SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-KA

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

Date of Report (Date of earliest event reported) May 22, 1995

Amendment Number 1 to Form 8-K
dated June 5, 1995

CONMED CORPORATION

(Exact name of registrant as specified in its charter)

New York	0-16093	16-0977505
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

310 Broad Street, Utica, New York	13501
(Address of principal executive offices)	(Zip Code)

(315) 797-8375

(Registrant's telephone number, including area code)

(Former name or former address, if changes since last report)

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

Report of Independent Accountants

Balance Sheets of The Master Medical Corporation as of December 31, 1994 and 1993

Statements of Income and Retained Earnings of The Master Medical Corporation for the years ended December 31, 1994 and 1993

Statements of Cash Flows of The Master Medical Corporation for the years ended December 31, 1994 and 1993

Notes to Financial Statements

The financial statements of The Master Medical Corporation set forth above are attached hereto.

(b) Pro Forma Financial Information

Pro Forma Consolidated Balance Sheet as of March 31, 1995

Pro Forma Consolidated Statements of Income for Three Months Ended March 31, 1995 and for the Year Ended December 30, 1994

Notes to Pro Forma Statements

The proforma financial information is attached hereto.

CONMED CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

On May 22, 1995, CONMED Corporation ("CONMED") acquired the business and certain assets and liabilities of The Master Medical Corporation ("Master Medical") for a cash purchase price of approximately $9,500,000.

The acquisition was accounted for using the purchase method of accounting. Allocations of the purchase price have been determined based upon preliminary estimates of fair market value and, therefore, are subject to change. Differences between the amounts included herein and the final allocations are not expected to be material. The proforma statements should be read in conjunction with the historical financial statements.

The following pro forma consolidated statements of income for three months ended March 31, 1995 and for the year ended December 30, 1994 have been prepared as if the purchase transaction and the related bank financing had occurred at the beginning of 1994. The pro forma balance sheet at March 31, 1995 has been prepared as if the purchase accounting had been applied at that date. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable.

The pro forma statements do not purport to represent what CONMED's results of operations would actually have been if such transactions had occurred at the beginning of the period or to project the results of operations as of any future date or for any future period.

CONMED Corporation
Unaudited Pro Forma Consolidated Balance Sheet
March 31, 1995
(in thousands)

ASSETS	Historical CONMED	Historical Master Medical	Adjustments	Pro Forma
Current Assets:				
Cash	$ 955	$1,597	($1,097)(1)&(2)	$ 1,455
Accounts receivable, net	18,115	926		19,041
Inventories	16,241	1,272		17,513
Deferred income tax	1,494			1,494
Prepaid expenses	579	34		613
Total current assets	37,384	3,829	(1,097)	40,116
Property, plant and equipment	17,706	742		18,448
Covenant not to compete	1,486		100 (1)	1,586
Goodwill	40,077		6,842 (1)	46,919
Patents, and other assets	5,760	448	(48)(1)	6,160
Total assets	$102,413	$5,019	$ 5,797	$113,229
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Current portion of long term debt	$ 3,000		$ 3,000 (2)	$ 6,000
Accounts payable	3,080	363		3,443
Income taxes payable	1,351			1,351
Accrued payroll and withholdings	2,994	153		3,147
Accrued pension	446	73	(73)(1)	446
Accrued patent litigation	2,359			2,359
Other current liabilities	2,932		300 (1)	3,232
Total current liabilities	16,162	589	3,227	19,978
Long term debt	17,000		7,000 (2)	24,000
Deferred income taxes	1,011			1,011
Accrued pension	276			276
Deferred compensation	755			755
Long term leases	3,871			3,871
Other long term liabilities	685			685
Total liabilities	39,760	589	10,227	50,576
Shareholders' Equity:				
Common stock	71			71
Paid in capital	41,273	345	(345)(3)	41,273
Retained earnings	21,309	4,085	(4,085)(3)	21,309
Total equity	62,653	4,430	(4,430)	62,653
Total liabilities and shareholders' equity	$102,413	$5,019	$ 5,797	$113,229

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Information for explanation of pro forma adjustments.

