

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## LIFEAPPS BRANDS INC.

**Form: 10-K**

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

FORM 10-K

(Mark One)

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

For Fiscal Year Ended: December 31, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-54867

**LIFEAPPS BRANDS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**80-0671280**

(I.R.S. Employer Identification No.)

**Polo Plaza, 3790 Via De La Valle, #116E**

**Del Mar, CA**

(Address of principal executive offices)

**92014**

(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, par value \$0.001 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

(Do not check if a 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 June 30, 2015, there were 11,358,782 shares of the registrant's common stock, par value \$0.001 per share, issued and outstanding. Of these, 7,017,784 shares were held by non-affiliates of the registrant. The market value of securities held by non-affiliates was \$5,368,605 as of June 30, 2015, based on the last sale price of \$0.765 per share of the common stock on June 30, 2015.

As of April 14, 2016, there were 19,918,186 shares of the registrant's common stock, par value \$0.001 per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Not Applicable.

## TABLE OF CONTENTS

<a href="#">FORWARD-LOOKING STATEMENTS</a>	1
<a href="#">PART I</a>	2
ITEM 1. <a href="#">BUSINESS</a>	2
ITEM 1A. <a href="#">RISK FACTORS</a>	9
ITEM 1B. <a href="#">UNRESOLVED STAFF COMMENTS</a>	17
ITEM 2. <a href="#">PROPERTIES</a>	17
ITEM 3. <a href="#">LEGAL PROCEEDINGS</a>	17
ITEM 4. <a href="#">MINE SAFETY DISCLOSURES</a>	17
<a href="#">PART II</a>	17
ITEM 5. <a href="#">MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	17
ITEM 6. <a href="#">SELECTED FINANCIAL DATA</a>	19
ITEM 7. <a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	19
ITEM 7A. <a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	24
ITEM 8. <a href="#">FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	24
ITEM 9. <a href="#">CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	24
ITEM 9A. <a href="#">CONTROLS AND PROCEDURES</a>	24
ITEM 9B. <a href="#">OTHER INFORMATION</a>	26
<a href="#">PART III</a>	26
ITEM 10. <a href="#">DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	26
ITEM 11. <a href="#">EXECUTIVE COMPENSATION</a>	30
ITEM 12. <a href="#">SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</a>	31
ITEM 13. <a href="#">CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</a>	33
ITEM 14. <a href="#">PRINCIPAL ACCOUNTING FEES AND SERVICES</a>	34
<a href="#">PART IV</a>	35
ITEM 15. <a href="#">EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</a>	35
<a href="#">SIGNATURES</a>	38
<a href="#">INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</a>	F-1

## FORWARD-LOOKING STATEMENTS

Except for historical information, this Annual Report contains forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our business strategy, future revenues and anticipated costs and expenses. Such forward-looking statements include, among others, those statements including the words “expects,” “anticipates,” “intends,” “plans,” “may,” “could,” “should,” “anticipates,” “likely,” “believes” and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. You should carefully review the risks described in this Annual Report and in other documents we file from time to time with the Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Annual Report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements.

Factors that might cause or contribute to such differences include, but are not limited to, those discussed below and in the sections “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

1. Our ability to successfully engage in the digital and consumer products business;
2. The intensity of competition in the industry in which we operate;
3. Our ability to raise additional capital if, as, and when needed on acceptable terms;
4. General economic conditions that affect our industry or the global environment in which we operate; and
5. Our ability to successfully attract and retain management and other key employees.

These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. The forward-looking statements contained in this Annual Report are largely based on our expectations, which reflect many estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our actual results. In addition, management’s assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this Annual Report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors listed in the “Risk Factors” section and elsewhere in this Annual Report. All forward-looking statements are based upon information available to us on the date of this Annual Report. We undertake no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

## PART I

### ITEM 1. BUSINESS

#### Organizational History

LifeApps Brands Inc., through our wholly owned subsidiary LifeApps, Inc., is a digital media company focusing on health, fitness and sports digital publications, entertainment, fitness products. We plan to leverage a suite of cross-platform, multi-device publications and applications in the rapidly growing health, fitness and sports digital marketplace to generate paid subscriptions, advertising, e-commerce/mobile-commerce and consumer product sales revenues. The company intends to focus on creating brands, acquisitions of other brands as well as licensing brands. Part of any branding will rely heavily upon promotion, marketing and advertising. The many benefits of having a brand is recognition and loyalty from customers, familiarity as well as the ability to link additional products and services under a specific brand.

We were incorporated in the state of Delaware as Prime Time Travel, Inc. on November 23, 2010, for the purpose of creating and managing trips to destination locations for youth basketball teams. On August 23, 2012, we filed an Amended and Restated Certificate of Incorporation with the Delaware Secretary of State to, among other things, change our name from Prime Time Travel, Inc. to LifeApps Digital Media Inc., and increase our authorized capitalization to 310,000,000 shares, consisting of 300,000,000 shares of common stock, \$0.001 par value per share, and 10,000,000 shares of blank check preferred stock, \$0.001 par value per share.

On September 5, 2012, we effected a 15-for-1 forward stock split in the form of a dividend to holders of our common stock as of record on September 4, 2012.

On September 20, 2012, LifeApps Acquisition Corp., a wholly owned Nevada subsidiary of ours, merged with and into LifeApps Inc., which had been organized as a California limited liability company on July 13, 2009, and was converted to a Nevada corporation on September 7, 2012 in anticipation of the merger. In connection with the merger, each share of LifeApps common stock was cancelled and converted into the right to receive 400 shares of our common stock. LifeApps was the surviving corporation of that Merger. As a result of the Merger, we acquired the business of LifeApps, and are continuing the existing business operations of LifeApps as our primary business operations.

Immediately following the merger, we split off our wholly owned subsidiary, Prime Time Split Corp., a Delaware corporation, through the exchange of 6,000,000 shares of our common stock for all of the issued and outstanding shares of common stock of Split Corp. All of our assets and liabilities immediately following the merger, excluding any assets and liabilities assumed in the merger, were transferred to Split Corp.

On December 31, 2015, we filed a Certificate of Amendment to our Amended and Restated Certificate of Incorporation with the Delaware Secretary of State to (i) change our corporate name to LifeApps Brands Inc., (ii) effect a one-for-fifteen (1:15) reverse stock split (the "Reverse Split") of our common stock, \$0.001 par value per share, and (iii) increase our authorized capitalization from 300,000,000 shares of common stock, par value \$0.001 per share, and 10,000,000 shares of preferred stock, par value \$0.001 per share, to 500,000,000 shares of common stock, par value \$0.001 per share, and 10,000,000 shares of preferred stock, par value \$0.001 per share. The Reverse Split and Name Change took effect on OTC Markets at the commencement of business on January 7, 2016, at which time our common stock began trading on a post-reverse split basis.

Unless the context indicates otherwise, all references in this Annual Report to "LifeApps®" "the Company," "we," "us" and "our" refer to LifeApps Brands Inc. and its subsidiary, LifeApps Inc., a Nevada corporation.

Our fiscal year end is December 31.

#### Business Overview

LifeApps Brands Inc. is an emerging growth company and developer and designer of applications, medical and 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.

LifeApps® is 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. LifeApps® has distributed apps/publications on all three platforms. Moving forward LifeApps is developing new apps, and exploring new opportunities pairing apps with physical retail and e-commerce/mobile-commerce products.

