

Access Plans USA, Inc.  
Form DEF 14C  
February 18, 2009



2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**INFORMATION STATEMENT/PROSPECTUS  
FEBRUARY 9, 2009**

**4929 West Royal Lane  
Irving, Texas 75063  
February 9, 2009**

To the shareholders of Access Plans USA, Inc.:

The Board of Directors of Access Plans USA, Inc. has approved a merger agreement that will result in Access Plans USA becoming a wholly-owned subsidiary of Alliance HealthCard, Inc. (OTCBB trading symbol: ALHC). The Board has determined that it is desirable and in the best interests of Access Plans USA and its shareholders that Access Plans USA proceed with the merger and that the terms of the merger are fair to you and our other shareholders.

Before we can complete this merger, the merger agreement must be approved by a majority vote of our shareholders and the registration of the Alliance HealthCard common stock shares must be completed. Following completion of that registration, pursuant to shareholder consents, the holders of a majority of our common stock shares are expected to approve the merger during March 2009 by execution of shareholder consents and without a meeting of our shareholders. Let me tell you a few things about Alliance HealthCard and the merger.

Alliance HealthCard provides product enhancement or membership benefits to financial institutions, rental purchase dealers, consumer finance companies, retail outlets, employee groups, and member-based associations. Alliance HealthCard is the largest membership plan provider in the specialty rent-to-own market space and over the past year has diversified and grown its revenue by broadening its distribution of membership benefits and medical discount programs through new wholesale and retail relationships. For the year ended September 30, 2008, Alliance HealthCard generated revenues of \$21 million and recorded \$2.7 million of net income. You can find more information on products and services of Alliance HealthCard beginning on page 31 of the Information Statement/Prospectus.

We are excited by the opportunities we envision for the combined companies. Anticipated gains from this merger include:

Strengthening our sales and marketing organization and providing additional financial support to fund growth  
Alliance has a strong sales and marketing management team with an excellent track record in the membership and discount medical savings market;

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Leveraging each company's respective markets and provider relationships to generate additional revenue and earnings growth;

The opportunity to reduce costs through consolidation of overhead and operational functions; and

Creating a larger company with the platform and management expertise to generate continued revenue and earnings growth, along with the opportunity to pursue accretive acquisitions.

We expect our shareholders will be issued 6,800,000 Alliance HealthCard common stock shares in exchange for the outstanding common stock shares of Access Plans USA. For more information on how the merger consideration will be issued to you and our other shareholders, please see pages 17 thru 30 of the Information Statement/Prospectus.

Our operations will be a part of the combined companies. We expect the merger will return us to profitability. The summary impact of the *pro forma* financial statements of the combined companies show pro-forma equivalent Access Plans USA basic earnings per share of \$0.04 for the year ended September 30, 2008, assuming the merger had occurred on October 1, 2007, in contrast to the actual \$(0.05) loss per share from continuing operations for Access Plans USA for this period (see page 15 of the Information Statement/Prospectus).

Under the Oklahoma General Corporation Act and our bylaws, shareholder action may be taken by written consent without a meeting of shareholders. The written consent of the holders of a majority of our outstanding common stock is sufficient under the Oklahoma General Corporation Act and our bylaws to approve the actions described above. Accordingly, the actions described above will not be submitted to you and our other shareholders for a vote. This letter is the notice required by Section 1073 of the Oklahoma General Corporation Act.

**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY**

The Information Statement/Prospectus provides you with detailed information about the proposed merger. We encourage you to read it carefully.

We are enthusiastic about the pending merger with Alliance HealthCard and the accompanying opportunities, and thank you for your support of Access Plans USA and our proposed merger with Alliance HealthCard.

J. French Hill

/s/ J. French Hill

Chairman of the Board of Directors

**Neither the Securities and Exchange Commission nor any state securities commission has approved of the securities to be issued under the Information Statement/Prospectus or determined if the Information Statement/Prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This Information Statement/Prospectus was first mailed on or about February 19, 2009 to Access Plans USA shareholders as of the record date of February 4, 2009.

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**REFERENCES TO ADDITIONAL INFORMATION**

Each of Alliance HealthCard and Access Plans USA is a small reporting company under the Securities Exchange Act of 1934, as amended (the Exchange Act ). This information statement/prospectus incorporates by reference important business and financial information about Alliance HealthCard and Access Plans USA from reports and documents that they have filed with the United States Securities and Exchange Commission, but are not included in, or delivered with, this information statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents related to Alliance HealthCard and Access Plans USA, respectively that are incorporated in this information statement/prospectus by requesting them in writing, or by telephone, from:

ALLIANCE HEALTHCARD, INC.  
900 36<sup>TH</sup> AVENUE NW, SUITE 105  
NORMAN, OKLAHOMA 73072  
ATTN: BRADLEY DENISON  
TEL NO.: (405) 579-8525

ACCESS PLANS USA INC.  
4929 WEST ROYAL LANE, SUITE 200  
IRVING, TEXAS 75063  
ATTN: ELISEO RUIZ III  
TEL NO.: (972) 915-3203

See also Where You Can Find More Information, below.

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**WHERE YOU CAN FIND MORE INFORMATION**

Alliance HealthCard and Access Plans USA file annual, quarterly and special reports, proxy and information statements and other information with the United States Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended. You may read and copy this information at, or obtain copies of this information by mail from, the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates on official business days during the hours of 10 a.m. to 3 p.m. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

The filings of Alliance HealthCard and Access Plans USA with the SEC are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>. These filings with the SEC are made through the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and are publicly available through the SEC's web site. The registration statement, including all exhibits thereto and amendments thereof, and our reports have been filed with the Commission through EDGAR. We will provide without charge to each person who receives this prospectus, upon written or oral request, a copy of any information incorporated by reference in this prospectus (excluding exhibits to information incorporated by reference unless such exhibits are themselves specifically incorporated by reference). Such requests should be directed to Access Plans USA, Inc. at 4929 West Royal Lane, Suite 200, Irving, Texas 75063, Attention: Corporate Secretary, (telephone: (972) 915-3203).

Alliance HealthCard filed a registration statement on Form S-4, of which this information statement/prospectus is a part, to register with the SEC the shares of Alliance Healthcare common stock to be delivered in connection with the merger. This information statement/prospectus is a part of that registration statement and constitutes a prospectus of Alliance HealthCard, in addition to being an information statement of Access Plans USA. As allowed by SEC rules, this information statement/prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement. You may obtain copies of the Form S-4 (and any amendments to that document) in the manner described above.

This information statement/prospectus incorporates by reference the following documents that Alliance HealthCard and Access Plans USA have previously filed with the SEC:

**Alliance HealthCard SEC Filings**

**(File No. 000-30099)**

Annual Report on Form 10-K  
 Current Reports on Form 8-K  
 The description of Alliance HealthCard as set forth in its Form 10-SB Registration Statement

**Period or Filing Date**

Fiscal Year Ended September 30, 2008  
 Filed on December 30, 2008 and November 18, 2008  
 Filed March 24, 2000

**Access Plans USA SEC Filings**

**(File No. 001-15667)**

Annual Report on Form 10-K  
 Annual Report on Form 10-K/A  
 Quarterly Report on Form 10-Q  
 Quarterly Report on Form 10-Q/A  
 Quarterly Report on Form 10-Q  
 Quarterly Report on Form 10-Q  
 Current Reports on Form 8-K

**Period or Filing Date**

Fiscal Year Ended December 31, 2007  
 Fiscal Year Ended December 31, 2007  
 Quarter Ended March 31, 2008  
 Quarter Ended March 31, 2008  
 Quarter Ended June 30, 2008  
 Quarter Ended September 30, 2008  
 Filed on January 20, 2009, January 5, 2009, December 30, 2008, November 17, 2008, November 14, 2008, August 14, 2008, July 3, 2008, May 29, 2008, May 16, 2008, and May 9, 2008  
 Filed July 31, 2001

The description of Access Plans USA as set forth in its Form





Alliance HealthCard and Access Plans USA are incorporating by reference additional documents that they file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act between the date of this information statement/ prospectus and the date of the receipt of this information statement/prospectus by the shareholders of Access Plans USA. The information incorporated by reference is considered to be part of this information statement/ prospectus, except for any information that is superseded by information that is included in this information statement/prospectus.

Alliance HealthCard has supplied all information contained or incorporated by reference in this information statement/ prospectus relating to Alliance HealthCard, and Access Plans USA has supplied all information contained or incorporated by reference in this information statement/ prospectus relating to Access Plans USA.

**As a result, you should rely only on the information contained or incorporated by reference in this information statement/ prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this information statement/prospectus. This information statement/ prospectus is dated February 9, 2009. You should not assume that the information contained in this information statement/prospectus is accurate as of any date other than this date, and neither the mailing of this information statement/prospectus nor the delivery of shares of Alliance HealthCard common stock in connection with the merger will create any implication to the contrary.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What is the proposed transaction and what are the reasons for it?**

A: Alliance HealthCard will acquire Access Plans USA by merging a wholly-owned subsidiary of Alliance HealthCard into Access Plans USA. As a result of the merger, Access Plans USA will become a wholly-owned subsidiary of Alliance HealthCard. For shareholders of Access Plans USA, the merger will allow participation in a larger and more diversified public company and will provide more resources for Access Plans USA to expand its business and its market presence. The reasons Access Plans USA and Alliance HealthCard are proposing the merger are discussed in more detail later in this information statement/prospectus. See *The Merger Reasons For and Advantages of the Merger*, beginning on page 20.

**Q. What will Access Plans USA shareholders receive in the merger?**

A: Upon completion of the merger, Access Plans USA shareholders will be entitled to receive up to 6,850,000 shares of Alliance HealthCard common stock or a 0.337952 partial share of Alliance HealthCard per share of Access Plans USA. The 6,850,000 shares will be reduced by one share for each \$2.00 of the aggregate net cost, if any, attributable to the divestiture of Access Plans USA's subsidiary, Access HealthSource. (the intermediate holding company which formerly owned our El Paso, Texas third-party administration company). The estimated cost attributable to the divestiture of Access Healthsource is \$100,000 and accordingly, we expect that Alliance HealthCard will issue 6,800,000 shares to Access Plans USA shareholders, or a 0.335485 partial share of Alliance HealthCard per share of Access Plans USA. Alliance HealthCard will issue only whole shares for any fractional share that an Access Plans USA shareholder will be entitled to receive based upon the shareholder's aggregate share ownership of Access Plans USA common stock.

In addition, Alliance HealthCard will assume employee stock options to purchase shares of Access Plans USA common stock that are outstanding and not exercised immediately before the merger. Assumed options will become exercisable to purchase shares of Alliance HealthCard common stock and will generally have the same terms and conditions, including vesting provisions, as were applicable under the Access Plans USA option plans, except that the number of common shares subject to the stock options and the exercise price of the stock options will each be adjusted by the final exchange ratio in the merger. See *The Merger Material Interests of Management Members*, page 23 of this information statement/prospectus.

**Q. Will Access Plans USA shareholders be able to trade the Alliance HealthCard stock that they receive in the merger?**

A: Yes, the shares of Alliance HealthCard common stock you receive in the merger will be quoted on the OTC Bulletin Board under the symbol ALHC. Certain persons who are deemed affiliates of Access Plans USA will be required to comply with Rule 145 promulgated under the Securities Act of 1933, as amended, which we refer to as the Securities Act, if they sell their shares of Alliance HealthCard common stock received in the merger.

**Q. What are the United States federal income tax consequences to me because of the merger?**

A: It is expected that, for United States federal income tax purposes, the merger will be treated as a reorganization and the Access Plans USA shareholders and Alliance HealthCard will not recognize any gain or loss. However, those Access Plans USA shareholders that exercise and perfect their appraisal rights will recognize gain or loss equal to the difference between their adjusted income tax basis in their shares and the amount received pursuant to their appraisal rights. See *The Merger Federal Income Tax Consequences of the Merger*, beginning on page 24 of this information statement/prospectus.

**Q. When do you expect to complete the merger?**

A: The merger is subject to various conditions described in the merger agreement. We anticipate that the last of these conditions to be satisfied will be the execution of the shareholder consents by the holders of a majority of

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the outstanding Access Plans USA common stock described in this information statement/prospectus. Accordingly, we expect to complete the merger shortly after the majority shareholder approval is obtained by execution of the shareholder consents, which is anticipated to occur on April 1, 2009.

**Q. What shareholder approval is required to approve the merger?**

A: We cannot complete the merger unless, among other things, shareholders owning more than 50% of the shares of Access Plans USA common stock outstanding and entitled to vote, approve and adopt the merger agreement and the merger. As of the date of this information statement/prospectus, nine Access Plans USA shareholders, who collectively control approximately 55% of Access Plans USA's outstanding common stock, have advised that they intend to execute shareholder consents approving and adopting the merger agreement and the merger. The approval of Alliance HealthCard's stockholders is not required in connection with the merger.

The distribution of this information statement/prospectus to all Access Plans USA shareholders provides notice that nine shareholders who collectively control approximately 55% of the outstanding shares intend, upon the completion of all the conditions to the merger, to execute consents that will result in the approval of the merger. See Summary of the Agreement and Plan of Merger Conditions to the Merger Shareholder Approval, page 28 of this information statement/prospectus and The Merger Required Affirmative Vote, page 25 of this information statement/prospectus.

**Q. What does Access Plans USA's board of directors recommend?**

A: After careful consideration of numerous factors, but without having obtained a fairness opinion from an independent investment banking firm, the board of directors unanimously determined that the proposed merger is desirable and in the best interests of Access Plans USA and its shareholders, that Access Plans USA proceed with the merger and that the terms of the merger are believed fair to you, and unanimously recommends shareholder approval and adoption of the merger agreement and the merger.

**Q. Am I entitled to rights of appraisal in connection with the merger?**

A: Yes. You are entitled to dissent to the merger and you may exercise and perfect your rights of appraisal under Oklahoma law. See The Merger Appraisal Rights beginning on page 21 of this information statement/prospectus.

**Q. Are there risks associated with the merger?**

A: Yes. You should consider carefully the risk factors set out in the section entitled Risk Factors beginning on page 7 of this information statement/prospectus.

**Q. Where can I find more information about Alliance HealthCard and Access Plans USA?**

A: You can find more information about Alliance HealthCard and Access Plans USA from reading this information statement/prospectus and the various sources described in this information statement/prospectus under the section entitled Where You Can Find More Information beginning on page i, above.

**Q. Will a special meeting of shareholders be held?**

A: Neither a special meeting of the Access Plans USA shareholders nor Alliance HealthCare shareholders is required and will not be held. Access Plans USA shareholders approval and adoption of the merger agreement and merger

is expected to be obtained by certain shareholders signing shareholder consents as described in this information statement/prospectus under the section entitled "The Merger - Appraisal Rights" beginning on page 21 of this information statement/ prospectus.

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**Q. Should I send in my Access Plans USA stock certificates now?**

A: No. If Access Plans USA shareholders approve and adopt the merger agreement and the merger, shortly after the merger is completed, Alliance HealthCard will send you written instructions, including a letter of transmittal that will explain how to exchange your Access Plans USA stock certificates for Alliance HealthCard stock certificates and cash in elimination of a fractional share. Please do not send in any Access Plans USA stock certificates until you receive these written instructions and the letter of transmittal.

**Q. Who can help answer my questions?**

A: If you have any questions about the merger or if you need additional copies of this information statement/prospectus, you should contact:

Access Plans USA, Inc.

4929 West Royal Lane, Suite 200

Irving, Texas 75063

Attention: Eliseo Ruiz III, Corporate Secretary and General Counsel

Telephone: (972) 915-3203

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**SUMMARY**

*This summary highlights selected information from this information statement/prospectus and may not contain all of the information that is important to you. To better understand the merger and for a more complete description of the legal terms of the merger, you should read carefully this entire information statement/prospectus and the other documents to which you have been referred. See *Where You Can Find More Information* on page i, above.*

This document is known as an information statement/prospectus. Throughout this information statement/prospectus the first personal plural pronoun in the nominative case form *we* and its objective case form *us*, its possessive and the intensive case forms *our* and *ourselves* and its reflexive form *ourselves* refer collectively to Access Plans USA, Inc., its subsidiaries and its executive officers and directors, unless the context suggests otherwise. Furthermore, throughout this information statement/prospectus references to Alliance HealthCard are to Alliance HealthCard, Inc., its subsidiaries and its executive officers and directors, unless the context suggests otherwise.

Under the Oklahoma General Corporation Act and the Access Plans USA bylaws, shareholder action may be taken by written consent without a meeting of shareholders. The written consent of the holders of a majority of our outstanding common stock is sufficient under the Oklahoma General Corporation Act and our bylaws to approve the actions described above. Accordingly, the actions described above will not be submitted to you and our other shareholders for a vote.

**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY**

**The Companies**

On November 13, 2008, we at Access Plans USA entered into an Agreement and Plan of Merger with Alliance HealthCard, Inc., a Georgia corporation.

Alliance HealthCard, Inc.  
900 36th Avenue NW, Suite 105  
Norman, Oklahoma 73072  
(405) 579-8525

Alliance HealthCard is the largest membership plan provider to dealers in the rental purchase industry and one of the largest providers of value added membership plans sold in conjunction with point-of-sale transactions. These membership plans provide discount savings on dining and entertainment, automotive, legal and financial, as well as insurance programs for leased property, involuntary unemployment, accidental death and dismemberment, and extended service plans. In addition, Alliance HealthCard offers discount medical plans focusing on creating, marketing, and distributing membership savings programs primarily to the underserved markets in the United States. These plans provide attractive savings in approximately 16 areas of healthcare, including physician visits, chiropractics, vision, dental, pharmacy, hearing, and patient advocacy, among others. Alliance HealthCard maintains web-site information at [www.alliancehealthcard.com](http://www.alliancehealthcard.com).

Shares of Alliance HealthCard common stock are quoted for trading on OTC Bulletin Board under the symbol ALHC.

For additional information regarding the business of Alliance HealthCard, please see its Annual Report on Form 10-K for the year ended September 30, 2008 and other filings of Alliance HealthCard with the SEC that are incorporated by reference into this information statement/prospectus. See *Where You Can Find More Information* on page i, above.

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Access Plans USA, Inc.  
4929 West Royal Lane, Suite 200  
Irving, Texas 75063  
(866) 578-1665

We at Access Plans USA, Inc. (formerly Precis, Inc.), develop and distribute quality affordable consumer driven healthcare programs for individuals and families across the nation. Our products and programs are designed to deal with the rising costs of healthcare. They include health insurance plans and non-insurance healthcare discount programs that provide solutions for the millions of Americans who need access to affordable healthcare. We maintain web-site information at [www.accessplansusa.com](http://www.accessplansusa.com)

Our common stock shares are listed and quoted for trading on NASDAQ Capital Market under the symbol AUSA.

For additional information regarding our business, please see our filings with the SEC that are incorporated by reference into this information statement/prospectus. See *Where You Can Find More Information* on page i.

**The Merger (page 17)**

The proposed merger is to be completed pursuant to a merger agreement among Alliance HealthCard and its wholly-owned subsidiary, Alliance/Access Acquisition Corp, an Oklahoma corporation, and us. Alliance/Access Acquisition Corp will merge with and into us and we will become a wholly-owned subsidiary of Alliance HealthCard. A copy of the Agreement and Plan of Merger is incorporated by reference to our Report on Form 8-K filed with the SEC on November 14, 2008. See *Where You Can Find More Information* on page i, above.

***The Exchange Ratio; Merger Consideration (page 25)***

Upon completion of the merger, we expect Access Plans USA shareholders will receive 6,800,000 shares of Alliance HealthCard common stock or a 0.335485 partial share of Alliance HealthCard per share of Access Plans USA. The 6,800,000 shares comprise the maximum number of shares issuable of 6,850,000 less an estimated 50,000 share reduction arising from the net cost of divestiture of Access Healthsource. The merger agreement provides for a one share reduction for each \$2.00 of the aggregate costs and expenses of the divestiture of Access Plans USA's subsidiary, Access HealthSource, and certain liabilities of Access Plans USA in excess of the divestiture proceeds received by Access Plans USA. The estimated aggregate net cost of divestiture is \$100,000. Alliance HealthCard will issue only whole shares for any fractional share that an Access Plans USA shareholder will be entitled to receive based upon the shareholder's aggregate share ownership of Access Plans USA common stock.

On November 12, 2008, the last trading day before we announced the merger, our common stock closed at \$0.65 per share and the common stock of Alliance HealthCard closed at \$0.70. On February 6, 2009, the closing sale price of our common stock shares was \$0.23 and that of Alliance HealthCard was \$0.55.

**Access Plans USA Stock Options (page 22)**

Upon completion of the merger, Alliance HealthCard will assume the stock options exercisable for the purchase shares of Access Plans USA common stock that are outstanding and not exercised immediately before the merger. Assumed options will become exercisable to purchase shares of Alliance HealthCard common stock and will generally have the same terms and conditions as were applicable under the Access Plans USA stock option plans, except that the number of common shares subject to those stock options, and the exercise price of those stock options, will each be adjusted according to the final exchange ratio in the merger.

**Opinion of Financial Advisor (page 21)**

In merger transactions, the respective companies in many cases obtain opinions of investment banking or financial adviser firms. We have not obtained and will not obtain a valuation report from a financial adviser firm regarding the merger. However, without reliance on an independent third-party fairness opinion, our board of directors concluded that the consideration to be received by our shareholders in the merger is reasonable and fair to our



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shareholders from a financial viewpoint. However, the members of our board of directors are not experts in the valuation of businesses from a financial viewpoint. See *The Merger – Lack of Financial Advisor Opinion* beginning on page 21 of this information statement/prospectus.

**Appraisal Rights (page 21)**

Under Oklahoma law, Access Plans USA shareholders will have the right of appraisal as a result of the merger. See *The Merger – Appraisal Rights* beginning on page 21 of this information statement/ prospectus for a description of the appraisal rights.

**No Restrictions on the Ability to Resell Shares of Alliance HealthCard Common Stock (page 24)**

All shares of Alliance HealthCard common stock received by our shareholders in connection with the merger will be freely transferable, except for shares of Alliance HealthCard common stock received by our shareholders who are considered to be affiliates under the Securities Act of 1933 immediately prior to the effective time of the merger. See *The Merger – Federal Securities Law Consequences* on page 24 of this information statement/prospectus. These persons may sell Alliance HealthCard common stock they receive in the merger in accordance with the volume and other limitations prescribed by Rule 145 adopted under the Securities Act and all other legal requirements.

**Federal Income Tax Consequences (page 24)**

It is expected that, for United States federal income tax purposes, the merger will be tax-free and our shareholders who do not exercise and perfect their rights of appraisal will not recognize any gain or loss. See *The Merger – Material U.S. Federal Income Tax Consequences of the Merger* on page 24 of this information statement/prospectus.

**Conditions to the Merger (page 28)**

Completion of the merger depends upon satisfaction of a number of conditions, including:

continuing effectiveness of the registration statement of which this information statement/prospectus is a part;

approval and adoption, by a majority of the Access Plans USA shareholders, of the merger agreement and the merger;

the absence of legal restraints to completion of the merger;

the receipt of all necessary regulatory or governmental clearances;

the divestiture of Access Plans USA's subsidiary, Access HealthSource (the intermediate holding company which owns our El Paso, Texas third-party administration company), which was effectively completed on December 30, 2008;

the absence of any material adverse changes in the businesses of Access Plans USA since November 13, 2008; and

that certain third party consents obtained by Access Plans USA continue to be in full effect.

For further details of all of the closing conditions, see *Summary of the Agreement and Plan of Merger Conditions to the Merger* beginning on page 28 of this information statement/prospectus.

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**Termination of the Merger (page 29)**

Either of Alliance HealthCard or Access Plans USA may terminate the merger agreement if:  
both parties consent in writing;

the merger is not completed by February 28, 2009 through no fault of the party seeking to terminate the merger;

our shareholders do not approve and adopt the merger agreement and the merger;

there are legal restraints preventing the merger;

a representation or warranty of the other party in the merger agreement fails to be true and correct in all material respects; provided that each party has the right to cure this type of failure and exercises reasonable efforts to cure; or

the other party fails to perform or comply in all material respects with a covenant, obligation or condition contained in the merger agreement and the failure to cure or exercise reasonable efforts to cure.

We may terminate the merger agreement to accept an alternative acquisition proposal if:

our board of directors determines in good faith, after consultation with independent financial and legal advisors, that the alternative proposal (i) is reasonably capable of being completed on the terms proposed and (ii) would result in a transaction more favorable to our shareholders from a financial point of view than the proposed merger with Alliance HealthCard; and

we give Alliance HealthCard notice that we intend to enter into an agreement or letter of intent regarding the alternative acquisition, in which event we will negotiate with Alliance HealthCard in good faith until the expiration of such 72 hour period.

**No Solicitation Provisions (page 29)**

We have agreed that we will not solicit or encourage the initiation of any inquiries or proposals regarding any alternative acquisition transactions with third parties. However, we may respond to unsolicited acquisition proposals if required by the fiduciary duties of our board of directors, but we must promptly notify Alliance HealthCard if we receive a proposal for any alternative acquisition transactions. See Summary of the Agreement and Plan of Merger Termination beginning on page 29 of this information statement/prospectus. The no-solicitation provisions may have the effect of discouraging persons who might be interested in entering into an acquisition transaction with us from proposing an alternative acquisition transaction.

**Accounting Treatment (page 23)**

The merger will be accounted for as a purchase by Alliance HealthCard in accordance with accounting principles generally accepted in the United States of America.

**Recommendation of Access Plan USA's Board of Directors (page 21)**

After careful consideration of numerous factors, our board of directors determined that the proposed merger is desirable and in the best interests of our shareholders, that we proceed with the merger and that the terms of the merger are fair to you and our other shareholders. Accordingly, our board of directors unanimously recommended approval and adoption of the merger agreement and the merger.

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**Shareholder Approval (page 29)**

In order to complete the merger, the holders of more than 50% of the outstanding shares of Access Plans USA common stock must approve and adopt the merger agreement and the merger. Alliance HealthCard stockholders are not required to approve and adopt the merger agreement or the merger. As of the date of this information statement/prospectus, the holders of approximately 55% of our common stock have advised that they intend to execute shareholder consents approving and adopting the merger agreement and merger, upon satisfactory completion of the other matters set forth in The Merger Conditions to the Merger Shareholder Approval, page 29 of this information statement/prospectus.