CONMED Corporation
Unaudited Pro Forma Consolidated Statement of Income

For the Year Ended December 30, 1994
(in thousands, except per share amounts)

	Historical CONMED	ProForma Adjustment For Birtcher Acquisition (Note 5)	ProForma CONMED	Historical Master Medical	Adjustments	ProForma
Net Sales	$ 71,064	$ 28,001	$ 99,065	$ 8,271	$ --	$ 107,336
Cost of sales	38,799	18,188	56,987	4,806	(1,116)(1)	60,677
Selling and administrative expense	20,979	5,561	26,540	1,726	326 (2)	28,592
Research and development expense	2,352	1,415	3,767			3,767
	62,130	25,164	87,294	6,532	(790)	93,036
Income from operations	8,934	2,837	11,771	1,739	790	14,300
Interest income (expense)	(628)	(667)	(1,295)	30	(795)(3)	(2,060)
Income before income taxes	8,306	2,170	10,476	1,769	(5)	12,240
Provision for income taxes	2,890	1,082	3,972		617 (4)	4,589
Net income	$ 5,416	$ 1,088	$ 6,504	$ 1,769	$ (622)	$ 7,651
Weighted average number of shares and equivalents outstanding	6,416	1,080	7,496			7,496
Earnings per common and common equivanlent shares	$0.84		$0.87			$1.02

See notes to unaudited pro forma financial information.

CONMED Corporation
Unaudited Pro Forma Consolidated Statement of Income
For the Three Months Ended March 31, 1995
(in thousands, except per share amounts)

	Historical CONMED	ProForma Adjustment For Birtcher Acquisition (Note 5)	ProForma CONMED	Historical Master Medical	Adjustments	ProForma
Net Sales	$ 19,753	$ 4,861	$ 24,614	$ 2,004	$ --	$ 26,618
Cost of sales	10,725	3,163	13,888	1,108	(277)(1)	14,719
Selling and administrative expense	5,338	663	6,001	487	87 (2)	6,575
Research and development expense	664	(7)	657			657
	16,727	3,819	20,546	1,595	(190)	21,951
Income from operations	3,026	1,042	4,068	409	190	4,667
Interest income (expense)	(194)	(137)	(331)	31	(219)(3)	(519)
Income before income taxes	2,832	905	3,737	440	(29)	4,148
Provision for income taxes	992	396	1,388		144 (4)	1,532
Net income	$ 1,840	$ 509	$ 2,349	$ 440	$ (173)	$ 2,616
Weighted average number of shares and equivalents outstanding	6,922		7,800			7,800
Earnings per common and common equivanlent shares	$0.27		$0.30			$0.34

See notes to unaudited pro forma financial information.

CONMED CORPORATION

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION
(dollar amounts in thousands)

Notes to the Unaudited Pro Forma Consolidated Balance Sheet

1. The acquisition of Master Medical was effected by the payment of

$9,500,000 subject to adjustment based on the net book value of the assets acquired at May 22, 1995. The transaction will be accounted for as a purchase. This total purchase price, historical book value and preliminary adjustments of book value resulting from the acquisition are summarized as follows (in thousands):

Purchase price of sets acquired	$9,500
Adjustments to determine Goodwill:	
Historical net book value of Master Medical	(4,430)
To adjust covenant not to compete and patents to estimated fair value	(52)
To adjust for cash balance and pension liabilities which were not acquired	1,524
To increase current liabilities for change in control costs and financial, legal, accounting and similar expenses	300
Total adjustments	(2,658)
Goodwill	$6,842

2. The purchase price was financed through a $10,000,000 advance under the Company's $30,000,000 term loan. The entire term loan is payable over five years at an interest rate of 1.625% over LIBOR. As a result of the Master Medical acquisition and the Company's acquisition of Birtcher Medical Systems, Inc. in March 1995, the entire term loan commitment has been utilized. The Company has a $10,000,000 line of credit with interest at LIBOR plus 1.5%.

