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

FORM 10-Q/A
(Amendment No. 1)

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

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

For the quarterly period ended March 31, 2010

Commission file number: 000-51317

THE CENTER FOR WOUND HEALING, INC.
(Name of Small Business Issuer in Its Charter)

Nevada	87-0618831
(State or jurisdiction of Incorporation or organization)	(IRS Employer ID Number)

155 White Plains Road, Suite 200, Tarrytown, NY 10591
[Address of Principal Executive Offices]

Registrant's telephone number, including area code: (914) 372-3150

Securities registered under Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, $0.001 par value per share
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or J5 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:
YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ☐ NO ☒

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: As of May 10, 2010, there were 24,123,638 shares of common stock issued and outstanding.

THE CENTER FOR WOUND HEALING, INC.
Report on Form 10-Q
March 31, 2010

TABLE OF CONTENTS

		PAGE
	PART I - FINANCIAL INFORMATION	
Item 1.	Unaudited Interim Financial Statements	
	Condensed Consolidated Balance Sheets – As of March 31, 2010 and June 30, 2009	3
	Condensed Consolidated Statements of Operations – Three and Nine months ended March 31, 2010 and 2009	4
	Condensed Consolidated Statement of Stockholders' (Deficit) Equity –Nine months ended March 31, 2010	5
	Condensed Consolidated Statements of Cash Flows – Nine months ended March 31, 2010 and 2009	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	26
Item 4.	Controls and Procedures	26
	PART II – OTHER INFORMATION	
Item 1.	Legal Proceedings	27
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3.	Defaults Upon Senior Securities	27
Item 4.	Submission of Matters to a Vote of Security Holders	27
Item 5.	Other Information	27
Item 6.	Exhibits	27
	Signatures	28

Explanatory Note:

We filed our Quarterly Report on Form 10-Q for the nine months ended March 31, 2010 with the Securities and Exchange Commission on May 24, 2010 prior to obtaining indication from the Company's independent registered public accounting firm that such firm had completed its review of the financial information included in such Form 10-Q. Such indication has been obtained. We are filing this Amendment No. 1 on Form 10-Q/A on May 26, 2010, to include the Waiver dated May 24, 2010, executed by Signature Bank, that was not included as an Exhibit to the Form 10-Q as originally filed, and to correct the dates on of the certifications of our Chief Executive, Chief Financial and Chief Accounting Officer contained in such filing. No other amendments to the previous filing are made.

ITEM 1. UNAUDITIED INTERIM FINANCIAL STATEMENTS

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31 2010 (Unaudited)	June 30, 2009
ASSETS		
CURRENT ASSETS		
Cash	$ 43,930	$ 339,859
Accounts receivable, net of allowance for doubtful accounts of $3,657,955 and $2,969,974 respectively	9,898,212	14,590,231
Notes receivable, net of allowance of $118,298	-	140,536
Prepaid expenses and other current assets	347,683	295,135
Total current assets	10,289,825	15,365,761
Property and equipment, net	5,807,370	7,585,373
Intangible assets, net	1,478,799	3,110,378
Goodwill	751,957	751,957
Other assets	1,590,997	1,427,391
TOTAL ASSETS	$ 19,918,948	$ 28,240,860
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 2,707,808	$ 3,080,796
Current maturities of obligations under capital leases	25,514	138,145
Current maturities of notes payable and long-term debt	1,596,365	2,489,853
Payable to former majority members	-	118,034
Total current liabilities	4,329,687	5,826,828
Notes payable and long-term debt, less current maturities	15,658,341	15,096,439
Warrant obligation	1,826,739	-
TOTAL LIABILITIES	21,814,767	20,923,267
COMMITMENTS AND CONTINGENCIES (NOTE 6)		
STOCKHOLDERS' (DEFICIT) EQUITY		
The Center for Wound Healing, Inc. stockholders' equity:		
Common stock, $0.001 par value; 290,000,000 shares authorized; 24,123,638 shares issued and outstanding	24,123	24,123
Additional paid-in capital (including cumulative effect of change in accounting principle (see Note 2 k.)	20,412,196	31,625,135
Accumulated deficit (including cumulative effect of change in accounting principle (see Note 2 k.)	(22,500,194)	(24,646,815)
Total The Center for Wound Healing, Inc stockholders' (deficit) equity	(2,063,875)	7,002,443
Non-controlling interest	168,056	315,150
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(1,895,819)	7,317,593
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ 19,918,948	28,240,860

See accompanying notes to condensed consolidated financial statements.

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Three Months Ended March 31,		For The Nine Months Ended March 31,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
NET SERVICE REVENUE	$ 6,310,048	$ 6,884,971	$ 21,450,372	$ 21,489,871
OPERATING EXPENSES				
Cost of services	4,002,500	3,642,684	11,944,760	11,045,076
Sales and marketing	71,564	41,116	323,204	133,934
General and administration	2,829,514	2,254,613	8,633,330	7,538,282
Impairment loss	107,700	-	107,700	-
Depreciation and amortization	324,691	251,388	969,973	732,975
Bad debts	2,117,529	240,000	2,471,887	684,006
TOTAL OPERATING EXPENSES	9,453,498	6,429,801	24,450,854	20,134,273
OPERATING (LOSS) INCOME	(3,143,450)	455,170	(3,000,482)	1,355,598
OTHER EXPENSES (INCOME)				
Interest expense	1,784,084	1,264,923	4,827,964	3,517,568
Interest income	(7,548)	(5,555)	(13,799)	(18,888)
Loss on disposal of property and equipment	110,562	-	124,354	-
Change in fair value of warrant obligation	(1,141,537)	-	(1,806,802)	-
TOTAL OTHER EXPENSES	745,561	1,259,368	3,131,717	3,498,680
LOSS BEFORE PROVISION FOR INCOME TAXES	(3,889,011)	(804,198)	(6,132,199)	(2,143,082)
PROVISION FOR INCOME TAXES	-	17,897	-	75,904
NET LOSS	(3,889,011)	(822,095)	(6,132,199)	(2,218,986)
Net (loss) income attributable to non-controlling interest	(78,732)	54,278	(128,704)	7,890
NET LOSS ATTRIBUTABLE TO THE CENTER FOR WOUND HEALING, INC	$ (3,810,279)	$ (876,373)	$ (6,003,495)	$ (2,226,876)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	$ (0.16)	$ (0.04)	$ (0.25)	$ (0.09)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES - BASIC AND DILUTED	24,123,638	23,373,281	24,123,638	23,373,281

See accompanying notes to condensed consolidated financial statements.

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2010
(unaudited)

	The Center for Wound Healing, Inc Stockholders					
	Common Stock		Additional Paid-in	Accumulated	Noncontrolling	
	Shares	Amount	Capital	Deficit	Interest	Total
Balance at June 30, 2009	24,123,638	$ 24,123	$ 31,625,135	$ (24,646,815)	$ 315,150	$ 7,317,593
Cumulative effect of change in accounting principle (see Note 2 k.)			(11,783,655)	8,150,116		(3,633,539)
Stock-based compensation			570,716			570,716
Distribution to non-controlling interest holders					(18,390)	(18,390)
Net loss	-	-	-	(6,003,495)	(128,704)	(6,132,199)
Balance at March 31, 2010	24,123,638	$ 24,123	$ 20,412,196	$ (22,500,194)	$ 168,056	$ (1,895,819)

See accompanying notes to condensed consolidated financial statements.

THE CENTER FOR WOUND HEALING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For The Nine Months Ended March 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (6,132,199)	$ (2,128,986)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,741,026	3,545,388
Impairment loss	107,700	3,545,388
Change in fair value of warrant liability	(1,806,802)	-
Amortization of deferred financing costs	308,394	136,134
Bad debt expense	2,471,887	684,006
Loss on disposal of property and equipment	124,354	-
Fees related to waiver added to debt principal	150,000	-
Accrued interest added to debt principal	4,328,743	3,101,348
Stock-based compensation expense	570,716	1,425,312
Changes in operating assets and liabilities:		
Accounts and notes receivable	2,360,667	(2,369,087)
Prepaid expenses and other current assets	(52,548)	216,516
Other assets	-	(311,289)
Accounts payable and accrued expenses	(372,988)	(706,006)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,798,950	7,138,724
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(563,497)	(1,515,686)
Increase in security deposits	-	(11,616)
NET CASH USED IN INVESTING ACTIVITIES	(563,497)	(1,527,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligations	(112,630)	(449,648)
Advances from affiliates	-	(3,056)
Net repayments from bank loan - revolving line of credit	(494,988)	(2,145,011)
Repayment of bank loan - term note	(375,000)	-
Payments to former majority members	(118,033)	(350,000)
Proceeds from notes payable	-	2,000,000
Repayment of capitalized interest on Bison Note	(1,532,614)	-
Repayment of notes payable	(295,727)	(832,911)
Repayment of Principal Payment on Bison Note	(2,500,000)	-
Repayment of Boyer/Morris notes payable	(84,000)	-
Distributions to non-controlling interest	(18,390)	(701)
NET CASH USED IN FINANCING ACTIVITIES	(5,531,382)	(1,781,327)
NET (DECREASE) INCREASE IN CASH	(295,929)	3,830,095
CASH – BEGINNING OF PERIOD	339,859	55,139
CASH – END OF PERIOD	$ 43,930	$ 3,885,234
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Cash paid during the period:		
Interest	$ 1,619,617	$ 268,437
Income taxes	$ -	$ 75,904

See accompanying notes to condensed consolidated financial statements.

Note 1 - Organization and Nature of Business

The Center for Wound Healing, Inc. ("CFWH" or the "Company"), was organized on May 25, 2005. CFWH develops and manages wound care centers, which are marketed as "THE CENTER FOR WOUND HEALING tm" throughout the United States. These centers render wound care treatments and the specialized service of hyperbaric medicine, and are developed in partnerships with community and acute care hospitals. CFWH is contracted by the hospitals on a multi-year basis to start up and manage the hospital's wound care program.