LifeApps® is aggressively pushing forward on a strategy for utilizing mobile applications related to healthcare with the LifeApps Health initiative. LifeApps Health, building on the success of the LifeApps MDWorkout® mobile app platform, will bring together consumer mHealth lifestyle products, like-minded medical health organizations and medically based health and fitness research organizations to create apps. The convergence of consumer apps with medical programs and clinical research is an exciting milestone in the mHealth marketplace. LifeApps® believes that its unique position as an established market participant in providing medically based mHealth fitness lifestyle apps will make LifeApps Health the desired partner for medical organizations who are looking for guidance, app development and distribution into the mHealth marketplace. We believe that we will drive revenues by targeting sports, health and fitness specific communities and developing a relationship with their 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® plans to invest in these sports, health and fitness communities through partnerships with trusted medical organizations, increasing brand awareness and delivering digital content of interest and digitally enhanced physical consumer products that enrich and improve the user's sports, health and fitness lifestyle.

The LifeApps Health initiative has already seen results with LifeApps MDWorkout® entering into the IMS Health AppScript™ program. AppScript™ is a first-of-its-kind prescription service that allows medical health professionals the ability to prescribe mHealth apps to their patients. IMS Health rigorously reviews and tests apps before accepting them into their program.

As individuals continue to migrate to mobile devices for their information and entertainment from traditional media and consumption sources such as the personal computers and print publications, the opportunity to reach more consumers with a wider range of digitally enhanced multi-media tools is possible. Unlike traditional print and disc based (DVD) media which have a limited shelf life, we will be able to continually augment our products to include more entertainment based content and information through enhanced media such as videos, audio, podcasts, push alerts, in-app messaging and app updates, which extend the life of our products beyond the first sale. Internet connected mobile devices and mobile applications provide real time communication with customers, and strengthen our ability to deliver timely and relevant content and messages to them.

As mobile devices have become more feature rich, people are engaging their phones more frequently for tasks beyond placing phone calls, including, for example, app usage, social media, text messaging and photography. According to Cisco, by 2017, there will be nearly 1.4 mobile devices per capita.

The Mobile space as a whole continues to evolve. According to Gartner's Top 10 Strategic Technology Trends for 2014, mobile devices surpassed PCs as the most common access tools for the internet in 2013.

2014 also saw the emergence of the smart wearables market. The wearable band market grew 684% in the first half of 2014 on a worldwide basis compared to 2013 according to Canalys. These wearables included products such as the FitBit, Jawbone UP and the NIKE Fuelband. Additionally the smart-watch began to take the lead in the wearables market with Google's Android Wear operating system appearing in products from Samsung and others.

In 2015 Pew Research Center issued a report of US Smartphone use. One of the many statistics reported were more than half of Smartphone owners have used their phone to get health information, and do online banking. It was also reported that 44% have used their Smartphone to look up real estate listings and 43% to look up information about a job. On November 22, 2015 Apple reported that it has shipped its 1 billionth iOS device.

According to Statista (Statistics Portal) global app downloads are projected to reach 268 billion in 2017. In 2009, worldwide app downloads were approximately 2.52 billion.

LifeApps® is also expanding its revenue generating potential 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 the LifeApps® suite of products.

LifeApps® will continue to explore acquisitions of companies, developers and publishers relating to our sports, health and fitness communities. In addition, the Company will also explore consumer related products as well. Such acquisitions will be considered where the purchase can help increase our revenues, as in the previous acquisition of Sports One Group, or enable the Company to attain assets that will allow us to gain technological advances that would be more costly to develop than to purchase.

As traditional healthcare IT spending moves to mobile telemedicine, the Health market is projected to continue to grow from its current state as an emerging market into a diverse mix of healthcare services, providers, developers and researchers. The company believes that it is important to continue our development efforts in this category, however generating significant near-term revenues may prove to be challenging.

Now more than ever, people are constantly looking for ways to not only stay healthy, yet to improve their health. In fact, the Affordable Care Act encourages employer wellness programs by offering companies financial incentives and provides Medical beneficiaries with a free annual "wellness visit" as well as vaccinations and free screening for cholesterol and cancer. In September 2015 it was reported by Healthcare IT News, there were 165,000 health related mobile apps available.

LifeApps® will continue a multi-pronged approach to the mHealth fitness and sports markets. As opportunities arise from the emergence of these rapidly evolving mobile hardware and software markets LifeApps® will focus resources where they will be the most effective at growing the business and driving revenues.

### ***Proposed Advisory Board***

As more resources become available, LifeApps® plans to create an Advisory Board to help grow its business. To better understand the markets we are entering, and to make sure our products are of the highest quality and relevance to users, LifeApps® will invite professional athletes, subject matter experts, industry specialists and media and technology experts to join the Advisory Board. These individuals will sit in on Company meetings, visit trade-shows and industry events, and provide their recommendations and advice to us. Individuals will be appointed to the Advisory Board for a period of one year, and can be asked to continue serving on the Advisory Board annually.

### ***Our Products***

#### ***LifeApps Mobile App Platform***

LifeApps' iOS Tutorial App Platform is an icon based user interface that is familiar to anyone who has used a smartphone. With customization from icon shapes, icon frames, icon flags, and color selection (frames and menu bars), each app can be given a familiar yet distinct design. Users can also replace backgrounds and key imagery with photos from their camera or photo library.

Within the app itself, tutorial pages can be navigated by simply swiping between pages. How-To photos are presented through automatically playing slideshows using clear, high-quality photography.

Utilizing the familiar icon-based drag-and-drop system, exercise routines can be easily customized and arranged. This allows users the flexibility to choose from the entire library of tutorials to create their own playlists. For instance, a user can create a unique routine for each day of the week.

This platform also boasts a robust data management system that allows for data recording on an element-by-element basis. All fields can be fully customized and the data can be displayed and aggregated.

The LifeApps Mobile App Platform has been updated to integrate with Apple's HealthKit. This integration improves the experience of the apps allowing them to both send and receive fitness and health data with other HealthKit enabled apps and sensory devices.

Video Management is a key element to the platform as well. Within the app's video management system users can download video content, see how much memory space they have available and see how much space the video is using. They can also remove videos to free up space on their devices. Video can be grouped into categories and made available as free downloads or through in-app purchases.

Social Media is integrated into the app, allowing users to share their data via Facebook, Twitter and email. A robust online Push-Alerts manager has been created, allowing for scheduled delivery to the users of the app of push alerts, messages sent from an app that update users as to new content. These messages are short and appear as an alert on the user's home screen when received.

Within the app, an HTML based messaging center allows for additional, more robust communication to the users. These messages can be as long as desired and can include photo and video embeds, just like any web page. Delivery of these messages is also managed through a robust online manager and can be scheduled for future delivery.

LifeApps® believes that the tutorial app is the next evolution of the DVD tutorial. With the one-and-you're-done nature of DVD production and the reliance on a relatively immobile delivery device, the DVD is becoming less relevant in today's fast-paced mobile world. Mobile apps can deliver all of the same content plus interactivity and data processing. Mobile apps are also "always with you" on your mobile device, eliminating the need for finding something to play the content on. Users are also able to receive additional content, messages, and even advertising from within the app, adding value and convenience that the traditional video tutorial can't deliver.

LifeApps® is building in-house apps on the LifeApps iOS Tutorial App Platform and is looking to drive Company revenues by releasing LifeApps® brands, such as MDWorkout®, and licensing and developing apps with partners utilizing this platform.