3. Entries to eliminate the equity of Master Medical in the ProForma Consolidated Balance Sheet are as follows:

Paid in capital	$ (345)
Retained earnings	(4,085)
	$(4,430)

Notes to the Unaudited Pro Forma Consolidated Statements of Income

1. Cost of sales has been adjusted to eliminate the commission costs of independent sales representatives included in Master Medical cost of sales. CONMED will utilize its own employee sales force to market the Master Medical products.

2. Selling and administrative expense has been adjusted to reflect the increased amount of amortization of goodwill and patents; both to be amortized over a fifteen year period. Additionally, costs have been increased for commission expense for the CONMED salesforce because of increased sales volume and reduced for the salaries and pension costs of former Master Medical officers who have not been retained by CONMED.

3. Interest expense has been increased for the additional $10,000,000 borrowing under the Company's term loan agreement.

4. Master Medical formerly operated as a sub chapter S corporation and therefore did not record tax expense at the corporate level. An adjustment has been made for the estimated tax effect of Master Medical's historical income and

pro forma adjustments.

5. On March 14, 1995 CONMED acquired Birtcher Medical Systems, Inc. ("Birtcher") through an exchange of the Company's common stock for all of the outstanding common and preferred stock of Birtcher in a purchase transaction. The column entitled "ProForma Adjustment for Birtcher Acquisition" in the Unaudited ProForma Consolidated Statement of Income for the three months ended March 31, 1995 and for the year ended December 30, 1994 adjusts the historical CONMED statements of income to reflect Birtcher as if the purchase transaction had occurred as of the beginning of the respective periods presented.

SIGNATURE

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

CONMED CORPORATION

By: /s/ Robert D. Shallish, Jr.

Vice President-Finance

Dated: August 2, 1995

THE MASTER MEDICAL CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 1994 AND 1993

TABLE OF CONTENTS

[GRAPHIC -- LOGO] Mansperger Patterson & McMullin
CERTIFIED PUBLIC ACCOUNTANTS

James A Mansperger
Don A. Patterson
Jeffrey C. McMullin
James A. Wraith

To the Shareholders of

THE MASTER MEDICAL CORPORATION
Phoenix, Arizona

We have audited the accompanying balance sheets of THE MASTER MEDICAL CORPORATION, as of December 31,1994 and 1993 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's rnanagement. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THE MASTER MEDICAL CORPORATION as of December 31, 1994 and 1993, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/Mansperger Patterson & McMullin

June 15, 1995
Tempe, Arizona

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ARIZONA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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THE MASTER MEDICAL CORPORATION
BALANCE SHEETS
AS OF DECEMBER 31, 1994 AND 1993

ASSETS	1994	1993
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	$ 1,241,339	$ 600,454
Trade receivables (Notes 1 & 3)	985,407	969,314
Inventories (Notes 1, 2 & 3)	1,135,387	847,442
Prepaid expenses	56,779	50,530
Total current assets	3,418,912	2,467,740
PROPERTY AND EQUIPMENT (Notes 1, 3 & 6)		
Furniture and fixtures	37,275	28,798
Computer hardware and software	58,416	56,870
Machinery and equipment	1,276,795	1,091,517
Machinery & equipment - not in use	16,350	--
	1,388,836	1,177,185
Less: accumulated depreciation	(639,733)	(502,479)
	749,103	674,706
OTHER ASSETS		
Patents, less accumulated amortization of $977,947 and $837,054 for 1994 and 1993, respectively (Notes 1 & 3)	470,239	613,497
Loan fees, less amortization of $27,714 and $20,156 for 1994 and 1993, respectively (Notes 1 & 3)	10,078	17,637
Deposits	4,489	--
	484,806	631,134
	$ 4,652,821	$ 3,773,850

THE MASTER MEDICAL CORPORATION
BALANCE SHEETS
AS OF DECEMBER 31, 1994 AND 1993
(Continued)