As of March 31, 2010, CFWH operates thirty-two (32) wound care centers with various institutions. Such centers operate as either wholly-owned or majority-owned limited liability subsidiaries of CFWH. CFWH manages and provides administrative services to Hyperbaric Medical Association, P.C. ("HMA"), a New York professional staffing company, owned by a Company employee, under the terms of the Management Service Agreement between the Company and HMA. In return, HMA provides professional healthcare staffing services to CFWH, its sole customer, under the terms of the Technical Service Agreement. The operations of HMA are conducted solely on behalf of CFWH, which is its beneficial owner. CFWH is headquartered in Tarrytown, New York.

Note 2 - Summary of Selected Significant Accounting Policies

a. Basis of Presentation: The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted for interim financial statements presentation and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statement presentation. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the results of operations and financial position for the interim periods presented have been included. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. The accompanying financial statements should be read in conjunction with the Company's Form 10-K for the year ended June 30, 2009, filed with the Securities and Exchange Commission ("Commission") on October 13, 2009. Interim results are not necessarily indicative of the results for a full year.

b. Principles of Consolidation. The accompanying condensed consolidated financial statements include the accounts of CFWH and its wholly-owned and majority-owned subsidiaries and of HMA, a variable interest entity, whose primary beneficiary is CFWH. Purchases of majority ownership interests are accounted for under the acquisition method of accounting and initially reflect the fair value of net assets acquired at the dates of acquisition. All intercompany profits, transactions, and balances have been eliminated. Non-controlling interests in the net assets and earnings or losses of the Company's majority-owned subsidiaries are reflected in the caption "Non-controlling interest" in the accompanying condensed consolidated balance sheets and the caption "Net income (loss) attributable to non-controlling interest" in the accompanying condensed consolidated statements of operations. Non-controlling interest adjusts the Company's consolidated results of operations to reflect only the Company's share of the earnings or losses of its subsidiaries, and in the condensed consolidated balance sheet represents the portion of the net assets of subsidiaries not attributable to the Company.

d. Revenue Recognition and Accounts Receivable. Patient service revenue is recognized when the service is rendered, the amount due is estimable, in accordance with the terms of the individual contracts with hospitals (the hospital retains a percentage of each patients' fee) and collection is reasonably assured. The net amounts realizable as revenue (net of the amount retained by the hospital), which the Company records, are based on reimbursement rates settled and paid by insurance companies for wound care and hyperbaric treatments, which vary in accordance with the insurance companies' contracts with the hospital. Although revenue is recognized at the time of service, the hospitals are usually not billed for the service until the hospital is paid by the third party payers. As a result, the accounts receivable of the Company include amounts not yet billed to the hospitals. As of March 31, 2010 and June 30, 2009 approximately $6.4 and $10.7 million, respectively, of accounts receivable were unbilled. Because the collection of receivables from certain hospitals encompasses two separate billing processes, by the hospital to third party payers and by CFWH to the hospitals, the elapsed time between rendering of patent services and collection by CFWH may be several months.

Allowance for Doubtful Accounts - The reported balance of accounts receivable, net of the allowance for billed and unbilled doubtful accounts, represents the Company's estimate of amounts that ultimately will be realized in cash. The Company reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using management estimates based on historical trends, age of the receivables, and knowledge of specific accounts. When the analysis so indicates, the allowance is increased or decreased accordingly.

During the third quarter of fiscal 2010, the Company assessed its allowance estimates based in part on enhanced information derived from its recently installed collection tracking system, and continued weakness in the economy. As a result, the Company recorded $2.1 million of bad debt expense in the third quarter, principally related to the assessment.

e. Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of commitments and contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include the collectability of accounts receivable, the consideration of impairment of long-lived and intangible assets, and the fair value of stock and warrants issued.

f. Fair Value of Financial Instruments. The carrying amount of cash, accounts and notes receivable, accounts payable and accrued expenses approximate fair value due to short-term maturities of the instruments. The carrying amount of the Company's Bank Loan, (Note 5), approximates fair value due to the variable interest rates applicable to such indebtedness. The fair value of the Company's other indebtedness, consisting of notes payable, capital lease obligations and the Bison Note, (Note 5), was estimated to be approximately $26 million at March 31, 2010, based on the present values of future cash flows discounted at estimated borrowing rates for similar loans.

g. Loss Per Share. Basic net earnings (loss) per share is calculated based on the weighted average number of common shares outstanding for each period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants. Common shares issuable upon the exercise of warrants and options outstanding that could potentially dilute basic EPS in the future were not included in the computation of diluted EPS because to do so would have been anti-dilutive for the periods presented. Potential common shares as of March 31, 2010 and 2009 are as follows:

	March, 2010	**March, 2009**
Options to purchase shares of common stock	3,932,500	3,552,500
Warrants, issued and issuable, to purchase shares of common stock	14,085,676	14,085,676
Total potential shares of common stock	18,018,176	17,638,176

h. Stock Based Compensation. The Company recognizes all stock based payments, including grants to employees of common stock options, as an expense based on fair values of the grants measured on award dates, using the Black-Scholes valuation model, over vesting periods of such grants and net of an estimated forfeiture rate for grants to employees. The Company estimates the expected life of options granted based on historical exercise patterns and volatility based on trading patterns of its common stock over a period similar to vesting period of the grants.

i. Income Taxes. The Company uses the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against deferred tax assets is provided when it is more likely than not that the deferred tax asset will not be fully realized.

j. Impairment. The Company reviews its long-lived assets and goodwill for impairment at least annually and whenever events or changes in circumstances indicate the carrying value may not be recoverable. As of March 31, 2010 $108 thousand was written off due to the closing of one of our centers.

k. Recently Issued Accounting Pronouncements:

In June 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (the "Codification"). Effective July 1, 2009, the Codification became the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), superseding existing rules and related literature issued by the FASB, American Institute of Certified Public Accountants ("AICPA") and Emerging Issues task Force ("EITF"). The Codification also eliminates the previous US GAAP hierarchy and establishes one level of authoritative GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All other literature is considered non-authoritative. The Codification, which has not changed GAAP, was effective for interim and annual periods ending after September 15, 2009. The Company adopted the Codification for the quarter ended September 30, 2009. Other than the manner in which new accounting guidance is referenced, the adoption of the Codification had no impact on the Company's condensed consolidated financial statements.

Guidance issued by the FASB in June 2009 requires companies to recognize in the financial statements the effects of subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. Companies are not permitted to recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. Some non-recognized subsequent events must be disclosed to keep the financial statements from being misleading. For such events a company must disclose the nature of the event, an estimate of its financial effect, or a statement that such an estimate cannot be made. This guidance applies prospectively for interim or annual financial periods ending after June 15, 2009. The adoption of this guidance did not affect the consolidated financial position, results of operations or cash flows of the Company.

In August 2009, the FASB issued amended guidance on the measurement of liabilities at fair value. The guidance provides clarification that in circumstances in which a quoted market price in an active market for an identical liability is not available, the fair value of a liability is measured using one or more of the valuation techniques that uses the quoted price of an identical liability when traded as an asset or, if unavailable, quoted prices for similar liabilities or similar assets when traded as assets. If none of this information is available, an entity should use a valuation technique in accordance with existing fair valuation principles. This guidance is effective for the first reporting period (including interim periods) after issuance. The Company adopted this guidance in the quarter ended September 30, 2009. The adoption had no impact on the Company's consolidated financial statements.

In June 2009, the FASB issued amendments to the accounting rules for variable interest entities (VIEs) and for transfers of financial assets. The new guidance for VIEs eliminates the quantitative approach previously required for determining the primary beneficiary of a variable interest entity and requires ongoing qualitative reassessments of whether an enterprise is the primary beneficiary. In addition, qualifying special purpose entities (QPESs) are no longer exempt from consolidation under the amended guidance. The amendments also limit the circumstances in which a financial asset, or a portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset to an entity that is not consolidated with the transferor in the financial statements being presented, and/or when the transferor has continuing involvement with the transferred financial asset. For the Company, the amendments are effective as of the first quarter of fiscal 2011. The Company does not believe that adoption of these amendments will have a material effect on its consolidated financial statements.

In April, 2009, the FASB issued additional requirements regarding interim disclosures about fair value of financial instruments to require disclosures about fair value of financial instruments in interim and annual financial statements. The new requirements are effective for interim periods ended after June 15, 2009 and the Company adopted this requirement in the quarter ended September 30, 2009.

In March 2008, the FASB issued new disclosure requirements regarding derivative instruments and hedging activities. These requirements give financial statement users better information about the reporting entity's hedges by providing for qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk-related contingent features in their hedged positions. These requirements are effective for financial statements issued for fiscal years beginning after November 15, 2008 and interim periods within such fiscal year with early application encouraged but not required. The Company adopted the requirements effective July 1, 2009, and they did not have any effect on the Company's consolidated financial statements.

In June 2008, a two step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock was established, including evaluating the instrument's contingent exercise and settlement provisions. The standard was effective for financial statements issued for fiscal years beginning after January 1, 2009 and interim periods within such fiscal year. The Company adopted these requirements as of July 1, 2009 and determined that 13,785,676 of the 14,085,676 outstanding warrants to purchase the Company's common shares are not considered indexed to the Company's own stock, as the respective agreements include reset features. The 13,785,676 warrants were issued by the Company as follows: (1) 2,750,000 warrants in April 2006 in a transaction with convertible debt; (2) 3,093,750 warrants in January 2008 in satisfaction of the reset provision related to the above April 2006 warrants; (3) 7,941,926 warrants in March 2008 in connection with the Bison Note. The Company initially recorded the fair value or relative fair value of these warrants as additional paid-in capital. As of July 1, 2009, the Company recorded a warrant obligation of approximately $3.6 million, which represents the fair value of the warrants as of that date, and also recorded approximately $8.1 million decrease in the fair value of these warrants during the period from their respective dates of issuance through the July 1, 2009 adoption date of the new accounting pronouncement as a cumulative effect of a change in accounting principle, resulting in a reduction to accumulated deficit and additional paid-in capital. The decrease in the fair value of the warrant obligation during the nine months ended March 31, 2010 of approximately $1.8 million is recorded as other income in the condensed consolidated statement of operations. The fair value of the above warrants and the assumptions employed in the Black-Scholes valuation model, which were used to determine the fair value of the warrants at various measurement dates were as follows:

	March 31, 2010	July 1, 2009	Issuance Date
Number of warrants	13,785,676	13,785,676	13,785,676
Fair value of each warrant, $ per share	0.06 – 0.19	0.18 – 0.33	1.07 – 2.00
Combined fair value of warrants, $*	1,826,739	3,633,549	22,440,279
Market price, $ per common share	0.39	0.55	1.68 – 4.00
Exercise price, $ per common share	2 – 5	2 – 5	2 – 5
Volatility, %	113 – 139	114 – 123	95 – 111
Dividend yield, %	0	0	0
Risk free interest rate, %	3.5	3.5	3.5 – 4.9
Contractual life, years	1 – 5	1.75 – 5.75	3.2 – 7

* Consists of the fair value of the warrants determined using the Black-Scholes model.

