SECURITIES & EXCHANGE COMMISSION EDGAR FILING

LIFEAPPS DIGITAL MEDIA INC.

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Fiscal Year End:	12/31

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

FORM 10-Q

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

For the quarterly period ended **March 31, 2014**

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

For the transition period from ____________ to ____________

Commission file number: **000-54867**

LIFEAPPS DIGITAL MEDIA INC.

(Exact name of registrant as specified in its charter)

Delaware	**80-0671280**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10636 Scripps Summit Court Suite 166, San Diego, CA 92131
(Address of principal executive offices, including zip code)

5752 Oberlin Drive, #106, San Diego, CA 92121
(Former address of principal executive offices)

Tel: (858)-577-0500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ❑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ❑

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

Large accelerated filer	❑	Accelerated filer	❑
Non-accelerated filer	❑	Smaller reporting company	☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ❑ No ☑

As of May 12, 2014 there were issued and outstanding 76,000,000 shares of Common Stock, $0.001 par value.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LifeApps Digital Media Inc.
March 31, 2014 and 2013
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LifeApps Digital Media Inc.

Condensed Consolidated Balance Sheets

	March 31, 2014 (Unaudited)	December 31, 2013 (Audited)
Assets		
Current assets:		
Cash	$ 66,117	$ 36,876
Accounts receivable	21,160	3,253
Inventory	106,358	138,952
Other current assets	3,072	3,472
Total current assets	196,707	182,553
Fixed assets, net of depreciation	5,124	5,763
Intangible asset, net of amortization	73,151	82,179
Total Assets	$ 274,982	$ 270,495
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 40,109	$ 78,283
Amount due to related party	36,987	6,487
Total current liabilities	77,096	84,770
Notes payable	75,245	-
Total liabilities	152,341	84,770
Stockholders' Equity		
Preferred stock, $.001 par value, 10,000,000 shares authorized, none issued or outstanding, as of March 31, 2014 and December 31, 2013		
Common stock, $0.001 par value, 300,000,000 shares authorized, 76,000,000 shares issued and outstanding, as of March 31, 2014 and December 31, 2013	76,000	76,000
Additional paid in capital	1,357,200	1,348,618
Accumulated deficit	(1,310,559)	(1,238,893)
Total stockholders' equity	122,641	185,725
Total Liabilities and Stockholders' Equity	$ 274,982	$ 270,495

See the accompanying notes to the condensed consolidated financial statements

LifeApps Digital Media Inc.
Condensed Consolidated Operating Statements
For the Three-Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Revenue	$ 121,293	$ 340
Cost of revenue	108,780	-
Gross profit	12,513	340
Operating expenses:		
General and administrative	73,885	199,791
Depreciation and amortization	9,667	1,395
Total operating expenses	83,552	201,186
Operating loss	(71,039)	(200,846)
Interest (income) expense	627	(15)
Net (loss)	$ (71,666)	$ (200,831)
Per share information - basic and fully diluted:		
Weighted average shares outstanding	76,000,000	76,000,000
Net (loss) per share	$ 0.00	$ 0.00

See the accompanying notes to the condensed consolidated financial statements

LifeApps Digital Media Inc.
Condensed Consolidated Statements of Cash Flows
For the Three-Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Net cash (used) in operations	$ (76,259)	$ (225,748)
Cash flow from financing activities:		
Advances from related party	30,500	-
Repayments to related party	-	(347)
Issuance of convertible notes for cash	75,000	-
Net cash provided by (used) financing activities	105,500	(347)
Cash flow from investing activities:		
Investment in intangible assets	-	(11,500)
Investment in fixed assets	-	(1,155)
Cash placed in escrow	-	(102,088)
Net Cash (used) in investing activities	-	(114,743)
Net increase (decrease) in cash	29,241	(340,838)
Cash at beginning of period	36,876	791,065
Cash at end of period	$ 66,117	$ 450,227

See the accompanying notes to the condensed consolidated financial statements

Note 1. Nature of Business

Throughout this report, the terms "our," "we," "us," and the "Company" refer to LifeApps Digital Media Inc., including its subsidiaries. The accompanying unaudited condensed consolidated financial statements of LifeApps Digital Media Inc. at March 31, 2014 and 2013 have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial statements, instructions to Form 10-Q, and Regulation S-X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2013. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make our financial statements not misleading have been included. The results of operations for the periods ended March 31, 2014 and 2013 presented are not necessarily indicative of the results to be expected for the full year. The December 31, 2013 balance sheet has been derived from our audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2013.