### **Fitness and Sports Consumer Products with Mobile Apps**

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. One market in particular the Company plans to explore is the growing athletic leisure market a/k/a "athleisure". According to a October 2015 Morgan Stanley report "Global Athletic Wear: Very Bullish Five-Year Outlook". Morgan Stanley also predicts by 2022, active wear will represent \$83 billion in sales.

LifeApps® has established manufacturing relationships with certain companies to produce our fitness and sports products and we are building new media, e-commerce/mobile-commerce and traditional wholesale and resale distribution channels to deliver these products in our new physical-tied-to-mobile fitness packaged product format.

### **Sports One Group**

Sports One is a digital platform that matches sports apparel manufacturers with distributors and purchasers. The overall custom apparel business is a \$20 billion per year market. Sports One already has top-tier apparel manufacturing relationships and boasts product lines across all major sports communities including: soccer, football, baseball, lacrosse, tennis, etc. Sports One is continuing to expand the business through enhanced e-commerce/mobile-commerce toolsets and new strategic sales partnerships. Sports One is currently expanding its customer database, building sales channels and increasing its presence in supplier/distribution marketplaces. Sports One will also be expanding its efforts to include attendance at sports and fitness expos in an effort to drive sales and brand awareness.

### **Digital Publications**

YouWorkout Digital Magazine is LifeApps' sports, health and fitness publication. The magazine is available only through digital mobile devices and can be found on Google Play, Amazon Kindle Fire and the Apple App Store. YouWorkout is a health, fitness and sports entertainment platform that features content from award winning journalists, top-tier athlete interviews and lifestyle content for health and fitness enthusiasts.

This publication is an interactive experience using the touch interface of today's mobile devices. It also boasts HD video, audio content and HD photography. Since its inception, the magazine has attracted champions including worldwide soccer superstar David Beckham featured on our most popular cover and in an exclusive interview, Stanley Cup Champions L.A. Kings forward Brad Richardson in an exclusive interview, two time gold medalist Rachel Buehler on the first cover and in an exclusive interview, and PGA star Rickie Fowler. YouWorkout has an ever growing and extensive library of athlete interviews, photos, videos and exclusives. YouWorkout is already recognized as a leading publication by both industry professionals and consumers alike. In the past, YouWorkout was a Top 5 "What's Hot" publication in the Apple App Store category for an amazing 16 weeks in a row, from the end of 2012 through early 2013. The back issues and YouWorkout Lifestyle continue to be available in the various app stores.

LifeApps® has built an internal and external network of journalists, photographers and creative and technical experts that will allow us to now create additional publications in new entertainment sectors. This network will enable us to publish across new platforms as they arise.

LifeApps® is looking for opportunities to monetize the YouWorkout brand outside of the magazine publication. Future new releases are dependent upon the company establishing co-publishing agreements with third party publishers and financing.

## **Revenue**

LifeApps® intends to monetize and drive revenue across health, fitness and sports communities through a combination of its software development, e-commerce/mobile-commerce of sports apparel, consumer fitness products, mobile applications and in-app sales, subscriptions and advertising across all platforms.

LifeApps® seeks to continue a multi-pronged approach to the mHealth fitness and sports markets. As opportunities arise from the emergence of these rapidly evolving mobile hardware and software markets LifeApps® will focus resources where they will be the most effective at growing both the long-term business objectives and driving immediate revenues.

The company continues to pursue partnerships with healthcare providers who are expanding into mobile health. As traditional healthcare looks to expand its telemedicine offerings, the mobile health market will grow from its current state as an emerging market into a diverse mix of healthcare services, providers, developers and insurance providers. The company believes that it is important to continue our software and business development efforts in the category. We believe this is a significant and important core business to the company long-term, however generating significant near-term revenues from our mobile medicine platform may prove to be challenging.

### *LifeApps Mobile App Platform*

LifeApps® intends to continue to develop and license the LifeApps Mobile App Platform. We will research and seek out aligned companies with need for tutorial based apps for mobile and we will work to create new revenue through development and licensing of our presentation format for their use. We will pursue a business model of physical-tied-to-mobile fitness products, combining mobile app training with a physical retail product. Additionally, LifeApps® will continue to build and improve our own tutorial sports, health and fitness apps, such as MDWorkout®. We will be launching additional gateway apps, skills, drills and training apps, and physical-tied-to-mobile fitness products in 2015. With this new platform and the capabilities it offers, LifeApps® expects to drive revenues through app sales, in-app marketing and in-app purchases of enhanced content. MDWorkout® is now available through IMS Health AppScript allowing healthcare providers to prescribe the application.

### *Sports One Group*

Sports One Group is our digital e-commerce wholesaler of sports apparel. Through additional apparel manufacturing partnerships, increased design and decoration services and improving the e-commerce and mobile-commerce tools for customers, LifeApps® is expanding Sports One's presence in the promotional apparel market. We believe that by increasing customer awareness through expanding our presence at health and fitness expos and improving the customer experience we can drive the growth of Sports One sales. With enhanced e-commerce/mobile-commerce tools and Private Labeling of the Sports One catalogue with key sales partners, LifeApps® is developing a suite of tools and enhanced customer experiences that will enable the Company to scale this business through technology.

YouWorkout back-issues will continue to be available in the app stores. LifeApps® is pursuing advertisers and publishing partners for future issues. LifeApps® will build out the brand so that it can be expanded through line extensions across our entire line of sports, health and fitness communities. This will allow us to boost YouWorkout's visibility through cross-promotions across our entire customer base. The opportunity exists for LifeApps® to also serve as a publisher for other companies to enter the digital publication marketplace

**Additional Areas of Interest**

LifeApps® is continuing to pursue aligned product offerings in several key sports, health and fitness communities including, but not limited to, soccer, yoga and running. The Company will be opportunistic and will pursue promising opportunities when they present themselves. We will work with our associated subject matter experts to strategize, research and plan new products in these areas of interest. Certain areas in the medical industry are also appealing to the Company, plus the marketing within the athletic leisure market as well as women's health and lifestyle.

The Company's acquisition strategy of purchasing companies, development resources and assets that are aligned with our areas of interest can further aid in our entering additional market segments. We will actively research and engage in the acquisition of resources that can expedite our entrance into new markets, or strengthen our position in existing ones.

**Competition**

The development, distribution and sale of digital publications and apps is a highly competitive business, characterized by frequent product introductions and rapidly emerging new platforms, technologies and storefronts. For end users, we compete primarily on the basis of quality, brand, customer reviews and price. We compete for promotional and deck placement based on these factors, as well as the relationship with the digital storefront owner or wireless carrier, historical performance, perception of sales potential and relationships with licensors of brands and other intellectual property. For content and brand licensors, we compete based on royalty and other economic terms, perceptions of development quality, porting abilities, speed of execution, distribution breadth and relationships with storefront owners or carriers. We also compete for experienced and talented employees.

With respect to digital publications and apps that we publish for smartphones and tablets, we compete with a continually increasing number of companies, including Meredith Publishing, WebMD and many well-funded private companies. We also compete for consumer spending with large companies, such as NIKE and Electronic Arts. In addition, given the open nature of the development and distribution for smartphones and tablets, we also compete or will compete with a vast number of small companies and individuals who are able to create and launch digital publications and apps and other content for these mobile devices utilizing relatively limited resources and with relatively limited start-up time or expertise. The proliferation of titles in these open developer channels makes it difficult for us to differentiate ourselves from other developers and to compete for end users who purchase content for their smartphones and tablets without substantially increasing spending to market our products or increasing our development costs.

