	2.3%	(21.8%)	1.4%	(27.5%)

Comparison of the three and six months ended June 30, 2018 and 2017

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2018	2017	Amount	Percent	2018	2017	Amount	Percent
Revenue	$8,682,937	$7,784,750	$ 898,187	12%	$16,990,262	$16,004,824	$ 985,438	6%

Revenue. Total revenue of $8.7 million and $17.0 million for the three and six months ended June 30, 2018 increased by $898,000 or 12% and $985,000 or 6% from revenue of $7.8 million and $16.0 million for the three and six months ended June 30, 2017, respectively. Total revenue for the three and six months ended June 30, 2018 included approximately $280,000 and $327,000 from the adoption of ASC 606, respectively and approximately $47,000 and $113,000, respectively of revenue from customers we acquired from the WMB acquisition.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2018	2017	Amount	Percent	2018	2017	Amount	Percent
Direct operating costs	$4,333,573	$4,197,824	$ 135,749	3%	$ 8,817,628	$ 9,420,560	$ (602,932)	(6%)
Selling and marketing	403,057	268,958	134,099	50%	708,071	624,469	83,602	13%
General and administrative	3,054,205	2,771,811	282,394	10%	5,654,939	5,758,474	(103,535)	(2%)
Research and development	248,921	313,400	(64,479)	(21%)	504,800	594,249	(89,449)	(15%)
Change in contingent consideration	11,030	162,611	(151,581)	(93%)	42,780	151,423	(108,643)	(72%)
Depreciation	144,917	164,509	(19,592)	(12%)	295,988	328,192	(32,204)	(10%)
Amortization	414,779	1,288,636	(873,857)	(68%)	854,479	2,644,498	(1,790,019)	(68%)
Restructuring charges	-	-	-	-	-	275,628	(275,628)	(100%)
Total operating expenses	$8,610,482	$9,167,749	$(557,267)	(6%)	$16,878,685	$19,797,493	$(2,918,808)	(15%)

Direct Operating Costs. Direct operating costs of $4.3 million and $8.8 million for the three and six months ended June 30, 2018, respectively, increased by $136,000 or 3% and decreased by $603,000 or 6% from direct operating costs of $4.2 million and $9.4 million for the three and six months ended June 30, 2017, respectively. During the three months ended June 30, 2018, salary costs increased by $99,000 and other processing costs increased by $61,000. During the six months ended June 30, 2018, salary costs decreased by $556,000 and facility and other processing costs decreased by $29,000. The decrease in the salary costs for the six months ended June 30, 2018 were related to a decrease in the headcount related to the MediGain integration.

Selling and Marketing Expense. Selling and marketing expense of $403,000 and $708,000 for the three and six months ended June 30, 2018 increased by $134,000 or 50% and $84,000 or 13% from selling and marketing expense of $269,000 and $624,000 for the three and six months ended June 30, 2017, respectively. The increase was primarily due to increased marketing expenditures.

General and Administrative Expense. General and administrative expense of $3.1 million and $5.7 million for the three and six months ended June 30, 2018 increased by $282,000 or 10% and decreased by $104,000 or 2% compared to the same period in 2017. The increase in general and administrative expense for the three months ended June 30, 2018 was primarily due to legal and professional costs related to the Orion acquisition. The decrease in general and administrative expense for the six months ended June 30, 2018 was primarily due to reduced salary costs, equipment lease costs and travel expenses.

Research and Development Expense. Research and development expense of $249,000 and $505,000 for the three and six months ended June 30, 2018 decreased by $64,000 or 21% and $89,000 or 15% from research and development expense of $313,000 and $594,000 for the three and six months ended June 30, 2017, respectively.

Contingent Consideration. The change in contingent consideration of $11,000 and $43,000 during the three and six months ended June 30, 2018 and $163,000 and $151,000 during the three and six months ended June 30, 2017, respectively, relates to the change in the fair value of the contingent consideration from acquisitions.

Depreciation. Depreciation of $145,000 and $296,000 for the three and six months ended June 30, 2018 decreased by $20,000 or 12% and $32,000 or 10% from depreciation of $165,000 and $328,000 for the three and six months ended June 30, 2017, respectively, as a result of property and equipment becoming fully depreciated.

Amortization Expense. Amortization expense of $415,000 and $854,000 for the three and six months ended June 30, 2018 decreased by $874,000 and $1.8 million from amortization expense of $1.3 million and $2.6 million for the three and six months ended June 30, 2017, respectively. This decrease resulted from the intangible assets acquired in connection with the Company's 2014 acquisitions becoming fully amortized.

Restructuring Charges. Restructuring charges during the six months ended June 30, 2017 primarily represent employee severance costs, remaining lease and termination fees, disposal of property and equipment and professional fees associated with the closing of the operations in India and Poland. There were no similar costs incurred in 2018.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2018	2017	Amount	Percent	2018	2017	Amount	Percent
Interest income	$ 29,939	$ 4,731	$ 25,208	533%	$ 35,224	$ 8,152	$ 27,072	332%
Interest expense	(74,167)	(285,144)	210,977	74%	(148,248)	(564,569)	416,321	74%
Other income - net	218,589	36,839	181,750	493%	369,963	74,870	295,093	394%
Income tax provision	51,536	67,030	(15,494)	(23%)	98,200	127,332	(29,132)	(23%)

Interest Income. Interest income of $30,000 and $35,000 for the three and six months ended June 30, 2018 increased by $25,000 or 533% and $27,000 or 332% from interest income of $5,000 and $8,000 for the three and six months ended June 30, 2017, respectively. The increase in interest income represents interest earned on temporary cash investments.

Interest Expense. Interest expense of $74,000 and $148,000 for the three and six months ended June 30, 2018, respectively, decreased by $211,000 or 74% and $416,000 or 74% from interest expense of $285,000 and $565,000 for the three and six months ended June 30, 2017, respectively. This decrease was primarily due to interest costs on borrowings under our term loans and line of credit and amounts related to the MediGain transaction which were repaid during 2017. Interest expense includes the amortization of deferred financing costs which was $96,000 and $135,000 during the six months ended June 30, 2018 and 2017, respectively.

Other Income - net. Other income - net was $219,000 and $370,000 for the three and six months ended June 30, 2018, respectively, compared to other income - net of $37,000 and $75,000 for the three and six months ended June 30, 2017, respectively. Other income is primarily foreign currency transaction gains (losses) resulting from transactions in foreign currencies other than the functional currency. These transaction gains and losses are recorded in the condensed consolidated statements of operations related to the recurring measurement and settlement of such transactions.