We are building health, fitness and sports communities across multiple digital platforms including mobile apps, digital sports and fitness publications, sports and fitness products, sporting events, gateway platforms, online websites and social media.

Note 2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with GAAP, which contemplates our continuation as a going concern. We have incurred losses to date of $1,310,559. To date we have funded our operations through advances from a related party, issuance of convertible debt, and the sale of our common stock. We intend to raise additional funding through third party equity or debt financing. There is no certainty that funding will be available as needed. These factors raise substantial doubt about our ability to continue operating as a going concern. Our ability to continue our operations as a going concern, realize the carrying value of our assets, and discharge our liabilities in the normal course of business is dependent upon our ability to raise capital sufficient to fund our commitments and ongoing losses, and ultimately generate profitable operations.

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries, Lifeapps Inc. and Sports One Group Inc. All material inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the years reported. Actual results may differ from these estimates.

Accounts Receivable
A significant majority of our sales are through credit cards and other electronic payment methods. When we do grant credit to our customers it is generally in the form of short term accounts receivables, normally due in 30 days. The credit worthiness of the customer is evaluated prior to the sale. Currently there is no allowance for doubtful accounts as all of accounts are deemed collectable.

Inventory
Inventory consists of finished goods, sports and fitness products, and is stated at the lower of cost or net realizable value, with cost being determined on a first-in first-out basis.

Intangibles
Intangibles, which include websites and databases acquired, internet domain name costs, and customer lists, are being amortized over the expected useful lives which we estimate to be three to five years. In accordance with ASC Topic 350 *Intangibles – Goodwill and Other* ("ASC 350"), the costs to obtain and register internet domain names were capitalized.

Fixed Assets
Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets. The estimated useful lives used for financial statement purposes are:

Furniture and equipment: 3 years

Revenue Recognition
Revenue is derived primarily from the sale of sports and fitness apparel and equipment, and software applications designed for use on mobile devices such as smart phones and tablets. Revenue is recognized only when persuasive evidence of an arrangement exists, the fee is fixed or determinable, the product or service has been delivered, and collectability is probable.

We sell our software directly via Internet download through third party agents. We recognize revenue when payment is received from the agent. Payment is received net of commission paid to the agent, usually 70% to us and 30% to the agent. We record the net amount received as revenue.

We also publish and sell digital magazines through the internet. Magazines can be purchased as individual volumes or as a subscription. To date we have not had any subscription sales.

Cost of Revenue
Cost of revenue includes the cost of amounts paid for articles, photography, editorial and production cost of the magazine and ongoing web hosting costs. Cost of revenue related to product sales includes the direct cost of those products sold.

Research and development, Website Development Costs, and Software Development Costs
All research and development costs are expensed as incurred. Software development costs eligible for capitalization under ASC 350-50, *Website Development Cost*, and ASC 985-20, *Software-Costs of Software to be Sold, Leased or Marketed*, were not material to our financial statements for the three months ended March 31, 2014 and 2013. Research and development expenses amounted to $1,535 and $16,691 for three months ended March 31, 2014 and 2013, respectively. Research and development expenses were included in general and administrative expenses.

Advertising Costs
We recognize advertising expense when incurred. Advertising expense was $919 and $34,757 for the three months ended March 31, 2014 and 2013, respectively.

Rent Expense
We recognizes rent expense on a straight-line basis over the reasonably assured lease term as defined in ASC Topic 840, *Leases* (“ASC 840”). Our lease is short term and will be renewed on a month to month basis. Rent expense for the three months ended March 31, 2014 and 2013, was $961 and $3,720, respectively.

