Assure Holdings Corp. Announces Appointment of New Auditor, New Executive Chairman and Interim Chief Executive Officer, New Role for Founder Preston Parsons, and Results of Forensic Audit

PARKER, Colo., May 15, 2018 (GLOBE NEWSWIRE) -- Assure Holdings Corp. (the “Company” or “Assure”) (TSX-V:IOM) (OTCQB:ARHH), a provider of intraoperative neuromonitoring services announces the appointment of a new audit firm, the appointment of John Farlinger as the new Executive Chairman and Interim Chief Executive Officer of the Company, a new role for founder Preston Parsons, and results of a forensic audit report commissioned on behalf of the independent audit committee of the Company (the “Audit Committee”).

All references to dollar amounts in this release are to US dollars.

Appointment of New Auditor:

The Company is pleased to announce the appointment of Squar Milner LLP (Squar Milner”) as its new independent registered public auditing firm for its fiscal year ending December 31, 2017. Squar Milner is one of the 50 largest accounting firms in the United States and one of the largest independent accounting and advisory firms in the State of California with an active life sciences and healthcare practice group. The Company will be working closely with Squar Milner in order to file its annual financial statements, management’s discussion and analysis and related officer certifications for the financial year ended December 31, 2017 (the “Annual Filings”) as soon as possible. The Company will provide further updates as to the expected timing of its Annual Filings.

As previously disclosed on March 21, 2018, and in accordance with National Instrument 51-102 – Ongoing Requirements for Issuers and Insiders (“NI 51-102”), the notice of change of auditor, together with the required letter from EKS&H LLP (the “Former Auditor”) have been reviewed and accepted by the Board on March 21, 2018 and filed on www.sedar.com on same date (the ‘Reporting Package”). As further disclosed on March 21, 2018, there were no reservations or modifications to the Former Auditor’s reports on the Company’s financial statements relating to the period during which the Former Auditor was the Company’s auditor and there are no “disagreements” or “consultations” as such terms are defined in NI 51-102. A reporting package prepared in accordance with NI 51-
Appointment of New Executive Chairman and Interim Chief Executive Officer

The Company is also pleased to announce that Mr. John A. Farlinger (CPA, CA), a board member and the current Chair of the Audit Committee has been appointed the Executive Chairman and Interim Chief Executive Officer of the Company, effective immediately, following the resignation of Mr. Preston Parsons, the founder and now former Chairman and Chief Executive Officer of the Company. Mr. Parsons will remain as a board member of the Company and will be focused exclusively on working to generate increased revenue by engaging new surgeons to its platform, executing on the Company’s multi-state expansion strategy and focusing on expanding the Company’s intraoperative neuromonitoring services to ENT, Cardiovascular and other highly invasive surgeries. Mr. Parsons will continue to utilize his natural strengths by having him focus on building and driving new growth-oriented opportunities for Assure.

Mr. Farlinger commented, “I am excited about being able to play a greater role in helping to shape the direction and growth of Assure. I want to thank Mr. Parsons for his vision and passion to create and develop a truly unique and compelling business model in the healthcare sector. I believe that Preston’s new role in driving the sales and marketing efforts of the Company is ideally suited for his growth-oriented vision and skill set.”

The Compensation Committee of the Company will be working with Mr. Farlinger and Mr. Parsons to enter into suitable employment agreements as soon as possible. As a result of the appointment of Mr. Farlinger, Mr. Farlinger will no longer be considered an independent director of the Company. Mr. Farlinger will remain a member of the Audit Committee, however, the role of Chair will be assumed by independent director Martin Burian. Mr. Burian will step down from the position of Chair of the Compensation Committee, and independent board member Mr. Kent Lund will assume this role.

The current management team of the Company, led by Mr. Farlinger, and including Mr. Peter Csapo, as the Chief Financial Officer, founder Preston Parsons in the role specified above, Alex Rasmussen, as the Executive Vice-President of Operations and George Sims, the Director of Business Development, are appropriately suited to execute the Company’s business plan.

Mr. Farlinger is a veteran venture-backed executive and entrepreneur with more than 25 years of experience in technology, operations and finance. Mr. Farlinger has extensive experience in venture, private equity and public markets. Mr. Farlinger is currently an advisor to: an early-stage venture capital firm, TenX Ventures, in Vancouver; a mainland China-based private equity firm; and CareCru, a disruptive SaaS company deploying Artificial Intelligence into the dental management market.

Mr. Farlinger was most recently Chairman and CEO of Urban Communications Inc. ("Urban"), a publicly listed company on the TSX-V. Mr. Farlinger pivoted Urban from near insolvency into a disruptive high-growth telecom provider offering the fastest residential internet speeds in Canada and sold the company through a privatization process to the fourth-largest telecom company in China.
Mr. Farlinger’s past positions include: CEO of Titan Communications Inc.; President and CEO of San Francisco-based Adzilla Inc.; Chief Operating Officer of Seattle-based Quanta investments, where he oversaw the successful turn around and growth of a regional telecom company; and CFO of Lavalife, a pioneer in social meeting services.

Mr. Farlinger is a graduate of Queen’s University (Bachelor of Commerce).