Income Tax Provision. There was a $52,000 and a $98,000 provision for income taxes for the three and six months ended June 30, 2018, respectively, a decrease of $15,000 or 23% and $29,000 or 23% compared to the provision for income taxes of $67,000 and $127,000 for the three and six months ended June 30, 2017. Included in the June 30, 2018 and 2017 tax provisions are $78,000 and $110,000 deferred income tax provisions related to the amortization of goodwill. The decrease in the income tax provision is primarily due to the lower statutory Federal tax rate effective January 1, 2018. The pre-tax income was $247,000 and $369,000 for the three and six months ended June 30, 2018 compared to a pre-tax loss of $1.6 million and $4.3 million for the three and six months ended June 30, 2017, respectively. Although the Company is forecasting a return to profitability, it incurred three years of cumulative losses which make realization of a deferred tax asset difficult to support in accordance with ASC 740. Accordingly, a valuation allowance was recorded against all deferred tax assets at June 30, 2018 and 2017.

Liquidity and Capital Resources

The Company had a cash balance of $11.7 million at June 30, 2018 and no outstanding amounts drawn on its credit facility with SVB. During June 2018, the Company made a $1 million deposit towards the purchase price of Orion.

During October 2017, the Company repaid and closed its Opus credit facility and replaced it with a $5 million revolving line of credit with SVB. Borrowings under the SVB facility are based on 200% of repeatable revenue, reduced by an annualized attrition rate, as defined in the agreement. As of June 30, 2018, the Company was in compliance with all the covenants contained in the SVB credit agreement. The Company did not utilize the credit facility during the six months ended June 30, 2018, but borrowed $2.5 million for working capital on July 2, 2018 which was subsequently repaid.

In connection with the acquisition of Orion on July 2, 2018, the Company paid $11.6 million as the remaining purchase price, using its cash balances.

During the six months ended June 30, 2018, there was positive cash flow from operations of approximately $2.0 million and the Company ended the quarter with $11.7 million in cash, positive working capital of $14.2 million and no bank debt. During the three months ended June 30, 2018, cash flow provided by operations was $1.3 million. During July 2018, the Company paid the remainder of the purchase price of $11.6 million for the Orion acquisition and borrowed $2.5 million on its credit line.

The following table summarizes our cash flows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net cash provided by (used in) operating activities	$ 1,294,224	$ 178,564	$ 1,967,605	$ (688,885)
Net cash used in investing activities	(1,202,188)	(133,098)	(1,376,430)	(345,215)
Net cash provided by financing activities	8,318,085	4,508,647	7,204,048	3,391,410
Effect of exchange rate changes on cash	(228,572)	6,524	(434,836)	(23,704)
Net increase in cash	$ 8,181,549	$ 4,560,637	$ 7,360,387	$ 2,333,606

The income before income taxes was $247,000 and $369,000 for the three and six months ended June 30, 2018, respectively, which included $560,000 and $1.2 million of non-cash depreciation and amortization, respectively.

During 2017, the Company raised a total of $18.4 million in net proceeds from a series of equity financings. In May 2017, the Company completed a registered direct offering of one million shares of its common stock at $2.30 per share, raising net proceeds of approximately $2.0 million. Between June and December 2017, the Company completed six public offerings of approximately 765,000 shares of Preferred Stock at $25.00 per share, raising net proceeds of approximately $16.4 million. During April 2018, the Company sold 420,000 shares of Preferred Stock and raised net proceeds of approximately $9.4 million.

Operating Activities

Cash provided by operating activities was $2.0 million during the six months ended June 30, 2018, compared to cash used in operating activities of $689,000 during the six months ended June 30, 2017. The decrease in the net loss of $4.7 million included the following changes in non-cash items: a decrease in depreciation and amortization of $1.8 million, an increase in stock-based compensation expense, a foreign exchange gain of $329,000, a decrease in provision for doubtful accounts of $208,000 and a change in contingent consideration of $109,000.

Accounts receivable decreased by $329,000 for the six months ended June 30, 2018, compared with a decrease of $531,000 for the six months ended June 30, 2017. Accounts payable, accrued compensation and accrued expenses decreased by $180,000 for the six months ended June 30, 2018 compared to a decrease of $739,000 for the six months ended June 30, 2017.

Investing Activities

Cash used in investing activities for capital expenditures during the six months ended June 30, 2018 was $1.4 million, an increase of $1.0 million compared to $345,000 during the six months ended June 30, 2017. During June 2018, the Company made a $1 million deposit in connection with the Orion acquisition. The deposit was applied against the purchase price in July 2018.

Financing Activities

Cash provided by financing activities during the six months ended June 30, 2018 and 2017 was $7.2 million and $3.4 million, respectively. Cash used in financing activities during the six months of 2018 includes $139,000 of repayments for debt obligations and $1.7 million of preferred stock dividends. Cash used in financing activities for six months ended June 30, 2017 included $4.3 million of repayment for debt obligations and $411,000 of preferred stock dividends. Average borrowings from our revolving line of credit were $2 million for the six months ended June 30, 2017. There were no borrowings during the six months ended June 30, 2018. During six months ended June 30, 2018 and 2017, the Company sold an additional 420,000 and 295,000 shares of preferred stock raising approximately $9.4 million and $6.2 million of net proceeds, respectively. During the six months ended June 30, 2017, the Company sold 1 million shares of common stock raising $2 million of net proceeds.

Contractual Obligations and Commitments

We have contractual obligations under our line of credit and related to contingent consideration in connection with the acquisitions made in 2015 and 2016. We also maintain operating leases for property and certain office equipment. We were in compliance with all SVB covenants as of June 30, 2018. For additional information, see Contractual Obligations and Commitments under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 7, 2018.

Off-Balance Sheet Arrangements

As of June 30, 2018 and 2017, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special-purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Other than our operating leases for office space, computer equipment and other property, we do not engage in off-balance sheet financing arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by 17 C.F.R. 229.10(f)(1) and are not required to provide information under this item, pursuant to Item 305(e) of Regulation S-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, based on the 2013 framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2018 as required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures, as of June 30, 2018 our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Beginning January 1, 2018, we implemented ASC 606, "*Revenue from Contracts with Customers.*" For its adoption, we implemented changes to our revenue recognition processes and control activities within them such as development of new entity-wide policies, in-house training, ongoing contract reviews and system changes to accommodate presentation and disclosure requirements. There were no changes that occurred during the most recent fiscal quarter.

There were no other changes in our internal control over financial reporting (as defined in Rule 13a-15 (f) of the Exchange Act) 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

On May 30, 2018, the Superior Court of New Jersey, Chancery Division, Somerset County (the "Chancery Court"), denied the Company's and MTBC Acquisition Corp.'s ("MAC") request to enjoin an arbitration proceeding demanded by Randolph Pain Relief and Wellness Center ("RPWC") related to RCM services provided by parties other than the Company and MAC. On June 15, 2018, the Company and MAC filed an appeal of the Chancery Court's order. On July 19, 2018, the Chancery Court ordered that the arbitration be stayed pending the Company's and MAC's appeal. The demand for arbitration alleges breach of a billing services agreement between RPWC and Millennium Practice Management Associates, Inc., a subsidiary of MediGain, LLC, and seeks compensatory damages and costs. The Company and MAC contend they were never party to the billing services agreement giving rise to the arbitration claim, did not assume the obligations of Millennium Practice Management Associates under such agreement, and any agreement to arbitrate disputes arising under such agreement does not apply to the Company or MAC. While the allegations of breach of contract made by RPWC have not been the subject of ongoing legal proceedings, the Company and MAC believe that such allegations lack merit on numerous grounds. The Company's and MAC's appeal remains pending.