**Comparison of Rights of Alliance HealthCard and Access Plans USA Shareholders (page 62)**

The rights of Access Plans USA shareholders are governed by Oklahoma law and our amended and certificate of incorporation and bylaws. The rights of Alliance HealthCard shareholders are governed by Georgia law and Alliance HealthCard's articles of incorporation and its bylaws. For a summary of material differences between the rights of our shareholders and Alliance HealthCard shareholders, see Comparison of Rights of Shareholders of Access Plans USA and Shareholders of Alliance HealthCard and Description of Securities beginning on page 62 of this information statement/prospectus.

**Risk Factors (page 7)**

You and our other shareholders should consider risks related to the merger and other risks related to Alliance HealthCard. See Risk Factors, beginning on page 7 of this information statement/prospectus.

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**FORWARD LOOKING INFORMATION**

Some statements contained in or incorporated by reference into this information statement/prospectus are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements can sometimes be identified by the use of forward-looking words including anticipate, believe, estimate, expect, intend, may, will and similar expressions. All forward-looking statements involve risks and uncertainties. In particular, any statements regarding the timing or benefits of the merger and the value of the shares of Alliance HealthCard common stock to be received by Access Plans USA shareholders as consideration for the merger, as well as expectations with respect to future sales and other results of operations, operating efficiencies and product expansion, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond the control of Alliance HealthCard and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect these forward-looking statements include, among other things:

- the impact of fluctuations in the share price of shares of Alliance HealthCard common stock;
- overall economic and business conditions;
- the demand for the products and services of Alliance HealthCard and Access Plans USA;
- competitive factors in the industries in which Alliance HealthCard and Access Plans USA compete;
- changes in federal and state governmental regulations;
- changes in tax requirements (including tax rate changes, new tax laws and revised tax law interpretations);
- results of litigation;
- interest rate fluctuations and other capital market conditions;
- the ability of Alliance HealthCard to achieve anticipated benefits in connection with the acquisition of Access Plans USA; and
- the other risk factors described below under the heading Risk Factors.

Accordingly, you should not place undue reliance on the forward-looking statements contained in this information statement/prospectus. These forward-looking statements speak only as of the date on which the statements were made. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time to time in reports and documents filed with the SEC by Alliance HealthCard and Access Plans USA, and you should not place undue reliance on these statements.

All subsequent written and oral forward-looking statements attributable to Alliance HealthCard or Access Plans USA or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither Alliance HealthCard nor Access Plans USA assumes any greater obligation to update any of the forward-looking statements to reflect events or circumstances after the date of this information statement/prospectus than that imposed by the Exchange Act.

For additional factors that might affect these forward-looking statements with respect to Alliance HealthCard, see Risk Factors below. For additional factors that might affect these forward-looking statements with respect to Access Plans USA, see the factors identified under the heading Item 1A. Risk Factors in its Annual Report on Form 10-K/A for the year ended December 31, 2007 that accompanied our Proxy Statement distributed to our shareholders in December 2008. See Where You Can Find More Information on page i, above.

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**RISK FACTORS**

*Without your approval and vote as a Access Plans USA shareholder, we anticipate that the holders of a majority of our outstanding common stock shares will execute shareholder consents approving and adopting the merger agreement and the merger, and you and our other shareholders will become shareholders of Alliance HealthCard and receive common stock shares of Alliance HealthCard in exchange for the Access Plans USA common stock shares. In addition to reading and considering the other information we have included or incorporated by reference in this information statement/prospectus, you should carefully read and consider the following factors in evaluating the merger and Alliance HealthCard.*

**Risks Related to the Merger**

***The expected benefits of the merger may not be realized.***

We cannot assure you and our other shareholders that our two companies will be successfully combined into a single business. If we cannot successfully combine our operations, Alliance HealthCard may experience a material adverse effect on its business, financial condition or results of operations. The merger involves combining two companies that have previously operated separately. The combining of companies much like Alliance HealthCard and us involves a number of risks, including:

- the diversion of management's attention to the combining of operations;
- difficulties in the combining of operations and systems, particularly sales and marketing organizations;
- difficulties in the assimilation and retention of employees;
- challenges in keeping existing clients and customers and obtaining new clients and customers; and
- potential adverse short-term effects on operating results.

Because of difficulties in combining operations, Alliance HealthCard may not be able to realize the cost savings, revenue growth and other benefits that it hopes to achieve after completion of the merger. In addition, Alliance HealthCard may be required to spend additional time or capital resource on integration that would otherwise be spent on the development of its business and services.

***The trading price of Alliance HealthCard common stock may be affected by factors different from those affecting the price of our common stock; the price of Alliance HealthCard common stock could decline following the merger.***

Upon completion of the merger, holders of our common stock will become holders of Alliance HealthCard common stock. Alliance HealthCard's business differs from ours. Accordingly, Alliance HealthCard's results of operations, as well as the trading price of shares of Alliance HealthCard common stock, may be affected by factors different from those affecting our results of operations and the price of our common stock.

**Risk Factors Related to Alliance HealthCard**

***A significant portion of Alliance HealthCard's revenues is dependent on one client.***

Revenue attributable to one contract totaled \$11,557,715, \$10,982,394 and \$9,843,860, or 55%, 62% and 70% of total revenue for 2008, 2007 and 2006, respectively. Although Alliance HealthCard has a long-term contract, loss of this one client would have a significant adverse effect on revenues and profitability of Alliance HealthCard and possibly its ability to negotiate discounts with vendors.

**Table of Contents*****Alliance HealthCard depends on various third-party vendors to supply certain products and services that are marketed by Alliance HealthCard.***

Alliance HealthCard depends on various third-party vendors to supply the products and services that are marketed by Alliance HealthCard. Many of these third-party vendors are independent contractors. As a result, the quality of services they provide is not entirely within our control. If any third-party vendor were to cease operations, or terminate, breach or not renew its contract with Alliance HealthCard, or suffer interruptions, delays or quality problems, Alliance HealthCard may not be able to substitute a comparable third-party vendor on a timely basis or on terms favorable to Alliance HealthCard. With respect to the insurance programs offered by Alliance HealthCard, it is dependent on the insurance carriers that underwrite the insurance to obtain appropriate regulatory approvals. If Alliance HealthCard were required to use an alternative insurance carrier, this may materially increase the time required to bring an insurance related product to market. Because Alliance HealthCard is generally obligated to continue providing its products and services to its customers even if Alliance HealthCard were to lose a third-party vendor, any disruption in Alliance HealthCard's product offerings could harm its reputation and result in customer dissatisfaction. Replacing existing third-party vendors with more expensive third-party vendors could increase Alliance HealthCard's costs and reduce its profitability.

***Alliance HealthCard faces competition for clients to market its programs as well as competitive offerings of consumer benefit programs.***

There is significant competition for clients and members in Alliance HealthCard's industry. Alliance HealthCard offers programs that provide products and services similar to or directly in competition with products and services offered by its competitors as well as the providers of those products and services through other channels of distribution.

Alliance HealthCard provides no assurance that its competitors will not provide benefit programs comparable or superior to Alliance HealthCard's programs at lower membership prices or adapt more quickly to evolving industry trends or changing industry requirements. Increased competition may result in price reductions, reduced gross margins, and loss of market share, any of which could adversely affect Alliance HealthCard's business, financial condition and results of operations. There is no assurance that Alliance HealthCard will be able to compete effectively with its current and future competitors.

***Alliance HealthCard has many competitors and may not be able to compete effectively which may lead to a lack of revenues and discontinuance of its operations.***

Alliance HealthCard competes with numerous well-established companies that design and implement membership programs and other healthcare programs. Some of its competitors may be companies that have programs that are functionally similar or superior to Alliance HealthCard's programs. Most of these competitors possess substantially greater financial, marketing, personnel and other resources than Alliance HealthCard. Furthermore, these competitors may have more established reputations relating to their programs and the products offered.

Due to competitive market forces, Alliance HealthCard may experience price reductions, reduced gross profit margins and loss of market share in the future, any of which would result in decreases in sales and revenues. These decreases in revenues would adversely affect Alliance HealthCard's business and results of operations and could lead to discontinuance of operations. There can be no assurance that:

Alliance HealthCard will be able to compete successfully;

Alliance HealthCard's competitors will not develop programs that render Alliance HealthCard's programs less marketable or even obsolete; or

Alliance HealthCard will be able to successfully enhance Alliance HealthCard's programs when necessary.

***Government regulation may adversely affect or limit the operations of Alliance HealthCard.***

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Most of the discount medical programs offered by Alliance HealthCard are sold without the need for an insurance license by any federal, state or local regulatory licensing agency or commission. In comparison, companies that provide insurance benefits and operate healthcare management organizations and preferred provider organizations are regulated by state licensing agencies and commissions. These regulations extensively cover operations, including scope of benefits, rate formula, delivery systems, utilization review procedures, quality assurance, enrollment requirements, claim payments, marketing and advertising. Several states have enacted laws and regulations overseeing discount medical plans. Alliance HealthCard does not know the full extent of these regulations and additional states may also impose regulation. Alliance HealthCard's need to comply with these regulations may adversely affect or limit its future operations. The cost of complying with these laws and regulations has and will likely continue to have a material effect on the results of operations and financial position of Alliance HealthCard.

Government regulation of insurance and healthcare coverage and health plans is a changing area of law and varies from state to state. Although Alliance HealthCard is not an insurance company, the insurance companies from which Alliance HealthCard obtains its products and financial services are subject to various federal and state regulations applicable to their operations. These insurance companies must comply with constantly evolving regulations and make changes occasionally to services, products, structure or operations in accordance with the requirements of those regulations. Alliance HealthCard may also be limited in how Alliance HealthCard markets and distributes its products and financial services as a result of these laws and regulations.

***Alliance HealthCard may have exposure and liability relating to non-compliance with insurance portability and accountability Act of 1996 and the cost of compliance could be material.***

In April 2003, privacy regulations were promulgated by The Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 ( HIPAA ). HIPAA imposes extensive restrictions on the use and disclosure of individually identifiable health information by certain entities. Also as part of HIPAA, the Department of Health and Human Services has regulations standardizing electronic transactions between health plans, providers and clearinghouses. Healthcare plans, providers and claims administrators are required to conform their electronic and data processing systems to HIPAA electronic transaction requirements. While Alliance HealthCard believes it is currently compliant with these regulations, Alliance HealthCard cannot be certain of the extent to which the enforcement or interpretation of these regulations will affect its business. Alliance HealthCard's continuing compliance with these regulations, therefore, may have a significant impact on its business operations and may be a material cost in the event Alliance HealthCard is subject to these regulations. Sanctions for failing to comply with standards issued pursuant to HIPAA include criminal and civil sanctions.

***The failure to comply with federal and state regulation could result in enforcement action and imposition of penalties, required modifications of Alliance HealthCard's operations and negative publicity.***

Alliance HealthCard's operation are regulated by federal and state laws and regulations administered by various state agencies. These laws and regulations cover the areas of insurance, discount medical plans, associations, and extended service. Compliance with all of the applicable regulations and laws is uncertain because of the evolving interpretations of existing laws and regulations, and the enactment of new laws and regulations. Accordingly, there is the risk that Alliance HealthCard's operations could be found to not comply with applicable laws and regulations that could:

- result in enforcement action and imposition of penalty,
- require modification of our operations or programs,
- result in negative publicity.

Any of these consequences could have a material adverse effect on our results of operations as well as our financial condition.

**Table of Contents*****The goodwill and other intangible asset resulting from Alliance HealthCard's merger-acquisition of Access Plans USA as well as its prior acquisitions may become impaired and require a write-down and the recognition of an impairment expense that may be substantial.***

In connection with Alliance HealthCard's merger-acquisition of BMS Holding Company, Alliance HealthCard recorded goodwill and other intangible assets that had an aggregate asset value of \$4,243,035 at September 30, 2008. Furthermore, upon completion of Alliance HealthCard's merger-acquisition of us, Alliance HealthCard anticipates that it will record additional goodwill and intangible assets. If the merger had been completed as of September 30, 2008, the estimated additional goodwill and intangible asset that would be recorded is \$4,116,000, to give a total of \$8,359,035 as of that date (see Unaudited Pro Forma Condensed Combining Financial Statements, below). In the event that this balance is determined to be impaired for any reason, Alliance HealthCard will be required to write-down or reduce the value of the goodwill and intangible asset and recognize an impairment expense. The impairment expense may be substantial in amount and, in such case, adversely affect the results of Alliance HealthCard's operations for the applicable period and may negatively affect the market value of the Alliance HealthCard common stock.

***Our failure to protect private data could subject Alliance HealthCare to penalties, damage our reputation, cause us to be in breach of contracts and cause us to expend capital on other resources to protect against future security breaches.***

Certain of Alliance HealthCard's services are based upon the collection, distribution and protection of sensitive private data. Alliance HealthCard's contracts with certain clients place a duty on Alliance HealthCard to protect certain confidential information and to comply with certain provisions of privacy laws including the Gramm-Leach-Bliley Act. Unauthorized users might access that data and human error or technological failures might cause the wrongful dissemination of that data. If Alliance HealthCard experiences a security breach, the integrity of certain of its services may be affected and the breach could violate certain of its client agreements. Alliance HealthCard has incurred, and may incur in the future, significant costs to protect against the threat of a security breach. Alliance HealthCard may also incur significant costs to alleviate problems that may be caused by future breaches. Any breach or perceived breach could subject Alliance HealthCard to government fines or sanctions, legal claims from clients or customers under that govern the security non-public personal information. There is no assurance that Alliance HealthCard would prevail in any related litigation. Moreover, any public perception that Alliance HealthCard has engaged in the unauthorized release of, or have failed to adequately protect, private information could adversely affect its ability to attract and retain members and end-customers. In addition, unauthorized third parties might alter information in Alliance HealthCard's databases that would adversely affect both its ability to market Alliance HealthCard's services and the credibility of its information.

***Alliance HealthCard is dependent on certain executive officers and directors.***

Alliance HealthCard operations currently depend on the continued efforts of its executive officers, particularly Danny C. Wright, its Chairman and Chief Executive Officer, Brett Wimberley, its President and Chief Operating Officer, and Susan Matthews, its Executive Vice President of Sales and Marketing. Alliance HealthCard also is highly dependent on the quality and efforts of its staff to provide services and to attract and retain clients and customers. Competition for qualified management and professional employees is currently intense. Alliance HealthCard's business could be materially and adversely affected if its executive officers unexpectedly become unable or decide not to continue in their present positions, or if other employees and staff fail to continue with Alliance HealthCard and it is unable to attract and retain qualified replacements.

***Following the merger, Alliance HealthCard officers and directors will continue to have control.***

After the merger, Alliance HealthCard's officers and directors are expected to control approximately 73% of Alliance HealthCard's outstanding common stock shares and effectively will be able to control most matters requiring approval by shareholders, including the election of directors.



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***It is anticipated that dividends on the Alliance HealthCard common stock shares will not be declared.***

Alliance HealthCard does not anticipate paying any dividends on its common stock shares in the foreseeable future.

**Risk Factors Related to Access Plans USA**

Certain risk factors are attendant to our business and operations. See Item 1A. Risk Factors in the Annual Report on Form 10-K/A for the year ended December 31, 2007 of Access Plans USA that is incorporated by reference in this information statement/prospectus together with the liquidity discussion appearing in Part I, Item 2 (Management's Discussion and Analysis) of the Quarterly Report on Form 10-Q for the nine month period ended September 30, 2008. See Where You Can Find More Information on page i. These risks are relevant if Access Plans USA were to continue business as usual without giving effect to the proposed merger and also if the merger occurs and Access Plans USA becomes a material part of the business and operations of Alliance HealthCard.

**SUMMARY FINANCIAL INFORMATION OF  
ALLIANCE HEALTHCARD AND ACCESS PLANS USA**

The following information is being provided to assist in analyzing the financial aspects of the merger.

**Alliance HealthCard**

The summary selected consolidated historical financial information presented for Alliance HealthCard for the years ended September 30, 2008 and 2007 was derived from Alliance HealthCard's audited consolidated financial statements appearing elsewhere in this information statement/prospectus. This information should be read in conjunction with the historical financial statements and related notes contained in this information statement/prospectus and in the annual, quarterly and other reports filed by Alliance HealthCard with the SEC that are incorporated by reference in this information statement/prospectus. See Where You Can Find More Information on page i, above.

The unaudited pro forma data for the year ended September 30, 2008 were prepared as though the proposed merger with Alliance HealthCard occurred on October 1, 2007.

**Access Plans USA**

The following summary selected consolidated historical financial data should be read in conjunction with our consolidated financial statements for the years ended December 31, 2007, 2006 and 2005 and related notes thereto appearing elsewhere in this information statement/prospectus and our condensed consolidated financial statements for the nine month periods ended September 30, 2008 and 2007 and related notes thereto appearing elsewhere in this information statement/prospectus. See Where You Can Find More Information on page i, above. The statements of operations data for the years ended December 31, 2007, 2006 and 2005 and the balance sheet data as of December 31, 2007 and 2006 are derived from our audited consolidated financial statements. The statement of operations data for the nine months ended September 30, 2008 and 2007, and the balance sheet data as of September 30, 2008, are derived from the unaudited interim consolidated financial statements and the related notes to those consolidated financial statements. The summary selected consolidated historical financial data provided below is not necessarily indicative of our future results of operations or financial performance.

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**Summary Selected Consolidated Historical Financial Information of Alliance HealthCard**  
**(dollars in thousands, except per share data)**

	<b>For the Year Ended September 30,</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Net revenues	\$ 20,913	\$ 17,609	\$ 14,157
Direct costs	11,113	11,542	10,048
Gross profit	9,800	6,067	4,109
Marketing and sales expenses	1,252	917	694
Depreciation and amortization expense	551	344	41
General and administrative expenses	3,115	2,877	1,190
Total operating expenses	4,918	4,138	1,925
Operating income	4,882	1,929	2,184
Other income (expense):			
Other income	164	71	80
Other expense, net	(149)	(149)	(13)
	15	(78)	67
Net income before income taxes	4,897	1,851	2,251
Provision for income taxes			
Current	2,140	589	
Deferred tax (benefit)	49	(134)	
Total provision for income taxes	2,189	455	
Net income	2,708	1,396	2,251
Less dividends and distributions		(8,243)	1,130
Net income (loss) available for common stock	\$ 2,708	\$ (6,847)	\$ 1,121
Per share data:			
Basic income (loss)	\$ 0.18	\$ (0.47)	\$ 0.11
Diluted income (loss)	\$ 0.18	\$ (0.47)	\$ 0.11
Basic weighted average shares outstanding	14,798	14,549	10,000
Diluted weighted average shares outstanding	15,263	14,549	10,000

**Cash Flows Data:**

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Net cash provided by operating activities	\$ 3,321	\$ 2,042	\$ 2,487
Net cash provided by (used in) investing activities	(237)	985	(523)
Net cash used in financing activities	(2,346)	(2,693)	(1,130)
Total change in cash	\$ 738	\$ 334	\$ 834

**Balance Sheet Data:**

Cash and cash equivalents	\$ 3,013	\$ 2,274	\$ 1,940
Restricted cash	\$ 157	\$	\$
Current assets	\$ 5,688	\$ 4,698	\$ 3,504
Working capital (deficit)	\$ (631)	\$ (1,901)	\$ 1,293
Total assets	\$ 10,524	\$ 10,232	\$ 4,362
Current liabilities	\$ 6,319	\$ 6,599	\$ 2,211
Total liabilities	\$ 7,251	\$ 9,799	\$ 2,211
Stockholders' equity	\$ 3,273	\$ 433	\$ 2,151
Total liabilities and stockholders' equity	\$ 10,524	\$ 10,232	\$ 4,362

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**Summary Selected Consolidated Historical Financial Information of Access Plans USA, Inc.**  
**(dollars in thousands, except per share data)**

	<b>For The Nine Months Ended September 30,</b>		<b>For The Year Ended December 31,</b>		
	<b>2008</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Statement of Operations Data:</b>					
Product and service revenues	\$ 26,857	\$ 20,279	\$ 28,972	\$ 14,525	\$ 21,301
Direct costs	18,834	13,211	19,080	7,015	10,449
Gross margin	8,023	7,068	9,892	7,510	10,852
Operating expenses					
Personnel costs, including benefits	4,752	3,875	5,383	4,475	6,701
Other sales, general and administrative	3,446	4,293	5,548	4,181	4,491
Depreciation and amortization	761	554	809	669	1,461
Restructuring and severance charges	164	696	696	269	94
Goodwill impairment charges		3,978	3,978	2,800	12,900
Total operating expenses	9,123	13,396	16,414	12,394	25,647
Operating loss	(1,100)	(6,328)	(6,522)	(4,884)	(14,795)
Other income (expense)					
Interest income (expense), net	27	71	79	241	49
Loss from continuing operations before income taxes	(1,073)	(6,257)	(6,443)	(4,643)	(14,746)
Provision for income tax expense (benefit)	39	(460)	(656)	14	47
Loss from continuing operations	(1,112)	(5,797)	(5,787)	(4,657)	(14,793)
Income (loss) from discontinued operations, net	(1,085)	(7,743)	(7,368)	(3,067)	1,422
Net loss	\$ (2,197)	\$ (13,540)	\$ (13,155)	\$ (7,724)	\$ (13,371)
Basic and diluted net income (loss) per share:					
Continuing operations	\$ (0.06)	\$ (0.31)	\$ (0.30)	\$ (0.35)	\$ (1.19)
Discontinued operations	(0.05)	(0.42)	(0.39)	(0.22)	0.11
Total	\$ (0.11)	\$ (0.73)	\$ (0.69)	\$ (0.57)	\$ (1.08)
Weighted average number of common shares outstanding, basic and diluted (in 000)					
	20,269	18,551	18,984	13,487	12,433

**Cash Flow Data:**

Net cash provided by (used in):					
Continuing operating activities	\$ (1,085)	\$ 136	\$ 513	\$ (447)	\$ (284)
Discontinued operating activities	(592)	553	922	1,172	798
Total operating activities	(1,677)	689	1,435	725	514
Investing activity-continuing operations	100	297	(594)	(2,973)	(586)
Investing activity-discontinued operations		23	(23)	(290)	(1,236)
Financing activity	92	(735)	(1,339)	(241)	(964)
Total change in unrestricted cash	\$ (1,485)	\$ 274	\$ (521)	\$ (2,779)	\$ (2,272)

**Table of Contents****Summary Selected Consolidated Historical Financial Information of Access Plans USA, Inc.  
(dollars in thousands)**

	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>2006</b>
Balance Sheet Data:			
Unrestricted cash and equivalents	\$ 1,226	\$ 2,711	\$ 3,432
Restricted short-term investments	\$ 858	\$ 1,231	\$ 1,420
Current assets	\$ 9,660	\$10,614	\$ 6,800
Working capital (deficit):			
Continuing operations	\$ 1,086	\$ 1,492	\$ 3,872
Discontinued operations	\$ (191)	\$ (417)	\$ 124
Total assets	\$ 18,700	\$20,818	\$16,244
Current liabilities	\$ 8,765	\$ 9,539	\$ 2,804
Total liabilities	\$ 9,629	\$ 9,562	\$ 2,852
Total liabilities and stockholders' equity	\$ 18,700	\$20,818	\$16,244

**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL INFORMATION**

The following selected unaudited pro forma condensed combining financial information has been derived from and should be read together with the unaudited pro forma condensed combining financial statements and related notes (see Unaudited Pro Forma Condensed Combining Financial Statements, below). The information for the year ended September 30, 2008 is based on the historical consolidated statements of operations of Alliance HealthCard and our historical consolidated statements of operations. The pro forma balance sheet information as of September 30, 2008 is presented as though the merger occurred on the date of the balance sheet. The pro forma statement of operations for the fiscal year ended on September 30, 2008 is based on the historical statements of operations of Alliance HealthCard and ours as if the merger had occurred on October 1, 2007. This information is for illustrative purposes only. We and Alliance HealthCard may have performed differently had we been combined for the period presented. The selected unaudited pro forma condensed combining financial information is not necessarily indicative of the historical results that would have occurred had we and Alliance HealthCard been combined for the period presented, or the future results that we on a combined basis will experience after completion of the merger.

	<b>Year Ended September 30, 2008</b>
Statement of Operations Data (dollars in thousands, except per share data):	
Total revenue	\$ 56,463
Direct costs	35,816
Gross margin	20,647
Operating expenses	17,059
Operating income (loss)	3,588
Other income (expense), net	50
Income (loss) from continuing operations before income taxes	3,638
Income tax expense (benefit)	1,382
Net income (loss) from continuing operations	2,256

Less dividends

Net income (loss) available to common shareholders	\$	2,256
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Diluted earnings (loss) per share from continuing operations	\$	0.10
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Weighted average number of diluted common shares outstanding		22,463
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	<b>September 30, 2008</b>
<b>Balance Sheet Data</b> (dollars in thousands):	
Cash and cash equivalents	\$ 5,234
Current assets	\$ 15,285
Working capital	\$ 345
Total assets	\$ 24,769
Current liabilities	\$ 14,940
Total liabilities	\$ 16,736
Stockholders' equity	\$ 8,033
Total liabilities and stockholders' equity	\$ 24,769

**COMPARATIVE PER SHARE INFORMATION**

The following table presents:

Historical income from our continuing operations per share and book value per share data for Alliance HealthCard and us;

Unaudited pro forma combined per share data of Alliance HealthCard and us for the year ended September 30, 2008, as if the merger had occurred on October 1, 2007; and

Our unaudited pro forma equivalent per share data.

The pro forma combined data as of September 30, 2008 is based on our and Alliance HealthCard's individual historical balance sheets and statements of operations, as if the proposed merger had occurred as of September 30, 2008 and October 1, 2007, respectively. Our individual historical statements of operations for the year ended September 30, 2008 include the three months ended December 31, 2007 and the nine months ended September 30, 2008 and exclude the results of our discontinued operations (comprising the result of Access HealthSource and ACP Agency). The consideration assumed issued in connection with Alliance HealthCard's proposed merger-acquisition of us is 6,800,000 shares of Alliance HealthCard common stock, although the actual shares issued most likely will increase, but not materially, resulting from elimination of fractional shares. See General Terms of the Merger, below.