Equity-Based Compensation
Stock-based compensation is presented in accordance with the guidance of ASC Topic 718, *Compensation – Stock Compensation* (“ASC 718”). Under the provisions of ASC 718, companies are required to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our consolidated statements of operations.

In prior periods we issued options to purchase our common stock to employees under our 2012 Equity Incentive Plan which is a qualified stock option plan.

We used the Black-Scholes option-pricing model ("Black-Scholes model") to determine fair value. The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Although the fair value of employee stock options is determined in accordance with ASC 718 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

There were no options granted during the three months ended March 31, 2014 or 2013.

Total compensation expense for the three months ended March 31, 2014 and 2013 of all stock based compensation recognized under ASC 718 was $8,582 and $16,722, respectively.

Income Taxes
The provision for income taxes is determined in accordance with the provisions of ASC Topic 740, Accounting for Income Taxes ("ASC 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements, uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

For the three months ended March 31, 2014 and 2013 we did not have any interest and penalties or any significant unrecognized uncertain tax positions.

Recent Pronouncements
We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial condition or the results of operations.

Note 3. Intangible Assets

At March 31, 2014 and December 31, 2013, intangible assets consist of the following:

		March 31, 2014		December 31, 2013
Internet domain names	$	58,641	$	58,641
Less accumulated amortization		(26,457)		(22,325)
	$	32,184	$	36,316
Website and data bases	$	56,050	$	56,050
Less accumulated amortization		(18,683)		(14,012)
	$	37,367	$	42,038
Customer and supplier lists	$	4,500	$	4,500
Less accumulated amortization		(900)		(675)
	$	3,600	$	3,825
Total intangibles	$	119,191	$	119,191

	(46,040)	(37,012)
	$ 73,151	$ 82,179

The amount charged to amortization expense for all intangibles was $9,028 and $1,364 for the three months ended March 31, 2014 and 2013, respectively

Estimated future amortization expense related to the intangibles as of March 31, 2014 is as follows:

Year Ended December 31,	
2014 (nine months remaining)	$ 27,083
2015	35,794
2016	9,149
2017	900
2018	225
	$ 73,151

Note 4. Amount Due Shareholder

Parties, which can be a corporation or an individual, are considered to be related if we have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Amount due related party represents amounts paid on our behalf by an officer and shareholder of the Company. These advances are non-interest bearing, short term in nature and due on demand. The balance at March 31, 2014 and December 31, 2013 was $36,987 and $6,487, respectively.

Note 5. Notes Payable

In March 2014, we executed a Promissory Note (the “Note”) and received $75,000. The Note is due March 17, 2016 and provides for an original issue discount of $8,437, which will be amortized over 24 months, and face interest rate of 12% per annum. However if the Note is repaid by June 16, 2014 the face interest will become 0%. The Lender has the right, at any time at its election to convert all or part of the outstanding and unpaid principal and accrued interest. The conversion price is the lesser of $0.0485 or 60% of the lowest trading price in the 25 trading days prior the conversion. The Note provides for additional penalties if we cannot deliver the underlying common stock on a timely basis. The Note also provides that the principal amount may be increased, with the consent of the lender to $445,000.

In accordance with the guidance in ASC Topic 470-20 *Debt with Conversion and Other Options* (“ASC 470”), we have not recognized a beneficial conversion feature in connection with the note. Per the agreement the conversion price may change based on the Company’s stock price prior to the Lender’s decision to convert the outstanding principal or if more favorable terms are given in a future security offering.

The balance at March 31, 2014 was comprised of:

Convertible notes payable	$ 83,437
Unamortized original issue discount	(8,192)
	$ 75,245

Interest expense of $627, includes $245 of amortization of original issue discount and $382 of accrued interest

Note 6. Stock Based Compensation

In prior periods, our Board of Directors adopted the 2012 Equity Incentive Plan (“2012 Plan”), which was approved by our shareholders. The 2012 Plan provides for the issuance of up to 10,000,000 shares of our common stock. The plan provides for the award of options, stock appreciation rights, performance share awards, and restricted stock and stock units. The plan is administered by the Board of Directors. Pursuant to the 2012 Plan our Board of Directors granted options to purchase 6,275,000 shares of our common stock. Subsequent to the grant 300,000 options were cancelled. No options were granted during the three months ended March 31, 2014 and 2013. The fair value of the options previously granted, $215,628, was estimated at the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Expected life (in years)	3
Volatility (based on a comparable company)	117%
Risk Free interest rate	0.36 - 0.48%
Dividend yield (on common stock)	-

Amounts charged to expense for the options granted to employees for the three month periods ended March 31, 2014 and 2013 was $7,773 and $16,722, respectively.