From time to time, we may become involved in other legal proceedings arising in the ordinary course of our business. Including the proceeding described above, we are not presently a party to any legal proceedings that, in the opinion of our management, would individually or taken together have a material adverse effect on our business, operating results, financial position or cash flows of the Company.

Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

Item 1A. Risk Factors

Pursuant to the instructions of Item 1A of Form 10-Q, a smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Purchases of Equity Securities

The Company is prohibited from paying dividends on its common stock without the consent of its senior lender, SVB.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	**Exhibit Description**
3.1	Amended and Restated Certificate of Incorporation of the Company dated April 4, 2014.
3.2	Amended and Restated Certificate of Incorporation of the Company dated June 29, 2016.
3.3	Amended and Restated Certificate of Designations, Preferences and Rights of 11% Series A Cumulative Redeemable Perpetual Preferred Stock.
3.4	First Amendment to Amended and Restated Certificate of Designations, Preferences and Rights of 11% Series A Cumulative Redeemable Perpetual Preferred Stock.
3.5	Second Amendment to Amended and Restated Certificate of Designations, Preferences and Rights of 11% Series A Cumulative Redeemable Perpetual Preferred Stock.
3.6	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company dated June 18, 2018.
10.16	First Amendment to Medical Transcription Billing, Corp. Amended and Restated Equity Incentive Plan.
31.1	Certification of the Company's Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), of the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Company's Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), of the Securities Exchange Act of 1934, as amended.
32.1*	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

*The certifications on Exhibit 32 hereto are deemed not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates them by reference.

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.

		Medical Transcription Billing, Corp.
August 8, 2018	By:	*/s/ Stephen Snyder*
Date		Stephen Snyder Chief Executive Officer
August 8, 2018	By:	*/s/ Bill Korn*
Date		Bill Korn Chief Financial Officer

Exhibit 3.1

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
MEDICAL TRANSCRIPTION BILLING, CORP.**

The undersigned, Stephen Snyder, hereby certifies that:

1. He is the acting President of Medical Transcription Billing, Corp., a Delaware corporation.

2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on September 28, 2001 under the name Medical Transcription Billing, Corp. and was further amended through filing with the Secretary of State of Delaware on August 24, 2004.

3. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law, and restates, integrates and further amends the provisions of this corporation's Certificate of Incorporation, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the Delaware General Corporation Law.

4. The Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

The name of this corporation is Medical Transcription Billing, Corp. (the "Corporation")

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

ARTICLE IV

4.1 Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 20,000,000 shares, consisting of 19,000,000 shares of Common Stock and 1,000,000 shares of Preferred Stock, each with a par value of $0.001 per share.

4.2 Increase or Decrease in Authorized Capital Stock. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote generally in the election of directors, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 4.4 of this Article IV.

4.3 Common Stock.

(a) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this certificate of incorporation (this "Certificate of Incorporation" which term, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) and subject to the rights of the holders of Preferred Stock, at any annual or special meeting of the stockholders, the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms, number of shares, powers, designations, preferences, or relative participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereon, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one more other such series, to vote thereon pursuant to this Certificate of Incorporation (including, without limitation, by any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Subject to the rights of the holders of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the Board of Directors from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(d) Effective upon the date of filing this amendment with the Secretary of State of Delaware (the "Effective Date") each share of Common Stock of the Corporation issued and outstanding or held in the treasury of the corporation immediately prior to the Effective Date shall be automatically changed into and reclassified as 8.64933 fully paid and nonassessable shares of common stock, par value $0.001 per share, and on the Effective Date and by virtue of the foregoing reclassification, each such holder of record of Common Stock shall, without further action, be and become the holder of 7.64933 additional shares of Common Stock for each share of Common Stock held of record immediately prior thereto. Effective on the Effective Date, each share of Common Stock outstanding or held in treasury immediately prior to such time shall continue to represent the same number of shares of Common Stock and as promptly as practicable thereafter, the corporation shall issue an additional share of Common Stock for each share of Common Stock held of record immediately prior thereto.

4.4 Preferred Stock.

(a) The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions and to set forth in a certification of designations filed pursuant to the DGCL the powers, designations, preferences and relative, participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any wholly unissued series of Preferred Stock, including without limitation authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

(b) The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, the number of which was fixed by it, subsequent to the issuance of shares of such series then outstanding, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in the Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. If the number of shares of any series is so decreased, then the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

5.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

5.2 Number of Directors; Election; Term.

(a) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of the Board of Directors.

(b) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, effective upon the Effective Date, the directors of the Corporation shall initially be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III, until the third anniversary of the Effective Date, at which time the directors of the Corporation shall be divided into two classes as nearly equal in size as is practicable, hereby designated Class I and Class II. The initial assignment of members of the Board of Directors to each such class shall be made by the Board of Directors. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of the stockholders following the Effective Date, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Date and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Effective Date. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Date, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Following the third anniversary of the Effective Date, the term of office of the Class I directors shall expire at the next regularly-scheduled annual meeting of the stockholders following such third anniversary and the term of office of the initial Class III directors shall expire at such next regularly-scheduled annual meeting, at which point the Class III directors shall be divided into Class I and Class II as nearly equally as is practicable and at each following annual meeting of stockholders, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the second annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board of Directors is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Notwithstanding the foregoing provisions of this Section 5.2, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

(d) Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

5.3 Removal. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, a director may be removed only for cause from office upon the affirmative vote of the holders of at least 50.1% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE VII

7.1 Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

7.4 Exclusive Jurisdiction. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Corporation's Certificate of Incorporation or Bylaws, or (v) any action asserting a claim against the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensible parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 7.4.

ARTICLE VIII

8.1 Limitation of Personal Liability. To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

8.2 Indemnification.

(a) The Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized by the Board.

(b) The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

(c) Any repeal or amendment of this Article VIII by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Certificate of Incorporation inconsistent with this Article VIII will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors) and shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such repeal or amendment or adoption of such inconsistent provision.

ARTICLE IX

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation (including any rights, preferences or other designations of Preferred Stock), in the manner now or hereafter prescribed by this Certificate of Incorporation and the DGCL; and all rights, preferences and privileges herein conferred upon stockholders by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX. Notwithstanding any other provision of this Certificate of Incorporation, and in addition to any other vote that may be required by law or the terms of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of Article V, Article VI, Article VII or this Article IX (including, without limitation, any such Article as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other Article).

* * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this 4th day of April, 2014.

/s/ Stephen Snyder
Stephen Snyder, President

Exhibit 3.2

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

MEDICAL TRANSCRIPTION BILLING, CORP.