In December 2007, the FASB issued new guidance on non-controlling interests in consolidated financial statements. This guidance requires that ownership interests in subsidiaries held by parties other than the parent, be clearly identified, labeled, and presented in the consolidated financial statements within equity, but separate from the parent's equity. It also requires that once a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary be initially measured at fair value. Sufficient disclosures are required to clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. This guidance is effective for fiscal years beginning after December 15, 2008, and is to be applied prospectively, except for the presentation and disclosure requirements, which are required to be applied retrospectively for all periods presented. As a result of adoption, effective July 1, 2009 the Company has retrospectively adjusted its financial statements for the nine months ended March 31, 2009 to include net loss attributable to non-controlling interest (previously referred to as minority interest) in consolidated net loss as presented below:

		Attributable to	
	Total Equity	Company	Non-controlling interest
Beginning balance	$ 9,889,810	$ 9,309,252	$ 580,558
Distribution to non-controlling interest	(61,152)		(61,152)
Share-based compensation	1,425,312	1,425,312	-
Net loss	(2,218,986)	(2,226,876)	7,890
Ending balance	$ 9,034,984	$ 8,507,688	$ 527,296

In December 2007, the FASB issued new accounting guidance related to the accounting for business combinations and related disclosures. This guidance establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree, and any goodwill acquired in a business combination. It also establishes disclosure requirements to enable the evaluation of the nature and financial effects of a business combination. The guidance is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company adopted this guidance, effective July 1, 2009, and it did not have any effect on the Company's consolidated financial statements.

In February 2008, the FASB issued amended guidance to delay the fair value measurement and expanded disclosures about fair value measurements for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. Effective July 1, 2009, the Company adopted the guidance related to fair value measurements for nonfinancial assets and nonfinancial liabilities and the adoption of such guidance did not have a material effect on the Company's consolidated financial statements.

Note 3 – Stock options

There were 650,000 stock options granted and 120,000 that were forfeited during the nine months ended March 31, 2010. The following table represents changes in stock options during the first nine months of fiscal 2010.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (Years)	Aggregated Intrinsic Value
Outstanding at June 30, 2009	3,402,500	$ 1.15	5.86	$ -
Granted	650,000	1.05	2.81	
Forfeited	(120,000)	2.68		-
Outstanding at March 31, 2010	3,932,500	$ 1.09	5.12	$ -
Exercisable at March 31, 2010	2,782,500	$ 1.03	4.64	$ -

As of March 31, 2010, there was $247,449 of unrecognized compensation cost which will be recognized through June, 2011.

The fair value of the stock options granted during the nine months ended March 31, 2010 was determined at the dates of grant and is being charged to compensation expense over the vesting period of the options. The fair value of options granted at the dates of the grants was estimated using the Black-Scholes option pricing model utilizing the following assumptions:

	For the Nine Months Ended March 31, 2010
Risk-free interest rate	3.5%
Expected option life in years	2.5 – 3.0
Expected stock price volatility	108 – 114%
Expected dividend yield	0%

The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The Company uses historical data to estimate option exercise and employee and director termination within the valuation model; separate groups of employees and directors that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted represents the period of time that options granted are expected to be outstanding; the range given above results from groups of employees and directors exhibiting different behavior. Expected volatilities are based on historical volatility of the Company's stock. The Company has not paid any dividends in the past and does not expect to pay any in the near future.

The weighted average fair value at dates of grant for options granted during the nine months ended March 31, 2010 was $0.32 per option.

Note 4 – Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following at March 31, 2010 and June 30, 2009:

	March, 2010	June, 2009
Accrued compensation	$ 1,564,078	$ 1,370,063
Accounts payable	725,595	984,968
Other accrued expenses	418,135	725,765
	$ 2,707,808	$ 3,080,796

Note 5 – Notes payable and long-term debt:

Notes payable and long-term debt consists of the following at March 31, 2010 and June 30, 2009

	March, 2010	June, 2009
Bison Note (principal amount of $23,417,538 and $24,455,781, respectively, effective interest rate of 37%)	$ 14,751,166	$ 14,305,037
Bank Loan - Term Note	1,375,000	1,750,000
Bank Loan - Revolving Line of Credit	250,000	744,988
Med-Air promissory note	431,496	554,614
Boyer/Morris promissory note	388,000	
Warantz promissory notes	46,444	117,999
JD Keith promissory note	-	79,702
Vans and auto loans	12,600	33,952
	17,254,706	17,586,292
Less: Current maturities	1,596,365	2,489,853
	$ 15,658,341	$ 15,096,439

Maturities of the long-term portion of notes payable and long-term debt as of March 31, 2010 are as follows:

**Year Ending March 31,	
2012	$ 3,144,000
2013	2,975,000
2014	15,917,538
	$ 22,036,538

** The difference between the maturity table above and the balance sheet amount of notes payable and long-term debt at March 31, 2010 is attributable to the Bison Note discount, which is amortized over the maturity of the Bison Note.

As of December 31, 2009 the Company failed to comply with a covenant in the Securities Purchase Agreement relating to the Bison Note requiring the Company to have a specified minimum trailing twelve-month Consolidated Adjusted EBITDA. The Company and Bison entered into an amendment to the Securities Purchase Agreement ("December 2009 Amendment") relating to the Bison Note providing for, among other things, the waiver by Bison of the Company's failure to comply with such covenant, and the amendment of the definition of Consolidated Adjusted EBITDA to include certain specified add-backs through March 31, 2010. The December 2009 Amendment also provides that from and after January 1, 2010, the interest rate payable on the Bison Note will be equal to (a) 16.5% per annum, consisting of currently payable interest at the rate of 12% per annum and deferred interest at the rate of 4.5% per annum if the Company is not in compliance with its covenants under the Securities Purchase Agreement without giving effect to any of the specified add-backs to the definition of Consolidated Adjusted EBITDA, or (b) 15% per annum, consisting of currently payable interest at the rate of 12% per annum and deferred interest at the rate of 3% per annum if the Company is in compliance with its covenants under the Securities Purchase Agreement without giving effect to any of such specified add-backs to the definition of Consolidated Adjusted EBITDA.

Subject to certain conditions, the Company is obligated to redeem the Bison Note upon the occurrence of a Change of Control (as defined in the Securities Purchase Agreement). The December 2009 Amendment to the Securities Purchase Agreement provides that if a Change of Control occurs on or prior to June 30, 2010, then the purchase price at which the Company is required to redeem the Bison Note shall include interest that would have accrued from the date of redemption through June 30, 2010. In addition, the amendment to the Securities Purchase Agreement provides that if the Change of Control occurs prior to July 31, 2010, then the Warrants held by Bison will be canceled upon the redemption of the Bison Note without further liability on the part of the Company.

As of March 31, 2010, the Company failed to comply with the revised covenant in the Securities Purchase Agreement relating to the Bison Note requiring the Company to have a specified minimum trailing twelve-month Consolidated Adjusted EBITDA, a covenant requiring the Company's Consolidated Leverage Ratio not to exceed a specified maximum amount, and certain other covenants regarding certain non-financial matters. The Company and Bison entered into a Waiver and Forbearance Agreement under which Bison has agreed to waive the Company's failure to comply with the financial covenants as of March 31, 2010 and waived the failure by the Company to comply with such covenants for the measuring period ending June 30, 2010, and fully waived the Company's failure to comply with the non-financial covenants. In this connection, Bison also has agreed to forbear from accelerating the Company's obligations to Bison under the Securities Purchase Agreement a result of the Company's breach of the financial covenants until the earliest of (a) April 1, 2011, (b) the issuance of a notice of default, event of default or breach by Signature Bank, the Company's senior lender, (c) the occurrence of a default or event of default under the Securities Purchase Agreement other than with respect to a breach of the financial covenants, (d) the issuance of a "going concern" opinion by the Company's auditors and (e) the date that written notice from the Company is delivered to Bison stating that the Company no longer requires Bison to forbear from accelerating the Company's obligations under the Bison Note (the "Bison Forbearance Period").

The Waiver and Forbearance Agreement also provides that during the Bison Forbearance Period, and irrespective of the changes to the interest rate on the Bison Note made pursuant to the December 2009 Amendment, the Bison Note shall bear interest for each day during the Bison Forbearance Period at a rate equal to 16.5% per annum (and the scheduled cash interest rate shall be twelve percent (12%) per annum, and the scheduled pay-in-kind interest rate shall be four and a half percent (4.5%) per annum). Following the end of the Bison Forbearance Period, the Bison Note shall bear interest at the Scheduled Interest Rate in accordance with the December 2009 Amendment.

In connection with the execution and delivery of the Waiver and Forbearance Agreement, the Securities Purchase Agreement was amended to require the recomputation, starting with the quarter ending June 30, 2010, of certain financial parameters for the fiscal year ended June 30, 2008 for purposes of determining Base Multiple and consequently the Put Price, as such terms are defined in the Securities Purchase Agreement.

At March 31, 2010, the Company also failed to comply with covenants in its Loan Agreement with Signature Bank, the Company's senior lender, requiring that the ratio of the Company's EBITDA minus cash capital expenditures to long term debt plus interest expense (debt service coverage ratio), and ratio of total debt to EBITDA (total debt to EBITDA ratio) not exceed specified amounts, and requiring that the Company maintain a minimum amount of total assets over total liabilities less subordinated debt (minimum effective net worth) and certain covenants relating to non-financial matters. Signature Bank has agreed to waive the Company's failure to comply with these financial covenants through April 30, 2011, provided that the Company complies with such covenants based upon the current ratios and effective net worth as they existed on March 31, 2010, and fully waived the Company's failure to comply with the non-financial covenants.