With respect to physical retail products we face many of the same challenges from large companies such as NIKE and Puma. In-particular, the golf fitness subcategory is a relatively new market overall. As an early player in the market we do have the advantage of being an early leader. As larger companies begin to focus on this market the level of competition will dramatically increase. This may affect our ability to differentiate our product or to gain exposure.

Some of our competitors' and our potential competitors' advantages over us, either globally or in particular geographic markets, include the following:

significantly greater revenues and financial resources;

stronger brand and consumer recognition regionally or worldwide;

greater experience with the digital publications and apps business model;

the capacity to leverage their marketing expenditures across a broader portfolio of mobile and non-mobile products;

larger installed customer bases from related platforms such as console gaming or social networking websites to which they can market and sell mobile games;

more substantial intellectual property of their own from which they can develop games without having to pay royalties;

lower labor and development costs and better overall economies of scale;

greater resources to make acquisitions;

greater platform-specific focus, experience and expertise; and

broader global distribution and presence.

For more information on our competition, please see the risk factors described below.

### **Government Regulation**

We are subject to a number of domestic and foreign laws and regulations that affect our business. Not only are these laws constantly evolving, which could result in them being interpreted in ways that could harm our business, but legislation is also continually being introduced that may affect both the content of our products and their distribution.

We are also subject to federal, state and foreign laws regarding privacy and the protection of the information that we collect regarding our users. We currently collect certain personally identifiable information regarding our customers, and expect in the future to collect additional personally identifiable information regarding our customers. Any concerns about our practices with regard to the collection, use, disclosure, or security of personal information or other privacy related matters, even if unfounded, could damage our reputation and operating results. We post our privacy policy and our terms of service on our corporate website. In these policies, we describe our practices concerning the use, transmission and disclosure of the information that we collect regarding our users. Any failure by us to comply with our posted privacy policy, terms of service or privacy related laws and regulations could result in proceedings against us by governmental authorities or others, which could harm our business. In addition, the interpretation of data protection laws, and their application to the mobile gaming industry is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from state to state, country to country, or region to region, and in a manner that is not consistent with our current data protection practices. Complying with these varying international requirements could cause us to incur additional costs and change our business practices. Further, any failure by us to adequately protect our users' privacy and data could result in a loss of player confidence in our services and ultimately in a loss of users, which could adversely affect our business.

In the area of information security and data protection, many states have passed laws requiring notification to users when there is a security breach for personal data, such as the 2002 amendment to California's Information Practices Act, or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to implement. The costs of compliance with these laws may increase in the future as a result of changes in interpretation. Furthermore, any failure on our part to comply with these laws may subject us to significant liabilities.

We sometimes offer our customers various types of sweepstakes, giveaways and promotional opportunities. We are subject to laws in a number of jurisdictions concerning the operation and offering of such activities and games, many of which are still evolving and could be interpreted in ways that could harm our business. Any court ruling or other governmental action that imposes liability on providers of online services could result in criminal or civil liability and could harm our business.

In addition, the advertisers that advertise with our apps are subject to Federal Trade Commission and state rules on advertising and marketing on the Internet, including truth-in advertising rules, online advertising disclosures and the CAN-SPAM Act (Controlling the Assault of Non-Solicited Pornography and Marketing Act) of 2003. To date, we have not been materially impacted by these rules because our platforms are designed to ensure that proper disclosures are made in connection with every publication. We cannot predict the impact of future regulations on either us or advertisers that advertise with our apps.

Further, because our services are available worldwide, certain foreign jurisdictions and others may claim that we are required to comply with their laws, including in jurisdictions where we have no local entity, employees or infrastructure.

### **Employees**

As of December 31, 2015, we had a total of 2 employees, all of whom are full time employees. None of our employees is represented by a collective bargaining agreement. We consider our relations with our employees to be good.

### **Properties**

Our principal executive office is located at Polo Plaza, 3790 Via De La Valle #116, Del Mar, CA 92014 and our telephone number is (858) 577-0500. The property is currently being rented on a month to month basis at a rate of \$715 per month.

### **Legal Proceedings**

We are, from time to time, a party to litigation that arises in the normal course of our business operations. Currently, no legal proceedings, government actions, administrative actions, investigations or claims are pending against us or involve us that, in the opinion of our management, could reasonably be expected to have a material adverse effect on our business and financial condition.

### **Available Information**

We are subject to the reporting requirements of the Securities Exchange Act of 1934 ("Exchange Act"). Reports filed with the SEC pursuant to the Exchange Act, including annual and quarterly reports, and other reports we file, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Investors may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Investors can request copies of these documents upon payment of a duplicating fee by writing to the SEC. The reports we file with the SEC are also available on the SEC's website (<http://www.sec.gov>).

## **ITEM 1A. RISK FACTORS**

An investment in our securities involves a high degree of risk. You should not invest in our securities if you cannot afford to lose your entire investment. In deciding whether you should invest in our securities, you should carefully consider the following information together with all of the other information contained in this Current Report. Any of the following risk factors can cause our business, prospects, financial condition or results of operations to suffer and you to lose all or part of your investment.

### **Risks Related to Our Business**

***We have a limited operating history and are subject to the risks encountered by early-stage companies.***

LifeApps was organized in the state of California in July 2009. Because our operating company has a limited operating history, you should consider and evaluate our operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. For us, these risks include:

risks that we may not have sufficient capital to achieve our growth strategy;

risks that we may not develop our product and service offerings in a manner that enables us to be profitable and meet our customers' requirements;

risks that our growth strategy may not be successful; and

risks that fluctuations in our operating results will be significant relative to our revenues.

These risks are described in more detail below. Our future growth will depend substantially on our ability to address these and the other risks described in this section. If we do not successfully address these risks, our business would be significantly harmed.

***Our independent registered public accounting firm has expressed doubt about our ability to continue as a going concern.***

Our financial statements have been prepared under the assumption that we will continue as a going concern. Our independent registered public accounting firm has issued a report that included an explanatory paragraph referring to our working capital deficiency, recurring net losses and negative cash flows from operations and expressing substantial doubt in our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to obtain additional equity financing or other capital, attain further operating efficiencies, reduce expenditures, and, ultimately, to generate revenue. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. However, if adequate funds are not available to us when we need it, and we are unable to enter into some form of strategic relationship that will give us access to additional cash resources, we will be required to even further curtail our operations which would, in turn, further raise substantial doubt about our ability to continue as a going concern.

***We have a history of net losses, may incur substantial net losses in the future and may not achieve profitability.***

We have incurred significant losses since inception. As of December 31, 2015, we had an accumulated deficit of \$2,522,756. We expect to incur increased costs in order to implement additional initiatives designed to increase revenues, such as increased research and development and sales and marketing expenses related to our new apps, particularly those designed for smartphones and tablets, such as Apple's iPhone and iPad and devices based on Google's Android operating system. If our revenues do not increase to offset these additional expenses or if we experience unexpected increases in operating expenses, we will continue to incur significant losses and will not become profitable. If we are not able to significantly increase our revenues, we will likely not be able to achieve profitability in the future.

***If we are not able to generate a critical mass of sales of our apps and digital publications, we will not be able to make our business successful.***

Sales of our App and digital publication product offerings to date have been minimal. We will have to expend considerable resources, financial and otherwise, to build our sales revenues to meaningful levels. If we are not successful in these efforts, we will not generate profits and we will not be able to create a financial return for our shareholders.

