June 11, 2012

Zacks Small-Cap Research

Brian Marckx, CFA
bmarckx@zacks.com
Ph. (312) 265-9474

scr.zacks.com
111 North Canal Street, Chicago, IL 60606

OnPoint Medical (ONMD-OTC)

ONMD: OnPoint Medical

OUTLOOK

OnPoint's MRI Quality Assurance software fills an unmet need in advanced imaging quality control. Already validated on over 200k images, the software became commercially available in early 2012, commensurate with the critical Jan. 1, 2012 deadline requiring imaging providers to be quality-control accredited or risk losing Medicare reimbursement. A large market, little direct competition and low cost business model should bode well for ONMD.

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	09/12/11
Current Price (06/11/12)	$1.01
Target Price	**$3.50**

SUMMARY DATA

52-Week High	**$4.99**
52-Week Low	**$1.01**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**0**
Shares Outstanding (mil)	**11**
Market Capitalization ($mil)	**$11**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2011 Estimate	**N/A**
P/E using 2012 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**N/A**
Type of Stock	**N/A**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(in '000)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010					$0 A
2011	$0 A	$0 A	$0 A	$0 A	$0 A
2012					$1,795 E
2013					$10,614 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010					-$0.01 A
2011	-$0.06 A	-$0.09 A	-$0.03 A	-$0.04 A	-$0.22 A
2012					-$0.13 E
2013					$0.02 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

© Copyright 2012, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW....