Note 6 - Commitments

Registration Rights Agreement

In connection with the issuance of the Bison Note, the Company entered into a Registration Rights Agreement with the holders of the Bison Note under which the Company is required, after October 15, 2008, to be in a position to file, within 60 days upon a request, and maintain its effectiveness for at least 180 days, a registration statement with the Securities and Exchange Commission ("SEC") covering the resale of the shares of common stock issuable pursuant to exercise of the warrants issued with the Bison Note. If the Company fails to file or maintain effectiveness of the registration statement or if the registration statement is not declared effective by the SEC, the Company is subject to a penalty equal to 2% of the securities to be registered per month. Such penalty is doubled if the Company's failure extends for more than 90 days but the maximum amount of the penalty cannot exceed 20% of the securities to be registered. The Company has not accrued any amounts in connection with these commitments, because management believes that it is not probable that any such penalties will be incurred.

Note 7 – Income Taxes

The Company's domestic effective income tax rate for the interim periods presented is based on management's estimate of the Company's effective tax rate for the applicable year and differs from the federal statutory income tax rate primarily due to nondeductible permanent differences, state income taxes and changes in the valuation allowance for deferred income taxes. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The Company maintains a full valuation allowance on its deferred tax assets. Accordingly, the Company has not recorded a benefit for income taxes.

On July 1, 2007, the Company adopted the accounting guidance for accounting for uncertainty in income taxes which provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. The Company will recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company has not recognized any such benefits. The Company recognizes interest and penalties related to these unrecognized tax benefits in the income tax provision.

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

GENERAL OVERVIEW

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand our company. The MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying notes.

FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Actual operations and results may differ materially from present plans and projections due to changes in economic conditions, new business opportunities, changed business conditions, and other developments. Other factors that could cause results to differ materially are described in our filings with the Securities and Exchange Commission.

There are several factors that could cause actual results or events to differ materially from those anticipated, and include, but are not limited to, general economic, financial and business conditions, changes in and compliance with governmental laws and regulations, including various state and federal government regulations, our ability to obtain additional financing from outside investors and/or bank and mezzanine lenders, and our ability to generate revenues sufficient to achieve positive cash flow.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10-Q to be accurate as of the date hereof. Changes may occur after that date. We will not update that information except as required by law in the normal course of our public disclosure practices.

Additionally, the following discussion regarding our financial condition and results of operations should be read in conjunction with the financial statements and related notes contained in Item 1 of Part I of this Form 10-Q.

GENERAL

The Company develops and manages comprehensive wound care centers, which are marketed as “THE CENTER FOR WOUND HEALING tm” primarily in the mid-Atlantic and northeastern parts of the country. These centers render wound care and the specialized service of hyperbaric medicine, and are developed in partnerships with acute care hospitals. We enter into separate multi-year operating agreements to startup and manage the wound care program within the hospital environment. Although there can be no assurance that we will be successful in each instance, our plans for each hospital center require a multi-year committed contract term adequate for us to recover our investment in leasehold improvements (a sunk cost and non-transferable asset); our start-up costs, including recruiting and training of personnel; and the amortization of chamber lease financing. Generally, the hospital provides us with appropriate space for each of our centers.

We are responsible for the development and management of the wound care and hyperbaric centers, including providing direct staff and billing support to ensure hospitals are reimbursed appropriately. We also are responsible for designing and installing necessary leasehold improvements of the hospital-provided space and to supply the appropriate equipment, including the hyperbaric chambers. We acquire the chambers under both operating and capitalized lease financing transactions with nominal buyout arrangements (treated as capitalized leases in our accompanying condensed consolidated financial statements). As our operation grows, we have the ability to transfer chambers between institutions to balance demand and maximize the use of our resources.

Patient service revenue is recognized when the service is rendered in accordance with the terms of the contracts with hospitals. Most hospitals are not billed for the service until the hospital is paid by the third party payers. As a result, accounts receivable include amounts not yet billed to the hospitals, collection of which by CFWH can take several months.

RESULTS OF OPERATIONS

COMPARISON OF THREE MONTHS ENDED MARCH 31, 2010 TO THE THREE MONTHS ENDED MARCH 31, 2009

REVENUES:

Revenues for the three months ended March 31, 2010 were $6.3 million, a decrease of $575 thousand or 8.4% below the $6.9 million of revenues generated in the three months ended March 31, 2009. This is due to three fewer centers operating during the March 31, 2010 reporting period as result of expiration of related agreements, plus several blizzards in February that caused many hospitals to close their outpatient services and patients not being able to travel to the hospital for their treatments.

OPERATING EXPENSES:

Overview: Operating expenses for the three months ended March 31, 2010 were approximately $9.5 million or 149.8% of total revenue compared to $6.4 million or 93.4% of revenue for the three months ended March 31, 2009. The $3.1 million increase in operating expenses is the result of approximately $642 thousand in higher payroll costs associated with increased staffing at the corporate level, primarily in the business development, marketing, finance and human resources departments; approximately $112 thousand in licensing fees for software not deployed the prior year; approximately $120 thousand in higher health insurance costs due to greater number of employees participating in the plan and overall increases in health insurance premiums; and approximately $126 in a combination of other center related costs including patient transportation, licensing fees and commercial insurance. During the third quarter, the Company assessed its accounts receivable allowance estimates based in part on enhanced information derived from its recently installed collection tracking system, and continued weakness in the economy. As a result, the Company recorded $2.1 million of bad debt expense in the third quarter, principally related to the assessment.

Cost of services: Cost of services, which are comprised principally of payroll and payroll related costs for administrative, professional and nursing staff required to administer treatments at our centers, as well as depreciation relating to hyperbaric medical chambers and leasehold improvements, was $4.0 million or 63.4% of total revenues for three months ended March 31, 2010 compared with $3.6 million or 52.9% in the three months ended March 31, 2009. The $360 thousand or 9.9% increase is primarily attributable to higher direct labor costs; increases in patient transportation, software licensing fees; and medical and commercial insurance costs, which doubled over the prior year's three month period.

Sales and marketing: Sales and marketing expenditures increased by $30 thousand to $72 thousand compared with the three months ended March 31, 2009 due to trade show participation, hospital sponsorships and costs associated with increased education, marketing and promotion efforts.

General and administrative: General and administrative expenses are comprised primarily of payroll and payroll related costs, insurance, accounting, travel and entertainment costs, and professional fees. General and administrative costs increased by $575 thousand to $2.8 million or 44.8% of revenues for the three months ended March 31, 2010, compared to $2.3 million or 32.7% of revenues for the three months ended March 31, 2009. The increase is due to increased payroll and payroll related costs for center management and corporate staff, including the addition of personnel in the business development, finance, marketing, and human resources departments.

Impairment loss: As of March 31, 2010 $108 thousand was written off due to the closing of one of our centers.

Depreciation and amortization: Depreciation and amortization expense related to corporate property and equipment and intangible assets aggregated $325 thousand or 5.1% of revenues for the three months ended March 31, 2010 compared to $251 thousand or 3.7% of total revenues for the 2009 three months. The increase is due to the acquisition and deployment of various software applications and hardware necessary for the Company to better conduct its business, and to the amortization of the intangible assets associated with the buyout of non-controlling interests.

Bad debt expense: Bad debt expense was $2.1 million or 33.6% of total revenues for the three months ended March 31, 2010 compared to $240 thousand or 3.5% of revenues for the three months ended March 31, 2009. During the third quarter, the Company assessed its accounts receivable allowance estimates based in part on enhanced information derived from its recently installed collection tracking system,.and continued weakness in the economy. As a result, the Company recorded $2.1 million of bad debt expense in the third quarter, principally related to the assessment.

OTHER INCOME (EXPENSE):

Interest expense: The Company incurred interest expense of approximately $1.8 million or 28.3% of total revenues for the three months ended March 31, 2010, compared to $1.3 million or 18.4% of revenues for the 2009 three months. Interest expense increased by approximately $519 thousand due to a $369 thousand increase in the principal amount of the Bison Note as a result of adding accrued interest to principal, and $150 thousand related to fees related to the Bison waiver. Cash interest for the three months ended March 31, 2010 was $782 thousand, including $769 thousand paid to Bison Capital. Cash interest for the three months ended March 31, 2009 was $75 thousand.

Change in fair value of warrants: The Company recorded $1.1 million of income for the three months ended March 31, 2010 due to the decrease in the fair value of the warrant obligation for the quarter as described in Note 2k to the condensed consolidated financial statements.

COMPARISON OF NINE MONTHS ENDED MARCH 31, 2010 TO THE NINE MONTHS ENDED MARCH 31, 2009

REVENUES:

Revenues for the nine months ended March 31, 2010 were $21.5 million, a decrease of $40 thousand or 0.2% from the $21.5 million of revenues generated in the nine months ended March 31, 2009. This is due to three fewer centers operating during the March 31, 2010 reporting period plus several blizzards in February that caused many hospitals to close their outpatient services and patients not being able to travel to the hospital for their treatments. This was offset in part by increased revenue from existing centers.

OPERATING EXPENSES:

Overview: Operating expenses for the nine months ended March 31, 2010 were approximately $24.4 million or 114.0% of total revenues compared to $20.1 million or 93.7% of revenues for the nine months ended March 31, 2009. The $4.3 million increase in operating expenses is the result of approximately $1.8 million in higher payroll costs associated with the operations of new centers and increased staffing at the corporate level, including in the business development, marketing, finance and human resources departments; approximately $256 thousand in licensing fees for software not deployed the prior year; and approximately $300 thousand in higher health insurance costs due to greater number of employees participating in the plan and overall cost increases for health insurance premiums. and approximately $126 in a combination of other center related costs including patient transportation, licensing fees and commercial insurance In addition, the Company incurred increased bad debt expense of approximately $1.8 million, principally as a result of the Company's assessment of its accounts receivable allowance estimates based in part on enhanced information derived from its recently installed collection tracking system, and continued weakness in the economy. As a result, the Company recorded $2.5 million of bad debt expense for the nine months ended March 31, 2010.