***If we are not able to generate interest in our retail products, we will not be able to make our business successful.***

Our retail products are a new avenue of business for us and we have no history in this business. We will have to expend considerable resources, financial and otherwise, to build our sales revenues to meaningful levels. If we are not successful in these efforts, we will not generate profits and we will not be able to create a financial return for our shareholders.

***If we are unable to maintain good relationships with the mobile apps market platforms, our business will suffer.***

Our primary distribution, marketing, promotion and payment platforms for our apps and digital publications are the Apple App Store, Apple Newsstand, Google Play and the Amazon Mobile Marketplace. We expect to generate a substantial portion of our revenue through these platforms for the foreseeable future. Any failure to establish effective relationships with one or more of these platforms, or a deterioration in any existing platform relationship, would harm our business and adversely affect the value of our common stock.

We are subject to various terms and conditions for application developers, which govern the promotion, distribution and operation of applications on the platforms where we sell our apps and digital publications. Our business would be harmed if any one or more of these platforms: discontinues or limits access to its platform by us and other App or digital publication developers; modifies its terms of service or other policies, including fees charged to, or other restrictions on, us or other application developers, changes how the personal information of its users is made available to application developers; establishes more favorable relationships with one or more of our competitors; or develops its own competitive offerings.

***Inferior storefront featuring, or “deck placement,” would likely adversely impact our revenues and thus our operating results and financial condition.***

The open nature of the digital storefronts where we sell our apps, such as the Apple App Store, Google’s Android Market and the Amazon Mobile Marketplace, substantially increases the number of our competitors and competitive products, which makes it more difficult for us to achieve prominent placement or featuring for our apps and digital publications. Our failure to achieve prominent placement or featuring for our apps and digital publications on the smartphone storefronts could result in our apps and publications not generating significant sales. It may also require us to expend significantly increased amounts to generate substantial revenues on these platforms, reducing or eliminating the profitability of publishing apps and digital publications for them. If these digital storefronts choose to give our apps and publications less favorable deck placement, our apps and publications may be less successful than we anticipate, our revenues may not grow and our business, operating results and financial condition may be materially harmed.

***If we fail to generate revenues through the sale of advertising, our business plan may not be successful.***

We expect to monetize our apps and digital publications through the sale of advertising, initially, through mobile advertising aggregators, and as we grow our product line, through broker advertising agreements with ad agencies and direct agreements with interested companies. If we are unable to actualize this aspect of our strategy, we may not be able to generate sufficient revenues to grow our business as we have planned.

***Our growth prospects will suffer if we are unable to continue to develop successful apps and publications for mobile platforms.***

Developing apps and publications for mobile platforms is an important component of our strategy. We have devoted and we expect to continue to devote substantial resources to the development of our mobile apps and publications, and we cannot guarantee that we will continue to develop such apps or publications that appeal to consumers or advertisers. The uncertainties we face include:

we have relatively limited experience working with mobile platform providers and other partners whose cooperation we may need in order to be successful;

we may encounter difficulties getting new apps and apps updates approved by platform review panels;

as platforms evolve, pre-existing code may become obsolete; and

we may encounter difficulty in developing new apps and publications or redesigning existing Apps for mobile platforms that a sufficient number of consumers will pay for or that advertisers will support.

These and other uncertainties make it difficult to know whether we will succeed in continuing to develop commercially viable apps and publications for mobile. If we do not succeed in doing so, our growth prospects will suffer.

***Our growth strategy involves building a social media presence and, if we are not able to accomplish this, our business will suffer.***

We intend to reposition our library of content to social networking outlets such as Facebook, Twitter and YouTube, where our brands are already being utilized, and other outlets such as Google+ and Internet TV. We also intend to integrate social sharing across these outlets, our mobile apps and our websites allowing health, fitness and sports users to build a community and distribute our enthusiast branded content to a wider audience of like-minded groups of people. If we are not able to accomplish these objectives, our future business will suffer.

***We cannot predict our future capital needs and we may not be able to secure additional financing.***

We believe that the funds we raised in our private placement offering that closed on the date hereof will be sufficient to meet our presently anticipated working capital requirements for the foreseeable future. This belief is based on our operating plan which in turn is based on assumptions, which may prove to be incorrect. In addition, we may need to raise significant additional funds sooner in order to support our growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If our financial resources are insufficient, we will require additional financing in order to meet our plans for expansion. We cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit our operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of our existing shareholders will be reduced, our shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences, or privileges senior to those of our existing shareholders. If adequate funds are not available on acceptable terms or at all, we may be unable to develop or enhance our services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which would have a material adverse effect on our business, prospects, financial condition, and results of operations.

***We may face intense competition and expect competition to increase in the future, which could prohibit us from developing a customer base and generating revenue.***

The mobile application industry is highly competitive, with low barriers to entry and we expect more companies to enter the sector and a wider range of mobile apps and related products and services to be introduced. Our competitors that develop apps vary in size and include both publicly-traded companies and privately-held companies. These companies may already have an established market in our industry, may have significantly greater financial and other resources than us and may have been developing their products and services longer than we have been developing ours.

***Competition within the broader health, fitness and sports industries is intense and our existing and potential consumers may be attracted to competing forms of fitness products such as offline magazines, DVRs, CDs and other more traditional forms of healthy lifestyle support products.***

Our consumers face a vast array of healthy lifestyle and exercise choices. Other forms of product distribution, such as traditional magazines, DVRs, CDs, television programs and local gym offerings are currently much larger and more well-established markets and may be perceived by our consumers to offer greater variety, affordability, interactivity and enjoyment. These other forms of products and services compete for the discretionary time and income of our consumers. If we are unable to sustain sufficient interest in our products and services in comparison to other forms, our business model may not be viable.

***If third parties claim that we infringe their intellectual property, it may result in costly litigation.***

We cannot assure you that third parties will not claim our current or future products infringe their intellectual property rights. Any such claims, with or without merit, could cause costly litigation that could consume significant management time. As the number of product and services offerings in the mobile application market increases and functionalities increasingly overlap, companies such as ours may become increasingly subject to infringement claims. Such claims also might require us to enter into royalty or license agreements. If required, we may not be able to obtain such royalty or license agreements, or obtain them on terms acceptable to us.

***If we fail to retain existing users or add new users, or if our users decrease their level of engagement with us, our revenue, financial results, and business may be significantly harmed.***

The number of users visiting our websites and purchasing our apps is critical to our success. Our financial performance will be determined by our success in adding, retaining, and engaging active users. To the extent we do not attract additional users; our business performance will suffer. If users do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

users increasingly engage with competing products;

we fail to introduce new and improved products or if we introduce new products or services that are not favorably received;

we are unable to successfully balance our efforts to provide a compelling user experience with the decisions we make with respect to the frequency, prominence, and size of ads and other commercial content that we display;

we are unable to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks, and that achieve a high level of market acceptance;

there are changes in user sentiment about the quality or usefulness of our products or concerns related to privacy and sharing, safety, security, or other factors;

we are unable to manage and prioritize information to ensure users are presented with content that is interesting, useful, and relevant to them;

there are adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;

technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience;

we fail to provide adequate customer service to users, developers, or advertisers;

we, our Platform developers, or other companies in our industry are the subject of adverse media reports or other negative publicity; or

our current or future products, such as the Facebook Platform, reduce user activity on Facebook by making it easier for our users to interact and share on third-party websites.