Our equivalent pro forma data shows the effect of the merger from the perspective of an owner of Access Plans USA common stock shares. The data was calculated by multiplying the Alliance HealthCard and Access Plans USA pro forma combined data by an assumed exchange ratio of 0.335485. This exchange ratio was calculated by dividing the estimated 6,800,000 Alliance HealthCard common stock shares to be issued to our shareholders in connection with the merger by the 20,269,145 outstanding Access Plans USA common stock shares.



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We and Alliance HealthCard did not pay any cash dividends during the year ended September 30, 2008.

	<b>Alliance HealthCard Per Share Data</b>	<b>Access Plans USA (Excluding Discontinued Operations) Unaudited Pro Forma Share Data</b>	<b>Alliance HealthCard Unaudited Pro Forma Combined Per Share Data(1)</b>	<b>Access Plans USA Equivalent Unaudited Pro Forma Per Share Data(2)</b>
<b>At or for the year end September 30, 2008</b>				
Income from continuing operations per share of common stock:				
Basic	\$ 0.18	\$ (0.05)	\$ 0.10	\$ 0.04
Diluted	\$ 0.18	\$ (0.05)	\$ 0.10	\$ 0.03
Net book value per share of common stock(3)	\$ 0.22	\$ 0.45	\$ 0.38	\$ 0.12

(1) The Alliance HealthCard and Access Plans USA unaudited pro forma combined per share data are based on Access Plans USA shareholders receiving 0.335485 shares of Alliance HealthCard for each share of Access Plans USA common stock held.

(2) Calculated by multiplying the unaudited pro forma combined per share data by 0.335485.

(3) Book value per share of

common stock is computed by dividing stockholders equity by the number of shares of common stock outstanding as of September 30, 2008. Pro forma book value per share is computed by dividing pro forma shareholdings equity by the pro forma number of common stock shares outstanding as of September 30, 2008, of 21,597,000.

The pro forma combined per share data does not purport to represent Alliance HealthCard's financial position or results of operations that would actually been achieved had the merger occurred on October 1, 2007, or to project Alliance HealthCard's financial position or results of operations for any future date or period. This data should be read in conjunction with the Unaudited Pro Forma Condensed Combining Financial Statements included elsewhere in this information statement/prospectus and the separate historical financial statements and notes relating to those financial statements of Alliance HealthCard included and incorporated by reference in this information statement/prospectus by reference as well as ours that are included and incorporated by reference in this information statement/prospectus.

#### **COMPARATIVE MARKET VALUE INFORMATION**

The following table presents:

the closing prices per share and aggregate market value of shares of our and Alliance HealthCard's common stock on The NASDAQ Capital Market and OTC Bulletin Board, respectively, on November 12, 2008, the last trading day prior to the public announcement of the proposed merger, and on February 6, 2009, the last trading day prior to the date of this information statement/prospectus; and  
the value of our and Alliance HealthCard's common stock that an Access Plans USA shareholder would have received for one Access Plans USA share and the value of the Alliance HealthCard common stock that all Access Plans USA shareholders, in total, would have received for all Access Plans USA outstanding shares, assuming the merger had occurred on those dates and applying the exchange ratio of 0.335485.

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	<b>Alliance HealthCard Historical</b>	<b>Access Plans USA Historical</b>	<b>Access Plans USA Equivalent</b>
On November 12, 2008			
Closing price per share of common stock	\$ 0.70	\$ 0.65	\$ 0.23
Market value of common stock(1)	\$ 10,357,734	\$ 13,174,944	\$ 4,760,000
On February 6, 2009			
Closing price per share of common stock	\$ 0.55	\$ 0.23	\$ 0.18
Market value of common stock(2)	\$ 8,138,220	\$ 4,661,903	\$ 3,740,000

(1) Market value based on 14,796,763 shares of Alliance HealthCard common stock and 20,269,145 shares of Access Plans USA common stock outstanding as of November 12, 2008, excluding shares held in treasury or by subsidiaries.

(2) Market value based on 14,796,763 shares of Alliance HealthCard common stock and 20,269,145 shares of Access Plans USA common stock outstanding as of February 6, 2009, excluding shares held in treasury or by subsidiaries.

**THE MERGER****Background of the Merger**

We as well as Alliance HealthCard are involved in the discount medical industry, offering discount medical plans to the public directly and through affiliated retailers. Alliance HealthCard as part of its strategic plan has sought to supplement its organic growth through strategic acquisitions in the membership, discount medical and insurance industries that will strengthen and complement its operations. Consistent with Alliance HealthCard's interest in expanding its market share and diversifying horizontally, its executives have sought out business combinations with other companies involved in the industries in which it conducts its business. Early in 2008, Alliance HealthCard's Chief Executive Officer, Danny Wright, and President and Chief Operating Officer, Brett Wimberley identified us as a company that could potentially be a good merger partner.

We and Alliance HealthCard were familiar with each other before merger discussions began in the spring of 2008. Benefit Marketing Solutions, founded by Danny Wright and Brett Wimberley, and currently a subsidiary of Alliance HealthCard, purchased substantially all of the assets of Foresight, Inc, a former subsidiary of AUSA in 2005. Foresight had been in the business of offering membership benefits similar to those offered by Alliance HealthCard. We had purchased Foresight, of which Mr. Wright was a founder, in 2000. While there was no remaining material relationship between us and Alliance HealthCard when merger discussions began, the management teams and some of our and their directors were familiar with each other.

At its meeting on March 26, 2008, our board of directors discussed the possibility of pursuing a strategic relationship or merger with another company. Our directors, Interim Chief Executive Officer, Ian Stuart, Chief Financial Officer, Bob Bintliff, Vice President and General Counsel, Eliseo Ruiz, and outside counsel Michael Dunn participated in that meeting. Mr. Stuart presented a report on prospects and discussed, with the board, the possibility that a strategic relationship or merger might be in the best interest of our shareholders considering the scale of operations and the costs of being a public company.

Also in March of 2008, John Simonelli, an independent Director of Alliance HealthCard contacted Russell Cleveland, one of our directors, regarding the establishment of a strategic business relationship with or merger with Alliance HealthCard. In March 2008 Mr. Cleveland expressed an interest in starting discussions of an acquisition or establishing strategic business relationship.

On April 11, 2008, Messrs. Cleveland, Stuart and Ruiz met with Messrs. Simonelli, Wright and Wimberley and discussed a possible strategic relationship or merger of the companies. A mutual nondisclosure agreement was signed providing for the sharing of confidential information. Telephone discussions continued between Messrs. Stuart and Wimberley, and on April 15, 2008, Mr. Stuart visited with Messrs. Wright and Wimberley at the Alliance HealthCard offices in Norman, Oklahoma. After these initial meetings, Alliance HealthCard presented us with potential terms for the purchase of our Consumer Plans Division's assets.

Alliance HealthCard reviewed the status of the discussions at its May 13, 2008 board of directors meeting and agreed that it would be beneficial to continue discussions with us. All of the board members and Alliance HealthCard's

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corporate secretary, Bradley Denison, were present. An offer to purchase our Consumer Plans Division was formulated and communicated to our management. Our management, in consultation with Mr. Cleveland and J. French Hill, both members of our executive committee, determined that proposed terms of the purchase offer were at the time not sufficient and neither in our best interest nor our shareholders. The proposed terms were not accepted.

The discussions were temporarily suspended until we completed our June 30, 2008 unaudited financials statements. In July 2008 discussion between the two companies resumed with Ian Stuart visiting Alliance HealthCard's Norman, Oklahoma offices on July 28 to review financials, including pro-forma income statements.

On August 5, 2008, Messrs. Wright and Wimberley and Susan Matthews, Alliance HealthCard's Executive Vice President for Sales and Marketing, visited with Messrs. Stuart and Ruiz at our offices in Irving, Texas. Messrs. Stuart and Wimberley then continued, by telephone, discussions of a possible merger, reviewing each company's financial results and operations, and the expected savings that could be realized by a merger of the companies.

At its August 13, 2008 meeting, the Alliance HealthCard board discussed the status of the discussions between us and Alliance HealthCard and expressed their interests in continuing the discussions. The board discussed the strategic reasons for either an asset purchase or a merger and the financial and operational implications of those options.

At its meeting on August 14, 2008, our board of directors considered possible changes in our strategic direction. Mr. Stuart reported on potential options for an asset sale or merger. Each option was considered in detail, as well as a valuation discussion of our Consumer Plan and Insurance Marketing divisions, along with *pro forma* adjustments of the year-to-date results, taking into account potential value to an acquirer. A discussion of potential suitors/strategic partners followed. Our board discussed other potential strategic opportunities, including acquisition of an existing profitable business in a related or unrelated business. The board asked management to enter into discussions with possible interested parties and brokers or others that may be of assistance in finding a strategic partner or acquirer.

During a telephonic meeting on September 16, 2008, our board of directors again addressed our strategic direction. Mr. Stuart and Mr. Cleveland then discussed at length the status of discussions regarding potential strategic opportunities and merger opportunities with the various parties that had been included in Mr. Stuart's report at the August 14 meeting.

On September 24, 2008 Mr. Wimberley presented a proposed term sheet to the Alliance HealthCard board of directors and discussed that term sheet with the board on a conference call on September 25. All of Alliance HealthCard's board members and its secretary, Bradley Denison, were present. The board of directors discussed and informally approved going forward with an offer consistent with the term sheet subject to final approval by the board.

On September 19, Mr. Wimberley met with Mr. Hill, Chairman of our board and our Audit Committee and on September 26, we received the proposed terms of the merger from Alliance HealthCard.

Between September 26 and October 7, Messrs. Stuart and Cleveland engaged in additional discussions with Messrs. Wright and Wimberley regarding the proposed merger, including the merger consideration. The merger consideration discussed was based on our and Alliance HealthCard's current and anticipated adjusted earnings before interest, taxes, depreciation and amortization and the potential efficiencies to be gained from the merger.

On October 7, 2008, Alliance HealthCard presented a revised merger proposal to us. On October 8, 2008, our board of directors met again by teleconference to discuss strategic alternatives available to us. Mr. Stuart reported on the various detail discussions that had taken place with third parties, other than Alliance HealthCard, that had expressed an interest in pursuing a merger with us. He discussed each alternative transaction in detail and discussed the reasons why none of the alternative transactions were as favorable to us and our shareholders as compared to the merger proposal of Alliance HealthCard.

Mr. Stuart then presented Alliance HealthCard's revised merger proposal. The board discussed in detail the terms of the offer, the operations of Alliance HealthCard, the preliminary pro forma financials of the combined companies, and the expected operations and strategies. Our board also discussed the relative values of the stock of each of the companies and our working capital needs should we choose to remain as a stand-alone company. A lengthy discussion and question and answer session followed, including a discussion of the challenges faced by us in any



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attempt to raise additional working capital. Our board concluded that a merger with Alliance HealthCard was in the best interest of our shareholders. Our board agreed to accept the proposed terms of the merger with Alliance HealthCard, including the issuance of approximately 7,250,000 shares of Alliance HealthCard's common stock. Management was directed to complete its investigation of the operations and financial position of Alliance HealthCard with all due diligence and to begin preparations to enter into a definitive agreement upon the completion of the due diligence investigation.

We notified Alliance HealthCard of our acceptance with slight modification of the proposed merger terms.

On October 21 and 22, Messrs. Wright, Wimberley, Denison, Rita McKeown and other representatives of Alliance HealthCard met at our offices to conduct preliminary due diligence. On October 28, Messrs. Stuart and Ruiz conducted due diligence at the offices of Alliance HealthCard in Norman, Oklahoma.

Michael Dunn has served as our and Alliance HealthCard's outside counsel. Both companies agreed to waive the conflict of interest and to allow Mr. Dunn to prepare the definitive documents for the sake of efficiency, because of his familiarity with both companies and his work on merger transactions for both companies. Access Plans USA also engaged independent counsel to review the definitive agreements.

On October 31, 2008, at a regularly scheduled board meeting, Alliance HealthCard's board was presented with the proposed definitive merger agreement and a presentation on the pro forma financials. Alliance HealthCard's board unanimously approved the merger agreement and the merger on the general terms set forth in the definitive agreement, as presented, and authorized Messrs. Wright and Wimberley to negotiate the final terms.

Our board of directors met again on November 10, 2008. Messrs. Stuart and Ruiz reported on the due diligence investigation. The latest draft of the definitive merger agreement was discussed in detail as well as the valuation of the companies and the expected cost savings that would result from the merger as projected and assumed in the pro forma financial summary reviewed by the board. Our board discussed in detail again the operations of Alliance HealthCard, including the associated operating risks. Our board also discussed the effect of the merger on our employees and the costs that would be incurred in terminating some of our personnel and staff. Our board again concluded that the merger would be in our best interest and that of our shareholders, and unanimously approved entering into the merger agreement.

During January 2009, various discussions were held by Messrs. Stuart and Wimberley regarding our declining unrestricted cash balances,

the impact of the delay, relative to prior expectations, in filing of the S-4 Registration Statement of which this information statement/prospectus is a part with the United States Securities and Exchange Commission on January 20, 2009,

the resulting probability of being unable to close the merger by February 28, 2009 through no failure or fault of either Alliance HealthCard or us, and

our progress toward preparing for the integration of our operations into those of Alliance HealthCard.

These matters were discussed at length during the February 2, 2009 Alliance HealthCard board meeting. Subsequent to that meeting, Mr. Wimberley presented to Mr. Stuart a proposed amendment to the merger agreement whereby Alliance HealthCard would, in exchange for a 400,000 reduction in the number of Alliance HealthCard shares that would be issued to Access Plans USA shareholders at closing of the merger, extend the termination date of the merger agreement to April 1, 2009,

provide a line of credit facility, secured by our restricted deposits of up to \$300,000 through to the proposed revised merger termination date of April 2, 2009, and

enter into a service agreement whereby Alliance HealthCard would allow various members of its management team to assist us with the management of our sales and operational functions prior to the closing of the merger.

On February 4, 2009 Mr. Stuart reviewed the Alliance HealthCard's proposal with Messrs. Hill and Cleveland, the two other members of the Access Plans' executive committee, and obtained their approval of Alliance HealthCard's proposal, including the proposed revisions to the merger agreement. Subsequently, Mr. Stuart discussed the proposed revisions with all of the other members of our board of directors and secured the unanimous approval of Alliance HealthCard's proposal and the proposed amendment of the merger agreement.

In connection with the approval and adoption of the merger agreement and the merger and the subsequent amendment, our and Alliance HealthCard's boards of directors reviewed our and Alliance HealthCard's audited and unaudited financial and other information, financial projections, and other information and data. It was represented that the financial projections had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of management as to the future operation and financial performance of the respective companies. In addition, our executive officers and consultants compared the financial and other data of Alliance HealthCard with publicly held companies engaged in businesses similar to that of Alliance HealthCard and reported the findings to our board. However, there were no companies or transactions analyzed that were directly comparable to us, Alliance HealthCard or the merger. Accordingly, the analysis was not mathematical, but instead it involved considerations and business judgments concerning differences in the financial and operating characteristics of the companies and other factors that could affect the public trading values of the companies or company to which Alliance HealthCard were compared.

The terms of the merger, as amended, were negotiated, with consideration of the factors mentioned above, by our and Alliance HealthCard's management and representatives. Most members of our board of directors are not experienced in investment banking and the valuation of companies. We and Alliance HealthCard have not and will not obtain an independent appraisal or valuation of us or Alliance HealthCard or the combined companies. Instead, the boards and their directors relied on their business judgments and business experience and the respective market values of our and Alliance HealthCard's common stock shares. We and Alliance HealthCard and our and its directors and executive officers provide no assurance that the common stock shares of Alliance HealthCard to be issued and delivered to you and our other shareholders in connection with the merger will have an aggregate value greater or less than the our value from a financial point of view.

The definitive merger agreement was executed on November 13, 2008 and the amendment to that agreement was executed on February 9, 2009.



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**Reasons For and Advantages of the Merger**

Our board of directors believe that the merger is desirable and in our best interests and our shareholders. Accordingly, at the special meeting of our board held on November 10, 2008 at which the merger was considered and voted upon, the board of directors unanimously approved the merger agreement. Additionally, unanimous board of director consent to the amendment to the merger agreement was secured by February 9, 2009. Our board of directors identified a number of benefits for our shareholders that could result from the merger. Subject to the risks of the Alliance HealthCard business, these potential benefits of the merger include:

- you and our other shareholders will own an interest in a larger and more diversified company;
- other sources of revenues and distribution channels for our products and services will be provided;
- our success and potential profitability will be further diversified and less dependent upon our non-insurance discount medical plans and insurance product sales and services;
- we expect to obtain a significantly greater rate of return on our capital resources and discontinuance of operating losses and consequently increased shareholder value and common stock share appreciation potential in the long term;
- potentially the access to additional capital resources required to further our business plan and strategies compared to our existing and potential inability to obtain those capital resources;
- our management, with certain exceptions, will have significant responsibilities and remain active within the combined company, which should facilitate our integration with Alliance HealthCard;
- we believe that the combining of our operations with those of Alliance HealthCard will assist in the growth of our consumer healthcare savings programs and insurance products and services through utilization of Alliance HealthCard's marketing distribution channels;
- we expect to achieve synergies and possible cost savings from the combined product and services development, marketing and sales, and administrative areas of the combined companies following the merger; and
- as illustrated by the pro forma earnings per share amounts as compared to our historical per share amounts, we expect to achieve profitability and earnings.

Our expected or anticipated effects of the merger are forward-looking and there is no assurance that they will be realized. You should review the Risk Factors section of this information statement/prospectus and familiarize yourself with Alliance HealthCard by reading the information incorporated in and provided elsewhere in this information statement/prospectus. See Where You Can Find More Information on page i, above.

**Disadvantages of the Merger**

- Immediately following completion of the merger,
- you and our other shareholders will only own approximately 31.5% of the outstanding common stock shares of Alliance HealthCard and there is expected to be further concentration of voting control (approximately 70%) in the combined company's executive officers and directors;
- you and our other shareholders on a per common stock share basis will incur net book value dilution of \$0.33 (from \$0.45 to \$0.12) based upon our pro forma balance sheet as of September 30, 2008; and
- you and our other shareholders will be subject to risks of the business of Alliance HealthCard, many of which are not within its control (see Risk Factors, above).

Our board of directors considered a number of potential negative factors that included:

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the possibility that the merger might not be consummated and the effect of a public announcement of a termination of the merger on:

our revenues, operating results and stock price; and

the potential disruption of our business that might result from employee and customer uncertainty and lack of focus following announcement of the merger;

the risk that Alliance HealthCard may fail to meet projected growth rates and that Alliance HealthCard's stock price might decline substantially prior to or subsequent to closing of the merger;

the risk that the announcement of the merger could result in decisions by our customers to cancel or delay purchases of products or services or those of Alliance HealthCard;

the risk associated with attempting to integrate our operations, products and services with those of Alliance HealthCard, including the risk that the benefits sought to be achieved by the merger will not be achieved;

although our board of directors did not believe that any competing offer would be forthcoming, the risks associated with agreeing to a break-up fee of \$362,500 payable to Alliance HealthCard under certain circumstances and the potential effect of the termination fee in discouraging competing offers to acquire us;

the delisting of our common stock shares by The NASDAQ Capital Market; and

other risks described under the caption Risk Factors.

**Recommendation of Our Board of Directors**

Our Board of Directors unanimously approved the merger.

**Lack of Financial Advisory Opinion**

In transactions similar to the merger, the respective companies in some circumstances obtain opinions of investment banking or financial adviser firms. These opinions relate to the fairness to the respective shareholders of the consideration to be received in the merger from a financial point of view. We have not obtained and will not seek an opinion from an investment banking or financial adviser firm regarding the fairness of the merger with Alliance HealthCard. Our board of directors concluded that the cost of a fairness opinion was unwarranted based upon the advantages our board of directors believes the merger offers.

Without an independent third-party fairness opinion, our board of directors concluded that the consideration to be received by our shareholders in the merger is fair from a financial point of view to you and our other shareholders. However, the members of our board of directors are not experienced in investment banking and the valuation of companies. Consequently, we provide no assurance that an independent third party experienced in investment banking would similarly conclude that the consideration for this merger is fair from a financial point of view to our shareholders, or the Alliance HealthCard common stock to be issued and delivered to our shareholders will have an aggregate value greater or lesser than the value of our common stock shares from a financial point of view.

**Appraisal Rights**

The Merger will be completed and become effective on April 1, 2009. You and our other shareholders will have rights of appraisal under the Oklahoma General Corporation Act to receive cash for your Access Plans USA shares if the merger is completed. To do this, the following procedures summarized below must be followed.

The following is a summary of the principal steps that must be taken to perfect appraisal rights under Section 1091 of the Oklahoma General Corporation Act ( Section 1091 ). Because this is a summary, it does not contain all the information that may be important to you if you elect to exercise appraisal rights. You should read the full text of Section 1091, a copy of which is attached as Appendix A to this information statement/prospectus.

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If you dissent from the merger and demand and perfect appraisal rights under Section 1091, and if the merger becomes effective, your Access Plans USA shares will not be converted into Alliance HealthCard common stock. Instead, you will have the right to receive the fair value of your Access Plans USA shares as determined by an Oklahoma county district court (the Oklahoma Court). You should review this discussion and Section 1091 carefully if you wish to exercise appraisal rights, or wish to preserve the right to do so, because failure to comply with the required procedures will result in loss of such rights. If you are considering dissenting, you should consult your legal advisor. If your shares of Access Plans USA common stock are held of record in the name of another person and you desire to perfect appraisal rights, you must act promptly to cause the shareholder of record to follow the steps summarized below. Shares of our common stock with respect to which the shareholders of record properly exercise appraisal rights are referred to as Dissenting Shares. To exercise appraisal rights, a shareholder (i) must file with us, on or before April 11, 2009 or a later date of which we will provide notice. If the shareholder dissents and demand appraisal rights, the shareholder must do so as to all of the Access Plans USA common stock shares held of record by the shareholder (the Dissenting Shares).

Within 120 days after the effective time of the merger, we or any shareholder that has complied with Section 1091 and is otherwise entitled to appraisal rights, may (i) file a petition in the Oklahoma Court demanding a determination of the value of all Dissenting Shares and (ii) upon written request, receive from us a statement setting forth the aggregate number of our common stock shares as to which demands for appraisal have been received and the aggregate number of holders of those shares. We do not intend to file that petition. Upon the filing of a petition pursuant to Section 1091 by a shareholder, a copy must be served on us.

If a petition for an appraisal is timely filed, the Oklahoma Court must determine the holders of Dissenting Shares entitled to appraisal rights and the fair value of the Dissenting Shares. In determining the fair value, the Oklahoma Court may consider all relevant factors, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any to be paid upon the amount determined to be the fair value.

If you demand an appraisal under Section 1091, you will not, after the effective time, be entitled to vote the shares subject to the demand for any purpose or to receive dividends or other distributions on the shares except dividends or other distributions, if any, payable to shareholders of record as of a date before the effective date of the merger.

If you demand appraisal and subsequently withdraw your demand or lose your right to appraisal, your share of Access Plans USA common stock will be converted into shares of Alliance HealthCard common stock in accordance with the merger agreement. You will lose your right to appraisal (i) if you fail to file a written demand for appraisal on or before April 11, 2009 or a later date of which we will provide notice, (ii) if no petition for appraisal is filed within 120 days after the effective time or (iii) if you withdraw your demand for appraisal within 60 days after the effective time.

**Management Changes**

Upon completion of the merger, the number of directors serving on Alliance HealthCard's board of directors will be seven. Our directors, J. French Hill and Russell Cleveland, will become members of the board of directors of Alliance HealthCard, and our other board members, Kent H. Webb, Nicholas J. Zaffiris, Kenneth S. George and Andrew A. Boemi will resign as members of our board of directors. Robert D. Garces and Thomas W. Kiser will resign from Alliance HealthCard's board of directors. Eliseo Ruiz III will resign as our Executive Vice President and General Counsel and Secretary. Each of Messrs. Hill and Cleveland will serve on Alliance HealthCard's board until the 2010 annual shareholders meeting of Alliance HealthCard and until his successor is elected or his resignation or death.

**Table of Contents****Material Interests of Management Members**

As of the date of this information statement/prospectus, each of our officers and directors owned the number and percent of our outstanding common stock shares and held stock options exercisable for the purchase of our common stock shares ( Option Shares ) set forth opposite their names as follows:

Name	Executive Officer Position	Number of Shares	Ownership Percent(1)	Option Shares
Ian R. Stuart	President, Interim Chief Executive Officer and Chief Financial Officer	889,556	4.39%	
Michael K. Owens(2)	President of America's Health Care/Rx Plan Agency, Inc. Executive Vice President and General Counsel and Secretary	144,837	.71%	
Eliseo Ruiz III	Vice President of Operations	4,283	.02%	212,500
Scott Treadway	Vice President of Marketing and Communications	11,000	.05%	120,000
Nancy L. Zalud	Chairman of the Board of Directors	69,169	.34%	
J. French Hill	Director	7,000	.03%	80,000
Nicholas J. Zaffiris	Director		%	55,000
Russell Cleveland(3)	Director and Medical Director		%	25,000
Kent H. Webb	Director	125,219	.62%	91,500
Kenneth S. George	Director	3,000	.01%	55,000
Andrew A. Boemi	Director	80,769	.40%	25,000

(1) The percentage shown was rounded to the nearest one-tenth of 1.0%, based upon 20,269,145 shares of common stock being outstanding on the date of this information statement/prospectus.

(2) Mr. Owens is the trustee of the Peter W. Nauert Revocable Trust that owns 5,533,482 common stock shares, representing 27.30% of our outstanding common stock shares.

(3) Mr. Cleveland controls RENN Capital Group, Inc. that manages US

Special Opportunities Trust PLC that owns 801,813 common stock shares, Renaissance Capital Growth & Income Fund III, Inc. that owns 890,500 common stock shares, Premier RENN US Emerging Growth Fund Limited that owns 1,200,900 common stock shares, and Renaissance US Growth Investment Trust PLC that owns 1,562,145 common stock shares. The total of 4,455,358 shares represents 21.98% of our outstanding common stock options.

Upon completion of the merger, our executive officers and directors will exchange their common stock shares for Alliance HealthCard common stock shares in the same fashion that our other shareholders will. The stock options held by our executive officers and directors will become exercisable for the purchase of Alliance HealthCard common stock shares as provided in their respective stock option agreement and under our stock option plans. Our board of directors was fully aware of the interests of our directors and executive officers and took their interests into account in approving the merger agreement.