LIABILITIES AND SHAREHOLDERS' EQUITY

	1994	1993
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 455,574	$ 667,107
Accrued commissions	165,610	161,053
Accrued pension cost (Note 4)	193,252	264,207
Total current liabilities	814,436	1,092,367
COMMITMENTS AND CONTINGENCIES (Notes 6 & 7)		
SHAREHOLDERS' EQUITY (Note 3)		
Common stock, no par value; authorized 1,000,000 shares, issued and outstanding 20,000	100	100
Additional paid-in capital	344,507	344,507
Retained earnings	3,585,871	2,475,336
Excess of additional pension liability over unrecognized prior service cost	(92,093)	(138,730)
	3,838,385	2,681,213
	$ 4,652,821	$ 3,773,580

The Accompanying Notes are an Integral Part
of these Financial Statements.

THE MASTER MEDICAL CORPORATION
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1994 AND 1993

	1994	1993
NET SALES	$8,270,587	$8,219,457
Cost of goods sold	4,805,867	5,319,822
GROSS PROFIT	3,464,720	2,899,635
Selling, general and administrative expenses	1,847,402	2,396,346
INCOME FROM OPERATIONS	1,617,318	503,289
OTHER INCOME (EXPENSES)		
Miscellaneous income	121,735	6,987
Interest income	30,560	14,116
Interest expense	(578)	(651)
Loss on disposition of assets	--	(35,107)
	151,717	(14,655)
NET INCOME	1,769,035	488,634
Retained earnings, beginning of year	2,475,336	2,639,002

Distributions	(658,500)	(652,300)
RETAINED EARNINGS, END OF YEAR	$3,585,871	$2,475,336

The Accompanying Notes are an Integral Part of these Financial Statements.

THE MASTER MEDICAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1994 AND 1993

	1994	1993
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 8,254,495	$ 8,106,199
Cash paid to suppliers and employees	(6,895,178)	(6,733,897)
Interest received	30,560	14,116
Interest paid	(578)	(651)
Other income	121,736	6,987
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,511,035	1,392,754
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(211,650)	(256,923)
Patent expenditures	--	(2,365)
NET CASH USED BY INVESTING ACTIVITIES	(211,650)	(259,288)
CASH FLOW FROM FINANCING ACTIVITIES:		
Distributions to shareholders	(658,500)	(652,300)
NET CASH USED BY FINANCING ACTIVITIES	(658,500)	(652,300)
NET INCREASE IN CASH	640,885	481,166
Cash at beginning of year	600,454	119,288
CASH AT END OF YEAR	$ 1,241,339	$ 600,454

The Accompanying Notes are an Integral Part of these Financial Statements.

THE MASTER MEDICAL CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 1994 AND 1993

	1994	1993
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income	$ 1,769,035	$ 488,634
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	137,254	89,363
Amortization	148,452	148,671

	1994	1993
Loss on disposition of asset	2,366	35,107
(Increase) decrease in:		
Accounts receivable	(16,093)	(113,258)
Inventory	(287,946)	554,187
Prepaid expenses	(6,249)	(50,530)
Deposits	(4,489)	--
Increase (decrease) in:		
Accounts payable and accrued expenses ...	(211,533)	150,576
Accrued commissions	4,557	20,469
Accrued pension cost	(24,319)	69,535
	(258,000)	904,120
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,511,035	$ 1,392,754

The Accompanying Notes are an Integral Part of these Financial Statements.

THE MASTER MEDICAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1994 AND 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Master Medical Corporation (the Company) develops and manufactures medical supply products. The Company has two basic product lines, gravity-feed intravenous devices and disposable arm supports, which it sells domestically and in foreign markets.

Cash and Cash Equivalents

The Company considers all highly liquid temporary investments purchased with a maturity of three months or less to be cash equivalents. At December 31, 1994, cash equivalents totaled $900,000. There were no cash equivalents as of December 31, 1993. For the years ended December 31, 1994 and 1993, the Company has cash in excess of $100,000 on deposit in individual banks. The Federal Deposit Insurance Corporation (FDIC) insures only the first $100,000 of funds at member banks.