If we are unable to maintain and increase our user base and user engagement, our revenue, financial results, and future growth potential may be adversely affected.

***Defects in our mobile apps may adversely affect our business.***

Tools, code, subroutines and processes contained within our mobile apps may contain defects when introduced and also when updates and new versions are released. Our introduction of mobile apps with defects or quality problems may result in adverse publicity, product returns, reduced orders, uncollectible or delayed accounts receivable, product redevelopment costs, loss of or delay in market acceptance of our products or claims by customers or others against us. Such problems or claims may have a material and adverse effect on our business, prospects, financial condition and results of operations.

***We may not be able to adequately protect our proprietary technology, and our competitors may be able to offer similar products and services which would harm our competitive position.***

Our success depends upon our proprietary technology. We rely primarily on copyright, service mark and trade secret laws, confidentiality procedures and contractual provisions to establish and protect our proprietary rights. As part of our confidentiality procedures, we enter into non-disclosure agreements with our employees and consultants. Despite these precautions, third parties could copy or otherwise obtain and use our technology without authorization, or develop similar technology independently. We also pursue the registration of our domain names, trademarks, and service marks in the United States. We cannot assure you that the protection of our proprietary rights will be adequate or that our competitors will not independently develop similar technology, duplicate our products and services or design around any intellectual property rights we hold.

***If we lose the services of our founder and Chief Executive Officer or other members of our senior management team, we may not be able to execute our business strategy.***

Our success depends in a large part upon the continued service of our senior management team. In particular, our founder and Chief Executive Officer, Robert Gayman, is critical to our vision, strategic direction, culture, products and technology. We do not maintain key-man insurance for Mr. Gayman or any other member of our senior management team. The loss of our founder and Chief Executive Officer, even temporarily, or any other member of senior management would harm our business.

***If someone is injured and sues us and we are unsuccessful in defending the suit, we may not have the resources to settle any judgment.***

If someone is injured while utilizing one of our apps they may decide to sue us and if we are unsuccessful in defending the law suit it could result in a judgment against us. We may not be able to pay such judgment which may cause the company to file for protection under the bankruptcy laws. We will attempt to insure against such action but there are no assurances that we will be able to get coverage at a rate which we can afford.

***If we are unable to attract and retain highly qualified employees, we may not be able to grow effectively.***

Our ability to compete and grow depends in large part on the efforts and talents of our employees. Such employees, particularly App designers, are in high demand. The loss of employees or the inability to hire additional skilled employees as necessary could result in significant disruptions to our business, and the integration of replacement personnel could be time-consuming and expensive and cause additional disruptions to our business as well as result in financial losses.

#### **Industry Specific Risks**

***Our business is subject to risks generally associated with the entertainment and publishing industries, any of which could significantly harm our operating results.***

Our business is subject to risks that are generally associated with the entertainment and publishing industries, many of which are beyond our control. These risks could negatively impact our operating results and include: the popularity, price and timing of our apps and the platforms on which they are sold; economic conditions that adversely affect discretionary consumer spending; changes in consumer demographics; the availability and popularity of other forms of entertainment; and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted.

***We may become subject to government regulation and legal uncertainties that could reduce demand for our products or increase the cost of doing business, thereby adversely affecting our financial results.***

We are not currently subject to direct regulation by any governmental agency, other than regulations applicable to businesses generally and laws or regulations directly applicable to Internet commerce. However, due to the increasing popularity and use of mobile applications, it is possible that a number of laws and regulations may become applicable to us or may be adopted in the future with respect to mobile applications covering issues such as:

user privacy;

taxation;

right to access personal data;

copyrights;

distribution; and

characteristics and quality of services.

The applicability of existing laws governing issues such as property ownership, copyrights and other intellectual property issues, encryption, taxation, libel, export or import matters and personal privacy to mobile applications is uncertain. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our apps, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business and operating results.

#### **Risks Related to the Merger**

***Because the Merger was a reverse merger, we may not be able to attract the attention of major brokerage firms, which may limit the liquidity of our Common Stock and may make it more difficult for us to raise additional capital in the future.***

Additional risks may exist because the Merger was a “reverse merger.” Certain SEC rules are more restrictive when applied to reverse merger companies, such as the ability of stockholders to resell their shares of Common Stock pursuant to Rule 144. In addition, securities analysts of major brokerage firms may not provide coverage of our Common Stock following the Merger because there may be little incentive for brokerage firms to recommend the purchase of our Common Stock. As a result, our Common Stock may have limited liquidity and investors may have difficulty selling it. In addition, we cannot assure you that brokerage firms will want to conduct any secondary offerings on our behalf if we seek to raise additional capital in the future. Our inability to raise additional capital may have a material adverse effect on our business.

***If unknown pre-Merger liabilities should arise or known pre-Merger liabilities are not paid according to our agreement with the transferee, we may be required to divert our cash from other business purposes to discharge such liabilities, which may have an adverse effect on our post-Merger business.***

Although we transferred certain assets and liabilities of ours relating to our pre-Merger shell operations in connection with the Merger, there can be no assurance that such transfer will release the Company of all such liabilities. If the transferee does not pay such liabilities or unknown liabilities arise, we may be required to divert cash from other business purposes to discharge such liabilities, which may have an adverse effect on our post-Merger business.

#### **Risks Related to Our Common Stock**

***We do not expect to pay dividends on our Common Stock.***

We have no plans to pay dividends on our Common Stock for the foreseeable future. Because we do not plan to pay dividends on our Common Stock, our stock may be less attractive to some investors, which could adversely affect our stock price.

***If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us.***

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls. Our failure to maintain the effectiveness of our internal controls in accordance with the requirements of the Sarbanes-Oxley Act could have a material adverse effect on our business. We could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on the price of our Common Stock. In addition, if our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

***A trading market for our Common Stock may not develop or be sustained.***

No trading market for our Common Stock presently exists. We cannot assure you that a market for our Common Stock will develop in the foreseeable future or, if developed, that it will be sustained.

***Our Common Stock will likely be considered a “penny stock,” which is likely to limit its liquidity and make it more difficult for us to raise additional capital in the future.***

The market price of our Common Stock is, and will likely remain for the foreseeable future, less than \$5.00 per share, and therefore will be a “penny stock” according to SEC rules, unless our Common Stock is listed on a national securities exchange. The OTC Bulletin Board is not a national securities exchange. Designation as a “penny stock” requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our Common Stock and may affect the ability of current holders of our Common Stock to sell their shares. Such rules may also deter broker-dealers from recommending or selling the Common Stock, which may further limit its liquidity. This may also make it more difficult for us to raise additional capital in the future.

***The price of our common stock may become volatile, which could lead to losses by investors and costly securities litigation.***

The future trading price of our common stock may become highly volatile and could fluctuate in response to factors such as:

actual or anticipated variations in our operating results;

announcements of developments by us or our competitors;

announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;

adoption of new accounting standards affecting our industry;

additions or departures of key personnel;

sales of our common stock or other securities in the open market; and

other events or factors, many of which are beyond our control.