**Accounting Treatment of the Merger**

For accounting purposes, we will be considered to have been purchased by Alliance HealthCard. On a pro forma basis, assuming the issuance of 6,800,000 shares, the purchase price paid by Alliance HealthCard will be approximately \$4,870,000 for accounting purposes. On a pro-forma basis as of September 30, 2008 this is estimated to result in the recording of an additional \$4,116,000 of goodwill and other intangible assets. This pro forma purchase price is the aggregate sum of

\$4,760,000 representing the value of the 6,800,000 shares of Alliance HealthCard common stock to be delivered at closing of the merger valued at \$0.70 per share, the closing sale price of the Alliance HealthCard common stock on November 13, 2008, the date of the public announcement of the terms of the merger; and

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the costs of the merger-acquisition which are estimated to be \$110,000.

The recorded goodwill will be not be amortized, but will be subject to at least annual evaluation for impairment, and in the event the goodwill becomes impaired, it will be partially or fully written off. The intangible assets will be amortized over the estimated life of each intangible asset, subject to acceleration of amortization in the event it is determined that the value of the intangible assets is less than their unamortized values.

### **Federal Income Tax Consequences of the Merger**

The following discussion is a summary of the material U.S. federal income tax consequences to us, our shareholders and Alliance HealthCard of the merger. The following discussion is based on the Internal Revenue Code of 1986, as amended (the Code), treasury regulations promulgated under the Code, administrative rulings and pronouncements and judicial decisions as of the date of this information statement/prospectus, all of which are subject to change, possibly with retroactive effect.

The discussion below is for general information only and does not address the effects of any state, local or foreign tax laws as they may relate to the merger. In addition, the discussion below assumes you hold shares of our common stock as a capital asset. However, the tax treatment may vary depending upon your particular situation. Certain taxpayers, including insurance companies, tax-exempt organizations, financial institutions and broker-dealers may be subject to special rules not discussed below.

In the opinion of our counsel, Dunn Swan & Cunningham, consummation of the merger will constitute reorganization within the meaning of Section 368 of the Code. This opinion will be based on facts existing at the time the merger becomes effective and on the representations, warranties and covenants as to factual matters contained in the merger agreement. The conclusions reached in the opinion could be jeopardized if the representations, warranties or covenants are incorrect in certain material respects. We and Alliance HealthCard are unaware of any facts or circumstances which would cause any of the representations, warranties and covenants made in the merger agreement to be untrue or incorrect in any material respect. The opinion of counsel is not binding on the Internal Revenue Service or the courts.

Based on the opinions discussed above, the material U.S. federal income tax consequences that will result from the merger are as follows:

you and the other holders of our common stock shares will not recognize any income, gain or loss upon completion of this merger and

no income, gain or loss will be recognized by us or Alliance HealthCard as a result of the merger.

The foregoing discussion is only a summary and may not be a complete analysis or listing of all potential tax effects that could be relevant to your particular tax circumstances. You are urged to consult your own tax advisor concerning the federal, state and local and any foreign tax consequences of the merger to you.

### **Federal Securities Law Consequences**

All shares of common stock to be received by you and our other shareholders have been registered under the Securities Act of 1933, as amended (the Securities Act) and will be freely transferable. The shares received by you and other shareholders, with the exception of those shares received by our affiliates, may be resold without restriction under the Securities Act. A person who may be deemed to be our affiliate generally includes an individual or entity that controls, is controlled by, or is under common control with, the person and may include certain officers and directors of the person as well as principal shareholders of the person.

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**Regulatory Approvals**

Other than obtaining the SEC's effectiveness of the registration statement of which this information statement/prospectus is a part, there are no regulatory approvals required to be obtained by Alliance HealthCard or us prior to or subsequent to consummation of the merger.

**Required Affirmative Vote**

The affirmative vote of at least a majority of our outstanding common stock shares is required for approval of our merger with Alliance HealthCard. We anticipate that, on or after the 22nd day following distribution of this information statement/prospectus certain of our affiliates holding a majority of our outstanding common stock shares will execute stockholder consents approving and adopting the merger and merger agreement.

As of the date of this information statement/prospectus Ian R. Stuart, The Peter W. Nauert Revocable Trust, Michael K. Owens, US Special Opportunities Trust PLC, Renaissance Capital Growth & Income Fund III, Inc., Premier RENN US Emerging Growth Fund Limited, Renaissance US Growth Investment Trust PLC, Andrew A. Boemi, and Kent H. Webb, own of record a total of 11,229,221 shares of our outstanding common stock, representing more than 55% of our outstanding common stock shares.

If the holders of less than a majority of our outstanding common stock shares execute stockholder consents approving and adopting of the merger agreement and merger, we will be required to call a shareholders' meeting for consideration of the merger.

**SUMMARY OF THE AGREEMENT AND PLAN OF MERGER**

The following description summarizes all of the material terms of the Agreement and Plan of Merger, as amended. For full information, you should read the Agreement and Plan of Merger, a copy of which is included as Appendix A to this information statement/prospectus.

**General Terms of the Merger**

*The Merger.* Alliance HealthCard's wholly-owned subsidiary, Access/Alliance Acquisition Corp. will merge with and into us. As a result of the merger, we will become a wholly-owned subsidiary of Alliance HealthCard, the separate corporate existence of Access/Alliance Acquisition Corp. will cease and we will continue as the surviving corporation as a wholly-owned subsidiary of Alliance HealthCard.

*Effective Time.* As promptly as practicable (and in any event within two business days) after the satisfaction or waiver of the conditions set forth in the merger agreement, we will complete the merger by filing certificate of merger with the Secretary of State of Oklahoma. The time of filing the certificate of merger will be the effective time of the merger.

*Exchange of Access Plans Capital Stock for Alliance HealthCard Common Stock.* Upon completion of the merger, for each share of our common stock owned just before the merger, you and our other shareholders will be entitled to receive, in the aggregate, up to 6,850,000 shares of Alliance HealthCard common stock or a 0.337952 partial share of Alliance HealthCard common stock, subject to a reduction adjustment for the net cost arising from divestiture of our subsidiary, Access HealthSource, Inc. (the Access HealthSource Divestiture). The 6,850,000 shares of Alliance HealthCard common stock will be reduced by one share for each \$2.00 of the sum of the cash expenditures paid or to be incurred by us and Access HealthSource, inclusive of any amounts paid or payable by Access HealthSource to Tenet Hospitals Limited pursuant to the Compromise Settlement Agreement, Release of All Claims and Indemnity Agreement related to Statement of Claim (the Tenet Liability), directly associated with the sale or disposition of Access HealthSource that in the aggregate exceed the proceeds received by us in conjunction with the sale or disposition of Access HealthSource.

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Effective December 31, 2008 we sold Access HealthSource to a third-party and incurred an estimated \$100,000 net cost in connection with the execution of the Access HealthSource Divestiture. Accordingly, we expect that the number of Alliance HealthCard common stock shares issuable pursuant to the merger agreement will be 7,200,000 and the merger exchange ratio will be 0.3552197.

The fraction of one share of Alliance HealthCard common stock into which each of our common stock shares will be converted is referred to as the Exchange Ratio. In the event you or any of our other shareholders will be entitled to receive a fractional share in exchange for the aggregate number of Access Plans USA common stock shares owned, the fractional share will be rounded to the next whole share. The Alliance HealthCard common stock shares issued in elimination of fractional shares will increase the number of shares to be issued by Alliance HealthCard.

## **Representations and Warranties**

The merger agreement contains various representations and warranties made by us and Alliance HealthCard. These relate, among other things, to the following matters (which, in certain cases, are subject to specified exceptions):

*Corporate Status* The organization, good standing, qualification and capitalization are as described in the merger agreement, and except as stated, there are no commitments by us or Alliance HealthCard to issue any additional capital stock;

*Approvals and Filings* There are no governmental or regulatory approvals or filings required to complete the merger, or needed to prevent the termination of governmental or regulatory licenses or permits where the effect of such termination could reasonably be expected to have a material adverse effect on our or Alliance HealthCard's business, assets or financial condition (referred to below as a material adverse effect);

*Absence of Conflict* The merger will not conflict with organizational documents, laws or agreements to which any party is subject, and the only consents required for the completion of the merger are as set forth except for those which might not reasonably be expected to have a material adverse effect;

*Accuracy of Financial Statements* Certain financial statements delivered to the other party have been prepared fairly and in accordance with generally accepted accounting principles and there are no undisclosed liabilities that could reasonably be expected to have a material adverse effect;

*Conduct of Business* Since June 30, 2008 and until completion of the merger, we and Alliance HealthCard have conducted business in the ordinary course and there has been an absence of certain changes or events, including the occurrence of a material adverse effect; and

*Other Matters* The merger agreement also includes representations and warranties dealing with employee relations, benefit plans, title to properties owned by us or Alliance HealthCard, compliance with laws, the absence of litigation that could reasonably be expected to have a material adverse effect (except as otherwise noted), intellectual property rights, contracts, the validity and standing of any required permits and authorizations, compliance with environmental laws, maintenance of books and records, customers, and relationships and transactions with affiliates.

## **Conduct of Business Pending Completion of the Merger**

The merger agreement contains various covenants and agreements made by us and Alliance HealthCard. Those relate, among other things, to the following matters (which, in certain cases, are subject to specified exceptions):

*Conduct of Business by Alliance HealthCard and Us* Prior to the effective time, we and Alliance HealthCard will conduct business only in the ordinary course of business and in a manner consistent with past practice. Except for the sale of Access HealthSource, we and Alliance HealthCard will use reasonable commercial efforts to preserve substantially intact our or its business organization, to keep available the services of our or its present officers, employees and consultants and to preserve our or its present relationships with customers, suppliers and





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other persons with which we or Alliance HealthCard has significant business relations. Except as contemplated by the merger agreement:

*Amendments* We and Alliance HealthCard will not amend our or its certificate of incorporation or bylaws;

*Changes in Capital Structure or Assets* There will be no change in the capital structure, including issuing or repurchasing stock, or the sale, pledge or other disposition of assets, declaration or payment of any dividend or distribution, or amendment of the terms of any of securities by us or Alliance HealthCard, other than the issuance of common stock shares in accordance with the terms of outstanding stock options;

*Issuance of Indebtedness; Capital Expenditures or Acquisitions* Without the other's consent, we or Alliance HealthCard will not acquire any other business or incur any additional indebtedness or, except in the ordinary course of business and consistent with past practice, incur or guarantee or otherwise become responsible for any material indebtedness or make any capital expenditures or purchase any fixed assets in excess of set amounts;

*Employment Matters* We or Alliance HealthCard will not change any compensation arrangements or make any promises to pay any bonus or extra compensation to any director, officer, employee, salesman or agent, increase any employee benefits, or make any commitment to adopt an additional employee benefit plan;

*Material Change or Election* We or Alliance HealthCard will not make any material change to accounting policies or procedures, or make any material tax election inconsistent with past practice, or settle or compromise any material tax liability or agree to an extension of a statute of limitations;

*Satisfaction of Claims or Liabilities* We or Alliance HealthCard will not pay, discharge or satisfy any claims, liabilities or obligations other than in the ordinary course of business and consistent with past practices; and

*Other Actions* We or Alliance HealthCard will not take or agree to take any of the above actions, or any other actions which would make any representation or warranty in the Agreement and Plan of Merger untrue or incorrect, or prevent us or Alliance HealthCard from performing any covenant under the merger agreement.

**Additional Agreements**

*Access to Information; Confidentiality* Upon reasonable notice and subject to any other agreement by which it is bound, we or Alliance HealthCard will afford the other reasonable access to our or its properties, books, contracts, commitments and records and will furnish promptly to the other all information concerning our or its business, properties and personnel as the other may reasonably requested.

*Consents; Approvals* We and Alliance HealthCard have agreed to use reasonable best efforts to obtain all consents, waivers, approvals, authorizations or orders, and to make all required filings, necessary to complete the merger.

*Indemnification* Unless required by law, the indemnification provisions of our certificate of incorporation will not be amended, repealed or modified for a period of three years from the effective time in any manner that would adversely affect the rights of the individuals who, at the effective time, serve as our directors or officers.

*Notification of Certain Matters* We and Alliance HealthCard agreed to give the other prompt notice of any event that is likely to cause any of our or its representations or warranties in the merger agreement to be materially untrue or inaccurate, or of any failure by us or it materially to comply with any covenant, condition or agreement in the merger agreement.

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*Further Action* We and Alliance HealthCard will use all commercially reasonable efforts to consummate as promptly as practicable the transactions contemplated by the merger agreement, to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and otherwise to satisfy or cause to be satisfied all conditions precedent to our or its obligations under the merger agreement.

*Registration of Certain Affiliate Owned Shares* As soon as practicable after the effective time, Alliance HealthCard has agreed to use its best efforts to register the Alliance HealthCard common stock shares received by The Peter W. Nauert Revocable Trust (the *Nauert Shares* ) under the Securities Act pursuant to a registration statement on Form S-3 (or any successor or other appropriate form). Alliance HealthCard has also agreed to maintain effectiveness of the registration statement until the Nauert Shares qualify for resale pursuant to Rule 144 or 145 promulgated under the Securities Act. The costs and expenses of the registration of the Nauert Shares will be paid by The Peter W. Nauert Revocable Trust.

### **Conditions to the Merger**

*Conditions to Obligation of Each Party to Effect the Merger.* Our obligations and those of Alliance HealthCard to complete the merger are subject to the satisfaction, at or prior to the effective time, of various conditions. We believe that all conditions of completing the merger will be timely satisfied and accordingly there is no material uncertainty that all conditions of the merger will be satisfied. These conditions include the following:

*Representations and Warranties* The representations and warranties contained in the merger agreement must be true and correct in all respects on and as of the effective time, except where the failure to be true and correct could not reasonably be expected to have a material adverse effect;

*Agreements and Covenants* All agreements and covenants contained in the merger agreement must have been performed or complied with in all material respects on and as of the effective time;

*Consents and Approvals* All material required consents, waivers, approvals, authorizations or orders must be obtained, and all required filings must have been made, except where the failure to do so would not reasonably be expected to have a material adverse effect on us or Alliance HealthCard;

*Governmental Actions* There must not be any pending or threatened action, proceeding or inquiry by any governmental authority or administrative agency, or any other legal restraint, preventing or seeking to prevent Alliance HealthCard from exercising all material rights and privileges pertaining to its ownership of us or its ownership or operation of our business or assets, or compelling or seeking to compel it to dispose of or hold separate all or any material portion of its business or assets, as a result of the merger;

*Illegality* There must not be any statute, rule, regulation or order which makes the consummation of the merger illegal;

*Opinion of Counsel* We and Alliance HealthCard shall have received the written opinion of Dunn Swan & Cunningham, in form reasonably satisfactory to us and Alliance HealthCard, as to customary corporate and legal matters relating to us, Alliance HealthCard and Access/Alliance Acquisition Corp, the merger agreement and the transaction contemplated in that agreement.

*Tax Opinion* We and Alliance HealthCard shall have received a written opinion of Dunn Swan & Cunningham, in form and substance reasonably satisfactory to us and it to the effect that the merger will constitute a reorganization within the meaning of Section 368 of the Internal Revenue Code. We and Alliance HealthCard agreed to make all representations and covenants reasonably requested by Dunn Swan & Cunningham in connection with the rendering of that opinion.

*Effectiveness of the Registration Statement* The registration statement of which this information statement/prospectus is included shall have been declared effective by the United States Securities and Exchange

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Commission (the SEC). No stop order suspending the effectiveness of the registration statement shall have been issued by the SEC and no proceedings for that purpose and no similar proceeding in respect of this information statement/prospectus shall have been initiated or threatened by the SEC.

*Shareholder Approval* We shall have obtained the approval of the merger agreement and the transactions contemplated in the merger agreement by the holders of not less than a majority of our outstanding common stock shares.

**Termination**

*Conditions to Termination.* Subject to notice requirements and rights to cure defaults or breaches, the merger agreement may be terminated at any time prior to the effective time:

by our and Alliance HealthCard's mutual written consent as authorized by our and Alliance HealthCard's boards of directors; or

by either us or Alliance HealthCard

if the merger is not completed by April 1, 2009 due to our or Alliance HealthCard's failure to fulfill any obligation under the merger agreement that prevents consummation of the merger by that date; or

if there is a non-appealable final order, decree or ruling or other action having the effect of permanently restraining, enjoining or otherwise prohibiting the merger; or

(i) if any of our or Alliance HealthCard's representations or warranties in the merger agreement was untrue when made, or (ii) upon a breach by us or it of any covenant or agreement in the merger agreement, and are of the nature that the conditions to our or its obligations would not be satisfied; or

by us, if any representation or warranty of Alliance HealthCard becomes untrue so that the conditions of our obligations will not be satisfied, or by Alliance HealthCard if any of our representations or warranties have become untrue so that the conditions to its obligations will not be satisfied.

by us if we accept or propose to accept, or recommend to our shareholders, an alternative acquisition proposal and pay to Alliance HealthCard a breakup fee of \$362,500, so long as our board of directors has otherwise complied with the no solicitation provisions of the merger agreement. The merger agreement defines an alternative acquisition as an alternative acquisition proposal that our board of directors determines in good faith, after consultation with independent financial and legal advisors, (i) is reasonably capable of being completed on the terms proposed and (ii) would result in a transaction more favorable to our shareholders from a financial point of view than the merger.

*Costs and Expenses.* All fees and expenses incurred by us or Alliance HealthCard in connection with the merger will be paid by the party incurring the expenses, whether or not the merger is consummated; however, the costs and expenses of Dunn Swan & Cunningham incurred in connection with the merger will be borne and paid equally by each of us and Alliance HealthCard.

**Amendment and Waiver**

The merger agreement may be amended in writing by Alliance HealthCard and us at any time prior to the effective time. At any time prior to the effective time, either we or Alliance HealthCard may extend the time for the performance of any of the obligations or other acts of the other, waive any inaccuracies in the representations and warranties of the other contained in the merger agreement or in any document delivered pursuant to the merger agreement, or waive compliance with any of the agreements or conditions of the other contained in the merger agreement. Any extension or waiver will be valid if set forth in an instrument in writing signed by either us or Alliance HealthCard, which ever will be bound.

**Table of Contents****COMPARATIVE SHARE PRICES AND DIVIDENDS**

Alliance HealthCard's common stock is quoted on the OTC Bulletin Board under the symbol ALHC and our common stock is traded on The NASDAQ Capital under the symbol AUSA. The following table sets forth the high and low sales prices per share of Alliance HealthCard common stock and our common stock, as reported on the OTC Bulletin Board and The NASDAQ Capital Market, respectively, for the quarterly periods presented below.

<b>Quarter Ended</b>	<b>Closing Sale Price Common Stock</b>			
	<b>Access Plans USA</b>		<b>Alliance HealthCard</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
<b>March 31, 2006</b>	<b>\$1.67</b>	<b>\$1.25</b>	<b>\$1.01</b>	<b>\$0.80</b>
<b>June 30, 2006</b>	<b>\$1.69</b>	<b>\$1.12</b>	<b>\$0.85</b>	<b>\$0.72</b>
<b>September 30, 2006</b>	<b>\$2.46</b>	<b>\$1.58</b>	<b>\$0.85</b>	<b>\$0.55</b>
<b>December 31, 2006</b>	<b>\$2.01</b>	<b>\$1.34</b>	<b>\$1.35</b>	<b>\$0.42</b>
<b>March 31, 2007</b>	<b>\$2.86</b>	<b>\$1.91</b>	<b>\$1.90</b>	<b>\$1.10</b>
<b>June 30, 2007</b>	<b>\$2.37</b>	<b>\$1.60</b>	<b>\$2.20</b>	<b>\$1.61</b>
<b>September 30, 2007</b>	<b>\$1.79</b>	<b>\$1.00</b>	<b>\$2.00</b>	<b>\$1.61</b>
<b>December 31, 2007</b>	<b>\$1.21</b>	<b>\$0.73</b>	<b>\$1.90</b>	<b>\$1.55</b>
<b>March 31, 2008</b>	<b>\$1.28</b>	<b>\$0.84</b>	<b>\$1.70</b>	<b>\$0.80</b>
<b>June 30, 2008</b>	<b>\$1.09</b>	<b>\$0.70</b>	<b>\$1.25</b>	<b>\$0.75</b>
<b>September 30, 2008</b>	<b>\$1.00</b>	<b>\$0.33</b>	<b>\$1.35</b>	<b>\$0.60</b>
<b>December 31, 2008</b>	<b>\$0.65</b>	<b>\$0.22</b>	<b>\$1.05</b>	<b>\$0.30</b>

Alliance HealthCard anticipates that any future earnings will be retained to finance its operations and for the growth and development of its business. Accordingly, Alliance HealthCard does not anticipate paying cash dividends on its shares of common stock in the foreseeable future. The payment of any future dividends will be subject to the discretion of Alliance HealthCard's board of directors and will depend on its results of operations, financial position and capital requirements, general business conditions, restrictions imposed by financing arrangements, if any, legal restrictions on the payment of dividends and other factors its board of directors deems relevant.

We have not paid dividends on our common stock since our inception. Under the merger agreement, we cannot pay cash dividends without the prior written consent of Alliance HealthCard. If the merger is completed, the payment of any future dividends will be determined by Alliance HealthCard. If the merger is not completed, we do not anticipate paying any cash dividends on our common stock in the foreseeable future because we would intend to retain any future earnings for use in business development.

On November 12, 2008, the last trading day prior to the public announcement of the proposed merger, the sale price of Alliance HealthCard common stock reported on OTC Bulletin Board was \$0.70 per share. On that same date, the closing sale price of our common stock reported on The NASDAQ Capital Market was \$0.65 per share. On February 6, 2009, the most recent practicable date prior to the date of this information statement/prospectus, the reported closing prices of Alliance HealthCard common stock and our common stock were \$0.55 and \$0.23,

respectively.



**Table of Contents****ALLIANCE HEALTHCARD, INC.****Description of Business**

Alliance HealthCard, Inc. was founded in 1998 as a provider of discount medical plans with its focus on creating, marketing, and distributing membership savings programs primarily to the underserved markets in the United States. Alliance HealthCard's original programs offered attractive savings in approximately 16 areas of health care, including physician visits, hospital stays, chiropractics, vision, dental, pharmacy, hearing, and patient advocacy, among others. In February 2007, Alliance HealthCard completed the merger-acquisition of BMS Holding Company, Inc. and its subsidiaries, Benefit Marketing Solutions, LLC (BMS) and BMS Insurance Agency, LLC. BMS is the largest membership plan providers to dealers in the rental purchase industry. While Alliance HealthCard continues to market successful health oriented programs, the merger-acquisition greatly expanded its business scope to include programs that offer discount savings on dining and entertainment, automotive, legal and financial, as well as insurance programs for leased property, involuntary unemployment, accidental death and dismemberment, and extended service plans. Alliance HealthCard sells its membership savings programs to retailers, insurance companies, finance companies, banks, employer groups and association-based organizations through direct sales or independent marketing consultants, and is now one of the leading providers of value added membership plans sold in conjunction with point-of-sale transactions.

***Industry Overview***

The market for Alliance HealthCard's customer membership programs is sizable. U.S. consumers spend billions of dollars annually among the large variety of membership plans available. While competition is significant, with hundreds of customer membership companies nationally, Alliance HealthCard believes that it is the largest provider of such membership plans to dealers in the rental purchase industry and a leading provider of consumer membership plans offered at point of sale through retail locations. Alliance HealthCard's programs create a win/win for their clients as well as their customers. Alliance HealthCard's clients build profits and growth through Alliance HealthCard's programs without risk while encouraging customer loyalty and repeat business.

***Recent History of Alliance HealthCard***

Alliance HealthCard, Inc. was founded in 1998. On February 28, 2007, Alliance HealthCard completed the merger-acquisition of BMS Holding Company, Inc. and its subsidiary, BMS. BMS was formed in February 2002. As part of the merger-acquisition of BMS Holding Company, Inc., Alliance HealthCard also acquired BMS Insurance Agency, LLC (BMS Agency) that was formed in January 2005. BMS Agency is licensed to offer life, accident and health, and property and casualty insurance.

***Business Overview***

Alliance HealthCard is a leading provider of membership plans sold in conjunction with a point-of-sale transaction through retail locations. In addition, Alliance HealthCard offers and provides healthcare savings membership plans under both retail and wholesale arrangements, as well as included as additional benefits to other membership programs. Through working with its clients, Alliance HealthCard designs and builds membership plans that contain benefits aggregated from its vendors that appeal to its clients' customers. This process involves balancing the needs of Alliance HealthCard's clients, their customers and its vendors.

Alliance HealthCard enters into agreements with its clients to deliver customized membership marketing plans that leverage the client's brand name and customer relationship and typically their payment mechanism, and offer benefits that appeal to the customers of Alliance HealthCard's clients. The value provided by Alliance HealthCard's plans to its clients, includes increased customer attraction and retention, plus incremental fee income with no risk or capital cost. By implementing these plans repetitively, Alliance HealthCard's management team is uniquely qualified to efficiently assist its clients in achieving their goals, while avoiding the operational and marketing pitfalls.

The point-of-sale offered plans are primarily provided on a wholesale basis to Alliance HealthCard's clients whereby Alliance HealthCard provides the plan products and services as well as customer service and fulfillment. Alliance HealthCard also supports the plan with field training, in-store advertising materials and sales videos. The plans

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may be further customized by incorporating benefits provided in-house by Alliance HealthCard's clients. Alliance HealthCard's clients are responsible for member acquisition, retention and collection of the periodic membership fees. Alliance HealthCard's clients remit to Alliance HealthCard a portion of the on-going membership fees collected the month following their receipt. Alliance HealthCard's largest market for these plans is dealers in the rental purchase industry. The other markets include banks, retailers and consumer finance companies.

Alliance HealthCard's wholesale plans are custom tailored to meet the needs of its clients, generate incremental revenue for them and enhance the relationship with their customers via value-added benefits. Services included with wholesale plans provided to Alliance HealthCard's largest member segment generally include insurance benefits and a variety of lifestyle benefits, like discount medical, food & entertainment and automotive related discounts. Alliance HealthCard also provides wholesale plans that include only discount medical benefits, lifestyle benefits and other combinations to fit the customer needs of Alliance HealthCard's clients.