Results of Forensic Audit Report

As a result of the resignation by the Former Auditor, and as disclosed on March 21, 2018, the Company, at the direction of the Audit Committee, retained RubinBrown LLP (“RubinBrown”), as a forensic accountant to address the material concerns of the Former Auditor and related matters. The initial scope of work conducted by RubinBrown included the following: (i) a review of compensation paid to Mr. Parsons and Mr. Matthew Willer, the former President and former director of the Company; (ii) activity in the Company’s shareholder distribution general ledger accounts for Mr. Parsons and Mr. Willer; (iii) activity in the Company’s due to/from management general ledger accounts for Mr. Parsons and Mr. Willer; and (iv) use of the Company’s credit card for business expenses and personal expenses of Mr. Parsons and Mr. Willer.

On May 3, 2018, RubinBrown provided the Audit Committee with its confidential report (the “Forensic Report”). The Audit Committee has reviewed the Forensic Report and has recommended that its findings be accepted by the Board. On May 7, 2018, the Board accepted the May 3, 2018 Forensic Report and authorized RubinBrown to conduct additional work as described below.

Based on the findings of the Forensic Report, the Audit Committee has recommended to the Board and the Board has determined that the amount of $788,702 previously characterized as shareholder distributions in the Q2 2017 unaudited consolidated financial statements of the Company be reclassified as amounts due from related parties to be repaid to the Company. As a result, Mr. Parsons owes $600,000 to the Company and Mr. Willer owes $188,702.

In addition, the Forensic Report finds that Mr. Willer was paid a total amount of $30,956 in excess of compensation amounts authorized to him under his employment agreement in calendar year 2017 and that utilization of the Company Credit Card for personal use from the time of the completion of the RTO, on May 25, 2017 to March 31, 2018 totaled $849,695 for Mr. Parsons and $39,531 for Mr. Willer. On the recommendation of the Audit Committee, accepted by the Board, these amounts will be added as amounts due from related parties in future financial disclosure of the Company. The Company is completing its final review of Company Credit Card expenses to determine if there are any additional amounts to be reclassified as personal expenses to be added to the amounts due from related parties.

Mr. Parsons has agreed in writing to repay all amounts owed to the Company and is working with the Company to finalize a debt settlement agreement and repay the Company in the short term. It has been determined that Mr. Willer currently owes the Company $265,423.74, which includes the amounts specified above. The Company expects Mr. Willer to repay all amounts owed to the Company and the Audit Committee is
charged with the responsibility of reaching acceptable terms with Mr. Willer for such repayment to the Company in the short term.

The Company is committed to remediating its internal controls and control environment over financial reporting, and has committed to resolving the material weaknesses leading to the errors mentioned above. The Company has already begun a process for in-sourcing its outsourced accounting function, implemented various revised or additional procedures and controls, including limiting access to cash accounts to only key executives Alex Rasmussen, the Executive Vice-President of Operations and Mr. Peter Csapo, the Company’s Chief Financial Officer. Mr. Csapo has significant regulatory and risk management experience with public healthcare companies in the United States and is working with the Audit Committee and Board to improve management oversight, internal controls, control environment over financial reporting, and the tone at the top.

**Management Cease Trade Order**

This release also serves to provide the Company’s default status report in accordance with National Policy 12-203 – *Management Cease Trade Orders* ("NP 12-203"). As a result of the Company’s delay in filing its Annual Filings, the British Columbia Securities Commission granted a management cease trade order (the “MCTO”) on May 1, 2018. The MCTO restricts all trading in securities of the Company, whether direct or indirect, by management of the Company until such time as the Annual Filings have been filed by the Company. The MCTO does not generally affect the ability of shareholders who are not insiders of the Company to trade their securities. The audit process is now underway and the Company is working closely with Squar Milner and expects to provide a further update regarding when it can expect to file the Annual Filings. The Company intends to satisfy the provisions of the alternative information guidelines set out in NP 12-203 by continuing to issue by-weekly default status reports in the form of further news releases which will be filed on [www.sedar.com](http://www.sedar.com), until the Annual Filings have been filed.

The Company confirms that as of the date of this news release there is no insolvency proceeding against the Company and there is no material information concerning the affairs of the Company that has not been generally disclosed. The Board is actively focused on determining whether the Company is properly capitalized to meet the financial demands associated with its working capital requirements and plans for growth. The Company would file, to the extent applicable, its next default status report on or about May 29, 2018.

**About Assure Holdings Corp.**

Assure Holdings Corp. is a Colorado-based company that works with neurosurgeons and orthopedic spine surgeons to provide a turnkey suite of services that support intraoperative neuromonitoring activities during invasive surgeries. Assure employs its own staff of technologists and uses its own state-of-the-art monitoring equipment, handles 100% of intraoperative neuromonitoring scheduling and setup, and bills for all technical services provided. While Assure focuses primarily on supporting spinal and vascular surgeries, plans are in place to support other classes of medicine that rely on the standard of care that intraoperative neuromonitoring provides. For more information, visit the Company’s website at [assureIOM.com](http://assureIOM.com).
Forward-Looking Statements

This news release contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that Assure anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations and future actions of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the foregoing) be taken, occur, be achieved, or come to pass. Forward looking statements in this news release include: that the Company will be in a position to remedy the default and file Audited Financial Statements and MD&A; that the Company will reach a debt settlement in the short-term with Mr. Parsons and Mr. Willer; that the Company will be able to implement improved corporate governance and internal controls; that Mr. Parsons will be successful in generating increased revenue for the Company in his new role; that Mr. Willer will accept the results of the Forensic Report; and that the Company will continue to work to expand its reach throughout the United States. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this news release, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of Assure to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to Assure, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this press release is expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The securities of the Corporation have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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