The undersigned, Stephen Snyder, hereby certifies that:

1. He is the acting President of Medical Transcription Billing, Corp., a Delaware corporation.

2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on September 28, 2001 under the name Medical Transcription Billing, Corp., amended on August 24, 2004, further amended on May 7, 2014, and corrected through a filing with the Secretary of State of Delaware on June 5, 2014.

3. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law, and restates, integrates and further amends the provisions of this corporation's Certificate of Incorporation, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the Delaware General Corporation Law.

4. The Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

The name of this corporation is Medical Transcription Billing, Corp. (the "Corporation")

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

ARTICLE IV

4.1 Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 21,000,000 shares, consisting of 19,000,000 shares of Common Stock and 2,000,000 shares of Preferred Stock, each with a par value of $0.001 per share.

4.2 Increase or Decrease in Authorized Capital Stock. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote generally in the election of directors, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 4.4 of this Article IV.

4.3 <u>Common Stock</u>.

(a) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this certificate of incorporation (this "Certificate of Incorporation" which term, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) and subject to the rights of the holders of Preferred Stock, at any annual or special meeting of the stockholders, the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms, number of shares, powers, designations, preferences, or relative participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereon, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one more other such series, to vote thereon pursuant to this Certificate of Incorporation (including, without limitation, by any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Subject to the rights of the holders of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the Board of Directors from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(d) Effective upon the date of filing this amendment with the Secretary of State of Delaware (the "Effective Date") each share of Common Stock of the Corporation issued and outstanding or held in the treasury of the corporation immediately prior to the Effective Date shall be automatically changed into and reclassified as 8.65 fully paid and nonassessable shares of common stock, par value $0.001 per share, and on the Effective Date and by virtue of the foregoing reclassification, each such holder of record of Common Stock shall, without further action, be and become the holder of 7.65 additional shares of Common Stock for each share of Common Stock held of record immediately prior thereto. Effective on the Effective Date, each share of Common Stock outstanding or held in treasury immediately prior to such time shall continue to represent the same number of shares of Common Stock and as promptly as practicable thereafter, the corporation shall issue an additional 7.65 shares of Common Stock for each share of Common Stock held of record immediately prior thereto.

4.4 <u>Preferred Stock</u>.

(a) The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions and to set forth in a certification of designations filed pursuant to the DGCL the powers, designations, preferences and relative, participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any wholly unissued series of Preferred Stock, including without limitation authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

(b) The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, the number of which was fixed by it, subsequent to the issuance of shares of such series then outstanding, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in the Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. If the number of shares of any series is so decreased, then the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

5.1 <u>General Powers</u>. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

5.2 <u>Number of Directors; Election; Term</u>.

(a) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of the Board of Directors.

(b) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, effective upon the Effective Date, the directors of the Corporation shall initially be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III, until the third annual meeting following the Effective Date, at which time the directors of the Corporation shall be divided into two classes as nearly equal in size as is practicable, hereby designated Class I and Class II. The initial assignment of members of the Board of Directors to each such class shall be made by the Board of Directors. The term of office of the initial Class I directors shall expire at the first annual meeting of the stockholders following the Effective Date, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Date and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Effective Date. At each annual meeting of stockholders, commencing with the first annual meeting of stockholders following the Effective Date, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. At the third annual meeting after the Effective Date, the term of office of the initial Class III directors shall expire, at which point the Class III directors shall be divided into Class I and Class II as nearly equally as is practicable and at each following annual meeting of stockholders, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the second annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board of Directors is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Notwithstanding the foregoing provisions of this Section 5.2, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

(d) Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

5.3 <u>Removal</u>. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, a director may be removed only for cause from office upon the affirmative vote of the holders of at least 50.1% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE VII

7.1 Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

7.4 Exclusive Jurisdiction. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Corporation's Certificate of Incorporation or Bylaws, or (v) any action asserting a claim against the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensible parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 7.4.

ARTICLE VIII

8.1 Limitation of Personal Liability. To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

8.2 Indemnification.

(a) The Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized by the Board.

(b) The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

(c) Any repeal or amendment of this Article VIII by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Certificate of Incorporation inconsistent with this Article VIII will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors) and shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such repeal or amendment or adoption of such inconsistent provision.

ARTICLE IX

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation (including any rights, preferences or other designations of Preferred Stock), in the manner now or hereafter prescribed by this Certificate of Incorporation and the DGCL; and all rights, preferences and privileges herein conferred upon stockholders by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX. Notwithstanding any other provision of this Certificate of Incorporation, and in addition to any other vote that may be required by law or the terms of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of Article V, Article VI, Article VII or this Article IX (including, without limitation, any such Article as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other Article).

* * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this 29 day of June, 2016.

/s/ Stephen Snyder

Stephen Snyder, President

Exhibit 3.3

MEDICAL TRANSCRIPTION BILLING, CORP.

AMENDED AND RESTATED CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF

11% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK

Pursuant to Section 151 of the Delaware General Corporation Law

Medical Transcription Billing, Corp., a Delaware corporation (the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation (the "Board of Directors") pursuant to the authority of the Board of Directors as required by Section 151 of the Delaware General Corporation Law.

WHEREAS, that the Amended and Restated Certificate of Incorporation, as amended (the "Amended and Restated Certificate of Incorporation"), provides for a class of its authorized stock known as preferred stock, comprised of 2,000,000 shares, $0.001 par value per share (the "Preferred Stock"), issuable from time to time in one or more series;

WHERAS, the Board of Directors is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any such series;

WHEREAS, pursuant to this authority, the Board of Directors previously fixed the rights, preferences, restrictions and other matters relating to the Corporation's 11% Series A Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Stock"), consisting of 234,600 shares, as evidenced by the Certificate of Designations, Preferences, and Rights filed with the Secretary of State of the State of Delaware on November 4, 2015 ("Existing Certificate");

WHEREAS, in anticipation of one more additional offerings of Series A Preferred Stock, the Board of Directors has authorized an increase in the number shares of Series A Preferred Stock from 234,600 shares to 800,000 shares; and

WHERAS, in connection with the foregoing, the Board of Directors has deemed it advisable to amend and restate the Existing Certificate.

NOW THEREFORE, BE IT RESOLVED, that pursuant to the authority granted to the Board of Directors in accordance with the provisions of the Amended and Restated Certificate of Incorporation, the Board of Directors hereby authorizes the amendment and restatement of the Existing Certificate so that it reads in its entirety as follows:

1. Designation and Amount. The shares of such series of Preferred Stock shall be designated as "11% Series A Cumulative Redeemable Perpetual Preferred Stock" and the number of shares constituting such series shall be 800,000 shares.

2. No Maturity, Sinking Fund, Mandatory Redemption. The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption, and will remain outstanding indefinitely unless the Corporation decides to redeem or otherwise repurchase the Series A Preferred Stock. The Corporation is not required to set aside funds to redeem the Series A Preferred Stock.