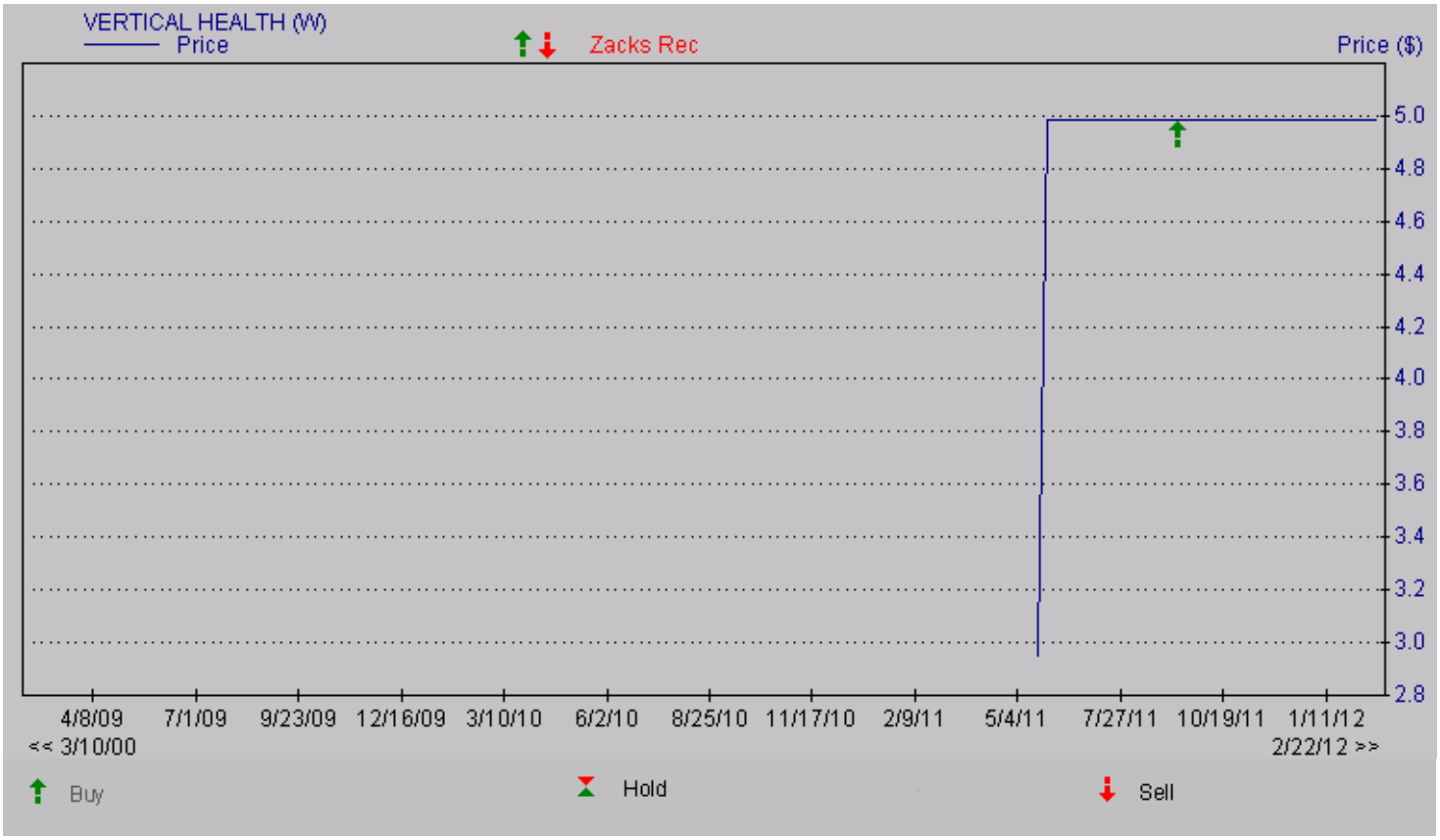
Additional Financing

While OnPoint's cash balance ended Q1 at only $27k, the company continues to be successful in raising financing on an as-needed basis. The most recent of which came from the sale $306k of convertible promissory notes and $25k in equity during Q1 2012. OnPoint will need to continue to raise cash to fund operations including the broader roll-out of MRI Quality Assurance software.

Abbott Northwestern Adopts OnPoint's Software

OnPoint Medical announced in a press release in February that Abbott Northwestern, a major Minneapolis, MN-based hospital adopted the company's MRI QA software for their MRI quality assurance needs. We view this as a meaningful milestone - from both the perspective that the software is now generating commercial revenue and that Abbott Northwestern is a major, highly-respected institution - which lends support for and credibility to the robustness and utility of OnPoint's software.

HISTORICAL ZACKS RECOMMENDATIONS



DISCLOSURES

The following disclosures relate to relationships between Zacks Investment Research ("ZIR") and Zacks Small-Cap Research ("Zacks SCR") and the issuers covered by the Zacks SCR analysts in the Small-Cap Universe.

ZIR or Zacks SCR Analysts do not hold or trade securities in the issuers which they cover. Each analyst has full discretion on the rating and price target based on their own due diligence. Analysts are paid in part based on the overall profitability of Zacks SCR. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by Zacks SCR for non-investment banking services. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or blog.

ZIR and Zacks SCR do not make a market in any security nor do they act as dealers in securities. Zacks SCR has never received compensation for investment banking services on the small-cap universe. Zacks SCR does not expect received compensation for investment banking services on the small-cap universe. Zacks SCR has received compensation for non-investment banking services on the small-cap universe, and expects to receive additional compensation for non-investment banking services on the small-cap universe, paid by issuers of securities covered by Zacks SCR. Non-investment banking services include investor relations services and software, financial database analysis, advertising services, brokerage services, advisory services, investment research, and investment management.

Additional information is available upon request. Zacks SCR reports are based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Because of individual objectives, the report should not be construed as advice designed to meet the particular investment needs of any investor. Any opinions expressed by Zacks SCR Analysts are subject to change. Reports are not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. Zacks SCR uses the following rating system for the securities it covers. Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters. Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters. Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution of Zacks Ratings is as follows on the 1035 companies covered: Buy/Outperform- 8.3%, Hold/Neutral- 84.2%, Sell/Underperform – 6.5%. Data is as of midnight on the business day immediately prior to this publication.

© Copyright 2012, Zacks Investment Research. All Rights Reserved.