Cost of services: Cost of services, which are comprised principally of payroll and payroll related costs for administrative, professional and nursing staff required to administer treatments at our centers, as well as depreciation relating to hyperbaric medical chambers and leasehold improvements, was $11.9 million or 55.7% of total revenues for nine months ended March 31, 2010 compared with $11.0 million or 51.4% in the nine months ended March 31, 2009. The $900 thousand or 8.1% increase is primarily attributable to higher direct labor costs, increases in software licensing fees, and higher health and commercial insurance costs.

Sales and marketing: Sales and marketing expenditures of $323 thousand increased by $189 thousand from the prior year's nine month period due to trade show participation, hospital sponsorships, and costs associated with increased education, marketing and promotion efforts.

General and administrative: General and administrative expenses are comprised primarily of payroll and payroll related costs, insurance, accounting, travel and entertainment costs, and professional fees. General and administrative costs increased by $1.1 million to $8.6 million or 40.2% of revenues for the nine months ended March 31, 2010, compared to $7.5 million or 35.1% of revenues for the nine months ended March 31, 2009. The increase is due to increased payroll and payroll related costs for business development; marketing; center management and corporate staff, including in the finance, marketing and human resources departments; and professional fees, partially offset by a reduction in stock compensation expense.

Impairment loss: As of March 31, 2010 $108 thousand was written off due to the closing of one of our centers.

Depreciation and amortization: Depreciation and amortization expense related to corporate property and equipment and intangible assets aggregated $970 thousand or 4.5% of revenues for the nine months ended March 31, 2010 compared to $733 thousand or 3.4% of total revenues for the 2009 nine months. The increase is due to the acquisition and deployment of various software applications and hardware necessary for the Company to conduct its business and to the amortization of the intangible assets associated with the buyout of the non-controlling interests.

Bad debt expense: Bad debt expense was $2.5 million or 11.5% of total revenues for the nine months ended March 31, 2010 compared to $684 thousand or 3.2% of revenues for the nine months ended March 31, 2009. During the third quarter, the Company assessed its accounts receivable allowance estimates based in part on enhanced information derived from its recently installed collection tracking system, and continued weakness in the economy. The $2.5 million bad debt expense recorded for the nine months ended March 31, 2010, $1.8 million relates principally to the assessment.

OTHER INCOME (EXPENSE):

Interest expense: The Company incurred interest expense of approximately $4.8 million or 22.5% of total revenues for the nine months ended March 31, 2010, compared to $3.5 million or 16.4% of revenues for the 2009 nine months. Interest expense increased by approximately $1.2 million due to an increase in the principal amount of the Bison Note as a result of adding accrued interest to principal. Cash interest for the nine months ended March 31, 2010 was $1.6 million, including $1.5 million paid to Bison Capital. Cash interest expense for the nine months ended March 31, 2009 was $268 thousand.

Change in fair value of warrants: The Company recorded $1.8 million of income for the nine months ended March 31, 2010 due to the decrease in the fair value of the warrant obligation for the quarter as described in Note 2k to the condensed consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES:

Operating Activities: Net cash provided by operating activities was $5.8 million for the nine months ended March 31 2010. While our net loss was $5.8 million, noncash expenses incurred during the nine months included (a) $4.3 million of interest accrued for the notes payable and long-term debt, (b) $2.5 million of bad debt expense, (c) depreciation and amortization of $3.8 million related to equipment, leasehold improvements and certain hospital contracts, and (c) $0.6 million for the amortization of stock options, partially offset by $1.8 million of non-cash income recorded for the change in the fair value of the warrant liability.

Investing Activities: Net cash used in investing activities was $0.6 million for the nine months ended March 31, 2010. The primary use of cash was for the purchase of software and other infrastructure projects necessary to support the Company's information technology needs and leasehold improvements at a new center. Net cash used in investing activities was $1.5 million for the nine months ended March 31, 2009 for purchases of property and equipment.

Financing Activities: Net cash used in financing activities was $5.5 million for the nine months ended March 31, 2010. The Company repaid $0.5 million of the bank line of credit, retired $0.8 million of notes and loans, paid $1.5 million of interest due on the Bison Note, paid $2.5 million of principal due Bison, and made the required payments of $0.1 million to former majority members.

We participate in a working capital financing and term loan arrangement with Signature Bank, which matures on December 1, 2012. The maximum amount that can be borrowed under the bank loan – revolving line of credit, at March 31, 2010, is $5.8 million.

As more fully described in Note 5 to the Company's condensed consolidated financial statements for the fiscal quarter ended March 31, 2010, the Company and Bison amended the Securities Purchase Agreement relating to the Bison Note ("December 2009 Amendment") to provide, among other things, for the waiver of the Company's failure to comply with a covenant in such Securities Purchase Agreement requiring the Company to have a specified minimum Consolidated Adjusted EBITDA for the fiscal quarter ended on such date, to change the definition of Consolidated Adjusted EBITDA applicable to future periods, and to change in the non-cash interest payable on the Bison Note in future periods.

Also, as more fully described in Note 5 to the Company's condensed consolidated financial statements for the fiscal quarter ended March 31, 2010, the Company failed to comply with the covenant requiring the Company to have a specified minimum trailing twelve-month Consolidated Adjusted EBITDA (as revised in the December 2009 Amendment), a covenant requiring the Company's Consolidated Leverage Ratio not to exceed a specified maximum amount, and certain other covenants regarding certain non-financial matters. The Company and Bison entered into a Waiver and Forbearance Agreement under which Bison has agreed to waive the Company's failure to comply with the financial covenants as March 31, 2010 and waived the failure by the Company to comply with such covenants for the measuring period ending June 30, 2010, and fully waived the Company's failure to comply with the non-financial covenants. In this connection, Bison also has agreed to forbear from accelerating the Company's obligations to Bison under the Securities Purchase Agreement for the period specified in such Waiver and Forbearance Agreement.

The Waiver and Forbearance Agreement also changes the interest rate on the Bison Note during the period while Bison's agreement to forbear under the Waiver and Forbearance Agreement is in effect.

The Securities Purchase Agreement also was amended to require the recomputation, starting with the quarter ending June 30, 2010, of certain financial parameters for the fiscal year ended June 30, 2008 for purposes of determining Base Multiple and consequently the Put Price, as such terms are defined in the Securities Purchase Agreement.

Also, as more fully described in Note 5 to the Company's condensed consolidated financial statements for the quarter ended March 31, 2010, the Company also failed to comply with covenants in its Loan Agreement with Signature Bank, the Company's senior lender, requiring that the Company's debt service coverage ratio, and total debt to EBITDA ratio not exceed specified amounts, and requiring that the Company maintain a specified minimum effective net worth and certain covenants relating to non-financial matters. Signature Bank has agreed to waive the Company's failure to comply with these financial covenants through April 30, 2011, provided that the Company complies with such covenants based upon the current ratios and effective net worth as they existed on March 31, 2010, and fully waived the Company's failure to comply with the non-financial covenants.

We believe that the Company will be able to comply with the modified covenants described above.

We believe that the cash flows from operations and borrowings under the senior bank line of credit will provide sufficient liquidity for the Company to be able to finance our operations for at least the next 12 months.

RECENT ACCOUNTING PRONOUNCEMENTS:

See Note 2 to the Condensed Consolidated Financial Statements regarding the effects on the Company's financial statements of the adoption of recent accounting pronouncements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

None.

ITEM 4T. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Based on an evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 240.13a - 15(e) and 240.15d -- 15(e)), our Chief Executive Officer and Chief Financial Officer has concluded that disclosure controls and procedures as of the end of the period covered by this report are effective in providing timely material information required to be disclosed in the reports filed or submitted under the Exchange Act. The Company's disclosure controls and procedures are designed to provide reasonable assurances of achieving their objectives and the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures are effective in reaching that level of reasonable assurance.

(b) *Changes in Internal Controls.* During the quarter ended March 31, 2010 there have not been any changes in internal controls over financial reporting identified in connection with an evaluation thereof that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II

ITEM 1. Legal Proceedings:

There is no action, suit, proceeding, inquiry or investigation before or by any public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company and of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our company's or our company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

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

None.

ITEM 3. Default Upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders:

No matters were submitted to shareholders for the period ended March 31, 2010.

ITEM 5. Other Information:

None.

ITEM 6. Exhibits:

Exhibit No.	Description of Exhibit
4.1	Waiver dated May 24, 2010 in respect of Amended and Restated Loan Agreement among the Company and its subsidiaries and Signature Bank.
4,2	Waiver and Forbearance Agreement dated May 24, 2010 between Bison Capital Equity Partners II-A, L.P., and Bison Capital Equity Partners II-B, L.P. and the Company.
4.3	Third Amendment to Securities Purchase Agreement dated May 24, 2010 to Securities Purchase Agreement dated as of March 31, 2008 between Bison Capital Equity Partners II-A, L.P. and Bison Capital Equity Partners II-B, L.P., and the Company.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Chief Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Signature	Title	Date
/s/ Andrew G. Barnett Andrew G. Barnett	Chief Executive Officer; Chief Financial Officer; Chief Accounting Officer	May 26, 2010

Exhibit 4.1

WAIVER
DATED AS OF MAY 24, 2010
IN RESPECT OF
AMENDED AND RESTATED LOAN AGREEMENT

BY AND AMONG

NY HYPERBARIC, LLC, FOREST HILLS HYPERBARIC, LLC, NEWARK BI LLC, PASSAIC HYPERBARIC, LLC, ST JOSEPHS HYPERBARIC LLC, GREATER BRONX HYPERBARIC LLC (f/k/a Montefiore Hyperbaric LLC), ELISE KING, LLC, PENNSYLVANIA HYPERBARIC, LLC, NEW YORK HYPERBARIC AND WOUND CARE CENTERS, L.L.C., VB HYPERBARIC, LLC, EIN HYPERBARIC LLC, THE SQUARE HYPERBARIC, LLC, THE CENTER FOR WOUND HEALING I, LLC (f/k/a Modern Medical, LLC), THE CENTER FOR WOUND HEALING II, LLC (f/k/a Modern Medical Specialties, LLC), CFWH (NEW JERSEY) LLC, FAR ROCKAWAY HYPERBARIC, LLC, CFWH (NEW YORK) LLC, CFWH (DELAWARE), LLC, CFWH (PENNSYLVANIA), LLC, CFWH (MASSACHUSETTS), LLC, MEADOWLANDS HYPERBARIC, LLC, BAYONNE HYPERBARIC, LLC, RARITAN BAY HYPERBARIC, LLC, CFWH MEZZANINE, LLC, and THE CENTER FOR WOUND HEALING, INC.