Alliance HealthCard's retail plan offerings are primarily health care savings plans. These plans are not insurance, but allow members access to a variety of healthcare networks to obtain discounts from usual and customary fees. Alliance HealthCard's members pay providers the discounted rate at the time services are provided to them. These plans are designed to serve the markets in which individuals either have no health insurance or limited healthcare benefits.

Alliance HealthCard provides two standard healthcare savings plan offerings: Gold Card Plan and Platinum Card Plan. These plans are designed to benefit the more than 47 million individuals without healthcare insurance coverage and the millions more that are underinsured. The Gold Card Plan is targeted to those who have some basic medical insurance but no ancillary services or as add-on services alongside a healthcare plan. The Gold Card Plan benefit categories include pharmacy, vision, dental, hearing, 24-hour nurse-line, chiropractic, medical lab and supplies, alternative medicine, physical therapy, podiatry, mental health and long-term care. The Platinum Card Plan is generally intended for those who do not have a healthcare insurance plan or have a plan with only catastrophic coverage. It includes all of the Gold Card Plan benefits plus primary-care physicians, specialists and outpatient facilities.

In addition to the wholesale and retail offerings, certain clients may choose to include Alliance HealthCard's benefits with their own membership plan offering. In these instances, the client bears the cost of marketing and fulfillment, and Alliance HealthCard provides customer service. These offerings are designed to enhance Alliance HealthCard's clients' existing offering and improve their product value relative to their competition and in some instances to improve their customer retention. While these plans provide lower periodic member fees, Alliance HealthCard incurs limited implementation costs and receives higher revenue participation rates.

In order to deliver its membership offerings, Alliance HealthCard contracts with a number of different vendors to provide various products and services to Alliance HealthCard's members. The majority of these vendor relationships involve the vendor providing the program members access to their network or providers or their locations and the members obtain a discount at the time of service. Alliance HealthCard has vendor relationships with medical networks, automotive service companies, insurance companies, travel related entities and food and entertainment consumer discount providers. Alliance HealthCard's vendors value the relationship with Alliance HealthCard because it delivers many customers to them without incremental capital cost or risk on their part and these relationships are governed by multi-year agreements and aggregated volume scaling.

***Business Strategy***

Alliance HealthCard's focus is providing national membership program benefits to organizations that include, but are not limited to, rental-purchase companies, financial institutions, retail merchants, and consumer finance companies nationwide. The strategy is to succeed in the marketplace by

- increasing market penetration;
- maintaining and enhancing customer satisfaction;
- continually enhancing programs and adding benefits;

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managing growth effectively; and  
 helping the market to understand how Alliance HealthCard’s offerings are different and superior.

*Increase Market Penetration*

Alliance HealthCard believes it has opportunities to expand its offerings to markets with similar operational and customer demographic characteristics to those it now serves. In addition, many of these markets may be substantially larger than its existing markets. Alliance HealthCard has recently begun exploring these new markets and plans to continue those efforts. Alliance HealthCard’s tested and proven infrastructure allows it to serve substantially more customers without a significant increase in fixed costs.

*Maintain and Enhance Customer Satisfaction*

Alliance HealthCard’s belief is that providing high-quality customer service to its customers, clients and members is extremely important in order to encourage memberships and to strengthen the affinity of those members for the client that offered the service program. In order to achieve Alliance HealthCard’s anticipated growth and to ensure client, member and marketing representative loyalty, Alliance HealthCard continues to develop and invest significantly in its member service systems. All new member service representatives are required to complete a training course before beginning to take calls and attend on-the-job training thereafter. Through its training programs, systems and software, Alliance HealthCard seeks to provide members with friendly, rapid and effective answers to questions. In addition, Alliance HealthCard continues to work closely with its clients’ customer service staffs to ensure that their representatives are knowledgeable in matters relating to membership service programs offered by Alliance HealthCard.

*Continually Enhance Programs*

Alliance HealthCard believes that it is well-positioned to increase its market share by taking advantage of providing consumers distinctive and innovative membership programs. Alliance HealthCard continuously enhances its programs and ads, remove or restructure benefits to sustain this advantage. As Alliance HealthCard considers new markets where competitors exist, Alliance HealthCard seeks opportunities to deliver competitive plans with innovative services or operational structures.

*Manage Growth Effectively*

Alliance HealthCard intends to grow by focusing its sales team on potential new accounts, while continuing to expand its existing client base by tailoring new programs that further complement and increase the client’s existing revenue sources. In addition, Alliance HealthCard will selectively consider acquisitions of membership program companies to further increase its market share. Alliance HealthCard believes that it has the management team in place to manage this growth.

**Services**

Alliance HealthCard provides customer membership programs designed to provide a wide range of consumer benefits, discounts and protection. Successful programs are currently in place at rental-purchase centers, financial institutions, retail merchants, and consumer finance companies nationwide. Membership programs are successful wherever customers use products and services on a repeat basis. Alliance HealthCard’s membership benefit categories include Discount Medical, Food and Entertainment, Insurance, Automotive Discounts, Dealer Add-In Benefits and Miscellaneous Benefits.

**Discount Medical**

- Physician Network Access
- Dental Network Access
- Vision Care & Eyewear Network Access
- Pharmacy Network Discounts
- Mail Order Pharmacy Discounts
- Chiropractor Network Access

**Automotive**

- Discounted Roadside Assistance
- Automotive Service Provider Savings
- Customer Trip Routing
- Car Theft Reward
- Rental Car Savings

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Hearing Aid Discounts  
 Vitamins & Nutritional Supplements

**Food and Entertainment**

Grocery Coupon Savings  
 Restaurant Savings  
 Theme Park Discounts  
 Movie Theater Discounts

**Insurance**

Accidental Death & Dismemberment  
 Involuntary Unemployment  
 Leased Property Insurance

**Clients and Customers**

Alliance HealthCard currently delivers membership plans to about 190 companies, including rental purchase dealers, insurance companies, financial institutions, retail merchants, and consumer finance companies. Its point-of-sale plans are offered at over 5,100 locations.

Revenue attributable to one contract was \$11,557,715 or 55% of total revenue for the year ended September 30, 2008 and \$10,982,394 or 62% of total revenue for the year ended September 30, 2007. For the year ended September 30, 2006, there were two contracts attributable for revenue of \$9,843,860, or 70% of total revenue.

**Sales and Marketing**

Alliance HealthCard currently employs three full-time direct sales professionals. In addition, Alliance HealthCard has contracted with a number of independent sales consultants, who are primarily compensated on the basis of revenue produced.

Alliance HealthCard continues to expand its marketing programs and visibility in the industries it targets for its offerings. Programs currently underway include public relations, internet sales, direct mailings and industry trade shows. It presently generates the majority of its new members via point-of-sale marketing by Alliance HealthCard's clients. Alliance HealthCard also employs online, direct mail and mail insert marketing efforts as well.

**Competition**

While there are numerous companies providing membership offerings, they compete for members by soliciting customers throughout various industries. Alliance HealthCard strives to maintain strong client relationships in order to mitigate the effects of this competition. There are a number of companies that compete with Alliance HealthCard. Its principal competitors include New Benefits, Members Trust, Vertrue, Affinion and CAREINGTON International Corporation. Alliance HealthCard's other competitors include large retailers, financial institutions, insurance companies, preferred provider organization networks, and other organizations that offer benefit programs to their customers.

The environment within which Alliance HealthCard operates is intensely competitive and subject to rapid change. To maintain or increase its market share position, Alliance HealthCard must continually enhance its product offerings, introduce new product features and enhancements, and expand its client service capabilities. Alliance HealthCard currently competes principally on the basis of the specialized nature of its products and services.

**Government Regulation**

Alliance HealthCard offers benefits including insurance products, discount medical and other discount programs through association-based membership programs that are sold by its clients as add-ons to the client's core business. Alliance HealthCard also sells its discount medical program as a standalone program directly to the public and through marketers. Alliance HealthCard administers claims for its association-based insurance and service programs through its subsidiary, BMS Agency, an Oklahoma licensed insurance agency. The association based programs are

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offered through an Oklahoma association in accordance with the laws of Oklahoma. BMS is an Oklahoma licensed third-party administrator.

There are approximately 30 states that now have laws regulating discount medical provider organizations (hereinafter referred to as DMPO ). The regulations differ materially among states and are subject to amendment and reinterpretation by the agencies charged with their enforcement. Some states require a license to operate as a DMPO. Alliance HealthCard has been approved as a licensed DMPO in 16 states and has applications pending in three other states. There is also the risk that a state will adopt regulations or enact legislation restricting or prohibiting the sale of Alliance HealthCard's medical discount programs in that state. In addition, California views Alliance HealthCard's discount medical plans as managed healthcare and California's Department of Managed Health Care has taken the position that Alliance HealthCard must seek and eventually obtain a license under the Knox-Keene Act. Compliance with these state regulations on a state-by-state basis has been expensive and cumbersome.

Compliance with federal and state regulations is generally Alliance HealthCard's responsibility. The medical discount plan industry is especially susceptible to charges by the media of regulatory noncompliance and unfair dealing. As is often the case, the media may publicize perceived non-compliance with consumer protection regulations and violations of notions of fair dealing with consumers. Alliance HealthCard's failure to comply with current, as well as newly enacted or adopted, federal and state regulations could have a material adverse effect upon Alliance HealthCard's business, financial condition and results of operations in addition to the following:

- non-compliance may cause it to lose licensing status or to become the subject of a variety of enforcement or private actions;

- compliance with changes in applicable regulations could materially increase the associated operating costs;

- non-compliance with any rules and regulations enforced by a federal or state consumer protection authority may subject it or its management personnel to fines or various forms of civil or criminal prosecution; and

- non-compliance, or alleged non-compliance may result in loss of contracts, negative publicity potentially damaging its reputation, network relationships, client relationships and the relationship with program members, representatives and consumers in general.

### *Insurance Regulations*

Government regulation of insurance is a changing area of law and varies from state to state. The insurance companies from which Alliance HealthCard obtains its insurance products and financial services are subject to various federal and state regulations applicable to their operations. These insurance companies must comply with constantly evolving regulations and make changes occasionally to services, products, structure or operations in accordance with the requirements of those regulations.

Similar to the insurance companies providing products and services offered by Alliance HealthCard, it is unable to accurately predict additional government regulations that may be enacted in the future affecting the insurance industry and the offered products and service or how existing or future regulations might be interpreted.

Additional governmental regulation or future interpretation of existing regulations may increase the cost of compliance or materially affect the insurance products and services offered by Alliance HealthCard and its profitability.

Alliance HealthCard must rely on the insurance companies that provide the insurance products and financial services offered by Alliance HealthCard to carefully monitor state and federal legislative and regulatory activity as it affects their insurance products and services. Alliance HealthCard believes that the insurance products and financial services that it offers complies in all material respects with all applicable federal and state regulations.

Among the benefits afforded to the members of Alliance HealthCard's association are varying forms of

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insurance. Alliance HealthCard's ability to offer insurance products that Alliance HealthCard is authorized to distribute to this association for inclusion in its benefit packages may be affected by governmental regulation or future interpretation of existing regulations that may increase the cost of regulatory compliance or affect the nature and scope of products that Alliance HealthCard may make available to those associations.

The laws and regulations and their interpretation relating to Alliance HealthCard's insurance and discount medical business are subject to uncertainty and change. There is no assurance that a review of Alliance HealthCard's current and proposed operations will not result in a determination that could materially and adversely affect its business, results of operations and financial condition. Moreover, regulatory requirements are subject to change from time to time and may in the future become more restrictive, thereby making compliance more difficult or expensive or otherwise affecting or restricting Alliance HealthCard's ability to conduct its business as presently conducted or proposed to be conducted. Alliance HealthCard is subject to the risk of challenges to the legality of selling insurance or other regulated products through its association based marketing program, including claims that its programs do not comply with a particular state's laws regarding the offering and licensing for a regulated product or administration of claims. Alliance HealthCard is subject to the risk that its discount programs will be determined to be regulated by the discount buying club laws or physician referral laws. In addition, the use of the internet in the marketing and distribution of Alliance HealthCard's services is relatively new and presents issues, including the limitations on an insurance regulator's jurisdiction and whether internet service providers, gateways or cybermalls are engaged in the solicitation or sale of insurance policies or otherwise transacting business requiring licensure under the laws of one or more states.

*Healthcare Regulation and Reform*

Government regulation and reform of the healthcare industry may also affect the future manner in which Alliance HealthCard conducts its business. There continues to be diverse legislative and regulatory initiatives at both the federal and state levels that affect aspects of the nation's healthcare system. The Gramm-Leach-Bliley Act mandated restrictions on the disclosure and safeguarding of insured's financial information. The USA Patriot Act placed new federal compliance requirements relating to anti-money laundering, customer identification and information sharing.

In addition, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires certain guaranteed issuance and renew-ability of health insurance coverage for individuals and small employer groups and limits exclusions on pre-existing conditions. HIPAA has also mandated the adoption of extensive standards for the use and disclosure of health information. HIPAA also mandated the adoption of standards for the exchange of electronic health information in an effort to encourage overall administrative simplification and enhance the effectiveness and the efficiency of the healthcare industry.

HIPAA's security standards became effective April 20, 2005 and further mandated that specific requirements be met relating to maintaining the confidentiality and integrity of electronic health information and protecting it from anticipated hazards or uses and disclosures that are not permitted.

Alliance HealthCard believes that it is in compliance with these regulations. Alliance HealthCard plans to continually audit its compliance, and accordingly cannot give assurance that its costs of continuing to comply with HIPAA will not be material to Alliance HealthCard. Sanctions for failing to comply with standards issued pursuant to HIPAA include criminal penalties and civil sanctions.

In addition to federal regulation and reform, many states have enacted, or are considering, various healthcare reform statutes. These reforms relate to, among other things, managed care practices, prompt pay payment practices, health insurer liability and mandated benefits. Most states have also enacted patient confidentiality laws that prohibit the disclosure of confidential information. As with all areas of legislation, the federal regulations establish minimum standards and preempt conflicting state laws that are less restrictive but will allow state laws that are more restrictive. Alliance HealthCard expects that this trend of increased legislation will continue. Alliance HealthCard is unable to predict the state reforms that may be enacted or, if enacted, the affect on its business.

*E-Commerce Regulation*

Alliance HealthCard may be subject to additional federal and state statutes and regulations in connection with its product strategy, which includes Internet services and products. On an increasingly frequent basis, federal and state





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legislators are proposing laws and regulations that apply to Internet-based commerce and communications. Areas being affected by this regulation include user privacy, pricing, content, taxation, copyright protection, distribution and quality of products, and services. To the extent that Alliance HealthCard's products and services would be subject to these laws and regulations, the sale of its products and its business could be harmed.

*Legislative Development*

Numerous proposals to reform the current healthcare system have been introduced in the U.S. Congress and in various state legislatures. Proposals have included, among other things, modifications to the existing employer-based insurance system, a quasi-regulated system of managed competition among health insurers, and a single-payer, public program. Changes in health care policy could significantly affect Alliance HealthCard's business. Legislation has been introduced from time to time in the U.S. Congress that could result in the federal government assuming a more direct role in regulating insurance companies.

Alliance HealthCard is unable to evaluate new legislation that may be proposed and when or whether any legislation will be enacted and implemented. However, many of the proposals, if adopted, could have a material adverse effect on Alliance HealthCard's business, financial condition or results of operations; while others, if adopted, could potentially benefit its business.

*Privacy Laws*

Certain of Alliance HealthCard's services are based upon the collection, distribution and protection of sensitive private data. Alliance HealthCard's contracts with certain clients place a duty on Alliance HealthCard to protect certain confidential information and to comply with certain provisions of privacy laws such as the Gramm-Leach-Bliley Act. Unauthorized users might access that data, and human error or technological failures might cause the wrongful dissemination of that data. If Alliance HealthCard experiences a security breach, the integrity of certain of its services may be affected and the breach could violate certain of its client agreements. Alliance HealthCard has incurred, and may incur in the future, significant costs to protect against the threat of a security breach. Alliance HealthCard may also incur significant costs to alleviate problems that may be caused by future breaches. Any breach or perceived breach could subject Alliance HealthCard to government fines or sanctions, legal claims from clients or customers under that govern the security non-public personal information. There is no assurance that Alliance HealthCard would prevail in such litigation. Moreover, any public perception that Alliance HealthCard have engaged in the unauthorized release of, or have failed to adequately protect, private information could adversely affect Alliance HealthCard's ability to attract and retain members and end-customers. In addition, unauthorized third parties might alter information in Alliance HealthCard's databases, which would adversely affect both its ability to market its services and the credibility of its information.

**Description of Properties**

Alliance HealthCard leases its offices in Norcross, Georgia under a lease that expires in October 2009. This office lease is a joint lease between the landlord, Alliance HealthCard and NovaNet, Inc., a company partially owned by Robert D. Garces, one of Alliance HealthCard's Directors and its Executive Vice President. The total space consists of approximately 5,175 square feet. This lease will terminate on October 31, 2009. See Certain Relationships and Related Transactions, and Director Independence, below.

Alliance HealthCard's subsidiary, BMS, occupies its offices in Norman, Oklahoma under a lease that expires July 31, 2009. The total space consists of approximately 5,973 square feet. The lease agreement is with Southwest Brokers, Inc., a company owned by Brett Wimberley, one of Alliance HealthCard's Directors and its President. See Certain Relationships and Related Transactions, and Director Independence, below. BMS also rents office space in Dallas, Texas on a month-to-month basis. The total space consists of approximately 300 square feet.

In the event Alliance HealthCard is required to move from the current offices in Norcross, Georgia, Norman, Oklahoma, or Dallas, Texas, the terms and cost of occupancy may be substantially different than those under which that office space is currently occupied and the rental rate may be substantially greater.

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Alliance HealthCard believes that its current office space facilities are adequate for its current operations.

**Legal Proceedings**

From time to time, Alliance HealthCard may become involved in litigation relating to claims arising out of its operations in the normal course of its business. Alliance HealthCard is not currently a party to any legal proceedings.

**Management's Discussion and Analysis***Overview*

Since formation in 1998 Alliance HealthCard has been a provider of discount medical plans with a focus on creating, marketing, and distributing membership savings programs primarily to the underserved markets in the United States. Alliance HealthCard's original programs offered attractive savings in approximately 16 areas of health care, including physician visits, hospital stays, chiropractics, vision, dental, pharmacy, hearing, and patient advocacy, among others. In February 2007, Alliance HealthCard completed the merger-acquisition of BMS Holding Company, Inc. and its subsidiaries, Benefit Marketing Solutions, L.L.C. (BMS) and BMS Insurance Agency, L.L.C., (BMS Agency). BMS is the largest membership plan provider to dealers in the rental-purchase industry. For financial reporting purpose, BMS was considered the acquiring entity and historical financial statements prior to March of 2007 reflect the activities of BMS as adjusted for the effect of the recapitalization which occurred at the merger date. Activities of Alliance HealthCard, Inc. prior to the merger date are no longer reflected in the historical financial statements as it was considered to be the acquired entity. Additional intangible assets and goodwill totaling \$4,791,945 were recorded on the financial statements as of the merger date reflecting the fair market value of Alliance HealthCard, Inc. in excess of its identifiable net tangible assets as of the date of the merger. While Alliance HealthCard continues to market health oriented programs, the merger-acquisition has greatly expanded its business scope to include programs that offer discount savings on dining and entertainment, automotive, legal and financial, as well as insurance programs including leased property, involuntary unemployment, accidental death and dismemberment, and product service plans. Alliance HealthCard sells membership savings programs to retailers, insurance companies, finance companies, banks, employer groups and association-based organizations through direct sales or independent marketing consultants, and is a leading provider of value added membership plans sold in conjunction with point-of-sale transactions.

BMS was formed in February 2002 and designs, markets, and distributes membership programs for rental-purchase companies, financial organizations, employer groups, retailers and association-based organizations on a nation-wide basis. These membership programs are sold as part of a point-of-sale transaction or through direct marketing efforts. BMS is the largest membership plan providers to dealers in the rental-purchase industry market space. The point-of-sale membership plans are sold through more than 5,100 locations in the U.S. and Puerto Rico.

In connection with the merger-acquisition of BMS Holding Company, was accounted for as a reverse merger-acquisition with Alliance HealthCard as the legal acquirer and BMS Holding Company as the accounting acquirer. Under the accounting treatment, the historical operations of BMS Holding Company and its subsidiaries, BMS and BMS Agency, became Alliance HealthCard's and the former operations and assets and liabilities were deemed purchased by BMS Holding Company. Therefore, the historical operations contained in this report are those of BMS Holding Company and its subsidiaries.

**Critical Accounting Policies***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 amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates and such differences may be material to the financial statements. Significant estimates include our claims liability and the discounted future cash flows used to calculate our goodwill for impairment.

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*Goodwill and Intangible Assets*

Alliance HealthCard accounts for acquisitions of businesses in accordance with Statement of Financial Accounting Standards ( SFAS ) No. 141, *Business Combinations* ( SFAS 141 ). Goodwill in such acquisitions represents the excess of the cost of a business acquired over the net of the amounts assigned to assets acquired, including identifiable intangible assets and liabilities assumed. SFAS 141 specifies criteria to be used in determining whether intangible assets acquired in a business combination must be recognized and reported separately from goodwill. Amounts assigned to goodwill and other identifiable intangible assets are based on independent appraisals or internal estimates.

Customer lists acquired in an acquisition are capitalized and amortized over the estimated useful lives of the customer lists. Customer lists deemed acquired in connection with the Alliance Healthcard and BMS Holdings merger were valued at \$2,500,000 and are being amortized over 60 months, the estimated useful life of the list. Amortization of customer lists totaled \$500,004 and \$291,669, respectively for the fiscal years ended September 30, 2008 and September 30, 2007.

Alliance HealthCard accounts for recorded goodwill and other intangible assets in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* ( SFAS 142 ). In accordance with SFAS 142, Alliance HealthCard does not amortize goodwill. Management of Alliance HealthCard evaluates goodwill for impairment at least annually. If considered impaired goodwill will be written down to fair value and a corresponding impairment loss recognized.

Alliance HealthCard evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset s carrying amount may not be recoverable. Those circumstances include:

- a significant decrease in the market value of an asset;
- a significant adverse change in the extent or manner in which an asset is used; or
- an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset.

Alliance HealthCard measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with the asset. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires Alliance HealthCard to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. As of September 30, 2008 and 2007 Alliance HealthCard recognized no impairment losses related to its intangible assets.

*Stock Based Compensation*

In accordance with the provisions of SFAS No. 123 (revised 2004) *Share-Based Payment* ( SFAS 123R ), Alliance HealthCard measures stock based compensation expense as the excess of the market price on date of grant over the amount of the grant. Alliance HealthCard grants stock based compensation at the market price on the date of grant.

The provisions of SFAS 123R became generally accepted accounting principles on January 1, 2006. As permitted, prior to the effectiveness of SFAS 123R, Alliance HealthCard elected to adopt only the disclosure provisions of SFAS No. 123, *Accounting for Stock-based Compensation*.

*Income Taxes*

Alliance HealthCard adopted SFAS No. 109, *Accounting for Income Taxes*, that requires, among other things, a liability approach to calculating deferred income taxes. The objective is to measure a deferred income tax liability or

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asset using the tax rates expected to apply to taxable income in the periods in which the deferred income tax liability or asset is expected to be settled or realized. Any resulting net deferred income tax assets should be reduced by a valuation allowance sufficient to reduce those assets to the amount that is more likely than not to be realized.

In 2006, FASB issued FIN 48 that clarifies the application of SFAS 109 by defining a criterion that an individual income tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements and provides guidance on measurement, de-recognition, classification, accounting for interest and penalties, accounting in interim periods, disclosure and transition. In accordance with the transition provisions, Alliance HealthCard adopted FIN 48 on January 1, 2007.

Alliance HealthCard recognized a liability for uncertain tax positions. Alliance HealthCard further believes that there are no tax positions for which it is reasonably possible, based on current tax law and policy that the unrecognized tax benefits will significantly increase or decrease over the next 12 months producing, individually or in the aggregate, a material effect on its results of operations, financial condition or cash flows.

*Revenue Recognition*

Alliance HealthCard recognizes revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, *Revenue Recognition, corrected copy*, that requires four basic criteria be met before revenue can be recognized:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed or determinable; and,
- collectibility is reasonably assured.

*Recent Accounting Pronouncements*

In September 2006, FASB issued SFAS No. 157, *Fair Value Measurements* ( SFAS 157 ). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements; rather, it applies under other accounting pronouncements that require or permit fair value measurements. The provisions of this statement are to be applied prospectively as of the beginning of the fiscal year in which this statement is initially applied, with any transition adjustment recognized as a cumulative-effect adjustment to the opening balance of retained earnings. The provisions of SFAS 157 are effective for the fiscal years beginning after November 15, 2007. Therefore, Alliance HealthCard anticipates adopting this standard as of October 1, 2008. Management has not determined the effect, if any, the adoption of this statement will have on its financial condition or results of operations.

In September 2006, FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* ( SFAS No. 158 ), an amendment of FASB Nos. 87, 88, 106 and 132(R). SFAS No. 158 requires

- recognition of the funded status (measured as the difference between the fair value of the plan assets and the benefit obligation) of a benefit plan as an asset or liability in the employer's statement of financial position,
- measurement of the funded status as of the employer's fiscal year-end with limited exceptions, and
- recognition of changes in the funded status in the year in which the changes occur through comprehensive income.

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The requirement to recognize the funded status of a benefit plan and the disclosure requirements are effective as of the end of the fiscal year ending after December 15, 2006. The requirement to measure the plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008. This SFAS 158 has no current applicability to Alliance HealthCard's financial statements.

In February 2007, FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ( SFAS 159 ). This statement permits companies to choose to measure many financial assets and liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. Alliance HealthCard is currently assessing the impact of SFAS 159 on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations*, that replaced SFAS No. 141 ( SFAS No. 141R ). SFAS No. 141R 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 the goodwill acquired. SFAS No. 141R also establishes disclosure requirements that will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008 (our Fiscal 2010). SFAS No. 141R will have an effect on the Alliance HealthCard's consolidated financial statements for any business combinations the Alliance HealthCard may enter into after the effective date, including its merger-acquisition of us.

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51* ( SFAS No. 160 ), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent's ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008 (our Fiscal 2010). Alliance HealthCard believes SFAS No. 160 will not have an effect on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities (SFAS 161) as an amendment to SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities* (SFAS No. 161 ). SFAS 161 requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. SFAS 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008. The adoption of this statement is not expected to have a material effect on Alliance HealthCard's consolidated financial statements.