Amounts charged to expense for the options granted to non-employees for the three month periods ended March 31, 2014 and 2013 was $810 and $10,749, respectively.

The following is a summary of stock option issued to employees and directors:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding January 1, 2014	4,950,000	$ 0.070		
Granted	-	$ -		
Exercised	-	$ -		
Cancelled	-	$ -		
Outstanding March 31, 2014	4,950,000	$ 0.047	2.06	$ -
Exercisable March 31, 2014	3,750,000	$ 0.050	2.02	$ -

We will recognize compensation expense of $5,700 in future periods through June 30, 2014.

The following is a summary of stock options issued to non-employees:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value at date of grant
Outstanding January 1, 2014	1,025,000	$ 0.058		
Granted	-	$		
Exercised	-	$		
Cancelled	-	$		
Outstanding March 31, 2014	1,025,000	$ 0.058	1.89	$ -
Exercisable March 31, 2014	900,000	$ 0.061	1.86	$ -

We will recognize expense of $594 in future periods through June 30, 2014.

Note 7. Outstanding Warrants

There were no warrants issued during the three months ended March 31, 2014 or 2013. The following is a summary of outstanding warrants as of March 31, 2014:

	Number of warrants	Exercise price per share	Average remaining term in years	Aggregate intrinsic value at date of grant
Warrants issued in connection with private placement of units in 2012	6,000,000	$ 1.00	3.48	$ -

Note 8. Income Taxes

As previously stated, we account for income taxes in interim periods in accordance with ASC Topic 740,*Income Taxes* (“ASC 740”). We have determined an estimated annual effective tax rate. The rate will be revised, if necessary, as of the end of each successive interim period during our fiscal year to our best current estimate. As of March 31, 2014 the estimated effective tax rate for the year will be zero.

Note 9. Earnings Per Share

We calculate earnings per share in accordance with ASC Topic 260*Earnings Per Share*, which requires a dual presentation of basic and diluted earnings per share. Basic earnings per share are computed using the weighted average number of shares outstanding during the fiscal year. Diluted earnings per share represent basic earnings per share adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The dilutive earnings per share were not calculated because we recorded net losses for the three months ended March 31, 2014 and 2013, and the outstanding stock options and warrants are anti-dilutive.

Note 10. Business Segments

We currently have two business segments; (i) the sale of physical products ("Products") and (ii) digital publishing ("Publishing"). There was only one business segment, publishing, in the three months ended March 31, 2013. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The publishing segment does not meet the quantitative threshold for disclosure as outlined ASC Topic 280*Segment Reporting.*

All of our revenue is generated in the United States and accordingly no geographic segment reporting is included.

One customer accounted for 38.9% percent of our revenues in the three months ended March 31, 2014. No other customers accounted for 10% of our revenue. For the three months ended March 31, 2013, no customer accounted for over 10% of our revenue.

Note 11. Subsequent Events

Management has evaluated all activity and concluded that no subsequent events have occurred that would require recognition in these financial statements or disclosure in the notes to these financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial information included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"), including our unaudited condensed consolidated financial statements as of March 31, 2014 and December 31, 2013 and for the three months ended March 31, 2014 and 2013 and the related notes. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations section to "us," "we," "our," and similar terms refer to LifeApps Digital Media Inc., a Delaware corporation. This discussion includes forward-looking statements, as that term is defined in the federal securities laws, based upon current expectations that involve risks and uncertainties, such as plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Words such as "anticipate," "estimate," "plan," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions are used to identify forward-looking statements.