3. Ranking. The Series A Preferred Stock will rank, with respect to rights to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation, (i) senior to all classes or series of the Corporation's Common Stock, par value $0.001 per share ("Common Stock"), and to all other equity securities issued by the Corporation other than equity securities referred to in clauses (ii) and (iii) of this Section 3; (ii) on parity with all equity securities issued by the Corporation with terms specifically providing that those equity securities rank on parity with the Series A Preferred Stock with respect to rights to the payment of dividends and the distribution of assets upon any liquidation, dissolution or winding up of the Corporation; (iii) junior to all equity securities issued by the Corporation with terms specifically providing that those equity securities rank senior to the Series A Preferred Stock with respect to rights to the payment of dividends and the distribution of assets upon any liquidation, dissolution or winding up of the Corporation; and (iv) effectively junior to all existing and future indebtedness (including indebtedness convertible into our Common Stock or Preferred Stock) of the Corporation and to any indebtedness and other liabilities of (as well as any preferred equity interest held by others in) existing subsidiaries of the Corporation. The term "equity securities" shall not include convertible debt securities.

4. Dividends.

(a) Holders of shares of the Series A Preferred Stock are entitled to receive, when, as and if declared by the Board of Directors, out of funds of the Corporation legally available for the payment of dividends, cumulative cash dividends at the rate of 11% on $25.00 per share of the Series A Preferred Stock per annum (equivalent to $2.75 per annum per share). Commencing on the date of issuance of Series A Preferred Stock (as applicable, the "Issue Date"), dividends shall accrue on the Series A Preferred Stock daily and shall be cumulative from, and including, the applicable Issue Date, and shall be payable monthly in arrears on the 15th day of each month (each, a "Dividend Payment Date") to the holders of record of the Series A Preferred Stock as they appear on the stock records of the Corporation at the close of business on the last day of the preceding month, whether or not a Business Day (each, a "Dividend Record Date"); provided, that if any Dividend Payment Date is not a Business Day (as defined below), then the dividend which would otherwise have been payable on that Dividend Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Dividend Payment Date and no interest, additional dividends or other sums will accumulate on the amount so payable for the period from and after such Dividend Payment Date to such next succeeding Business Day. Dividends payable on the Series A Preferred Stock will be computed on the basis of a 360-day year consisting of twelve 30-day months, provided that for partial dividend periods, dividend payments will be pro rated, unless otherwise provided in the applicable securities offering and sale documents. The dividends payable on any Dividend Payment Date shall include dividends accumulated to, but not including, such Dividend Payment Date.

(b) No dividends on shares of Series A Preferred Stock shall be authorized by the Board of Directors, or paid or set apart for payment by the Corporation at any time when the terms and provisions of any agreement of the Corporation, including any agreement relating to any indebtedness of the Corporation, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment shall be restricted or prohibited by law.

(c) Notwithstanding anything to the contrary contained herein, dividends on the Series A Preferred Stock will accumulate whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of those dividends and whether or not those dividends are declared by the Board of Directors. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series A Preferred Stock which may be in arrears, and holders of the Series A Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described in Section 4(a). Any dividend payment made on the Series A Preferred Stock shall first be credited against the earliest accumulated but unpaid dividend due with respect to the Series A Preferred Stock.

(d) Except as provided in Section 4(e), unless full cumulative dividends on the Series A Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past dividend periods, (i) no dividends (other than in shares of Common Stock or in shares of any series of Preferred Stock that the Corporation may issue ranking junior to the Series A Preferred Stock as to the payment of dividends and the distribution of assets upon liquidation, dissolution, or winding up) shall be declared or paid or set aside for payment upon shares of Common Stock or Preferred Stock that the Corporation may issue ranking junior to or on a parity with the Series A Preferred Stock as to the payment of dividends, or upon liquidation, dissolution, or winding up, (ii) no other distribution shall be declared or made upon shares of Common Stock or Preferred Stock that the Corporation may issue ranking junior to or on a parity with the Series A Preferred Stock as to the payment of dividends, or the distribution of assets upon liquidation, dissolution, or winding up, and (iii) any shares of Common Stock and Preferred Stock that the Corporation may issue ranking junior to, or on a parity with the Series A Preferred Stock as to the payment of dividends, or the distribution of assets upon liquidation, dissolution, or winding up, shall not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation (except by conversion into or exchange for other capital stock of the Corporation that it may issue ranking junior to the Series A Preferred Stock as to the payment of dividends, or the distribution of assets upon liquidation, dissolution, or winding up).

(e) When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series A Preferred Stock and upon the shares of any other series of Preferred Stock that the Corporation may issue ranking on a parity as to the payment of dividends with the Series A Preferred Stock, all dividends declared upon the Series A Preferred Stock and any other series of Preferred Stock that the Corporation may issue ranking on parity as to the payment of dividends with the Series A Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Series A Preferred Stock and such other series of Preferred Stock that the Corporation may issue shall in all cases bear to each other the same ratio that accrued dividends per share on the Series A Preferred Stock and such other series of Preferred Stock that the Corporation may issue (which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such Preferred Stock does not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A Preferred Stock that may be in arrears.

(f) “Business Day” shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

5. Liquidation Preference.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock will be entitled to be paid out of the assets the Corporation has legally available for distribution to its shareholders, subject to the preferential rights of the holders of any class or series of capital stock of the Corporation it may issue ranking senior to the Series A Preferred Stock with respect to the distribution of assets upon liquidation, dissolution or winding up, a liquidation preference of Twenty-Five Dollars ($25.00) per share plus an amount equal to any accumulated and unpaid dividends to, but not including, the date of payment, before any distribution of assets is made to holders of Common Stock or any other class or series of capital stock of the Corporation that it may issue that ranks junior to the Series A Preferred Stock as to liquidation rights. The liquidation preference shall be proportionately adjusted in the event of a stock split, stock combination or similar event so that the aggregate liquidation preference allocable to all outstanding shares of Series A Preferred Stock immediately prior to such event is the same immediately after giving effect to such event.

(b) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Corporation are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Series A Preferred Stock and the corresponding amounts payable on all shares of other classes or series of capital stock of the Corporation that it may issue ranking on a parity with the Series A Preferred Stock in the distribution of assets, then the holders of the Series A Preferred Stock and all other such classes or series of capital stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(c) Holders of Series A Preferred Stock will be entitled to written notice of any such liquidation, dissolution or winding up no fewer than 30 days and no more than 60 days prior to the payment date. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. The consolidation or merger of the Corporation with or into any other corporation, trust or entity or of any other entity with or into the Corporation, or the sale, lease, transfer or conveyance of all or substantially all of the property or business the Corporation, shall not be deemed a liquidation, dissolution or winding up of the Corporation.

6. Redemption.

(a) The Series A Preferred Stock is not redeemable by the Company prior to November 4, 2020, except as described in this Section 6.