In May 2008, the FASB issued SFAS 162, *The Hierarchy of Generally Accepted Accounting Principles* ( SFAS 162 ). SFAS 162 identifies the sources of accounting generally accepted accounting principles in the United States. SFAS 162 is effective sixty days following the SEC's approval of PCAOB amendments to AU Section 411, *The Meaning of Present fairly in conformity with generally accepted accounting principles* . The adoption of this statement is not expected to have a material effect on Alliance HealthCard's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts, an interpretation of SFAS No. 60* ( SFAS 163 ). The scope of SFAS 163 is limited to financial guarantee insurance (and reinsurance) contracts, as described in SFAS 163, issued by enterprises included within the scope of SFAS 60. Accordingly, SFAS 163 does not apply to financial guarantee contracts issued by enterprises excluded from the scope of SFAS 60 or to some insurance contracts that seem similar to financial guarantee insurance contracts issued by insurance enterprises (such as mortgage guaranty insurance or credit insurance on trade receivables). SFAS 163 also does not apply to financial guarantee insurance contracts that are derivative instruments included within the scope of SFAS Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* . The adoption of this statement is not expected to have a material effect on Alliance Health Card's consolidated financial statements.

**Table of Contents****Results of Operations****Year Ended September 30, 2008 Compared to Year Ended September 30, 2007**

Revenue increased \$3.3 million, or 19%, to \$20.9 million for the year ended September 30, 2008, compared to revenue of \$17.6 million for the same prior year period. The \$3.3 million increase consisted of an increase for BMS of \$2.2 million attributable to the following: (a) \$.6 million from a major client due to an increase in membership sales and (b) 1.6 million from new and existing client business. Alliance HealthCard was responsible for the remaining increase of \$1.1 million attributable to new business.

Gross profit increased \$3.7 million, or 62%, to \$9.8 million for the year ended September 30, 2008 compared to \$6.1 million for the prior year end. The increase was primarily attributable to the following: (a) additional revenue; (b) a decrease in discount benefits and fulfillment expenses; and partially offset by (c) an increase in claims expenses. Gross profit as a percentage of revenue was 47% and 34% for the years ended September 30, 2008 and 2007, respectively.

Sales and marketing expenses increased \$.3 million, or 37%, to \$1.3 million for the year ending September 30, 2008, compared to \$.9 million for the year ending September 30, 2007. Sales and marketing expenses as a percentage of revenue were 6.0% and 5.2% for the years ended September 30, 2008 and 2007, respectively. The increase consisted of \$.2 million for BMS and \$.1 million for Alliance HealthCard. The increase was primarily attributable to compensation and commission expense.

Depreciation and amortization expense increased by \$.2 million to \$.5 million for the year ended September 30, 2008 due primarily to the amortization of customer lists deemed acquired by BMS in connection with the 2007 merger.

General and administrative expenses increased \$.2 million, or 8%, to \$3.1 million for the year ending September 30, 2008 compared to \$2.9 million for the prior year. Expenses for 2007 consisted of one-time merger expenses of \$.3 million. Excluding one-time merger expenses from the year ended September 30, 2007, there was an increase of \$.5 million for the year ended September 30, 2008. The \$.5 million increase was primarily attributable to only seven months of operations for Alliance for the year ended September 30, 2007. General and administrative expenses as a percentage of revenue were 15% and 17% for the years ended September 30, 2008 and 2007, respectively.

Alliance HealthCard recognized net income tax expense of \$2.2 million for the fiscal year ended September 30, 2008 compared to \$.5 million for the prior year. This was due primarily to the fact that only the last seven months of fiscal 2007 for both Alliance HealthCard and BMS were taxed at the corporate level. Prior to the merger, the BMS operations for the first five months of fiscal 2007 were taxed at the shareholder level and Alliance HealthCard utilized net operating loss carry forwards.

Alliance HealthCard reported net income prior to dividends and distributions of \$2.7 million for the year ended September 30, 2008 compared to \$1.4 million for the same prior year. Net income available for common shareholders was \$2.7 million for fiscal 2008 as compared to \$(6.8) million for fiscal 2007. Total dividends and distributions paid in connection with earn out arrangements to former BMS shareholders were \$0 and \$8.2 million for the years ended September 30, 2008 and 2007, respectively.

*Off-Balance Sheet Arrangements*

Alliance HealthCard does not have any off-balance sheet arrangements.

*Liquidity and Capital Resources*

As of September 30, 2008, Alliance HealthCard had unrestricted cash of \$3.0 million and a working capital deficit of \$.5 million. Current liabilities include an estimated current portion of notes payable to related parties. These note obligations are only payable in the event that consolidated earnings before interest, income taxes, depreciation and amortization, determined in accordance with generally accepted accounting principles for each of the fiscal years ending on September 30, 2007, 2008 and 2009 ( Actual EBITDA ) exceeds \$4,200,000 (the Targeted EBITDA ). If the Targeted EBITDA level is not achieved then the principal amount of these notes will be reduced by an amount equal to the percentage by which the Actual EBITDA for each of those fiscal years falls short of the Targeted EBITDA and the



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adjusted principal balance of these notes will then be amortized over the remaining term of the notes in accordance with the foregoing payment terms.

Cash provided by operating activities was \$3.3 million and \$2.0 million for the fiscal years ended September 30, 2008 and 2007, respectively. The increase of \$1.3 million was primarily attributable to an increase in revenue and net income and offset by a decrease in claims and other liabilities.

Cash used in investing activities was \$.2 million for the fiscal year ended September 30, 2008 while during the 2007 fiscal year cash provided by investing activities was \$1.0 million. The decrease of \$.8 million was attributable to the cash received from the merger for the fiscal year ended September 30, 2007 and the increase in restricted cash of \$.2 million.

Cash used in financing activities was \$2.3 million for the year ended September 30, 2008 compared to \$2.7 million for the same prior year period. The increase of \$.4 million was related to the following:

A reduction of \$1.6 million for distributions paid prior to the merger to former shareholders of BMS Holding Company, Inc. for the fiscal year ended September 30, 2007;

Promissory note payments to related parties of \$2.3 million for the fiscal year ended September 30, 2008 compared to \$1.2 million for the fiscal year ended September 30, 2007;

Proceeds of \$.1 million from exercise of stock options during the fiscal year ended September 30, 2008; and  
Repayment of our line of credit for \$.15 million for the fiscal year ended September 30, 2008.

Alliance HealthCard anticipates that its cash on hand, together with cash flow from operations, will be sufficient for the next 12 months to finance operations, make capital investments in the ordinary course of business, and pay indebtedness when due.

*Impact of Inflation*

Inflation has not had a material effect on the Company to date. However, the effects of inflation on future operating results will depend in part, on the Company's ability to increase prices or lower expenses, or both, in amounts that offset inflationary cost increases.

*Quantitative and Qualitative Disclosure about Market Risk*

The Company has no material exposure to market risk from derivatives or other financial instruments.

**Accounting Controls and Procedures**

Alliance HealthCard's Chief Executive Officer and Chief Financial Officer are responsible primarily for establishing and maintaining disclosure controls and procedures designed to ensure that information required to be disclosed in Alliance HealthCard's reports filed or submitted under the Securities Exchange Act of 1934, as amended (the Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the United States Securities and Exchange Commission. These controls and procedures are designed to ensure that information required to be disclosed in Alliance HealthCard's reports filed or submitted under the Exchange Act is accumulated and communicated to its management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Furthermore, Alliance HealthCard's Chief Executive Officer and Chief Financial Officer are responsible for the design and supervision of its internal controls over financial reporting that are then effected by and through its board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of Alliance HealthCard's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. These policies and procedures



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pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Alliance HealthCard's assets;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Alliance HealthCard's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Alliance HealthCard's assets that could have a material effect on its financial statements.

Alliance HealthCard has not completed its assessment of the effectiveness of its internal controls in accordance with Section 404 of Sarbanes-Oxley Act of 2002 to provide reasonable assurance of the reliability of financial reporting,

effectiveness and efficiency of operations, and

compliance with applicable laws and regulations.

Internal controls are generally considered to consist of

the environmental foundation of discipline and structure of the internal control,

identification of risks that may affect the integrity of its financial reporting system to reduce financial reporting errors,

preventive controls (the practices, policies and procedures) that reduce the possibility of errors in entering the financial reporting system,

the processes to identify, capture and exchange information to ensure availability of complete and reliable information, and

the process of testing the quality of internal control over time.

Because of the incomplete assessment of the effectiveness of internal controls over financial reporting, management of Alliance HealthCard was unable to issue its report on the effectiveness of Alliance HealthCard's internal controls at September 30, 2008. This has been determined to be a material weakness in its internal controls, because Alliance HealthCard has not completed its assessment of the reliability and effectiveness of its internal controls, and compliance with laws and regulations. Until this assessment has been completed, Alliance HealthCard is not positioned to implement corrective procedures, in the event any such corrective implementation will be required. However, to date Alliance HealthCard has not discovered the need for implementation of any corrective procedures in its internal controls over financial reporting. During the year ended September 30, 2008, Alliance HealthCard continued to utilize the same accounting system and internal controls over financial reporting that it utilized before and following enactment of Sarbanes-Oxley Act of 2002 and has not previously discovered any material weakness or significant deficiency in the effectiveness of its internal controls over financial reporting.

Alliance HealthCard anticipates that by March 31, 2009, all required testing of its accounting system and internal controls over financial reporting will be completed and that by June 30, 2009 all corrective requirements, if any, will be implemented. Thereafter, Alliance HealthCard will then be positioned to issue its report in accordance with the requirements of Section 404 of Sarbanes-Oxley. Furthermore, Alliance HealthCard believes this schedule for completion of their assessment will be sufficient to timely permit its independent registered public accountants to timely attest to the internal controls.

Although Alliance HealthCard was unable to issue its report on the effectiveness of its internal controls at September 30, 2008, Alliance HealthCard's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) conducted their evaluation using the criteria set forth by the Committee of



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HealthCard's Chief Executive Officer and Chief Financial Officer, based upon their evaluation of the effectiveness of Alliance HealthCard's disclosure controls and procedures and the internal controls over financial reporting as of September 30, 2008, concluded that its disclosure controls and procedures and internal controls over financial reporting were fully effective as of September 30, 2008 and reported to its auditors and the audit committee of its board of directors that no change occurred in Alliance HealthCard's disclosure controls and procedures and internal control over financial reporting occurred during the year ended September 30, 2008 that would materially affect or is reasonably likely to materially affect Alliance HealthCard's disclosure controls and procedures or internal control over financial reporting. In conducting their evaluation of Alliance HealthCard's disclosure controls and procedures and internal controls over financial reporting, these executive officers did not discover any fraud that involved management or other employees who have a significant role in Alliance HealthCard's disclosure controls and procedures and internal controls over financial reporting. Furthermore, there were no significant changes in Alliance HealthCard's disclosure controls and procedures, internal controls over financial reporting, or other factors that could significantly affect its disclosure controls and procedures or internal controls over financial reporting subsequent to the date of their evaluation. Because no significant deficiencies or material weaknesses were discovered, no corrective actions were necessary or taken to correct significant deficiencies and material weaknesses in Alliance HealthCard's internal controls and disclosure controls and procedures.

**Directors and Executive Officers**

Set forth below is certain information with respect to Alliance HealthCard's executive officers and directors. Directors are generally elected at the annual shareholders' meeting and hold office until the next annual shareholders' meeting and until their successors are elected and qualify. Executive officers are elected by Alliance HealthCard's board of directors and serve at its discretion. Alliance HealthCard's bylaws provide that the board of directors shall consist of that number of members as the board of directors may from time to time determine by resolution or election, but not less than five and not more than seven. Alliance HealthCard's board of directors currently consists of seven individuals.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Danny C. Wright	57	Chairman of the Board of Directors and Chief Executive Officer
Brett Wimberley	46	Director, President and Chief Operating Officer
Rita W. McKeown	55	Chief Financial Officer and Treasurer
Robert D. Garces	59	Director and Executive Vice President
Thomas W. Kiser	45	Director and Executive Vice President
Susan Matthews	50	Executive Vice President of Sales and Marketing
Bradley W. Denison	48	Senior Vice President, General Counsel, and Secretary
David Huguelet	49	Senior Vice President New Business Development
Larry G. Gerdes(1)	59	Director
John Simonelli(1)	62	Director
Mark R. Kidd(1)	42	Director

(1) Member of the Audit and Compensation Committees.

*Danny C. Wright* has served as Alliance HealthCard Chairman of the Board of Directors and Chief Executive Officer since March 2007 and has served as Chief Executive Officer of Alliance HealthCard's subsidiary, Benefit Marketing Solutions, since January 2003. From 2000 to 2003, Mr. Wright was a principal of Club Source Group (CSG). CSG was the largest independent representative of Foresight, Inc. products and was sold in December 1999. In 1989, Mr. Wright co-founded and served as President of Foresight, Inc. until December 1999. Mr. Wright led Foresight's growth from start-up to one of the leading membership plan providers in the rental purchase industry serving two-thirds of the industry's locations. Prior to Foresight, Mr. Wright managed warranty terms administration

and add-on programs for a regional home and auto retail chain and served in various positions for two insurance carriers.

*Brett Wimberley* has served as one of Alliance HealthCard's Directors and as President and Chief Operating Officer since May 2007 and has served as Chief Operating Officer of Alliance HealthCard's subsidiary Benefit Marketing Solutions (BMS) since February 2002. Mr. Wimberley has been President of Southwest Brokers, Inc., a commercial real estate company, since February 1987. Mr. Wimberley served as President of Universal Marketing Services from October 1996

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to December 2000 and Foresight, Inc. from December 1999 to December 2000. From January 1990 to September 1996, Mr. Wimberley served in various sales positions for United Bank Services, last as Senior Vice President. Mr. Wimberley holds a BBA and MBA from the University of Oklahoma.

*Rita W. McKeown* began serving as Alliance HealthCard's Chief Financial Officer in 2000. From 1994 to 1999, Ms. McKeown served as director of finance of Transcend Services, Inc., an Atlanta Georgia healthcare company specializing in patient information management solutions for hospitals and other associated healthcare providers. From 1991 to 1994, Ms. McKeown served as director of accounting of Premier Anesthesia, Inc. From 1981 to 1991, Ms. McKeown held multiple senior accounting positions with HBO & Co in Atlanta. Ms. McKeown is a Certified Public Accountant and received her BBA from Kennesaw State University in Kennesaw, Georgia.

*Robert D. Garces* has served as one of Alliance HealthCard's Directors and as Executive Vice President since March, 2007. Mr. Garces is a co-founder of Alliance HealthCard. Prior to Alliance HealthCard merger-acquisition of BMS Holding Company in February 2007, Mr. Garces served as Alliance HealthCard's Chairman of the Board and Chief Executive Officer since Alliance HealthCard's organization. Mr. Garces also serves as Chairman of NovaNet, Inc., and a company he founded in 1994 that provides a network of physicians, hospitals and other ancillary health services to self-insured employers and insurance companies. In 1996, Mr. Garces co-founded Better Image, Inc. a consolidation of Plastic Surgeons around the United States. In 1974, Mr. Garces started the Atlanta Company of Southeastern Medical Consultants, a physician billing and Management Company. During this same period he also founded two companies, which grew into one of the largest physician billing companies in the southeast, ARTAC, a software and receivables management company for hospital business offices and Southern Medical Imaging, a mobile imaging company. In 1989 he developed a physician billing company for anesthesia departments for hospitals.

*Thomas W. Kiser* has served as one of Alliance HealthCard's Directors and as Executive Vice President since March 2007. Prior to Alliance HealthCard's merger-acquisition of BMS Holding Company in March 2007, Mr. Kiser served as Alliance HealthCard's President and Director since Alliance HealthCard's organization. Mr. Kiser is also a co-founder of Alliance HealthCard. In 1996, Mr. Kiser founded TWK Enterprises, Inc., a real estate acquisition and development company in Atlanta, Georgia. Mr. Kiser also serves as President of TWK Enterprises, Inc.; however, operations are handled by outside property management, reporting to Mr. Kiser. From 1991 to 1996, Mr. Kiser formed two franchise companies, TC Concepts, Inc. in Orlando, Florida and MKM, Inc. in Atlanta, Georgia, which was sold in 1994 and 1997 respectively. From 1989 through 1991, Mr. Kiser held retail and institutional sales positions with Bear Stearns Company and Shapiro Carter and Company. In 1988, Mr. Kiser joined Marshall and Company, an Atlanta based regional investment banking firm specializing in the private placement and underwriting of securities of small-capitalization southeastern companies. From 1986 through 1988, Mr. Kiser was an assistant manager with Stuart James Co, an investment banking and brokerage company. Mr. Kiser holds a Bachelor of Science degree in economics from Vanderbilt University in Nashville, Tennessee.

*Susan Matthews* has served as Alliance HealthCard's Executive Vice President since May 2007 and Executive Vice President of Sales & Marketing for its subsidiary Benefit Marketing Solutions since January 2003. From 2000 to 2003, she co-founded Club Source Group, a company formed to market club programs to various industries. Ms. Matthews served as Marketing Director for Foresight, Inc. from 1989 until it was sold in 1999. From 1984 to 1999 she served in various capacities with United Bank Services and Steve Owens & Associates marketing club programs to financial institutions. Ms. Matthews received her BBA from the University of Oklahoma.

*Bradley W. Denison* joined Benefit Marketing Solutions (BMS) in early 2006 as its General Counsel. Mr. Denison was previously employed by Rent-A-Center, Inc. from 1991-2001 and served as its Senior Vice President and General Counsel from 1998 through 2001. Prior to his employment at Rent-A-Center, Mr. Denison worked extensively in insurance and litigation in private law practice from 1985 through 1991. Prior to his employment with BMS, Mr. Denison was involved in consulting and operating retail businesses. Mr. Denison has a B.S. Business Administration and a Juris Doctorate from the University of Kansas.

*David Huguelet* has served as the Senior Vice President of New Business Development of Benefit Marketing Solutions since January 2005. From 2003 to 2004 he was a Director of New Business Development for Aon Innovative Solutions, a major provider of extended service contracts to retailers. Mr. Huguelet served as Vice President of Lyndon Insurance Group, a subsidiary of Protective Life, from 2001 to 2003. From 1989 to 2001,

Mr. Huguelet served in various capacities, including Business Board Chairman, with American Bankers Insurance Group, now Assurant. From

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1984 to 1989, Mr. Huguelet served in various capacities with Household Finance, now HSBC. Mr. Huguelet holds a Bachelor of Science in Business Administration from the University of North Carolina at Greensboro, an MBA from Barry University, a CLU designation and a CPCU designation.

*Larry G. Gerdes* has served as one of Alliance HealthCard's Directors since February 1, 2001. Mr. Gerdes has served as the President and Chief Executive Officer of Transcend Services, Inc. since May 1993 and as Chairman of the Board since 1995. From 1991 to 1993, Mr. Gerdes was a private investor. Mr. Gerdes serves on the board of Transcend Services, Inc. (TRCR) and CME Group (CME). For the five years prior to 1991, Mr. Gerdes held various executive positions with HBO & Company, including Chief Financial Officer and Executive Vice President.

*John Simonelli* began serving as a Director of Alliance HealthCard in May 2008. Mr. Simonelli served as Chairman of the Board and Chief Executive Officer (since February 3, 2005) and formerly served as President and Chief Operating Officer (from August 18, 2003 to February 3, 2005) Graymark Healthcare, Inc., a publicly-held company engaged in retail pharmacy and sleep disorder diagnoses. Mr. Simonelli is an independent business consultant who has extensive experience in the planning, development, and funding of emerging growth companies. He served as a director of Access Plans USA from December 2000 until July 2001. From March 1994 until July 1999, Mr. Simonelli was employed by Laboratory Specialists of America, Inc. and served as Chairman of the Board, Chief Executive Officer and Secretary, and a Director until December 7, 1998. Mr. Simonelli has served in various as chairman of the board of directors, a director, chief executive officer, or executive officer of a number of public companies including Laboratory Specialists of America, Inc., The Vialink Company (formerly Applied Intelligence Group, Inc.), MBF USA, Inc. (formerly American Drug Screens, Inc.), Unico, Inc. (formerly CMS Advertising, Inc.), Moto Photo, Inc., and TM Communications, Inc. (formerly Video Image, Inc. and TM Century, Inc.).

*Mark R. Kidd* began serving as a Director of Alliance HealthCard in May 2008. Mr. Kidd served as Chief Financial Officer and Secretary of Graymark Healthcare, Inc., a publicly-held company engaged in retail pharmacy and sleep disorder diagnoses, from February 2003 until July 2008. Mr. Kidd has over 15 years experience in finance and accounting. Mr. Kidd is also Chief Operations Officer of C&L Supply, Inc., a privately-held wholesale distribution company which serves customers in seven states. Mr. Kidd is also a co-owner of 36th Street Properties, LLC, a privately-held commercial real estate company and RandMark, LLC, a privately-held retail wireless company. Mr. Kidd served as Chief Financial Officer of Access Plans USA (formerly Precis, Inc.) from August 1999 until January 2002 and as a director from January 2000 until February 2002. He also served as President, Chief Operating Officer, Secretary and a Director of Foresight, Inc., formerly a wholly-owned subsidiary of Access Plans USA, from February 1999 until January 2002. Mr. Kidd served as President of Paceco Financial Services, Inc., a privately-held regulated savings company, from March 1998 until December 2000. Mr. Kidd is a Certified Public Accountant and holds a B.B.A. in accounting from Southern Methodist University.

**Director Independence**

For purposes of determining whether a member of Alliance HealthCard's Board of Directors qualifies as independent director, Alliance HealthCard selected and utilizes the definition of independent director within the meaning of Rule 4200 of the NASDAQ Stock Market, Inc. marketplace rules. Currently, the members of Alliance HealthCard's board of directors that qualifies as an independent director are Larry G. Gerdes, John Simonelli and Mark R. Kidd. Because Alliance HealthCard's other directors are employees, they do not qualify as independent directors.

**Committees of the Board of Directors**

Alliance HealthCard's Board of Directors has an Audit Committee and a Compensation Committee.

The Audit Committee is responsible for the selection and retention of Alliance HealthCard's independent auditors, reviews the scope of the audit function of the independent auditors, and reviews audit reports rendered by the independent auditors. Each member of the Audit Committee qualifies as an independent director within the meaning of Rule 4200 of the NASDAQ Stock Market, Inc. marketplace rules.

**Members of the Audit Committee:**

Larry G. Gerdes  
John Simonelli  
Mark R. Kidd





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The Compensation Committee reviews and approves compensation and benefits policies and objectives, determines whether Alliance HealthCard's executive officers, directors and employees are compensated according to these objectives, and carries out the responsibilities of Alliance HealthCard's Board of Directors relating to the compensation of its executive officers. The primary goals of Alliance HealthCard's Compensation Committee in setting executive officer compensation are to provide a competitive compensation package that enables Alliance HealthCard to attract and retain key executives and to align the interests of Alliance HealthCard's executive officers with those of its shareholders and also with Alliance HealthCard's performance. As a result of Alliance HealthCard's 2007 merger-acquisition of BMS Holding Company, new executive officers were appointed, including a new Chief Executive Officer. Alliance HealthCard is also operating in a new industry and may reorganize its previous operations. Accordingly, it is expected that in fiscal 2009, its Compensation Committee will review the Alliance HealthCard policies and practices with respect to executive compensation and make changes to its formal compensation policies.

**Members of the Compensation Committee:**

Larry G. Gerdes

John Simonelli

Mark R. Kidd

**Code of Ethics**

Alliance HealthCard has a code of ethics (the Code) that applies to members of its board of directors, its officers including its chief executive officer (its principal executive officer), and its chief financial officer (its principal financial and accounting officer). The Code sets forth written standards that are designed to deter wrongdoing and to promote

honest and ethical conduct,

full, fair, accurate, timely, and understandable disclosure in reports and documents that Alliance HealthCard files with, or submit to, the Securities and Exchange Commission and in other public communications made by it;

compliance with applicable governmental laws, rules and regulations;

prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and

accountability for adherence to the Code.

The Code may be found on Alliance HealthCard's website at [www.alliancehealthcard.com](http://www.alliancehealthcard.com). Alliance HealthCard will describe the nature of amendments to the Code on its website, except that it may not describe amendments that are purely a technical, administrative, or otherwise non-substantive. Alliance HealthCard will also disclose on its website any waivers from any provision of the Code that Alliance HealthCard may grant. Information about amendments and waivers to the Code will be available on Alliance HealthCard's website for at least 12 months, and thereafter, the information will be available upon request for five years. A copy of the Code may be obtained by written request addressed to Bradley W. Denison, Corporate Secretary, Alliance HealthCard, Inc., 900 36<sup>th</sup> Avenue NW, Suite 105, Norman, Oklahoma 73072.

**Compliance with Section 16(a) of the Exchange Act**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Alliance HealthCard's directors, officers, and persons who own more than 10% of its common stock or other registered class of its equity securities to file reports of ownership and changes in ownership with the U.S. Securities and Exchange Commission. Officers, directors and greater than 10% stockholders are required to furnish Alliance HealthCard with copies of all Section 16(a) forms they file.

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Based solely on review of the copies of the Section 16(a) forms Alliance HealthCard received covering purchase and sale transactions in its common stock during the year ended September 30, 2008, Alliance HealthCard believes that each person who, at any time during that fiscal year, was a director, executive officer, or beneficial owner of more than 10% of Alliance HealthCard common stock complied with all Section 16(a) filing requirements during the year ended September 30, 2008.