We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors that may affect our results include, but are not limited to, the risk factors in Item 2.01 in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on April 14, 2014. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

Overview

We are an emerging growth company and developer and designer of applications, fitness products, new media, digital magazines, publications, and next-generation social networks for sports, health, fitness and entertainment enthusiasts. We have a multimarket revenue strategy that incorporates mobile apps, digital magazines, publications, fitness training devices, web, social media and internet TV to engage consumers in multiple areas of sports, health, fitness and entertainment interests including medical, yoga, golf, tennis, running, soccer, cycling, and other health, fitness and sports topics.

We are building health, fitness and sports communities across multiple digital platforms including mobile apps, digital sports and fitness publications, sports and fitness products, sporting events, gateway platforms, online websites and social media. We believe that we will drive revenues by targeting sports, health and fitness specific communities and developing a relationship with its participants, delivering lifestyle content, social networking, skills and drills training, consumer fitness devices and nutritional content across multiple platforms including, but not limited to, Apple iOS and Google Android systems. LifeApps will invest in these sports, health and fitness communities to build customer loyalty and increase brand awareness by delivering digital content of interest and digitally enhanced physical consumer products that enrich and improve the user's sports, health and fitness lifestyle.

We were in the development stage from July 15, 2009 through March 31, 2013. Our fiscal year ending December 31, 2013 was the first year during which we are considered an operating company and is no longer in the development stage.

Our financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplates our continuation as a going concern. We have incurred losses to date of $1,310,559. To date we have funded our operations through advances from a related party, issuance of convertible debt, and the sale of our common stock. We intend to raise additional funding through third party equity or debt financing. There is no certainty that funding will be available as needed. These factors raise substantial doubt about our ability to continue operating as a going concern. Our ability to continue our operations as a going concern, realize the carrying value of our assets, and discharge our liabilities in the normal course of business is dependent upon our ability to raise capital sufficient to fund our commitments and ongoing losses, and ultimately generate profitable operations.

Recent Developments

On April 1, 2013, we entered into an Asset Purchase Agreement with Sports One Group and Performance Gear ("Sports One Group"), a sole proprietorship, to purchase certain assets related to a gateway platform which matches sports apparel manufacturers with distributors and purchasers. The purchase price of the Sports One Group assets was $99,500. In accordance with the guidance of ASC Topic 805, *Business Combinations* ("ASC 8058"), we determined that the assets acquired constitute a business and we acquired 100% of the business. We acquired the Sports One Group business to expand our electronic and mobile commerce (e-commerce and m-commerce) businesses to include health fitness and sports apparel.

Plan of Operations

We are a licensed developer and publisher of apps for the Apple App Store for iPhone, iPod touch, iPad and iPad mini. LifeApps is also a licensed developer on both Google Play and Amazon Appstore for Android. We have distributed apps/publications on all three platforms. Moving forward we are developing new apps, and exploring new opportunities pairing apps with physical retail and e-commerce/mobile-commerce products.

Our plan is to expand our digital product offerings to include a digital magazine the contents of which are centered on sports and fitness as well as to continue the development and expansion of our mobile platform applications. Our "YouWorkout" digital magazine is currently available for individual purchase or subscription.

We are also expanding our revenue generating power through the creation of new gateway digital platforms that combine e-commerce with mobile-commerce solutions for sports, health and fitness communities, to act as conduits or meeting places for users to engage in the commerce of sports, health and fitness products and services. These gateway platforms can also be utilized and distributed across the broader base of tour suite of products.

We have begun developing physical sporting goods and fitness products that are partnered with related mobile apps and we launched the first of these efforts, the Golf Core Grip Workout System, in April 2013. The Golf Core Grip Workout System combines a tutorial app built on the LifeApps iOS Tutorial App Platform with a gym-quality fitness product that is being sold through e-commerce, mobile-commerce and retail channels. The Golf Core Grip app delivers the tutorial content for the fitness device and replaces the DVD tutorials traditionally found with such products. The Golf Core Grip was originally developed by a physician and was successfully sold in a limited run through the Titleist Performance Institute. LifeApps acquired the Core Grip and rebranded and repackaged the device for retail. We converted the original instructional DVD and added enhanced digital recording and social sharing functions into the Golf Core Grip Workout System app for iOS.