Accounts Receivable

The Company uses the direct write-off method to account for uncollectible trade receivables. No allowance for doubtful accounts has been provided.

Inventories

Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market.

Depreciation

Fixed assets are recorded at cost and depreciation is provided for by using straight-line and accelerated methods over the following estimated useful lives:

	Estimated Useful Lives
Machinery & Equipment	5 - 7 years
Furniture and Fixtures	5 - 7 years
Computer hardware and software	5 years

Included in Cost of Goods Sold is depreciation expense of $116,666 and $75,988 for the years ended December 31, 1994 and 1993, respectively. Also, included in Selling, General and Administrative Expenses is depreciation expense of $20,588 and $13,375 for the years ended December 31, 1994 and 1993 respectively.

Income Taxes

Effective May 1, 1991, the Company elected to be taxed under the provision of Subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay federal and state corporate income taxes on its taxable income. Instead, the shareholders are liable for individual income taxes on the Company's taxable income.

Amortization

Patents are amortized using the straight-line method over 10 to 17 years. Included in Selling, General and Administrative Expenses is patent amortization expense totaling $140,921 and $141,113 for the years ended December 31, 1994 and 1993, respectively.

Loan fees are amortized using the straight-line method over a 5 year period based on the life of the loan. Included in Selling, General and Administrative Expenses is loan amortization expense totaling $7,558 for each of the years ended December 31, 1994 and 1993.

NOTE 2 - INVENTORIES

Inventories as of December 31, 1994 and 1993 consisted of the following:

	1994	1993
Raw materials	$ 193,435	$ 187,478
Work in progress	183,152	264,517
Finished goods	758,800	395,447
	$1,135,387	$ 847,442

NOTE 3 - LINE OF CREDIT

The Company has a revolving line of credit with a commercial bank which allows for borrowings up to $2,100,000. The line bears interest at 1% over the bank's prime rate and is payable monthly through maturity on April 29, 1995. The line is secured by accounts receivable, equipment, inventory, patents and all other intangible assets and is personally guaranteed by the shareholders. There was no outstanding balance on the line of credit for the years ended December 31, 1994 and 1993.

The line of credit also places restrictions on the Company's ability to, among other things, make investments; incur new indebtedness; merge with or acquire other businesses; sell or dispose of its common stock; maintain minimum net worth, operating income and other operating ratios, as defined; and pay dividends.

Subsequent to December 31, 1994, the Company terminated the line of credit.

NOTE 4 - PENSION PLAN

Effective January 1, 1990, the Company adopted a defined benefit pension plan covering all employees meeting minimum age and service requirements. Plan benefits are based on 3.5% of the participants average monthly compensation multiplied by the total number of years of service (up to a maximum of 35 years). The Company's funding policy is to meet the minimum funding standards.

The following table sets forth the plan's funded status and amounts recognized in the Company's statement of financial position for the years ended December 31, 1994 and 1993:

	1994	1993
Actuarial present value of benefit obligations:		

Accumulated benefit obligation, including vested benefits of $810,457 and $697,143 for the years ended December 31, 1994 and 1993, respectively	$ (822,516)	$ (697,732)
Projected benefit obligation for service rendered to date	(1,014,631)	(875,240)
Plan assets at fair value primarily invested in short-term Cash investments and a Federal Home Loan discount note which matures in 1995	629,264	433,525
Projected benefit obligation in excess of plan assets	(385,367)	(441,715)
Unrecognized net loss from past experience different from that assumed and effects of changes in assumptions	228,032	191,023
Unrecognized prior service cost	45,588	24,463
Adjustment required to recognize minimum liability	(81,505)	(37,978)
Accrued pension cost	$ (193,252)	$ (264,207)

The net periodic pension cost for the years ended December 31, 1994 and 1993 includes the following components:

Service cost	$ 231,194	$ 218,672
Interest cost on projected benefit obligation	56,830	13,120
Actual return on plan assets	(13,013)	(8,980)
Net asset gain during period deferred for later recognition	(125,848)	(24,984)
Amortization of unrecognized net loss from prior period	13,737	--
Amortization of unrecognized prior service cost	3,486	2,038
Net periodic pension cost	$ 166,386	$ 199,866

For each of the years ended December 31, 1994 and 1993 the actuarial present value of the projected benefit obligation was determined assuming a weighted-average discount rate of 6%, annual salary increases of 3% and an expected long-term rate of return of 8%.