AND

SIGNATURE BANK

THIS WAIVER (the “Waiver”) made as of the 24th day of May, 2010 by and among NY HYPERBARIC, LLC, FOREST HILLS HYPERBARIC, LLC, NEWARK BI LLC, PASSAIC HYPERBARIC, LLC, ST JOSEPHS HYPERBARIC LLC, GREATER BRONX HYPERBARIC LLC (f/k/a Montefiore Hyperbaric LLC), ELISE KING, LLC, PENNSYLVANIA HYPERBARIC, LLC, NEW YORK HYPERBARIC AND WOUND CARE CENTERS, L.L.C., VB HYPERBARIC, LLC, EIN HYPERBARIC LLC, THE SQUARE HYPERBARIC, LLC, THE CENTER FOR WOUND HEALING I, LLC (f/k/a Modern Medical, LLC), THE CENTER FOR WOUND HEALING II, LLC (f/k/a Modern Medical Specialties, LLC), CFWH (NEW JERSEY) LLC, FAR ROCKAWAY HYPERBARIC, LLC, CFWH (NEW YORK) LLC, CFWH (DELAWARE), LLC, CFWH (PENNSYLVANIA), LLC, CFWH (MASSACHUSETTS), LLC,MEADOWLANDS HYPERBARIC, LLC, BAYONNE HYPERBARIC, LLC, RARITAN BAY HYPERBARIC, LLC, CFWH MEZZANINE, LLC, and THE CENTER FOR WOUND HEALING, INC., each with a place of business at 155 White plains Road, Tarrytown, NY 10591 (the foregoing Persons, individually and collectively, the “Borrower”), and SIGNATURE BANK, a New York bank having an office at 1225 Franklin Avenue, Garden City, New York 11530 (the “Bank”).

WITNESSETH:

WHEREAS, certain of the entities comprising the Borrower and the Bank entered into a Amended and Restated Loan Agreement dated as of June 17, 2005 as amended by a First Amendment dated as of April 7, 2006, a Second Amendment dated as of February 1, 2007, a Third Amendment and Waiver dated as of May 29, 2007, a Fourth Amendment and Waiver dated as of July 31, 2007, a Fifth Amendment dated as of October 11, 2007, a Sixth Amendment dated as of March 19, 2008, a Seventh Amendment dated as of March 31, 2008 and an Eighth Amendment dated as of December 18, 2008 (collectively, the “Agreement”), providing for certain financial accommodations to the Borrower and which Agreement is now in full force and effect;

WHEREAS, the Borrower has failed to comply with the provisions of Sections 6.1, 6.3, 6.4 and 7.2 of the Agreement as described below; and

WHEREAS, the Borrower and the Bank desire that the Bank waives the Borrowers’ non-compliance with such provisions of the Agreement on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. As used in this Waiver, capitalized terms, unless otherwise defined, shall have the meaning ascribed thereto in the Agreement.

2. The Borrowers failed to comply with the provisions of Section 6.1 of the Agreement for the four fiscal quarter period of the Borrower ended March 31, 2010, as the ratio which is the subject of such section was 0.30:1.00 for such period. Such non-compliance is hereby waived, for the four fiscal quarter period of the Borrower ended March 31, 2010 and for each of the four fiscal quarter periods ending subsequent to March 31, 2010 through and including the four fiscal quarter period ending April 1, 2011, provided that (a) such ratio was not less than 0.30:1.00 for the four fiscal quarter period of the Borrower ended March 31, 2010, and (b) such ratio will not be, for any of the four fiscal quarter period ending subsequent to March 31, 2010 through and including the four fiscal quarter period ending April 1, 2011, less than 0.30:1.00.

3. The Borrowers failed to comply with the provisions of Section 6.3 of the Agreement as of the last day of the fiscal quarter of the Borrower ended March 31, 2010, as the Effective Tangible Net Worth as the Borrower as of March 31, 2010 was $12,451,000. Such non-compliance is hereby waived, as of the last day of the fiscal quarter of the Borrower ended March 31, 2010 and as of the last day of each fiscal quarter of the Borrower occurring subsequent to March 31, 2010 through and including April 1, 2011, provided that (a) the Effective Tangible Net Worth of the Borrower as of March 31, 2010 was not less than $12,451,000, and (b) the Effective Tangible Net Worth of the Borrower will not be, as of the last day of each fiscal quarter of the Borrower occurring subsequent to March 31, 2010 through and including April 1, 2011, less than $12,451,000.

4. The Borrowers failed to comply with the provisions of Section 6.5 of the Agreement for the four fiscal quarter period of the Borrower ended March 31, 2010, as the ratio which is the subject of such section was 7.23:1.00 for such period and as of such date. Such non-compliance is hereby waived, for the four fiscal quarter period of the Borrower ended March 31, 2010 (and as of such date) and for each of the four fiscal quarter periods ending subsequent to March 31, 2010 (and as of such dates) through and including the four fiscal quarter period ending April 1, 2011 (and as of such date), provided that (a) the ratio which is the subject of such section was not more than 7.23:1.00 for the four fiscal quarter period of the Borrower ended March 31, 2010 (and as of such date), and (b) such ratio will not be, for any of the four fiscal quarter period ending subsequent to March 31, 2010 (and as of such dates) through and including the four fiscal quarter period ending April 1, 2011 (and as of such date), less than 7.23:1.00.

5. Notwithstanding anything contained in this Waiver to the contrary, the Borrowers' non-compliance with Section 6, for all fiscal quarters and financial covenant testing dates ending/occurring subsequent to March 31, 2010 through and including the fiscal quarter ending and the financial covenant testing date occurring on April 1, 2011, is hereby waived to the extent and solely to the extent resulting from the required adoption by the Borrower of changes in GAAP from and after June 30, 2009 and through and including April 1, 2011.

6. The Borrowers failed to comply with the provisions of Section 7.2 of the Agreement as a result of the mergers and/or name changes which are described on Exhibit I hereto. Such non-compliance is hereby waived. In connection with the foregoing, the Borrowers agree to execute and deliver such documents as the Bank may reasonably request in connection with such mergers and changes of name.

7. As an inducement for the Bank to enter into this Waiver, the Borrower hereby represents and warrants as follows:

(A) There are no defenses or offsets to its obligations under the Agreement, the Note or any of the other agreements in favor of the Bank referred to in the Agreement, and if any such defenses or offsets exist without the knowledge of the Borrower, the same are hereby waived.

(B) All the representations and warranties made by the Borrower in the Agreement are true and correct in all material respects as if made on the date hereof.

8. It is expressly understood and agreed that all collateral security for the Loans set forth in the Agreement prior to the waiver provided for herein, is and shall continue to be collateral security for the Loans and other extensions of credit provided under the Agreement as herein modified. Without limiting the generality of the foregoing, the Borrower hereby absolutely and unconditionally confirms that each document and instrument executed by the Borrower pursuant to the Agreement continues in full force and effect, is ratified and confirmed and is and shall continue to be applicable to the Agreement (both before and after giving effect to this Waiver).

9. By their execution of this letter in the space provided below, the Guarantors (if any) hereby consent to this Waiver and reaffirm their continuing liability under their guarantees in respect of the Agreement, as amended hereby, and all documents, instruments and agreements executed pursuant thereto or in connection therewith, without offset, defense or counterclaim (any such offset, defense or counterclaim as may exist being hereby irrevocably waived by any such Guarantors).

10. The Waiver set forth herein is limited precisely as written and shall not be deemed (except as the Agreement is modified by this Waiver) to (a) be a consent to or a waiver of any term or condition of the Agreement (i.e., only non-compliance with the above-referenced sections of the Agreement, but not with any other sections of the Agreement is waived hereby or any of the documents referred to therein, or (b) prejudice any right or rights which the Bank may now have or may have in the future under or in connection with the Agreement or any documents referred to therein. Whenever the Agreement is referred to in the Agreement or any of the instruments, agreements or other documents or papers executed and delivered in connection therewith, it shall be deemed to mean the Agreement as modified by this Waiver. This Waiver may be signed in one or more counterparts which, when taken together, shall constitute one and the same document. The parties to this Waiver agree that, for purposes of the execution of this Waiver, facsimile signatures and scanned signatures through email will constitute original signatures.

11. This Waiver shall become effective on such date as all of the following conditions have been satisfied:

(A) Waiver Fee. The Borrower shall have paid to the Bank a waiver fee in the amount of $10,000.00; and

(B) Fees and Expenses. The Bank shall have received evidence of payment of the fees and disbursements of the Bank's counsel (if invoiced by the Bank's counsel on or prior to the date hereof).

12. This Waiver is dated of March 31, 2010 and shall be effective on the date of execution by the Bank. Except as modified by this Waiver, the Agreement is in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Waiver to be executed by their duly authorized officers as of the date first written above.