**Executive Compensation**

The following table sets forth the cash and non-cash compensation of the individuals that served as Alliance HealthCard's Chief Executive Officer, Chief Financial Officer paid or accrued during the years ended September 30, 2008, 2007 and 2006 and its three other most highly compensated executive officers that were serving at September 30, 2008.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary	Bonus	All		Total
				Option Awards(1)	Other Compensation	
Danny C. Wright Chairman and Chief Executive Officer	2008	\$200,000	\$	\$	\$	\$200,000
	2007	\$180,358	\$	\$	\$	\$180,358
	2006	\$452,000	\$	\$	\$	\$452,000
Brett Wimberley Director, President and Chief Operating Officer	2008	\$175,000	\$	\$	\$	\$175,000
	2007	\$118,817	\$	\$	\$	\$118,817
	2006	\$144,000	\$	\$	\$	\$144,000
Bradley W. Denison Senior Vice President, General Counsel and Secretary	2008	\$250,000	\$10,400	\$ 6,096	\$	\$266,496
	2007	\$205,743	\$ 4,800	\$	\$	\$210,543
	2006	\$ 53,596	\$	\$	\$	\$ 53,596
Rita W. McKeown Chief Financial Officer and Treasurer	2008	\$ 94,000	\$ 5,000	\$	\$	\$ 99,000
	2007	\$ 87,833	\$	\$11,500	\$	\$ 99,333
	2006	\$ 82,000	\$	\$	\$	\$ 82,000
Susan Matthews Executive Vice President of Sales and Marketing	2008	\$175,000	\$	\$	\$	\$175,000
	2007	\$118,792	\$	\$	\$	\$118,792
	2006	\$144,000	\$	\$	\$	\$144,000

(1) In determining the value of the Option Awards, Alliance HealthCard used the Black-Scholes option-pricing model as described in Note 8 Stock Based Compensation of the Alliance HealthCard audited financial statements appearing elsewhere in this information

statement/prospectus.

### Outstanding Equity Awards at Fiscal Year-End

During the year ended September 30, 2008, no options exercisable for the purchase of Alliance HealthCard common stock were exercised by the named executive officers. The following table sets forth information related to the number and value of options held by the named officers at September 30, 2008.

#### Outstanding Equity Awards at September 30, 2008

Name	Stock Option Awards		Option Exercise Price(1)	Option Expiration Date
	Number of Common Stock Underlying Options Exercisable	Unexercisable		
Danny C. Wright			\$	N/A
Brett Wimberley			\$	N/A
Bradley Denison	2,500		\$ 1.00	May 13, 2018
		2,500	\$ 1.00	May 13, 2018
		2,500	\$ 1.00	May 13, 2018
Rita McKeown	23,410		\$ 0.83	October 1, 2009
	6,000		\$ 1.00	October 1, 2010
	4,999		\$ 1.01	May 26, 2014
				February 15,
	10,000		\$ 1.15	2017
Susan Matthews			\$	N/A

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- (1) The closing sale price of Alliance HealthCard's common stock as reported on the OTC Bulletin Board on September 30, 2008 was \$0.70.

**Equity Compensation Plans**

**2000 Stock Option Plan.** For the benefit of Alliance HealthCard's employees, directors and consultants, Alliance HealthCard adopted the Alliance HealthCard, Inc. 2000 Stock Option Plan (the "stock option plan" or the "plan"). The plan provides for the issuance of options intended to qualify as incentive stock options for federal income tax purposes as well as option that do not qualify as incentive stock options, to Alliance HealthCard's employees and non-employees, including employees who also serve as Alliance HealthCard's directors. Qualification of the grant of options under the plan as incentive stock options for federal income tax purposes is not a condition of the grant and failure to so qualify does not affect the ability to exercise the stock options. The number of shares of common stock authorized and reserved for issuance under the plan is 2,806,691. As of September 30, 2008, options exercisable for the purchase of 1,518,897 common stock shares had been granted under the plan.

Alliance HealthCard's board of directors administers and interprets the plan (unless delegated to a committee) and has authority to grant options to all eligible participants and determine the types of options granted, the terms, restrictions and conditions of the options at the time of grant.

The exercise price of qualifying incentive stock options may not be less than the fair market value of Alliance HealthCard's common stock on the date of grant of the option. The exercise price of options other than those qualifying as incentive stock options may be granted at less than the fair market value of common stock on the date of the grant. Upon the exercise of an option, the exercise price must be paid in full, in cash, in Alliance HealthCard's common stock (at the fair market value thereof) or a combination thereof as permitted under the terms of the agreement evidencing the option.

Options qualifying as incentive stock options, are exercisable only by an optionee during the period ending three months after the optionee ceases to be an Alliance HealthCard employee, a director or non-employee service provider. However, in the event of death or disability of the optionee, the incentive stock options are exercisable for one year following death or disability and in the event of the retirement of the optionee, Alliance HealthCard's board of directors may designate an additional period for exercise. In any event options may not be exercised beyond the expiration date of the options. Options may be granted to Alliance HealthCard's key management employees, directors, key professional employees or key professional non-employee service providers. Options granted non-employee directors do not qualify as incentive stock options. No option may be granted after December 31, 2010. Options are not transferable except by will or by the laws of descent and distribution.

**Employment Arrangements and Keyman Insurance**

In conjunction with Alliance HealthCard's merger-acquisition of BMS Holding Company, Alliance HealthCard entered into employment agreements with Danny C. Wright, Brett Wimberley, Susan Matthews, Robert D. Garces and Thomas W. Kiser on March 1, 2007.

Pursuant to the employment agreement with Danny C. Wright, he agreed to serve as the Chief Executive Officer of Alliance HealthCard's subsidiary, AHC-Benefit Marketing Acquisition, Inc. The term of the agreement commenced on March 1, 2007 and continues through February 28, 2010. The term of the agreement will automatically be extended for additional one-year terms, unless notice of termination is given to either Mr. Wright or AHC-Benefit Marketing Acquisition on or before December 1 in the year of termination, commencing March 1, 2010. Alliance HealthCard

agreed to pay to Mr. Wright a base annualized salary of \$200,000. In addition to the base salary, Mr. Wright is eligible to be considered for annual bonuses to be determined by Alliance HealthCard's Board of Directors.

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Pursuant to the employment agreement with Brett Wimberley, he agreed to serve as the Chief Operating Officer of Alliance HealthCard's subsidiary, AHC-Benefit Marketing Acquisition, Inc. The term of the agreement commenced on March 1, 2007 and continues through February 28, 2010. The term of the agreement will automatically be extended for additional one-year terms, unless notice of termination is given to either Mr. Wimberley or AHC-Benefit Marketing Acquisition on or before December 1 in the year of termination, commencing March 1, 2010. Alliance HealthCard agreed to pay to Mr. Wimberley a base annualized salary of \$175,000. In addition to the base salary, Mr. Wimberley is eligible to be considered for annual bonuses to be determined by Alliance HealthCard's Board of Directors.

Pursuant to the employment agreement with Susan Matthews, she agreed to serve as the Executive Vice President of Alliance HealthCard's subsidiary, AHC-Benefit Marketing Acquisition, Inc. The term of the agreement commenced on March 1, 2007 and continues through February 28, 2010. The term of the agreement will automatically be extended for additional one-year terms, unless notice of termination is given to either Ms. Matthews or AHC-Benefit Marketing Acquisition on or before December 1 in the year of termination, commencing March 1, 2010. Alliance HealthCard agreed to pay to Ms. Matthews a base annualized salary of \$175,000. In addition to the base salary, Ms. Matthews is eligible to be considered for annual bonuses to be determined by Alliance HealthCard's Board of Directors.

Pursuant to the employment agreement with Robert D. Garces, he agreed to serve as one of Alliance HealthCard's executive officers. The term of the agreement commenced on January 1, 2007 and continued through December 31, 2008 and was not extended. During the term of the agreement Alliance HealthCard paid Mr. Garces a base annualized salary of \$155,000. In addition to base salary, Mr. Garces is eligible to be considered for annual bonuses to be determined by Alliance HealthCard's Board of Directors.

Pursuant to the employment agreement with Thomas W. Kiser, he agreed to serve as one of Alliance HealthCard's executive officers. The term of the agreement commenced on January 1, 2007 and continues through December 31, 2008 and was not extended. During the term of the agreement Alliance HealthCard paid Mr. Kiser a base annualized salary of \$135,000. In addition to base salary, Mr. Kiser is eligible to be considered for annual bonuses to be determined by Alliance HealthCard's Board of Directors.

Alliance HealthCard does not maintain any key-man insurance covering the death or disability of any of its executive officers.

**Compensation of Directors**

In May 2008, Alliance HealthCard adopted a compensation policy for its independent directors. This policy provides that the directors qualifying as independent directors are entitled to receive stock options exercisable for the purchase of 10,000 common stock shares upon initially becoming a member of the board of directors, annually stock options exercisable for the purchase of 5,000 common stock shares, and \$1,000 per calendar quarter. Prior to adoption of this compensation policy, other than through the receipt of discretionary stock option grants, Alliance HealthCard's directors were not compensated for attending board or committee meetings. Directors who were also Alliance HealthCard's employees receive no additional compensation for serving as directors or on a board committee. Alliance HealthCard reimburses its directors for travel and out-of-pocket expenses in connection with their attendance at meetings of Alliance HealthCard's board.

During the fiscal year ended September 30, 2008, the members of Alliance HealthCard's board of directors received the following compensation:

Each non-employee member received a quarterly payment of \$1,000 for each calendar quarter ending June 30 and September 30, 2008.

Alliance HealthCard reimbursed its members for travel and out of pocket expenses in connection with their attendance at board meetings.

Alliance HealthCard granted stock options to the non-employee board members as follows:

**Director Name**

	<b>Options Granted</b>
John Simonelli	10,000
Mark R. Kidd	10,000
Larry G. Gerdes	5,000

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In 2007, the following directors received compensation in the following aggregate amounts:

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Option Awards (1)</b>	<b>Total</b>
John Simonelli	\$ 2,000	\$8,291	\$10,291
Mark R. Kidd	\$ 2,000	\$8,291	\$10,291
Larry G. Gerdes	\$ 2,000	\$4,145	\$ 6,145

(1) Alliance HealthCard uses the Black-Scholes option-pricing model to estimate the option fair values of options awards (as described in Note 8. Stock Based Compensation of Alliance HealthCard's financial statements appearing elsewhere in this information statement/prospectus) to determine the value of the Option Awards.

For his services directly associated with the merger in the capacity as a director of Alliance HealthCard, the board of directors of Alliance HealthCard approved the payment of \$50,000 and the issuance of 25,000 options at an exercise price of \$0.70 to John Simonelli as additional director compensation. Mr. Simonelli will receive this additional director compensation following completion of the merger.

**Officer and Director Liability and Indemnification**

As provided by the Georgia Business Corporation Code, each of Alliance HealthCard's directors and officers is not liable to Alliance HealthCard or its shareholders for any action taken as a director or officer, or any failure to take any action, if the director or officer performed his or her duties in compliance with the Georgia Business Corporation Code. A director is required to discharge his or her duties as a director, including those duties as a member of a committee, or an officer in a manner he or she believes in good faith to be in Alliance HealthCard's best interests and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In discharging his or her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

One or more of Alliance HealthCard's officers or employees whom the director reasonably believes to be reliable and competent in the matters presented;

Legal counsel, public accountants, investment bankers, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

A committee of Alliance HealthCard's Board of Directors of which he is not a member if the director reasonably believes the committee merits confidence.

However, neither a director nor an officer is entitled to rely on the forgoing if the director or officer has knowledge concerning the matter in question that makes reliance unwarranted.



The provisions of the Georgia Business Corporation Code do not eliminate liability of a director or an executive officer for violations of federal securities laws, nor do they limit Alliance HealthCard's rights or those of its stockholders, in appropriate circumstances, to seek equitable remedies including injunctive or other forms of non-monetary relief. These remedies may not be effective in all cases.

The Georgia Business Corporation Code requires Alliance HealthCard to indemnify all of its directors, officers, employees and agents. Under these provisions, when an individual in his or her capacity as an officer or a director is made or threatened to be made a party to any suit or proceeding, the individual may be indemnified if he or she acted in good faith. These indemnification provisions are not exclusive of any other rights to which the individual may be entitled. Insofar as indemnification for liabilities arising under the Georgia Business Corporation Code or

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otherwise may be permitted to its directors and officers, Alliance HealthCard has been advised that in the opinion of the United States Securities and Exchange Commission the indemnification is against public policy and is, therefore, unenforceable.

**Certain Relationships and Related Transactions**

The following is a description of transactions Alliance HealthCard entered into with its officers, directors and shareholders that beneficially own more than 5% of Alliance HealthCard's common stock during the years ended September 30, 2008 and 2007. These transactions will continue in effect and may result in conflicts of interest between Alliance HealthCard and these individuals. Although Alliance HealthCard's officers and directors have fiduciary duties to Alliance HealthCard and its shareholders, there can be no assurance that conflicts of interest will always be resolved in favor of Alliance HealthCard and its shareholders.

*Office Space Leasing Arrangements*

Alliance HealthCard leases its offices in Norcross, Georgia under a lease that expires in October 2009. This office lease is a joint lease between the landlord, Alliance HealthCard and NovaNet, Inc., a company partially owned by Robert D. Garces, one of Alliance HealthCard's Directors and its Executive Vice President. The total space consists of approximately 5,175 square feet. This lease will terminate on October 31, 2009. See Certain Relationships and Related Transactions, and Director Independence, below.

Alliance HealthCard's subsidiary, BMS, occupies its offices in Norman, Oklahoma under a lease that expires July 31, 2009. The total space consists of approximately 5,973 square feet. The lease agreement is with Southwest Brokers, Inc., a company owned by Brett Wimberley, one of Alliance HealthCard's Directors and its President. See Certain Relationships and Related Transactions, and Director Independence, below. BMS also rents office space in Dallas, Texas on a month-to-month basis. The total space consists of approximately 300 square feet.

In the event Alliance HealthCard is required to move from the current offices in Norcross, Georgia, Norman, Oklahoma, or Dallas, Texas, the terms and cost of occupancy may be substantially different than those under which that office space is currently occupied and the rental rate may be substantially greater.

*Merger-Acquisition of BMS Holding Company*

On February 28, 2007, Alliance HealthCard completed the merger-acquisition of BMS Holding Company. The shareholders of BMS Holding Company were Danny C. Wright, Brett Wimberley and Susan Matthews. In connection with the Merger, three promissory notes were issued to former BMS shareholders in the aggregate amount of \$7,147,000. The notes are dated March 1, 2007 and bear interest at 1% per annum. The carrying amount of these notes was discounted to \$6,666,447 with an effective interest rate of 7% to adjust for the below market interest rate carried by the notes. Principal and accrued interest shall be due and payable in 12 consecutive quarterly installments commencing on May 15, 2007 and on each August 14, November 14, February 14 and May 15 of each year thereafter and in full on February 14, 2010, if not previously paid. Any payment of principal and interest shall be applied first to the payment of interest due on the outstanding principal sum and the balance thereof shall be applied in reduction of principal sum. Notwithstanding the foregoing and any other provision in the notes, in the event that the consolidated earnings before interest, income taxes, depreciation and amortization of the Company, determined in accordance with generally accepted accounting principles for each of the fiscal years ending on September 30, 2007, 2008 and 2009 shall be less ( Actual EBITDA ) than Four Million Two Hundred Dollars (\$4,200,000) (the Targeted EBITDA ), then the principal amount of these notes are to be reduced by an amount equal to the percentage by which the Actual EBITDA for each such period falls short of the Targeted EBITDA and the adjusted principal balance of these notes will then be amortized over the remaining term of the Note in accordance with the foregoing payment terms.

In addition to the foregoing, after the consummation of the transactions contemplated by the Merger Agreement, the principal amount of these notes shall be reduced dollar for dollar by any loss incurred by BMS Insurance Agency, L.L.C., a BMS Holdings affiliate, resulting from contingent commissions being held by CAPIC pending receipt of a non-resident license from the Puerto Rico Department of Insurance. Any net proceeds of BMS Insurance Agency, L.L.C. attributable to pre-closing periods shall inure on a pro-rata basis to the benefit of the note holders. After any decrease or increase in the principal amount of these notes related to post-closing payments to or from CAPIC, the adjusted principal balance of these notes will be amortized over the remaining term of the notes in accordance with the foregoing payment terms. To comply with this provision, the principal on these notes was reduced by \$247,073 as of

September 30, 2007. The notes further provide that recovery of any net proceeds of BMS Insurance Agency, L.L.C. attributable to pre-closing periods will inure on a pro-rata basis to the benefit of the note holders. As a result of the settlement agreement completed on March 13, 2008 with CAPIC (*See Note 15 Restated Quarterly Financial Statements of Alliance HealthCard's* audited financial statements appearing elsewhere in this information statement/prospectus), BMSIA received proceeds of \$34,280 which resulted in a pro rata increase in the notes by that same amount.

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Pursuant to discussions between the note holders and our disinterested directors, on January 10, 2008 the original notes were cancelled and replaced by new notes reflecting the unpaid principal balance but modifying the measurement periods to be deferred by one year to the fiscal years ending September 30, 2008, September 30, 2009 and converted to quarterly reviews thereafter. Management felt that these deferred periods more appropriately tie the payment obligations to our performance because the initial period did not reflect an entire year and also contained several merger related one-time expenses. Several additional provisions were added to allow for adjustments if necessary. The new notes were issued in the aggregate amount of \$5,113,177 representing the unpaid principal balances on the original notes on that date before the above described note adjustments.

Principal and interest payments made on these notes were \$2,358,265 and \$1,222,382, respectively for the years ended September 30, 2008 and 2007.

**Securities Ownership of Certain Beneficial Owners and Management**

The following table presents certain information as to the beneficial ownership of Alliance HealthCard s common stock as of the date of this information statement/prospectus and after giving pro forma effect to the merger, and the beneficial ownership of the common stock of (i) each person who is known to Alliance HealthCard to be the beneficial owner of more than 5% thereof, (ii) each of Alliance HealthCard s directors and executive officers, and (iii) all of Alliance HealthCard s executive officers and directors as a group, together with their percentage holdings of the beneficial ownership of the shares. For purposes of presentation of the beneficial ownership of Alliance HealthCard s common stock after the merger, it is assumed that 6,800,000 shares of Alliance HealthCard common stock are exchanged for the 20,269,145 shares of Access Plans USA outstanding common stock shares and an Exchange Ratio of 0.335485 partial share of Access Plans USA common stock. See Summary of the Agreement and Plan of Merger, above. All persons listed have sole voting and investment power with respect to their shares unless otherwise indicated, and there are no family relationships among Alliance HealthCard s executive officers, directors and 5% and greater shareholders, except as otherwise indicated by footnote. For purposes of the following table, the number of shares and percent of ownership of Alliance HealthCard s outstanding common stock that the named person beneficially owns includes shares of Alliance HealthCard s common stock that the named person has the right to acquire within 60 days of the date of this information statement/prospectus pursuant to exercise of stock options and other types of purchase rights and are deemed to be outstanding, but are not deemed to be outstanding for the purposes of computing the number of shares beneficially owned and percent of ownership of any other named person.

**Table of Contents****Securities Ownership of Certain Beneficial Owners and Management**

<b>Name (and Addresses of 5% or Greater Certain Beneficial Owners)</b>	<b>Shares Owned Of Record (1)</b>	<b>Rights To Acquire</b>	<b>Beneficially Owned Shares</b>	<b>Total Shares</b>	<b>% of Ownership (1) (2)</b>
Danny Wright (3) 900 36th Avenue, Suite 105 Norman, Oklahoma 73072	4,014,300			4,014,300	27.1%
Brett Wimberley (4) 900 36th Avenue, Suite 105 Norman, Oklahoma 73072	4,002,500			4,002,500	27.0%
Susan Matthews (5) 900 36th Avenue, Suite 105 Norman, Oklahoma 73072	2,000,000			2,000,000	13.5%
Robert Garces (6) 3500 Parkway Lane, Suite 720 Norcross, Georgia 30092	669,600	415,000		1,084,600	7.1%
Thomas Kiser (7) 3500 Parkway Lane, Suite 720 Norcross, Georgia 30092	633,050	380,000		1,013,050	6.7%
Rita McKeown (8)		50,399		50,399	0.3%
David Huguelet (9)	900	4,500		5,400	**%
Bradley Denison (10)	1,500	7,500		9,000	0.1%
Larry Gerdes (12)	176,665	145,000		321,665	2.2%
Mark Kidd (11)	5,000	10,000		15,000	0.1%
John Simonelli (11)	5,000	10,000		15,000	0.1%
All directors and officers as a group of 13	11,508,515	1,022,399		12,530,914	79.2%
<b>After the merger:</b>					
Danny Wright (3)	4,014,300			4,014,300	18.6%
Brett Wimberley (4)	4,002,500			4,002,500	18.5%
Susan Matthews (5)	2,000,000			2,000,000	9.3%
Michael K. Owens (13) 4929 West Royal Lane, Suite 200 Irving, Texas 75063	48,591		1,856,402	1,904,993	8.8%
Peter W. Nauert Revocable Trust (13) 4929 West Royal Lane, Suite 200 Irving, Texas 75063	1,856,402		48,591	1,904,993	8.8%
Russell Cleveland (11)(14) 4929 West Royal Lane, Suite 200 Irving, Texas 75063		8,387	1,494,707	1,503,054	7.0%
RENN Capital (14) 4929 West Royal Lane, Suite 200 Irving, Texas 75063		8,387	1,494,707	1,503,094	7.0%
Robert Garces (6)	669,600	415,000		1,084,600	4.9%
Thomas Kiser (7)	633,050	380,000		1,013,050	4.6%
Rita McKeown (8)		50,399		50,399	0.2%

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David Huguelet (9)	900	4,500		5,400	**%
Bradley Denison (10)	1,500	7,500		9,000	**%
Larry Gerdes (12)	176,665	145,000		321,665	1.5%
Mark Kidd (11)	5,000	10,000		15,000	0.1%
John Simonelli (11)	5,000	10,000		15,000	0.1%
Ian Stuart(15)	298,433			298,433	1.4%
J. French Hill(11)	2,348	26,839		29,187	0.1%
All directors and officers as a group of 13	11,851,887	1,057,625	3,351,109	16,266,621	71.8%

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\*\* Less than one tenth of a percent.

(1) Shares not outstanding but deemed beneficially owned by virtue of the right of a person or members of a group to acquire them within 60 days are treated as outstanding for determining the amount and percentage of common stock owned by such person. To the knowledge of Alliance HealthCard, each named person has sole voting and sole investment power with respect to the shares shown except as noted, subject to community property laws, where applicable.

(2) Rounded to the nearest one-tenth of one percent, based upon 14,796,763 shares of common stock outstanding before the merger and 21,996,563 after the merger without giving

effect to issuance of shares in elimination of fractional shares and the possible exercise of appraisal rights.

- (3) Mr. Wright is Chairman of Board of Directors and Chief Executive Officer.
- (4) Mr. Wimberley is a director, President and Chief Operating Officer.
- (5) Ms. Matthews is Vice President of Sales and Marketing
- (6) Mr. Garces is a director and Executive Vice President. The number of shares and the percentages include 1,050 common stock shares held of record by Mr. Garces spouse.
- (7) Mr. Kiser is a director and an Executive Vice President.
- (8) Ms. McKeown is Chief Financial Officer.
- (9) Mr. Huguelet is Senior Vice



President New  
Business  
Development.

(10) Mr. Denison is  
Senior Vice  
President,  
General Counsel  
and Secretary.

(11) The named  
person is a  
director of  
Alliance  
HealthCard.

(12) The number of  
shares and the  
percent includes  
166,666 shares  
held by Gerdes  
Huff Investments  
of which  
Mr. Gerdes is a  
general partner  
and 9,999 shares  
held by Gerdes  
Family  
Partnership of  
which Mr. Gerdes  
is a general  
partner.

(13) Michael K.  
Owens is the  
trustee of the  
Peter W. Nauert  
Revocable Trust  
and is considered  
the beneficial  
owner of the  
1,856,402 shares  
owned of record  
by this Trust.

(14) The Other  
Beneficially  
Owned Shares  
are owned by US  
Special  
Opportunities

Trust PLC  
(270,506 shares),  
Renaissance  
Capital Growth &  
Income Fund III,  
Inc.  
(300,426 shares),  
Premier RENN  
US Emerging  
Growth  
Fund Limited  
(405,145 shares),  
Renaissance US  
Growth &  
Income  
Trust PLC  
(527,017 shares),  
each of which is  
an investment  
fund managed by  
RENN Capital  
Group, Inc.  
Mr. Cleveland  
controls RENN  
Capital Group,  
Inc. and is also  
deemed to be the  
beneficial owner  
of those common  
stock shares.

- (15) Mr. Stuart is our  
Interim Chief  
Executive Officer  
and President and  
Chief Financial  
Officer.

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**UNAUDITED PRO FORMA CONDENSED COMBINING FINANCIAL STATEMENTS**

The following unaudited pro forma condensed combining financial statements give effect to our proposed merger with Alliance HealthCard based on the assumptions and adjustments set forth in the accompanying notes to the unaudited pro forma condensed combining financial statements. In addition, the unaudited pro forma condensed combining statement of operations for the year ended September 30, 2008 also gives effect to our divestiture of Access HealthSource, that is a required condition of merger based on the assumptions and adjustments set forth in the accompanying notes.

The unaudited pro forma condensed combining financial statements assume the issuance of 6,800,000 shares of Alliance HealthCard's common stock in connection with the proposed merger. This reflects an estimated 50,000 share reduction in connection with the divestiture of Access HealthSource.

The unaudited pro forma condensed combining statement of operations for the year ended September 30, 2008 also assumes the Alliance HealthCard common stock shares was outstanding for that entire year.

The value assigned to the number of shares of Alliance HealthCard's common stock assumed issued in connection with the proposed merger is based on Alliance HealthCard's common stock price on November 13, 2008, the date the merger was announced. This results in a common stock price of \$0.70 for pro forma valuation purposes.

The purchase price of Alliance HealthCard's acquisition of us has been allocated based on preliminary estimates of the fair value of the acquired assets and liabilities. See Note 1 to the Notes to Unaudited Pro Forma Condensed Combining Balance Sheet. The pro forma adjustments are subject to change pending a final analysis of the fair values of our assets and liabilities. The impact of these changes could be material.

**Periods Covered**

The unaudited pro forma condensed combining statement of operations for the year ended September 30, 2008 is based on the individual historical statements of operations of Alliance HealthCard and Access Plans USA as if the Merger occurred on October 1, 2007. The unaudited pro forma condensed combining statement of operations of Alliance HealthCard for the year ended September 30, 2008 is based on the audited historical statement of operations of Alliance HealthCard. The unaudited pro forma condensed combining statement presented for Access Plans USA for the year ended September 30, 2008 is based on its audited historical statement of operations for the year ended December 31, 2007 adjusted for removal of the nine months ended on September 30, 2007 and the addition of its unaudited historical statement of operations for the nine months ended September 30, 2008, adjusted to exclude its discontinued operations (the divestiture of Access Healthsource and ACP Agency).