We continue to seek out innovative fitness consumer products where we can replace a traditional DVD tutorial with a mobile application. To that end, we are pursuing a strategy of building our own products combined with seeking agreements with companies with whom we can partner to bring such companies' products to market with our enhanced formats.

We have begun operating Sports One Inc., a wholly owned subsidiary of the Company after the acquisition of certain assets related to a gateway platform which matches sports apparel manufacturers with distributors and purchasers. Our current customer base are primarily companies in the promotional advertising business that represent small and large companies. We expect to expand these operations by the addition of new product lines and the inclusion of our own products discussed above as well as expanding our customer base.

Critical Accounting Policies

Use of Estimates
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the years reported. Actual results may differ from these estimates.

Accounts Receivable
A significant majority of our sales are through credit cards and other electronic payment methods. When we do grant credit to our customers it is generally in the form of short term accounts receivables, normally due in 30 days. The credit worthiness of the customer is evaluated prior to the sale. Currently there is no allowance for doubtful accounts as all of accounts are deemed collectable.

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Revenue is derived primarily from the sale of sports and fitness apparel and equipment, and software applications designed for use on mobile devices such as smart phones and tablets. Revenue is recognized only when persuasive evidence of an arrangement exists, the fee is fixed or determinable, the product or service has been delivered, and collectability is probable.

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We also publish and sell digital magazines through the internet. Magazines can be purchased as individual volumes or as a subscription. To date we have not had any subscription sales.

Research and development, Website Development Costs, and Software Development Costs
All research and development costs are expensed as incurred. Software development costs eligible for capitalization under ASC 350-50, *Website Development Cost*, and ASC 985-20, *Software-Costs of Software to be Sold, Leased or Marketed*, were not material to our financial statements for the three months ended March 31, 2014 and 2013. Research and development expenses amounted to $1,535 and $16,691 for three months ended March 31, 2014 and 2013, respectively. Research and development expenses were included in general and administrative expenses.

Results of Operations

Three months ended March 31, 2014, compared with the respective period ended March 31, 2013

Revenues for three months ended March 31, 2014 and 2013 were $121,293 and $340, respectively. Revenues for the three months ended March 31, 2014 were derived primarily from the sale of sports apparel and health and fitness products. Revenue for the three months ended March 31, 2013 were from the sale of our digital application ("apps").

Cost of revenue normally includes our cost of products sold and amounts paid for articles, photography, editorial and production cost of the magazine. In the future we will incur direct cost related to revenue such as webhosting and direct cost for our customer support. For the foreseeable future we anticipate outsourcing such costs.

Cost of revenue for three months ended March 31, 2014 was $108,780 (89.7%). This resulted in a gross profit of $12,513 (10.3%). Costs were primarily the cost of products sold. There was no cost of revenue incurred for the three months ended March 31, 2013 as sales related to previous developed applications.

We had net losses of $71,666 and $200,831 for the three months ended March 31, 2014 and 2013, respectively.

The following is a breakdown of our selling, general and administrative expenses for the three months ended March 31, 2014 and 2013:

	Three months Ended March 31, 2014	Three months Ended March 31, 2013	Difference
Personnel costs	$ 18,694	$ 69,137	$ (50,443)
Professional fees	11,860	33,177	(21,317)
Equity based payments	8,582	27,471	(18,889)
Marketing and advertising	4,671	34,757	(30,086)
Travel and entertainment	3,580	6,443	(2,863)
Research and development	1,762	16,691	(14,929)
Other expenses	24,736	12,115	12,621
	$ 73,885	$ 199,791	$ (125,906)

We had 3 employees in the three months ended March 31, 2014, two of which were part time We had a total of 4 employees, 3 of whom were full time employees during the three months ended March 31, 2013. In addition salaries were higher in the three months ended March 31, 2013.

Professional fees decreased $21,317 (64.3%) from $33,177 for the three months ended March 31, 2013 to $11,860 for the three months ended March 31, 2014. The decrease is a result of being a reduction in our cost of SEC compliance and reduced activity that required legal counsel.