Borrower:
NY HYPERBARIC, LLC
FOREST HILLS HYPERBARIC, LLC
NEWARK BI LLC
PASSAIC HYPERBARIC, LLC
ST JOSEPHS HYPERBARIC LLC
GREATER BRONX HYPERBARIC LLC
ELISE KING, LLC
PENNSYLVANIA HYPERBARIC, LLC
NEW YORK HYPERBARIC AND WOUND CARE CENTERS, L.L.C.
VB HYPERBARIC, LLC
EIN HYPERBARIC LLC
THE SQUARE HYPERBARIC, LLC
THE CENTER FOR WOUND HEALING I, LLC THE CENTER FOR WOUND HEALING II, LLC CFWH (NEW JERSEY) LLC
FAR ROCKAWAY HYPERBARIC, LLC
CFWH (NEW YORK) LLC
CFWH (DELAWARE), LLC
CFWH (PENNSYLVANIA), LLC
CFWH (MASSACHUSETTS), LLC
MEADOWLANDS HYPERBARIC, LLC
BAYONNE HYPERBARIC, LLC
RARITAN BAY HYPERBARIC, LLC
CFWH MEZZANINE, LLC,
By their managers/members
THE CENTER FOR WOUND HEALING, INC.

By: /s/ Andrew G. Barnett

Andrew G. Barnett
Chief Executive Officer

THE CENTER FOR WOUND HEALING, INC.

By: /s/ Andrew G. Barnett

Andrew G. Barnett
Chief Executive Officer

Bank:
SIGNATURE BANK

By: /s/ Lori Cabana

Lori Cabana
Vice President & Senior Lender

EXHIBIT I

THE CENTER FOR WOUND HEALING, INC.

AMENDED AND RESTATED LOAN AGREEMENT WITH SIGNATURE BANK

**CHANGES OF NAME
AND MERGERS OF BORROWERS**

Borrowers Organized under the laws of the State of Delaware

Borrower merged into Atlantic Associates LLC:
New York Hyperbaric & Wound Care Centers LLC

Atlantic Associates LLC has been renamed CFWH (Delaware), LLC

Borrowers Organized under the laws of the State of Massachusetts

Borrower merged into Massachusetts Hyperbaric, LLC:
Lowell Hyperbaric, LLC

Massachusetts Hyperbaric, LLC has been renamed CFWH (Massachusetts), LLC

Borrowers Organized under the laws of the State of New Jersey

Borrowers merged into NJ Hyperbaric LLC:
JFK Hyperbaric LLC
Muhlenberg Hyperbaric LLC
South Ocean County Hyperbaric LLC
Trenton Hyperbaric LLC

NJ Hyperbaric LLC has been renamed CFWH (New Jersey) LLC

Borrowers Organized under the laws of the State of New York

Borrowers merged into Atlantic Hyperbaric LLC
CEF Products LLC
South Nassau Hyperbaric, LLC
South N Hyperbaric LLC
Maimonides Hyperbaric LLC

Atlantic Hyperbaric LLC has been renamed CFWH (New York) LLC

Borrowers Organized under the laws of the State of Pennsylvania

Borrower merged into CMC Hyperbaric LLC:
Scranton Hyperbaric, LLC

CMC Hyperbaric LLC has been renamed CFWH (Pennsylvania), LLC

Exhibit 4.2

WAIVER AND FORBEARANCE AGREEMENT

THIS WAIVER AND FORBEARANCE AGREEMENT is made on May 24, 2010 (this "***Agreement***"), by and between Bison Capital Equity Partners II-A, L.P., a Delaware limited partnership, and Bison Capital Equity Partners II-B, L.P., a Delaware limited partnership (collectively, "***Purchaser***"), on the one hand, and The Center for Wound Healing, Inc., a Nevada corporation (the "***Company***"), on the other hand. Any capitalized term used but not otherwise defined herein shall have the same meaning as set forth in the Securities Purchase Agreement dated as of March 31, 2008 by and between Purchaser and the Company, as amended by the First Amendment to Securities Purchase Agreement dated as of April 16, 2009 and the Second Amendment to Securities Purchase Agreement dated February 12, 2010 (as otherwise amended, the "***Securities Purchase Agreement***").

WHEREAS, the Company is in Default under the Securities Purchase Agreement for violation of the covenant set forth in Section 9.3(a) of the Securities Purchase Agreement by reason of the consummation of the mergers among certain of the Credit Parties as more fully described on Exhibit A (the ***"Merger Default"***); and

WHEREAS, the Company is in Default under the Securities Purchase Agreement for violation of the covenant set forth in Section 9.4 of the Securities Purchase Agreement by reason of the change by certain of the Credit Parties by reason of the changes by certain of the Credit Parties of their names as more fully described on Exhibit A (the ***"Name Change Default"***);

WHEREAS, the Company is in Default under the Securities Purchase Agreement for violation of the financial covenant set forth in Section 9.18(a) of the Securities Purchase Agreement (the "***EBITDA Covenant***") for the twelve-month period ending on March 31, 2010, as more fully described on Exhibit B (the "***EBITDA Covenant Default***");

WHEREAS, the Company is in Default under the Securities Purchase Agreement for violation of the financial covenant set forth in Section 9.18(b) of the Securities Purchase Agreement (the "***Consolidated Leverage Ratio Covenant***") for the twelve-month period ending on March 31, 2010, as more fully described on Exhibit C (the "***Consolidated Leverage Ratio Covenant Default***");

WHEREAS, the parties desire to waive certain provisions of the Securities Purchase Agreement subject to the terms and conditions set forth herein; and

WHEREAS, the parties desire that Purchaser forbear from enforcing certain rights of Purchaser under the Transaction Documents subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Subject to the effectiveness of this Agreement, Purchaser hereby waives the Merger Default and the Name Change Default. The Company hereby acknowledges and agrees that the waiver given by Purchaser pursuant to the foregoing sentence (a) does not constitute a waiver of any other Default or Event of Default under the Transaction Documents, and (b) is not, and is not intended as, a waiver by Purchaser of or in respect of any breach, Default or Event of Default under the Transaction Documents occurring from and after the date hereof except as expressly provided herein. In connection with the foregoing, the Company agrees to cause the Credit Parties agree to execute and deliver such documents as Purchaser may reasonably request in connection with the mergers that are the subject of the Merger Default and the changes of name that are the subject of the Name Change Default.

2. Subject to the effectiveness of this Agreement, Purchaser hereby waives the EBITDA Covenant Default and Consolidated Leverage Ratio Covenant Default effective as of March 31, 2010 and waives any failure of the Company to comply with the EBITDA Covenant and Consolidated Leverage Ratio Covenant for the measuring period ended June 30, 2010. The Company hereby acknowledges and agrees that the waiver given by Purchaser pursuant to the foregoing sentence (a) does not constitute a waiver of any other Default or Event of Default under the Transaction Documents, and (b) is not, and is not intended as, a waiver by Purchaser of or in respect of any breach, Default or Event of Default under the Transaction Documents occurring from and after the date hereof except as expressly provided herein.

3. Effective as of March 31, 2010, Purchaser agrees to forbear from accelerating the Obligations as a result of a breach of the EBITDA Covenant and Consolidated Leverage Ratio Covenant until the earliest of (a) April 1, 2011, (b) the issuance of a notice of default, event of default or breach by the Senior Lender, (c) the occurrence of a Default or Event of Default other than with respect to a breach of the EBITDA Covenant or Consolidated Leverage Ratio Covenant, (d) the issuance of a "going concern" opinion by the Company's auditors, (e) the Consolidated Adjusted EBITDA for the trailing twelve months ending on any fiscal quarter being less than $3,500,000, and (f) the date that written notice from the Company is delivered to Purchaser stating that the Company no longer requires Purchaser to forbear from accelerating the Obligations as set forth in this Section 3) (such period of time from March 31, 2010 through the earliest of the foregoing to occur, the "***Forbearance Period***").

4. In partial consideration of Purchaser's agreement to enter into this Agreement, the Company shall pay to Purchaser the following amounts:

(a) on each fiscal quarter end during the Forbearance Period (including the fiscal quarter ended March 31, 2010), at the Company's election: (i) Purchaser shall receive $150,000 in cash or (ii) $150,000 shall be added to the outstanding principal amount under the Note; provided, however, that if the Forbearance Period terminates as a result of Section 3(e), then solely for purposes of this Section 4(a) the Forbearance Period shall be deemed to end on and include the fiscal quarter end that follows the date of delivery of written notice from the Company;

(b) prior to the effectiveness of this Agreement, all attorneys' fees and other Purchaser's Expenses incurred by or on behalf of Purchaser pursuant to, in respect of or otherwise in connection with this Agreement or the Existing Default; and

(c) Notwithstanding anything in any Transaction Document to the contrary (including, without limitation, the Second Amendment to Securities Purchase Agreement dated February 12, 2010 by and between Purchaser and the Company (the "***Second Amendment***")) and irrespective of whether any default under the Note, Default or Event of Default exists, the Note shall bear interest for each day during the Forbearance Period at a rate equal to 16.5% per annum (and the Scheduled Cash Interest Rate shall be twelve percent (12%) per annum, and the Scheduled PIK Interest Rate shall be four and a half percent (4.5%) per annum). Following the end of the Forbearance Period, the Note shall bear interest at the Scheduled Interest Rate in accordance with the Second Amendment.

The payment of all such fees and other amounts described in Sections 4(a)(i), (b) and (c) shall be made by wire transfer of immediately available funds to an account designated by Purchaser. Such fees and other amounts shall be fully earned upon becoming due and payable in accordance with the terms hereof, shall be nonrefundable for any reason whatsoever and shall be in addition to any other fees, costs and expenses payable pursuant to the Transaction Documents. For the avoidance of doubt, the obligations set forth in this Agreement are also part of "Obligations" as defined in the Securities Purchase Agreement.

5. Each of the Company, its subsidiaries, affiliates, officers, directors and representatives (together, the "***Releasing Parties***") fully releases and discharges forever Purchaser and its current and former agents, employees, officers, directors, owners, partners, shareholders, trustees, representatives, attorneys, subsidiaries, divisions, related corporations, assigns, successors, and affiliated organizations (hereafter referred to collectively as the "***Released Parties***"), and each and all of them, from any and all liabilities, claims, causes of action, charges, complaints, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, which the Releasing Parties have incurred or expect to incur, or now own or hold, or have at any time heretofore owned or held, or may at any time own, hold, or claim to hold by reason of any matter or thing arising from any cause whatsoever prior to the date of this Agreement. This Agreement does not purport to release claims that cannot be released as a matter of law.