(b) Optional Redemption Right. On and after November 4, 2020, the Corporation may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of Twenty-Five Dollars ($25.00) per share, plus any accumulated and unpaid dividends thereon to, but not including, the date fixed for redemption. If the Corporation elects to redeem any shares of Series A Preferred Stock as described in this Section 6(b), it may use any available cash to pay the redemption price, and it will not be required to pay the redemption price only out of the proceeds from the issuance of other equity securities or any other specific source.

(c) Special Optional Redemption Right. Notwithstanding anything to the contrary contained in Section 6(a), upon the occurrence of a Change of Control, the Corporation may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of Twenty-Five Dollars ($25.00) per share, plus any accumulated and unpaid dividends thereon to, but not including, the redemption date. If the Corporation elects to redeem any shares of Series A Preferred Stock as described in this Section 6(c), it may use any available cash to pay the redemption price, and it will not be required to pay the redemption price only out of the proceeds from the issuance of other equity securities or any other specific source.

(d) A "Change of Control" is deemed to occur when, after November 4, 2015, the following have occurred and are continuing: (i) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than Mahmud Haq, any member of his immediate family, and any "person" or "group" under Section 13(d)(3) of the Exchange Act, that is controlled by Mr. Haq or any member of his immediate family, any beneficiary of the estate of Mr. Haq, or any trust, partnership, corporate or other entity controlled by any of the foregoing), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Corporation entitling that person to exercise more than 50% of the total voting power of all stock of the Corporation entitled to vote generally in the election of directors of the Corporation (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and (ii) following the closing of any transaction referred to in clause (i), neither the Corporation nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the "NYSE"), the NYSE MKT LLC (the "NYSE MKT") or the Nasdaq Stock Market ("Nasdaq"), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or Nasdaq.

(e) In the event the Corporation elects to redeem Series A Preferred Stock, the notice of redemption will be mailed by the Corporation, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of Series A Preferred Stock called for redemption at such holder's address as it appears on the stock transfer records of the Corporation and shall state: (i) the redemption date; (ii) the number of shares of Series A Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates (if any) for the Series A Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accumulate on the redemption date; (vi) whether such redemption is being made pursuant to Section 6(b) or Section 6(c); and (vii) if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control. If less than all of the shares of Series A Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series A Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of Series A Preferred Stock except as to the holder to whom notice was defective or not given.

(f) Holders of Series A Preferred Stock to be redeemed shall surrender the Series A Preferred Stock at the place designated in the notice of redemption and shall be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

(g) If notice of redemption of any shares of Series A Preferred Stock has been given and if the Corporation irrevocably sets aside the funds necessary for redemption in trust for the benefit of the holders of the shares of Series A Preferred Stock so called for redemption, then from and after the redemption date (unless the Corporation shall default in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of Series A Preferred Stock, those shares of Series A Preferred Stock shall no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

(h) If any redemption date is not a Business Day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next Business Day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next Business Day.

(i) If less than all of the outstanding Series A Preferred Stock is to be redeemed, the Series A Preferred Stock to be redeemed shall be selected pro rata (as nearly as may be practicable without creating fractional shares) or by any other equitable method the Corporation shall determine.

(j) In connection with any redemption of Series A Preferred Stock, the Corporation shall pay, in cash, any accumulated and unpaid dividends to, but not including, the redemption date, unless a redemption date falls after a Dividend Record Date and prior to the corresponding Dividend Payment Date, in which case each holder of Series A Preferred Stock at the close of business on such Dividend Record Date shall be entitled to the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the redemption of such shares before such Dividend Payment Date. Except as provided in this Section 6(j), the Corporation will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series A Preferred Stock to be redeemed.

(k) Unless full cumulative dividends on all shares of Series A Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past dividend periods, no shares of Series A Preferred Stock shall be redeemed unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed and the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of Series A Preferred Stock (except by exchanging it for its capital stock ranking junior to the Series A Preferred Stock as to the payment of dividends, or the distribution of assets upon liquidation, dissolution, or winding up); provided, however, that the foregoing shall not prevent the purchase or acquisition by the Corporation of shares of Series A Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series A Preferred Stock.

(l) Subject to applicable law, the Corporation may purchase shares of Series A Preferred Stock in the open market, by tender or by private agreement. Any shares of Series A Preferred Stock that the Corporation acquires may be retired and re-classified as authorized but unissued shares of Preferred Stock, without designation as to class or series, and may thereafter be reissued as any class or series of Preferred Stock.

7. No Conversion Rights. The shares of Series A Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation.

8. Voting Rights.

(a) Holders of the Series A Preferred Stock will not have any voting rights, except as set forth in this Section 8 or as otherwise required by law. On each matter on which holders of Series A Preferred Stock are entitled to vote, each share of Series A Preferred Stock will be entitled to one vote, except that when shares of any other class or series of Preferred Stock the Corporation may issue have the right to vote with the Series A Preferred Stock as a single class on any matter, the Series A Preferred Stock and the shares of each such other class or series will have one vote for each $25.00 of liquidation preference (excluding accumulated dividends).

(b) Whenever dividends on any shares of Series A Preferred Stock are in arrears for eighteen or more monthly dividend periods, whether or not consecutive, the number of directors constituting the Board of Directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of Preferred Stock the Corporation may issue upon which like voting rights have been conferred and are exercisable and with which the Series A Preferred Stock is entitled to vote as a class with respect to the election of those two directors) and the holders of Series A Preferred Stock (voting separately as a class with all other classes or series of Preferred Stock the Corporation may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock in the election of those two directors) will be entitled to vote for the election of those two additional directors (the "Preferred Stock Directors") at a special meeting called by the Corporation at the request of the holders of record of at least 25% of the outstanding shares of Series A Preferred Stock or by the holders of any other class or series of Preferred Stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock in the election of those two Preferred Stock Directors (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of shareholders of the Corporation, in which case, such vote will be held at the earlier of the next annual or special meeting of shareholders of the Corporation), and at each subsequent annual meeting until all dividends accumulated on the Series A Preferred Stock for all past dividend periods and the then current dividend period have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment. In that case, the right of holders of the Series A Preferred Stock to elect any directors will cease and, unless there are other classes or series of Preferred Stock upon which like voting rights have been conferred and are exercisable, any directors elected by holders of the Series A Preferred Stock shall immediately resign and the number of directors constituting the Board of Directors shall be reduced accordingly. In no event shall the holders of Series A Preferred Stock be entitled under the voting rights under this Section 8 to elect a preferred stock director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of the capital stock of the Corporation is listed or quoted. For the avoidance of doubt, in no event shall the total number of Preferred Stock Directors elected by holders of the Series A Preferred Stock (voting separately as a class with all other classes or series of Preferred Stock the Corporation may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock in the election of such directors) pursuant to the voting rights under this Section 8 exceed two.

(c) If a special meeting is not called by the Corporation within 30 days after request from the holders of Series A Preferred Stock as described in Section 8(b), then the holders of record of at least 25% of the outstanding Series A Preferred Stock may designate a holder to call the meeting at the expense of the Corporation and such meeting may be called by the holder so designated upon notice similar to that required for annual meetings of stockholders and shall be held at the place designated by the holder calling such meeting. The Corporation shall pay all costs and expenses of calling and holding any meeting and of electing directors pursuant to Section 8(b), including, without limitation, the cost of preparing, reproducing and mailing the notice of such meeting, the cost of renting a room for such meeting to be held, and the cost of collecting and tabulating votes.