During the three months ended March 31, 2014 and 2013, the Board of Directors did not authorized the issuance any options to purchase shares of our common stock to employees and directors or to non-employees of the Company who provide consulting services. The expense for both periods relates to options previously granted.

The decreased in all of our other expenses planned as we were preserving our cash.

Liquidity and Capital Resources

We were financed primarily by capital contributions from members of LifeApps LLC, the predecessor to LifeApps, from short term borrowings, and through our private placement which we completed in October 2012. Our existing sources of liquidity may not be sufficient for us to implement our initial business plan. Our need for future capital will be dependent upon the speed at which we expand our product offerings. There are no assurances that we will be able raise additional capital as needed.

As of March 31, 2014, we had working capital of $119,611 as compared to $97,783 at December 31, 2013

During the three months ended March 31, 2014, operations used cash of $76,259 and for the three months ended March 31, 2013 used cash of $225,748.

During the three months ended March 31, 2014 financing activates provided cash of $105,500. The cash was provided primarily from borrowing activities. In March 2014, we executed a Promissory Note (the "Note") and received $75,000. The Note is due March 17, 2016 and provides for an original issue discount of $8,437 and face interest rate of 12% per annum. However if the Note is repaid by June 16, 2014 the face interest will become 0%. The Lender has the right, at any time at its election to convert all or part of the outstanding and unpaid principal and accrued interest. The conversion price is the lesser of $0.0485 or 60% of the lowest trading price in the 25 trading days prior the conversion. The Note provides for additional penalties if we cannot deliver the underlying common stock on a timely basis. The Note also provides that the principal amount may be increase, at the option of the lender to $445,000. In addition an officer and director of ours advanced $30,500 to the Company. During the three months ended March 31, 2013, financing activities used cash of $347.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and are not required to provide the information required under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 (“Exchange Act”), the Company carried out an evaluation, with the participation of the Company’s management, including the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) (the Company’s principal financial and accounting officer), of the effectiveness of the Company’s disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company’s CEO and CFO concluded that the Company’s disclosure controls and procedures are not effective , due to a lack of audit committee and segregation of duties caused by limited personnel, to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including the Company’s CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management believes that the material weakness set forth above did not have an effect on our financial results.

Changes in Internal Control over Financial Reporting

There have been no change in the Company's internal control over financial reporting during the three months ended March 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no pending, nor to our knowledge threatened, legal proceedings against us.

ITEM 1A. RISK FACTORS

For information regarding risk factors, please refer to the Company's Annual Report on Form 10-K filed with the SEC on April 14, 2014, which may be accessed via EDGAR through the Internet at www.sec.gov.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed herewith:

Exhibit No.	Description
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

* This certification is being furnished and shall not be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act is deemed not filed for purposes of Section 18 of the Exchange Act and otherwise is not subject to liability under these sections.

SIGNATURES

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

LifeApps Digital Media Inc.

Date: May 12, 2014

By: */s/ Robert Gayman*
Robert Gayman
Chief Executive Officer and President

By: */s/ Arnold Tinter*
Arnold Tinter
Chief Financial Officer and Treasurer

EXHIBIT 31.1

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert Gayman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeApps Digital Media Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2014

By: */s/ Robert Gayman*
Robert Gayman
Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Arnold Tinter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeApps Digital Media Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2014

By: */s/ Arnold Tinter*
Arnold Tinter
Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LifeApps Digital Media Inc. (the "Company") on Form 10-Q, for the fiscal quarter ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Gayman, Chief Executive Officer and President of LifeApps Digital Media Inc., certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: May 12, 2014

By: */s/ Robert Gayman*
Robert Gayman
Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LifeApps Digital Media Inc. (the "Company") on Form 10-Q, for the fiscal quarter ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arnold Tinter, Chief Financial Officer and President of LifeApps Digital Media Inc., certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: May 12, 2014

By: *`/s/ Arnold Tinter`*
Arnold Tinter
Chief Financial Officer and Treasurer
(Principal Financial Officer)