The unaudited pro forma condensed combining balance sheet as of September 30, 2008 is based on the individual historical audited balance sheet of Alliance HealthCard and unaudited balance sheet of Access Plans USA (adjusted to give effect to the assumed divestiture of Access HealthSource and ACP Agency), as if the proposed merger occurred on September 30, 2008.

The unaudited pro forma condensed combining financial statements are based on estimates and assumptions. These estimates and assumptions are preliminary and have been made solely for purposes of developing this pro forma information. Unaudited pro forma condensed combining financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved if the merger had been consummated as of the beginning of the period indicated, nor is it necessarily indicative of the results of future operations. The pro forma condensed combining financial information does not give effect to any cost savings or restructuring and integration costs that may result from the integration of our business into Alliance HealthCard. Costs related to restructuring and our integration has not yet been determined.

This unaudited pro forma condensed combining financial information is based upon our and Alliance HealthCard's respective historical consolidated financial statements and related notes appearing elsewhere in this information statement/prospectus and should be read in conjunction with those statements and the related notes.

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**ALLIANCE HEALTHCARD, INC.**  
**UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2008**  
(Dollars in Thousands)

	<b>Alliance Healthcard Inc.</b>	<b>Access Plans USA, Inc.</b>	<b>Pro-Forma Adjustments</b>	<b>Pro-Forma Combined</b>
Cash and cash equivalents	\$ 3,013	\$ 1,226		\$ 4,239
Restricted short-term investments	157	858		1,015
<b>Total cash and short-term investments</b>	<b>3,170</b>	<b>2,084</b>		<b>5,254</b>
Accounts receivable, net	2,487	824		3,311
Advanced agent commissions, net		6,448		6,448
Prepaid expenses	31	241		272
Assets of discontinued operations		63	(63) c)	
<b>Total current assets</b>	<b>5,688</b>	<b>9,660</b>	<b>(63)</b>	<b>15,285</b>
Fixed assets, net	165	542	(142) b)	565
Goodwill and other intangible assets, net	4,243	8,366	(3,970) a), b)	8,639
Deferred tax asset	380			380
Other assets	48	132		180
<b>Total assets</b>	<b>\$ 10,524</b>	<b>\$ 18,700</b>	<b>\$ (4,175)</b>	<b>\$ 25,049</b>
Accounts payable	\$ 927	\$ 398	110a)	1,435
Accrued commissions payable		652		652
Liability for unrecognized tax benefit	166			166
Other accrued liabilities	1,629	1,839		3,468
Claims liability	463			463
Income taxes payable		239		239
Short-term debt		530		530
Current portion of notes payable to related parties	2,290			2,290
Unearned commissions		4,545		4,545
Other deferred revenue	844	308		1,152
Liabilities of discontinued operations		254	(254) c)	
<b>Total current liabilities</b>	<b>6,319</b>	<b>8,765</b>	<b>(144)</b>	<b>14,940</b>
Long-term debt		864		864
Related party notes payable, less current portion	932			932
<b>Total liabilities</b>	<b>7,251</b>	<b>9,629</b>	<b>(144)</b>	<b>16,736</b>
Common stock	15	207	(200) a)	22
Additional paid-in capital	6,809	40,630	(35,597) a)	11,842
Accumulated deficit	(3,551)	(30,757)	30,757a)	(3,551)

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Less: Treasury stock		(1,009)		1,009a)				
<b>Total stockholders equity</b>		3,273		9,071	(4,031)	8,313		
Total liabilities and stockholders equity	\$	10,524	\$	18,700	\$	(4,175)	\$	25,049

See accompanying notes to unaudited pro forma combined condensed financial statements.

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**ALLIANCE HEALTHCARD, INC.**  
**UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**  
(Dollars in Thousands, Except Share Information)

	<b>Alliance Healthcard, Inc.</b>	<b>Access Plans USA, Inc.</b>	<b>Pro-Forma Adjustments</b>	<b>Pro-Forma Combined</b>
<b>Total revenue</b>	\$ 20,913	\$ 35,550	\$	\$ 56,463
Direct costs	11,113	24,703		35,816
<b>Gross margin</b>	9,800	10,847		20,647
Personnel costs and other sales and administrative expenses	4,367	10,959		15,326
Depreciation and amortization	551	1,018		1,569
Restructuring and severance charges		164		164
Goodwill impairment charges				
Total operating expenses	4,918	12,141		17,059
Operating income (loss)	4,882	(1,294)		3,588
Other income (expense)	15	35		50
Income (loss) from continuing operations before income taxes	4,897	(1,259)		3,638
Income tax expense (benefit)	2,189	(157)	(650) d)	1,382
Net income (loss) from continuing operations	2,708	(1,102)	650	2,256
Less dividends				
Net income (loss) available for common stockholders	\$ 2,708	\$ (1,102)	\$ 650	\$ 2,256
Earnings per share from continuing operations:				
Basic	\$ 0.18	\$ (0.05)		\$ 0.10
Diluted	\$ 0.18	\$ (0.05)		\$ 0.10
Weighted average number of common shares outstanding (in '000)				
Basic	14,798	20,269	(13,069) a)	21,998

Diluted	15,263	20,269	(13,069) a)	22,463
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See accompanying notes to unaudited pro forma combined condensed financial statements.

**Table of Contents****ALLIANCE HEALTHCARD, INC.****NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS****Note 1 Basis for Presentation**

The unaudited pro forma combined condensed financial statements present the pro forma effects of the proposed merger of Access Plans USA, Inc. with Access/Alliance Acquisition Corp. and becoming a wholly-owned subsidiary of Alliance HealthCard, Inc. (the Merger) pursuant to an Agreement and Plan of Merger (the Merger Agreement) dated November 13, 2008. Prior to consummation of the Merger, Access Plans USA is required to divest its subsidiary, Access HealthSource, Inc. The pro forma adjustments give effect to the December 31, 2008 divestiture of Access HealthSource, Inc. As a result of the Merger, Access/Alliance Acquisition Corp. will merge into Access Plans USA, resulting in Access Plans USA becoming a wholly-owned subsidiary of Alliance HealthCard.

The merger is subject to, among other conditions, approval of the Access Plans USA shareholders. The Merger Agreement provides that on the effective date of the merger, Access Plans USA will issue up to 6,850,000 shares of Alliance HealthCard common stock, reduced by one share for each \$2.00 of the net cost of the Access HealthSource divestiture. The estimated net cost of divestiture is \$100,000 and results in an estimated 6,800,000 shares to be issued by Alliance HealthCard to the shareholders of Access Plans USA.

The unaudited pro forma condensed combining statement of operations for the year ended September 30, 2008 is based on the individual historical statements of operations of Alliance HealthCard and Access Plans USA as if the Merger occurred on October 1, 2007. The unaudited pro forma condensed combining statement of operations of Alliance HealthCard for the year ended September 30, 2008 is based on the audited historical statement of operations of Alliance HealthCard. The unaudited pro forma condensed combining statement of operations presented for Access Plans USA for the year ended September 30, 2008 is based on its audited historical statement of operations for the year ended December 31, 2007 adjusted for removal of the nine months ended on September 30, 2007 and the addition of its unaudited historical statement of operations for the nine months ended September 30, 2008, adjusted for divestiture of its discontinued operations (Access Healthsource and ACP Agency).

The unaudited pro forma condensed combining balance sheet as of September 30, 2008 is based on the individual historical audited balance sheet of Alliance HealthCard and the unaudited balance sheet of Access Plans USA (adjusted to give effect to the divestiture of Access HealthSource and discontinuance of ACP Agency operations), as if the proposed merger occurred on September 30, 2008.

The pro forma financial information presented in the unaudited pro forma combined condensed financial statements is not necessarily indicative of the financial position or results of operations that would have been achieved had the operations been those of a single consolidated corporate entity. The results of operations presented in the unaudited pro forma combined statements of operations are not necessarily indicative of the combined results of future operations of Alliance HealthCard following consummation of the Merger.

**Note 2 Pro Forma Adjustments**

The accompanying unaudited pro forma combined condensed financial statements have been adjusted to record and give effect to the Merger and the divestiture of Access Plans USA's subsidiary Access HealthSource as follows: (a) On a pro forma basis, the purchase price of Access Plans USA is based on the issuance of 6,800,000 shares of Alliance HealthCard to the Access Plans USA shareholders multiplied by a per share price of \$0.70 plus acquisition costs of \$110,000 resulting in \$4,870,000 (Purchase Price). The per share price of Alliance HealthCard's common stock is based on Alliance HealthCard's common stock price on November 13, 2008, the date the Merger was announced. This resulted in a common stock price of \$0.70 for pro forma valuation purposes and determining the Purchase Price.



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**(b)** A goodwill and intangible asset of \$4,116,000 was recorded based on (i) the difference between the Purchase Price and the estimated fair market value of the acquired net assets of Access Plans USA, (ii) an estimated fixed asset impairment charge of \$142,000 attributable to expected post-merger out-sourcing of the fulfillment operations of the Consumer Plan division of Access Plans USA, plus (iii) accrual of estimated acquisition costs of \$110,000. The total pro-forma goodwill and intangible asset of \$8,359,000 at September 30, 2008 includes \$4,243,000 attributable to Alliance HealthCard. The allocation of the \$4,116,000 between goodwill and intangible assets has not yet been determined.

**(c)** The unaudited pro forma combined condensed balance sheets were adjusted to eliminate assets and liabilities of Access Plans USA's discontinued operations, including its subsidiary, Access HealthSource, that was sold effective December 30, 2008. The pro-forma Access Plans USA income statement excludes the results from discontinued operations.

**(d)** The provision for income tax benefit for the year ended September 30, 2008 was adjusted to give effect to the operating losses of Access Plans USA which effectively reduces the effective tax rate to 38%.

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**COMPARISON OF RIGHTS OF ALLIANCE HEALTHCARD STOCKHOLDERS  
AND ACCESS PLANS USA SHAREHOLDERS AND DESCRIPTION OF SECURITIES**

The rights of Alliance HealthCard shareholders are currently governed by the Georgia Business Corporation Code, which we refer to as the GBCC, and the amended and restated articles of incorporation, which we refer to as the articles of incorporation, and bylaws of Alliance HealthCard. The rights of Access Plans USA shareholders are currently governed by the Oklahoma General Corporation Act (which we refer to as the OGCA) and the restated certificate of incorporation and bylaws of Access Plans USA. Upon completion of the merger, the rights of Access Plans USA shareholders who become Alliance HealthCard shareholders and the rights of Alliance HealthCard shareholders will be governed by the GBCC, the articles of incorporation and bylaws of Alliance HealthCard.

The following summarizes the material differences between the GBCC and Alliance HealthCard's articles of incorporation and bylaws, on the one hand, and the OGCA and Access Plans USA's certificate of incorporation and bylaws, on the other hand. This summary does not include a complete description of all differences between the rights of Alliance HealthCard shareholders and Access Plans USA shareholders, nor does it include a complete description of the specific rights of these holders. Furthermore, the identification of some of the differences in the rights of these holders as material is not intended to indicate that other differences that may be equally important do not exist.

You and our other shareholders are urged to read carefully the relevant provisions of the OGCA and the GBCC, as well as the articles of incorporation and bylaws of Alliance HealthCard and the certificate of incorporation and bylaws of Access Plans USA. Copies of the organizational documents of Alliance HealthCard and Access Plans USA referred to in this discussion are available to you upon request. See *Where You Can Find More Information* on page i.

**Classes and Series of Capital Stock**

The authorized capital stock of Alliance HealthCard consists of 100,000,000 common shares, having a par value of \$0.001 per share and entitled to one vote per share.

Our authorized capital stock consists of 100,000,000 Access Plans USA common shares, having a par value of \$0.01 per share and entitled to one vote per share and 2,000,000 Access Plans USA preferred shares, having a par value of \$1.00 per share.

**Annual Meeting of Shareholders**

*Alliance HealthCard.* The GBCC provides that a meeting of shareholders will be held annually at a time stated in or fixed in accordance with the corporation's bylaws. The GBCC also requires notice of a shareholders' meeting to be sent to shareholders entitled to vote at a meeting not fewer than 10 nor more than 60 days before the date of the meeting. Unless the GBCC or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting.

The GBCC also provides that the superior court of the county where a corporation's registered office is located may summarily order a meeting to be held upon application of any shareholder of the corporation if an annual meeting was not held within the earlier of six months after the end of a fiscal year of the corporation or 15 months after its last annual meeting. Following notice to the corporation, the superior court may order that a meeting ordered in this manner be deemed an annual meeting or a special meeting.

The bylaws of Alliance HealthCard provide that the annual meeting of shareholders for the election of directors and for the transaction of other business as may properly come before the meeting will be held on that date and at that time and place as the board of directors may by resolution provide. The bylaws of Alliance HealthCard also provide that written notice of each meeting of shareholders will be given to each shareholder of record entitled to vote at the meeting not less than 10 nor more than 60 days prior to the meeting.

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*Access Plans USA.* The OGCA provides that, unless directors are elected by written consent in lieu of an annual meeting, an annual meeting of shareholders will be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws of the corporation. Any other proper business may also be transacted at the annual meeting. The OGCA also generally requires notices of annual meetings to be sent to all shareholders of record entitled to vote at the meeting not less than 10 nor more than 60 days before the date of the meeting.

The OGCA also provides that if, for a period of 30 days after the date designated by the bylaws for the annual meeting of shareholders, or, if no date has been designated, for a period of 13 months after the latest to occur of the organization of the corporation, its last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, there is a failure to hold an annual meeting or to take action by written consent to elect directors in lieu of an annual meeting, the Oklahoma County District Court may summarily order a meeting to be held upon the application of any shareholder or director.

The Access Plans USA bylaws provide that an annual meeting of the shareholders for the election of directors to succeed those whose terms expire and for the transaction of other business as may properly come before the meeting will be held at such place, on such date, and at such time as the board of directors fixes each year. These bylaws also provide that written notice of each meeting of shareholders will be given to each shareholder of record entitled to vote at the meeting not less than 20 nor more than 60 days prior to the meeting.

**Special Meetings of Shareholders**

*Alliance HealthCard.* The GBCC provides that special meetings of shareholders may be called by the board of directors or by any persons authorized to do so in the articles of incorporation or the bylaws of the corporation.

The GBCC also provides that, except as to corporations having 100 or fewer shareholders of record, a special meeting may be called by the holders of at least 25%, or that greater or lesser percentage as may be provided in the articles of incorporation or bylaws, of all the votes entitled to be cast on any issue proposed to be considered at a proposed special meeting. Those holders must sign, date and deliver to the corporation one or more demands in writing or by electronic transmission for the meeting describing the purpose or purposes of the special meeting. Under the GBCC, the superior court of the county where a corporation's registered office is located may order a meeting upon application of a shareholder who signed a valid demand for a special meeting if notice of the special meeting was not given within 30 days after the demand was delivered to the corporation's secretary, or the special meeting was not held in accordance with the notice.

Under the GBCC, notice of a special meeting must include a description of the purpose or purposes for which the meeting is called. Only business within the purpose or purposes described in this notice may be conducted at a special shareholders' meeting.

The bylaws of Alliance HealthCard provide that a special shareholders meetings for any purpose may be called at any time by the board or directors, or by a duly designated committee of the board of directors and shall be called by the chief executive officer or secretary at the request in writing of a majority of the directors, or at the request in writing (including a statement of the purpose or purposes of the proposed meeting) of shareholders owning at least 25% of the outstanding capital stock of Alliance HealthCard entitled to vote. The business transacted at any special meeting of shareholders is limited to the purposes stated in the meeting notice.

*Access Plans USA.* The OGCA provides that a special meeting of shareholders may be called by the board of directors or by any persons authorized in the certificate of incorporation or bylaws of the corporation. The notice to shareholders of the meeting must include the purpose or purposes for which the meeting is called.

The Access Plans USA bylaws provide that special meetings of the shareholders may only be called, for any purpose or purposes, by the chairman of the board of directors, the chief executive officer or the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any the resolution is presented to the board of directors for adoption).

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**Shareholder Action Without a Meeting**

*Alliance HealthCard.* The GBCC provides that action required or permitted to be taken at a shareholders meeting may be taken without a meeting upon the written consent of all the shareholders entitled to vote on the action or, if the articles of incorporation so provide, upon the written consent of persons who would be entitled to vote at a meeting shares having voting power to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shareholders entitled to vote were present and voted.

The articles of incorporation of Alliance HealthCard provide that any action required to be taken or that may be taken at a meeting of the shareholders may be taken without a meeting if written consent, setting forth the action so taken shall be signed by all the shareholders entitled to vote with respect to the subject matter thereof or, if so provided in the shareholders entitled to vote with respect to the subject matter thereof or, if so provided in the articles of incorporation, by shareholders who would be entitled to vote at a meeting holding shares having voting power to cast not less than the minimum number (or numbers, in the case of voting by groups) of votes that would be necessary to authorize or take the action at a meeting at which all shareholders entitled to vote were present and voted.

*Access Plans USA.* The OGCA provides that, unless otherwise provided in the certificate of incorporation of the corporation having less than 1,000 record owners of capital shares, any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a written consent or consents setting forth the action taken is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote upon such action were present and voted.

Under the Access Plans USA bylaws shareholders may take action by written consent without a meeting to the extent and in the manner permitted by law. Any action taken by the shareholders must be in accordance with the Regulation 14C promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act ). Any action taken without a shareholders meeting must be by written consent setting forth the action taken, be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereon were present and voted, and be delivered to us at our principal place of business or to our secretary.

The written consent must bear the date of signature of each shareholder that signs the consent and no written consent will be effective to take the action unless within 60 days of the date of the earliest dated consent a sufficient number of holders have executed the consent and it is received by us.

**Shareholder Nominations and Proposals**

*Alliance HealthCard.* The bylaws of Alliance HealthCard do not establish procedures for shareholder nominations of directors and consideration of shareholder proposals at Alliance HealthCard s shareholders meetings.

*Access Plans USA.* The Access Plans USA bylaws establish procedures that must be followed for a shareholder to submit a proposal to be voted on by the shareholders of Access Plans USA at its annual meeting of shareholders and a substantially similar procedure to be followed for the nomination and election of directors. No business may be proposed by a shareholder at the annual meeting of shareholders without giving written notice to the Secretary of Access Plans USA 120 days prior to the scheduled date of the meeting. In the event, however, that in the event that an annual meeting was not held in the previous year or the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year s notice of annual meeting, notice by the shareholder to be timely must be so received a reasonable time before the notice of annual meeting is released to shareholders. The shareholder s notice must set forth:

a brief description of the business desired to be brought before the annual meeting and the reasons for conducting the business at the annual meeting;

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the name and record address of the shareholder;  
the class or series and number of shares of Access Plans USA capital stock that are owned beneficially or of record of the shareholder;  
any material interest of the shareholder in the business or matter to be considered; and  
any other information that is required to be provided by the shareholder pursuant to Regulation 14A promulgated under the Exchange Act, in the shareholder's capacity as a proponent of a shareholder proposal.

In addition, shareholders' notices relating to director nominations must be accompanied by a written consent of each proposed nominee being named as a nominee and to serve as a director, if elected, and must include:

the name, age, business address and residence address of the nominee;  
the principal occupation or employment of the nominee;  
the class or series and number of shares of Access Plans USA capital stock that are owned beneficially or of record by the nominee;  
any other information relating to the nominee that is required to be disclosed in proxy solicitations for director elections pursuant to Section 14 of the Exchange Act; and  
certain other specified information relating to the shareholder making the nomination.

If the chairman of the board determines that any proposal or nomination was not made in accordance with these procedures, the chairman of the board may declare this at the meeting, and the defective proposal or nomination will be disregarded.

**Access to Corporate Records, Financial Statements and Related Matters**

*Alliance HealthCard.* The GBCC requires that a corporation or its agent maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each.

The GBCC further provides that, upon written demand at least five business days in advance, a shareholder of a corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, certain records of the corporation specifically designated in the GBCC, including minutes of shareholders' meetings for the preceding three years and a list of the names and business addresses of each director.

In addition, the GBCC provides that a shareholder whose demand is made in good faith and for a proper purpose that is reasonably relevant to his legitimate interest as a shareholder, and who describes with reasonable particularity his purpose and the records he desires to inspect, is entitled to inspect and copy, upon written demand at least five days in advance, during regular business hours at a reasonable location specified by the corporation, any of the following records that are directly connected with his purpose (and the records are to be used only for the stated purpose):

excerpts from minutes of any meeting of the board of directors, records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, minutes of any shareholders meeting, and records of action taken by the shareholders or board of directors without a meeting, to the extent not otherwise subject to inspection as discussed above;  
accounting records of the corporation; and

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the record of shareholders.

These last rights of inspection may be limited under the GBCC by a corporation's articles of incorporation or bylaws for shareholders owning two percent or less of the shares outstanding. Neither Alliance HealthCard's articles of incorporation nor its bylaws contain the permissible limitation noted above, and therefore the GBCC's default rules apply.

Further, after fixing a record date for a shareholders' meeting, a corporation must prepare a list of shareholders who are entitled to notice of the shareholders' meeting, and this list must be available for inspection by any shareholder, his or her agent, or his or her attorney on a reasonably accessible electronic network or during ordinary business hours at the principal place of business of the corporation. The shareholders' list may also be inspected by any shareholder present during the shareholders' meeting, or on a reasonably accessible electronic network during the whole time of the meeting if the meeting is to be held solely by means of remote communication.

*Access Plans USA.* The OGCA provides that any shareholder, in person or by attorney or other agent, upon written demand under oath stating the shareholder's purpose, has the right during usual business hours to inspect for any proper purpose reasonably related to that person's interest as a shareholder, and to make copies and extracts from the corporation's stock ledger, a list of its shareholders, its other books and records and a subsidiary's books and records, to the extent that the corporation has actual possession and control of those records or the corporation could obtain such records through the exercise of control over that subsidiary, with certain limitations. In addition, a shareholder has the right to examine the list of shareholders prepared at least 10 days before every meeting of shareholders, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting on a reasonably accessible electronic network or during ordinary business hours, at the principal place of business of the corporation. The shareholders' list may also be inspected by any shareholder present during the shareholders' meeting, or on a reasonably accessible electronic network during the whole time of the meeting if the meeting is to be held solely by means of remote communication.

**Amendments of Organizational Documents**

*Alliance HealthCard.* Generally, under the GBCC, a proposed amendment to the articles of incorporation requires the recommendation of the amendment to the shareholders by the board of directors, unless the board of directors elects, because of a conflict of interest or other special circumstances, to make no recommendation and communicates the basis for its election to the shareholders with the amendment; further, the board of directors may condition its submission of the proposed amendment, the effectiveness of the proposed amendment, or both on any basis. The corporation must notify each shareholder entitled to vote of the proposed shareholders' meeting, and the notice must state that the purpose or one of the purposes of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment. Unless the articles of incorporation, the GBCC, or the board of directors require a greater vote, generally, an affirmative vote by a majority of the votes entitled to be cast on the amendment by each voting group entitled to vote is needed for adoption of the amendment.

*Access Plans USA.* Under the OGCA, after a corporation has received payment for its capital stock, a proposed amendment to the certificate of incorporation requires the adoption by the board of directors of a resolution setting forth the amendment proposed and a declaration of the amendment's advisability and either calling a special meeting of the shareholders entitled to vote in respect of the amendment for the consideration of the amendment or directing that the amendment proposed be considered at the next annual meeting of the shareholders. Unless the certificate of incorporation requires a greater vote, generally, an affirmative vote of a majority of the voting power of the outstanding shares entitled to vote and a majority of the voting power of the outstanding shares of each class entitled to vote as a class on the amendment is needed for adoption of the amendment.

**Bylaw Amendments**

**Alliance HealthCard.** Under the GBCC, a corporation's board of directors may amend or repeal the corporation's bylaws or adopt new bylaws unless the articles of incorporation or the GBCC reserve the power exclusively to the shareholders in whole or in part, or the shareholders in amending or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw. A corporation's shareholders may

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amend or repeal the corporation's bylaws or adopt new bylaws even though the bylaws may also be amended or repealed by its board of directors.

The bylaws of Alliance HealthCard provide that the bylaws may be amended or repealed, or new Bylaws may be adopted, (a) by the shareholders or (b) by the affirmative vote of a majority of the full board of directors at any regular or special meeting. Any bylaws adopted or amended by the shareholders may be amended or repealed by the board of directors or the shareholders, unless the shareholders in amending or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw.

*Access Plans USA.* Under the OGCA, the power to adopt, alter and repeal bylaws is vested in the shareholders, except to the extent that a corporation's certificate of incorporation rests concurrent power in the board of directors.

The Access Plans USA certificate of incorporation provides that the power to adopt, amend or repeal the bylaws is conferred on the board of directors. The Access Plans USA bylaws provide that the bylaws may be amended or repealed and new bylaws adopted by the board of directors or by the shareholders entitled to vote.

### **Dividends**

*Alliance HealthCard.* Under the GBCC, a corporation's board of directors may authorize and the corporation may pay dividends to its shareholders, unless, after giving effect to the dividend, the corporation would not be able to pay its debts as they become due in the ordinary course of business, or the corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of the dividend, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the dividend.

*Access Plans USA.* Under the OGCA, a board of directors may declare and pay dividends and other distributions to its shareholders, subject to any restrictions contained in the corporation's certificate of incorporation, either out of surplus, or, if there is no surplus, out of net profits for the current or preceding fiscal year in which the dividend is declared. However, a distribution out of net profits is not permitted if a corporation's capital is less than the amount of capital represented by the issued and outstanding shares of all classes having a preference upon the distribution of assets, until the deficiency has been repaired.

### **Dissenters and Appraisal Rights**

*Alliance HealthCard.* The GBCC provides to shareholders who dissent from (i) a merger, (ii) a share exchange, (iii) a sale of all or substantially all of the assets of the corporation, (iv) an amendment of the articles of incorporation with respect to a class or series of shares that reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash or (v) any corporate action taken pursuant to a shareholder vote to the extent that certain provisions of the GBCC, the articles of incorporation, bylaws or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares, the right to demand and receive the fair value of their shares as appraised by the court (if the shareholder is dissatisfied with the corporation's offer to pay the shareholder the corporation's estimate of such fair value). However, shareholders do not have dissenters' rights if the shares they hold, on the record date fixed for determination of the shareholders entitled to receive notice of and to vote at the shareh