(d) If, at any time when the voting rights conferred upon the Series A Preferred Stock pursuant to Section 8(b) are exercisable, any vacancy in the office of a Preferred Stock Director elected pursuant to Section 8(b) shall occur, then such vacancy may be filled only by a written consent of the remaining Preferred Stock Director, or if none remains in office, by vote of the holders of record of the outstanding Series A Preferred Stock and any other classes or series of Preferred Stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock in the election of directors pursuant to Section 8(b). Any director elected or appointed pursuant to Section 8(b) may be removed only by the affirmative vote of holders of the outstanding Series A Preferred Stock and any other classes or series of Preferred Stock upon which like voting rights have been conferred and are exercisable and which classes or series of Preferred Stock are entitled to vote as a class with the Series A Preferred Stock in the election of directors pursuant to Section 8(b), such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series A Preferred Stock and any such other classes or series of Preferred Stock, and may not be removed by the holders of the Common Stock.

(e) So long as any shares of Series A Preferred Stock remain outstanding, the Corporation will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the Series A Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting together as a class with all other series of parity Preferred Stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable), (i) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up or reclassify any of the authorized capital stock of the Corporation into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (ii) amend, alter, repeal or replace the Certificate of Incorporation, including by way of merger, consolidation or otherwise in which the Corporation may or may not be the surviving entity, so as to materially and adversely affect and deprive holders of Series A Preferred Stock of any right, preference, privilege or voting power of the Series A Preferred Stock (each, an “Event”). An increase in the amount of the authorized Preferred Stock, including the Series A Preferred Stock, or the creation or issuance of any additional Series A Preferred Stock or other series of Preferred Stock that the Corporation may issue, or any increase in the amount of authorized shares of such series, in each case ranking on a parity with or junior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(f) Notwithstanding Section 8(e)(ii) above, if any Event set forth in Section 8(e)(ii) above materially and adversely affects any right, preference, privilege or voting power of the Series A Preferred Stock but not all series of parity Preferred Stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable, the affirmative vote or consent of the holders of at least two-thirds of the shares of the Series A Preferred Stock and all such other similarly affected series, outstanding at the time (voting together as a class), given in person or by proxy, either in writing or at a meeting, shall be required in lieu of the vote or consent that would otherwise be required by Section 8(e)(ii).

(g) The voting rights provided for in this Section 8 will not apply if, at or prior to the time when the act with respect to which voting by holders of the Series A Preferred Stock would otherwise be required pursuant to this Section 8 shall be effected, all outstanding shares of Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption pursuant to Section 6.

(h) Except as expressly stated in this Section 8 or as may be required by applicable law, the Series A Preferred Stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders thereof shall not be required for the taking of any corporate action.

9. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series A Preferred Stock are outstanding, the Corporation will use its best efforts to (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series A Preferred Stock, as their names and addresses appear on the record books of the Corporation and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission (the "SEC") pursuant to Section 13 or 15(d) of the Exchange Act if it were subject thereto (other than any exhibits that would have been required); and (ii) promptly, upon request, supply copies of such reports to any holders or prospective holder of Series A Preferred Stock. The Corporation will use its best efforts to mail (or otherwise provide) the information to the holders of the Series A Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if the Corporation were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Corporation would be required to file such periodic reports if it were a "non-accelerated filer" within the meaning of the Exchange Act.

10. No Preemptive Rights. No holders of the Series A Preferred Stock will, as holders of Series A Preferred Stock, have any preemptive rights to purchase or subscribe for Common Stock or any other security of the Corporation.

11. Record Holders. The Corporation and the transfer agent for the Series A Preferred Stock may deem and treat the record holder of any Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the transfer agent shall be affected by any notice to the contrary.

[Signature on Following Page]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Designations to be signed in its name and on its behalf on this 6th day of July, 2016.

Medical Transcription Billing, Corp.

By: */s/ Mahmud Haq*

Mahmud Haq
Chairman of the Board
and Chief Executive Officer

EXHIBIT 3.4

MEDICAL TRANSCRIPTION BILLING, CORP.

FIRST AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF 11% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK

Pursuant to Section 151 of the Delaware General Corporation Law

Medical Transcription Billing, Corp., a Delaware corporation (the "Corporation"), hereby certifies that the following resolution was duly adopted by the Board of Directors of the Corporation (the "Board of Directors") pursuant to the authority of the Board of Directors as required by Section 151 of the Delaware General Corporation Law.

WHEREAS, that the Amended and Restated Certificate of Incorporation, as amended (the "Amended and Restated Certificate of Incorporation"), provides for a class of its authorized stock known as preferred stock, comprised of 2,000,000 shares, $0.001 par value per share (the "Preferred Stock"), issuable from time to time in one or more series;

WHERAS, the Board of Directors is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any such series;

WHEREAS, pursuant to this authority, the Board of Directors previously fixed the rights, preferences, restrictions and other matters relating to the Corporation's 11% Series A Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Stock"), consisting of 800,000 shares, as evidenced by the Amended and Restated Certificate of Designations, Preferences, and Rights filed with the Secretary of State of the State of Delaware on July 6, 2016 ("Existing Certificate");

WHEREAS, in anticipation of one or more additional offerings of Series A Preferred Stock, the Board of Directors has authorized an increase in the number shares of Series A Preferred Stock from 800,000 shares to 1,200,000 shares; and

WHERAS, in connection with the foregoing, the Board of Directors has deemed it advisable to amend the Existing Certificate.

NOW THEREFORE, BE IT RESOLVED, that pursuant to the authority granted to the Board of Directors in accordance with the provisions of the Amended and Restated Certificate of Incorporation, the Board of Directors hereby authorizes the following amendment to the Existing Certificate:

Paragraph 1 of the Existing Certificate is hereby amended to read in its entirety as follows:

1. Designation and Amount. The shares of such series of Preferred Stock shall be designated as "11% Series A Cumulative Redeemable Perpetual Preferred Stock" and the number of shares constituting such series shall be 1,200,000 shares.

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to the Amended and Restated Certificate of Designations to be signed in its name and on its behalf on this 15th day of September, 2017.

Medical Transcription Billing, Corp.

By: */s/ Mahmud Haq*
Mahmud Haq
Chairman of the Board
and Chief Executive Officer

EXHIBIT 3.5

MEDICAL TRANSCRIPTION BILLING, CORP.

SECOND AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF 11% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK

Pursuant to Section 151 of the Delaware General Corporation Law

Medical Transcription Billing, Corp., a Delaware corporation (the "Corporation"), hereby certifies that the following resolution was duly adopted by the Board of Directors of the Corporation (the "Board of Directors") pursuant to the authority of the Board of Directors as required by Section 151 of the Delaware General Corporation Law.