***You may experience dilution of your ownership interests because of the future issuance of additional shares of our common stock.***

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue an aggregate of 510,000,000 shares of capital stock consisting of 500,000,000 shares of common stock and 10,000,000 shares of preferred stock with preferences and rights to be determined by our Board of Directors. As of December 31, 2015, there were 19,918,186 shares of our common stock and no shares of our preferred stock outstanding. There are 20,000,000 shares of our common stock reserved for issuance under our 2012 Equity Incentive Plan (the “2012 Plan”). Under the Plan, we have granted, to date, options to purchase 418,333 shares of our common stock of which 240,000 options are outstanding and exercisable.

Any future issuance of our equity or equity-backed securities may dilute then-current stockholders’ ownership percentages and could also result in a decrease in the fair market value of our equity securities, because our assets would be owned by a larger pool of outstanding equity. As described above, we may need to raise additional capital through public or private offerings of our common or preferred stock or other securities that are convertible into or exercisable for our common or preferred stock. We may also issue such securities in connection with hiring or retaining employees and consultants, as payment to providers of goods and services, in connection with future acquisitions or for other business purposes. Our Board of Directors may at any time authorize the issuance of additional common or preferred stock without common stockholder approval, subject only to the total number of authorized common and preferred shares set forth in our certificate of incorporation. The terms of equity securities issued by us in future transactions may be more favorable to new investors, and may include dividend and/or liquidation preferences, superior voting rights and the issuance of warrants or other derivative securities, which may have a further dilutive effect. Also, the future issuance of any such additional shares of common or preferred stock or other securities may create downward pressure on the trading price of the common stock. There can be no assurance that any such future issuances will not be at a price (or exercise prices) below the price at which shares of the common stock are then traded.

***We may obtain additional capital through the issuance of preferred stock, which may limit your rights as a holder of our common stock.***

Without any stockholder vote or action, our Board of Directors may designate and approve for issuance shares of our preferred stock. The terms of any preferred stock may include priority claims to assets and dividends and special voting rights which could limit the rights of the holders of our common stock. The designation and issuance of preferred stock favorable to current management or stockholders could make any possible takeover of us or the removal of our management more difficult.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not Applicable.

**ITEM 2. PROPERTIES**

Our principal executive office is located Polo Plaza, 3790 Via De La Valle #116, Del Mar, CA 92014 and our telephone number is (858) 577-0500. The property is currently being rented on a month to month basis at a rate of \$715 per month.

We do not own any real estate.

**ITEM 3. LEGAL PROCEEDINGS**

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on business, financial condition or operating results.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

**Market Information**

On February 1, 2012, our common stock became listed for quotation on the OTC Bulletin Board, originally under the symbol "PTRV." Our symbol changed to "LFAP" on September 12, 2012 in connection with our name change to "LifeApps Digital Media Inc." and remained "LFAP" following our name change to "LifeApps Brands Inc." Since December 7, 2012, our common stock has been quoted solely on the OTC Markets Group, Inc.'s marketplace.

The trading of our common stock began on March 26, 2012. The following table sets forth the high and low closing bid prices for our common stock for the fiscal quarters indicated as reported on OTC Markets. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. Our common stock is thinly traded and, thus, pricing of our common stock on OTC Markets does not necessarily represent its fair market value. The prices give retroactive effect to our one-for-fifteen reverse stock split which took effect on January 7, 2016.

	<u>High</u>	<u>Low</u>
December 31, 2014	\$ 0.638	\$ 0.075
September 30, 2014	\$ 0.788	\$ 0.5265
June 30, 2014	\$ 0.735	\$ 0.585
March 31, 2014	\$ 0.735	0.60
December 31, 2015	\$ 0.0165	\$ 0.003
September 30, 2015	\$ 0.036	\$ 0.012
June 30, 2015	\$ 0.0675	\$ 0.024
March 31, 2015	\$ 0.135	\$ 0.042

As of April 14, 2016 there were 19,918,186 shares of our common stock issued and outstanding, 400,000 shares issuable upon exercise of outstanding warrants and 240,000 shares issuable upon exercise of outstanding options. On that date, there were approximately 13 holders of record of shares of our common stock.

#### **Dividend Policy**

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of the board of directors and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

#### **Recent Sales of Unregistered Securities**

During the year ended December 31, 2014, we issued 1,035,333 of our common stock to an unrelated lender. These securities were issued pursuant to exemption from registration under Section 4(a)(2) of the Securities Act of 1933 based upon the recipient being an accredited investor.

During 2015, the holder of the convertible note converted an aggregate of \$96,054 of the principal and accrued interest of the note. The note was converted into 6,508,500 shares of our \$0.001 par value common stock.

On March 25, 2015, we entered into a debt conversion agreement with our CEO and principal stockholder, Robert Gayman. The agreement provided Mr. Gayman with the right to convert \$31,250 owed to him for working capital loans made to the Company for 1,666,667 restricted shares of our common stock. The conversion price was based on the following formula - equal to the lesser of \$1.02 or 60% of the lowest trade price in the 25 trading days previous to the conversion. (In the event that Conversion Shares are not deliverable by DWAC, an additional 10% discount shall apply; if the shares are ineligible for deposit into the DTC system and only eligible for Xclearing deposit, an additional 5% discount shall apply; and in the case of both, an additional cumulative 15% discount shall apply.)

On September 15, 2015, we entered into a debt conversion agreement with our director and principal stockholder, Lawrence P. Roan. The agreement provided Mr. Roan with the right to convert \$55,000 owed to him for working capital loans made to the Company for 5,641,025 restricted shares of our common stock. The conversion price used to calculate the number of Conversion Shares was set at \$0.0098 based on the following formula: the conversion price will be equal to the lesser of \$1.02 or 60% of the lowest trade price in the 25 trading days prior to the conversion.

#### **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

On March 25, 2015, we entered into a conversion agreement with our Chief Executive Officer/Shareholder ("CEO"). The agreement provides the CEO with the right to convert amounts owed to him at a conversion price equal to the lesser of \$1.02 or 60% of the lowest trade price in the 25 trading days previous to the conversion. (In the event that Conversion Shares are not deliverable by DWAC, an additional 10% discount shall apply; if the shares are ineligible for deposit into the DTC system and only eligible for Xclearing deposit, an additional 5% discount shall apply; and in the case of both, an additional cumulative 15% discount shall apply.)

On March 25, 2015, the CEO converted \$31,250 of the amount owed to him into 1,666,667 shares of our common stock, \$0.001 par value per share.

On September 15, 2015, we entered into a debt conversion agreement with our director and principal stockholder, Lawrence P. Roan. The agreement provided Mr. Roan with the right to convert \$55,000 owed to him for working capital loans made to the Company for 5,641,025 restricted shares of our common stock. The conversion price used to calculate the number of Conversion Shares was set at \$0.0098 based on the following formula: the conversion price will be equal to the lesser of \$1.02 or 60% of the lowest trade price in the 25 trading days prior to the conversion.

On September 15, 2015, our director and principal stockholder converted \$55,000 of the amount owed to him into 5,641,025 shares of our common stock \$0.001 par value.

#### **ITEM 6. SELECTED FINANCIAL DATA**

Not applicable.

#### **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the accompanying notes included elsewhere in this Annual Report on Form 10-K. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us," "we," "our," and similar terms refer to LifeApps Brands 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. See "Note Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed in "Risk Factors" and elsewhere in this Annual Report. 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**

LifeApps Brands Inc. is an emerging growth company and developer and designer of applications, medical and 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.

LifeApps is 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. LifeApps has distributed apps/publications on all three platforms. Moving forward LifeApps is developing new apps, and exploring new opportunities pairing apps with physical retail and e-commerce/mobile-commerce products..