Each Releasing Party acknowledges and intends that the Released Parties are being released from unknown and unforeseen claims to the fullest extent permitted by law and each Releasing Party waives any defenses based thereon. Each Releasing Party expressly waives and relinquishes all rights and benefits that the Releasing Party may have under any statute or other applicable law comparable to Section 1542 of the California Civil Code, which Section 1542 is intended to protect against an inadvertent release of unknown or unsuspected claims, and reads as follows:

> **"Section 1542. [General Release; extent.] A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

Each Releasing Party, being aware of said Section 1542, hereby expressly waives any rights the Releasing Party may have under any statutes, other applicable law or common law principles of similar effect, with respect to the claims purported to be released hereby.

Each Releasing Party covenants and agrees never to commence, prosecute or assist in any way, or cause, permit or advise to be commenced or prosecuted, any action, proceeding, or discovery against any Released Party based on any released claim.

Each Releasing Party agrees to indemnify and hold Purchaser and the other persons and entities released by this Agreement harmless from and against any and all claims arising from or in connection with any action or proceeding brought by it or for its benefit or on its initiative contrary to the provisions of this Agreement. This Agreement shall be deemed breached and a cause of action shall accrue immediately upon the commencement of any action or proceeding contrary to this Agreement, and in any such action or proceeding this Agreement may be pleaded as a defense by any person or entity released by this Agreement, or may be asserted by way of cross-complaint, counterclaim or cross-claim in any such action or proceeding.

6. This Agreement shall not be effective until the date upon which Purchaser receives each of the following (in each case in form and substance satisfactory to Purchaser):

(a) counterparts of this Agreement, duly executed by the Company;

(b) the Consent of Guarantors, in the form attached hereto as Exhibit D, duly executed by each of Guarantor listed on the signature pages thereto;

(c) a consent with respect to the execution, delivery and performance of this Agreement, duly executed by Senior Lender; and

(d) the fees and expenses described in Section 4.

7. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears hereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

8. Sections 14.5, 14.6, 14.7 and 14.8 of the Securities Purchase Agreement are hereby incorporated by reference and made a part of this Agreement *mutatis mutandis*, except that the references therein to "this Agreement" shall include this Agreement.

9. The Company confirms and agrees that this Agreement shall constitute a Transaction Document under the Securities Purchase Agreement. Accordingly, it shall be an Event of Default under the Securities Purchase Agreement if any representation or warranty made or deemed made by the Company under or in connection with this Agreement shall have been incorrect in any material respect when made or deemed made or if the Company fails to perform or comply with any covenant or agreement contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly signed as of the date first above written.

BISON CAPITAL EQUITY PARTNERS II-A, L.P.

By: BISON CAPITAL PARTNERS II, LLC, its general partner

By: /s/ Douglas B . Trussler
Name: Douglas B. Trussler
Title: Managing Member

BISON CAPITAL EQUITY PARTNERS II-B, L.P.

By: BISON CAPITAL PARTNERS II, LLC, its general partner

By: /s/ Douglas B . Trussler
Name: Douglas B. Trussler
Title: Managing Member

THE CENTER FOR WOUND HEALING, INC.

By: /s/ Andrew G. Barnett
Name: Andrew G. Barnett
Title: Chief Executive Officer

Exhibit A

Merger Default and Name Change Default

Credit Parties Organized under the laws of the State of Delaware

Credit Party merged into Atlantic Associates LLC:
- New York Hyperbaric & Wound Care Centers LLC

Atlantic Associates LLC has been renamed CFWH (Delaware), LLC

Credit Parties Organized under the laws of the State of Massachusetts

Credit Party merged into Massachusetts Hyperbaric, LLC:
- Lowell Hyperbaric, LLC

Massachusetts Hyperbaric, LLC has been renamed CFWH (Massachusetts), LLC

Credit Parties Organized under the laws of the State of New Jersey

Credit Parties merged into NJ Hyperbaric LLC:
- JFK Hyperbaric LLC
- Muhlenberg Hyperbaric LLC
- South Ocean County Hyperbaric LLC
- Trenton Hyperbaric LLC

NJ Hyperbaric LLC has been renamed CFWH (New Jersey) LLC

Credit Parties Organized under the laws of the State of New York

Credit Parties merged into Atlantic Hyperbaric LLC
- CEF Products LLC
- South Nassau Hyperbaric, LLC
- South N Hyperbaric LLC
- Maimonides Hyperbaric LLC

Atlantic Hyperbaric LLC has been renamed CFWH (New York) LLC

Credit Parties Organized under the laws of the State of Pennsylvania

Credit Party merged into CMC Hyperbaric LLC:
    Scranton Hyperbaric, LLC

CMC Hyperbaric LLC has been renamed CFWH (Pennsylvania), LLC

Exhibit B

EBITDA Covenant Default

The Company's Consolidated Adjusted EBITDA for the trailing twelve months ended March 31, 2010 was $$4,473,577, which failed to comply with the minimum requirement of $7,000,000 for such period.

Exhibit C

Consolidated Leverage Ratio Covenant Default

The Company's Consolidated Leverage Ratio for the trailing twelve months ended March 31, 2010 was 6.21, which failed to comply with the maximum permitted Consolidated Leverage Ratio of 4.50 for such period.

Exhibit D

Consent of Guarantors

See attached.

Exhibit 4.3

THIRD AMENDMENT TO SECURITIES PURCHASE AGREEMENT

THIS THIRD AMENDMENT TO SECURITIES PURCHASE AGREEMENT is made on May 24, 2010 (this "***Agreement***"), by and between Bison Capital Equity Partners II-A, L.P., a Delaware limited partnership, and Bison Capital Equity Partners II-B, L.P., a Delaware limited partnership (collectively, "***Purchaser***"), on the one hand, and The Center for Wound Healing, Inc., a Nevada corporation (the "***Company***"), on the other hand. Any capitalized term used but not otherwise defined herein shall have the same meaning as set forth in the Securities Purchase Agreement dated as of March 31, 2008 by and between Purchaser and the Company, as amended by the First Amendment to Securities Purchase Agreement dated as of April 16, 2009 and the Second Amendment to Securities Purchase Agreement dated February 12, 2010 (as otherwise amended, the "***Securities Purchase Agreement***").

1. Consolidated Adjusted EBITDA for the fiscal year ending June 30, 2008 (for purposes of determining Base Multiple and consequently the Put Price) shall be adjusted to account for (a) the difference between net accounts receivables (gross accounts receivables net of the applicable allowance for bad debts) as of June 30, 2008 that are related to revenue recognized during the fiscal year ending June 30, 2008 ("***FY08 Net AR***") and the known or estimated collection of FY08 Net AR, and (b) any positive expenses accrued or recognized after June 30, 2008 that relate to the fiscal year ending June 30, 2008. At each fiscal quarter end beginning with June 30, 2010, the Company will certify to Purchaser whether any adjustments to Consolidated Adjusted EBITDA need to be made in order to comply with the immediately foregoing sentence. The parties acknowledge and agree that the Consolidated Adjusted EBITDA for the fiscal year ending June 30, 2008 that the parties agree to or as calculated pursuant to the Securities Purchase Agreement (a) does not reflect GAAP and (b) is not the Company's earnings as reported in accordance with GAAP, but rather, the Consolidated Adjusted EBITDA for the fiscal year ending June 30, 2008 is a contractually negotiated financial metric that the parties are using solely as between themselves merely for purposes of determining the Company's performance.

2. This Agreement amends the Securities Purchase Agreement and all references to the Securities Purchase Agreement shall be deemed to incorporate this Agreement. All other terms and conditions of the Transaction Documents shall remain in full force and effect and shall not be affected by this Agreement.

3. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears hereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

4. Sections 14.5, 14.6, 14.7 and 14.8 of the Securities Purchase Agreement are hereby incorporated by reference and made a part of this Agreement *mutatis mutandis*, except that the references therein to "this Agreement" shall include this Agreement.

5. The Company confirms and agrees that this Agreement shall constitute a Transaction Document under the Securities Purchase Agreement. Accordingly, it shall be an Event of Default under the Securities Purchase Agreement if any representation or warranty made or deemed made by the Company under or in connection with this Agreement shall have been incorrect in any material respect when made or deemed made or if the Company fails to perform or comply with any covenant or agreement contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly signed as of the date first above written.

BISON CAPITAL EQUITY PARTNERS II-A, L.P.

By: BISON CAPITAL PARTNERS II, LLC, its general partner

By: /s/ Douglas B . Trussler
Name: Douglas B. Trussler
Title: Managing Member

BISON CAPITAL EQUITY PARTNERS II-B, L.P.

By: BISON CAPITAL PARTNERS II, LLC, its general partner

By: /s/ Douglas B . Trussler
Name: Douglas B. Trussler
Title: Managing Member

THE CENTER FOR WOUND HEALING, INC.

By: /s/ Andrew G. Barnett
Name: Andrew G. Barnett
Title: Chief Executive Officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULES 13A-14 AND 15D-14
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Andrew G. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Center for Wound Healing, Inc.;

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. I am the registrant's only certifying officer and am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report, my conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fiscal quarter ending March 31, 2010 that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditor 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.

Dated: May 26, 2010

/s/ Andrew G. Barnett
Andrew G. Barnett, Chief Executive Officer

A signed original of this written statement required by Section 302 has been provided to the Center for Wound Healing, Inc. and will be retained by the Center for Wound Healing, Inc. and furnished to the Securities and Exchange Commission upon request.

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULES 13A-14 AND 15D-14
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Andrew G. Barnett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Center for Wound Healing, Inc.;

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. I am the registrant's only certifying officer) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fiscal quarter ending March 31, 2010 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditor 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.

Dated: May 26, 2010

/s/ Andrew G. Barnett
Andrew G. Barnett, Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to the Center for Wound Healing, Inc. and will be retained by the Center for Wound Healing, Inc. and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.1

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

In connection with the Quarterly Report of The Center for Wound Healing, Inc; (the "Company") on Form 10-Q for the quarter ended March 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew G. Barnett, Chief Executive Officer, of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 26, 2010

/s/ Andrew G. Barnett

Andrew G. Barnett,
Chief Executive Officer,
Chief Financial Officer and Chief Accounting Officer