WHEREAS, the Amended and Restated Certificate of Incorporation, as amended (the "Amended and Restated Certificate of Incorporation"), provides for a class of its authorized stock known as preferred stock, comprised of 2,000,000 shares, $0.001 par value per share (the "Preferred Stock"), issuable from time to time in one or more series;

WHERAS, the Board of Directors is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any such series;

WHEREAS, pursuant to this authority, the Board of Directors previously fixed the rights, preferences, restrictions and other matters relating to the Corporation's 11% Series A Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Stock"), consisting of 1,200,000 shares, as evidenced by the Amended and Restated Certificate of Designations, Preferences, and Rights filed with the Secretary of State of the State of Delaware on July 6, 2016, as further amended by the First Amendment to the Amended and Restated Certificate of Designations, Preferences, and Rights filed with the Secretary of State of the State of Delaware on September 15, 2017 (the "Existing Certificate");

WHEREAS, in anticipation of one or more additional offerings of Series A Preferred Stock, the Board of Directors has authorized an increase in the number shares of Series A Preferred Stock from 1,200,000 shares to 1,800,000 shares; and

WHEREAS, in furtherance of the foregoing, the Board of Directors has deemed it advisable to amend the Existing Certificate.

NOW THEREFORE, BE IT RESOLVED, that pursuant to the authority granted to the Board of Directors in accordance with the provisions of the Amended and Restated Certificate of Incorporation, the Board of Directors hereby authorizes the following amendment to the Existing Certificate:

Paragraph 1 of the Existing Certificate is hereby amended to read in its entirety as follows:

1. Designation and Amount. The shares of such series of Preferred Stock shall be designated as "11% Series A Cumulative Redeemable Perpetual Preferred Stock" and the number of shares constituting such series shall be 1,800,000 shares.

IN WITNESS WHEREOF, the Corporation has caused this Second Amendment to the Amended and Restated Certificate of Designations to be signed in its name and on its behalf on this 23rd day of March, 2018.

Medical Transcription Billing, Corp.

By: */s/ Stephen Snyder*
Stephen Snyder
Chief Executive Officer

Exhibit 3.6

**CERTIFICATE OF AMENDMENT OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
MEDICAL TRANSCRIPTION BILLING, CORP.**

Medical Transcription Billing, Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That at a meeting of the Board of Directors of Medical Transcription Billing, Corp., resolutions were duly adopted setting forth a proposed amendment of the Amended and Restated Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "4.1" so that, as amended said Article shall be and read as follows:

4.1 <u>**Classes of Stock**</u>. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 23,000,000 shares, consisting of 19,000,000 shares of Common Stock and 4,000,000 shares of Preferred Stock, each with a par value of $0.001 per share.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 18th day of June, 2018.

By: */s/ Stephen Snyder*
Name: Stephen Snyder
Title: Chief Executive Officer

Exhibit 10.16

FIRST AMENDMENT TO
MEDICAL TRANSCRIPTION BILLING, CORP.
AMENDED AND RESTATED EQUITY INCENTIVE PLAN

WHEREAS, the Board of Directors and stockholders of Medical Transcription Billing, Corp. (the "Company") have adopted the Medical Transcription Billing, Corp. Amended and Restated Equity Incentive Plan (the "Plan");

WHEREAS, pursuant to Section 3(a) of the Plan, a total of 100,000 shares of the Company's 11% Series A Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Stock") have been reserved for issuance under the Plan;

WHEREAS, the Company desires to increase the number of shares of Series A Preferred Stock issuable under the Plan to 300,000 shares, including shares previously issued thereunder; and

WHEREAS, pursuant to Section 2(b)(vi) of the Plan, the Board of Directors and stockholders of the Company have approved such increase of the number of shares of Series A Preferred Stock issuable under the Plan.

NOW, THEREFORE, the following amendment and modification are hereby made a part of the Plan.

1. Section 3(a) of the Plan shall be, and hereby is, amended to increase the aggregate number of shares of Series A Preferred Stock issuable thereunder to 300,000 shares, and the first sentence of such section is thereby to read as follows:

> "The aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards shall not exceed 2,851,000 shares, and the aggregate number of shares of Series A Preferred Stock that may be issued pursuant to Stock Awards shall not exceed 300,000."

2. In all other respects, the Plan, as amended, is hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has executed this First Amendment to Medical Transcription Billing, Corp. Amended and Restated Equity Incentive Plan as of June 18 , 2018.

By: */s/ Stephen Snyder*
Stephen Snyder
Chief Executive Officer

Exhibit 31.1

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

I, Stephen Snyder, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Medical Transcription Billing, Corp.;

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

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

4. The registrant's other certifying officer(s) and I:

    a. Are responsible for establishing and maintaining internal controls;

    b. Have designed such internal controls to ensure that material information relating to the issuer and its consolidated subsidiaries is made known to such officers by others within those entities, particularly during the period in which the periodic reports are being prepared;

    c. Have evaluated the effectiveness of the issuer's internal controls as of a date within 90 days prior to the report; and

    d. Have presented in the report their conclusions about the effectiveness of their internal controls based on their evaluation as of that date;

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

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

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

6. The registrant's other certifying officer(s) and I have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Medical Transcription Billing, Corp.

By: */s/ Stephen Snyder*
Stephen Snyder
Chief Executive Officer *(Principal Executive Officer)*

Dated:
August 8, 2018

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bill Korn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Medical Transcription Billing, Corp.;

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

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

4. The registrant's other certifying officer(s) and I:

   a. Are responsible for established and maintained internal controls;

   b. Have designed such internal controls to ensure that material information relating to the issuer and its consolidated subsidiaries is made known to such officers by others within those entities, particularly during the period in which the periodic reports are being prepared;

   c. Have evaluated the effectiveness of the issuer's internal controls as of a date within 90 days prior to the report; and

   d. Have presented in the report their conclusions about the effectiveness of their internal controls based on their evaluation as of that date;

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

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

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

6. The registrant's other certifying officer(s) and I have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Medical Transcription Billing, Corp.

By: */s/ Bill Korn*
Bill Korn
Chief Financial Officer *(Principal Financial Officer)*

Dated:
August 8, 2018

Exhibit 32.1

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

Based on my knowledge, I, Stephen Snyder, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Medical Transcription Billing, Corp. on Form 10-Q for the quarterly period ended June 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Medical Transcription Billing, Corp.

Medical Transcription Billing, Corp.

By: */s/ Stephen Snyder*
Stephen Snyder
Chief Executive Officer *(Principal Executive Officer)*

Dated:
August 8, 2018

Exhibit 32.2

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

Based on my knowledge, I, Bill Korn, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Medical Transcription Billing, Corp. on Form 10-Q for the quarterly period ended June 30, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Medical Transcription Billing, Corp.

Medical Transcription Billing, Corp.

By: */s/ Bill Korn*
Bill Korn
Chief Financial Officer *(Principal Financial Officer)*

Dated:
August 8, 2018