NOTE 5 - OPERATING LEASES

During 1993, the Company conducted its business on leased premises under month to month lease agreements for monthly rentals totaling approximately $1,500. One of the leases requires a four month cancellation notice. Rental expense for the year ended December 31, 1993 was $19,041.

During 1994, a new lease commenced September 1, 1994. The company conducts its business on leased premises under a month to month lease agreement for monthly rentals totaling approximately $4,400. The lease is cancelable with a ninety day cancellation notice after the thirty-sixth month of the lease. Upon early cancellation of the lease, the Company would be liable for a minimum fee of $2,500 monthly as well as reimbursing the lessor for the unamortized costs associated with the commencement of the lease. Rental expense for the year ended December 31, 1994 was $31,756.

Approximate future minimum rental payments for the years subsequent to December 31, 1994 are as follows:

1995	$ 52,800
1996	52,800
1997	46,000
1998	32,400
1999	21,600
	$ 205,600

NOTE 6 - COMMITMENTS AND CONTINGENCIES

During 1994, the Company entered into an agreement for the construction of production equipment in the amount of approximately $54,500. The cost incurred relating to this equipment as of December 31, 1994 was approximately $16,350 and is included in the accompanying financial statements under the caption "Machinery & equipment - not in service."

The Company filed a lawsuit in October 1992 against a competitor seeking a determination of invalidity and non-infringement of a U.S. patent licensed to the competitor. The products involved were the I.V. pumpette products, which represented only about 2% of the Company's 1993 sales. A satisfactory resolution was obtained in 1994. For the year ended December 31, 1993 legal fees incurred relating to the lawsuit were $583,256. For the year ended December 31, 1993, a liability of $137,679 for additional legal fees incurred subsequent to December 31, 1993 was accrued and is included in the accompanying financial statements under "Accounts Payable and Accrued Expenses." The Company has not incurred any subsequent additional fees.

NOTE 7 - SUBSEQUENT EVENT

Subsequent to December 31, 1994, the Company entered into an agreement to sell substantially all of its assets. The agreement was completed in May 1995.

[GRAPHIC -- LOGO] Mansperger Patterson & McMullin
CERTIFIED PUBLIC ACCOUNTANTS

James A Mansperger
Don A. Patterson
Jeffrey C. McMullin
James A. Wraith

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Shareholders of

THE MASTER MEDICAL CORPORATION
Phoenix, Arizona

Our report on our audits of the basic financial statements for 1994 and 1993 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the audits of the basic financial statements, and accordingly, we express no opinion on it.

/s/Mansperger Patterson & McMullin

June 15, 1995
Tempe, Arizona

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ARIZONA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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SCHEDULE I

THE MASTER MEDICAL CORPORATION
SCHEDULES OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1994 AND 1993

	1994	1993
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Professional fees	$ 362,834	$ 212,524
Payroll taxes and employee benefits	238,305	266,668
Officers' salaries	220,000	380,000
Sales salaries	197,804	182,782
Depreciation and amortization	169,067	162,046
Advertising and promotion	148,174	116,632
Office salaries	141,500	154,776
Travel and entertainment	106,795	70,372
Office supplies	57,683	104,498
Insurance	55,136	63,940
Telephone and utilities	44,400	38,596
Rent	31,756	19,041
Repairs and maintenance	25,555	9,290
Auto	25,259	27,089
Casual labor	13,073	2,550
Miscellaneous	10,061	--
Litigation expenses	--	583,256
Research and development	--	2,286
	$1,847,402	$2,396,346

See Independent Auditor's Report on Supplementary Information.