## Recent Developments and Trends

### *Acquisition of the Sports One Group Assets*

On April 1, 2013, we closed the acquisition by LifeApps of substantially all of the assets of Sports One Group, an internet based wholesale supplier of fitness apparel and related items to the promotional products industry, for a purchase price of \$99,500.

## Plan of Operations

LifeApps is aggressively pushing forward on a strategy for utilizing mobile applications related to healthcare with the LifeApps Health initiative. LifeApps Health, building on the success of the LifeApps MDWorkout® mobile app platform, will bring together consumer mHealth lifestyle products, like-minded medical health organizations and medically based health and fitness research organizations to create apps. The convergence of consumer apps with medical programs and clinical research is an exciting milestone in the mHealth marketplace. LifeApps believes that its unique position as an established market participant in providing medically based mHealth fitness lifestyle apps will make LifeApps Health the desired partner for medical organizations who are looking for guidance, app development and distribution into the mHealth marketplace. We believe that we will drive revenues by targeting sports, health and fitness specific communities and developing a relationship with their 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 plans to invest in these sports, health and fitness communities through partnerships with trusted medical organizations, increasing brand awareness and delivering digital content of interest and digitally enhanced physical consumer products that enrich and improve the user's sports, health and fitness lifestyle.

## Critical Accounting Policies and Estimates

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP"), which contemplates our continuation as a going concern. As of December 31, 2015, we have incurred losses of \$2,553,537. 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.

### *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.

### *Fair Value Measurements:*

ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

Our financial instruments consist of cash and cash equivalents, short-term trade receivables, prepaid expenses, payables, accruals and convertible notes payable. The carrying values of cash and cash equivalents, short-term trade receivables, prepaid expenses, payables, and accruals approximate fair value because of the short term maturities of these instruments.

#### *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 Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (“ASC”) Topic 350 *Intangibles – Goodwill and Other* (“ASC 350”), the costs to obtain and register internet domain names were capitalized.

#### *Derivative Financial Instruments:*

We do not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, we used a Black Scholes valuation model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

#### *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.

## Equity Based Payments

Equity based payments are accounted for in accordance with ASC Topic 718, *Compensation – Stock Compensation*. The compensation cost is based upon fair value of the equity instrument at the date grant. The fair value has been estimated using the Black-Sholes option pricing model.

## Results of Operations

### Year ended December 31, 2015 Compared to the Year ended December 31, 2014

*(References to 2015 and 2014 are to the years ended December 31, 2015 and 2014 respectively, unless otherwise specified.)*

Revenues for 2015 and 2014 were \$139,660 and \$325,756, respectively. Revenues are primarily from the sale of sports apparel and health and fitness products. We continued to publish our YouWorkout digital magazine. The magazine may be purchased on-line as a single issue or as a subscription.

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 2015 and 2014 was \$115,600 (82.77%) and \$273,137 (83.85%), respectively. This resulted in a gross profit for 2015 and 2014 of \$24,060 (17.23%) and 52,619 (16.15%), respectively. Costs were primarily the cost of products sold

The following is a breakdown of our selling, general and administrative expenses for 2015 and 2014:

	2015	2014	Difference
Personnel costs	\$ 168,464	\$ 187,269	\$ (18,805)
Professional fees	75,160	104,163	(29,003)
Marketing, and promotion advertising	11,527	38,485	(26,958)
Stock Related expenses	1,547	16,677	(15,130)
Equity based payments	-	14,876	(14,876)
Research and development	7,797	14,237	(6,440)
Travel and entertainment	1,119	13,416	(12,297)
Rent expense	6,751	6,830	(79)
Other expenses	30,604	63,618	(33,014)
	<u>\$ 302,969</u>	<u>\$ 459,571</u>	<u>\$ (156,602)</u>

Personnel cost decreased \$18,805 (10.04%) from \$187,269 in 2014 to \$168,464 in 2015 primarily due to staff reduction.

Professional fees decreased \$29,003 (27.84%) from \$104,163 for 2014 to \$75,160 in 2015 primarily due to reduced amount of events requiring such services.

Marketing expenses decreased \$26,958 (70.05%) from \$38,485 for 2014 to \$11,527 in 2015 primarily due to reduced trade show and public relations expenditures.

Stock related expenses decreased \$15,130 (90.72%) from \$16,677 in 2014 to \$1,547 in 2015 primarily due to reduced professional services.

No options were granted in 2015 and 2014.

Amounts charged to expense for the options granted to employees and non-employees was \$0 and \$14,237 for 2015 and 2014, respectively.

Research and development includes website and applications development costs. Research and development expenses decreased \$6,440 (45.23%) from \$14,237 for 2014 to \$7,797 for 2015 primarily due to reduced costs of website development. Development is an ongoing cost and we anticipate that our development costs both for website and applications may increase in future periods.

Travel and entertainment decreased \$12,297 (91.66%) from \$13,416 in 2014 to \$1,119 for 2015 primarily due to cost reduction efforts .

The decrease in rent expense of \$79 (1.16%) from \$6,830 in 2014 to \$6,751 not significant.

All of our other operating costs decreased as result of generally keeping cost down.

We had operating losses of \$317,261 and \$455,619 for 2015 and 2014, respectively.

We value the derivative liability and the end of each accounting period the difference in value is recognized as gain or loss. We recognized \$138,619 of loss and \$12,683 of gain for the change in value of the derivative for 2015 and 2014, respectively.

Interest expense for the year ended December 31, 2015 was \$48,926 and includes \$8,671 of amortization of original issue discount, \$29,964 of amortization of debt discount, and \$10,293 of accrued interest. Interest expense for the year ended December 31, 2014 was \$138,933 and included origination interest on the derivative liability of \$95,408, \$4,143 of amortization of original issue discount, \$32,110 of amortization of debt discount, and \$7,272 of accrued interest.

At December 31, 2014 we determined that our inventory was slow moving and overvalued and accordingly we wrote-down its value. No additional adjustments were made to the value of our inventory in 2015.

We had net losses of \$615,768 and \$668,095 for 2015 and 2014, respectively.

### **Liquidity and Capital Resources**

Our existing sources of liquidity may not be sufficient for us to implement our continuing 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 and when needed.

As of December 31, 2015, we had a working capital deficit of \$450,517 as compared to a working capital deficit of \$263,319 at December 31, 2014.

During the year ended December 31, 2015, operations used cash of \$114,413 as compared to cash of \$161,812 for the year ended December 31, 2014.

There was no investing activity during the years ended December 31, 2015 and 2014.

During the year ended December 31, 2015 financing activities provided cash of \$99,440. During the year ended December 31, 2014 financing activities provided cash of \$144,877.

During 2015 related parties provided a net amount of \$99,440 in cash to finance the company. Additionally, the company made an accrual of officer salaries in the amount of \$150,000.

During 2014, we executed a Promissory Note and received three draws totaling \$135,000. The note was fully converted into 6,508,500 shares of our common stock. The Note was originally due March 17, 2016 and provided for an original issue discount of \$15,185, which will be amortized over 24 months, and face interest rate of 12% per annum. The Lender had the right, at any time at its election to convert all or part of the outstanding and unpaid principal and accrued interest into shares of our common stock. 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.

During 2014 related parties provided \$159,877 which includes accruing salaries to our CEO but not paying them.

We will continue to seek out additional capital in the form of debt or equity under the most favorable terms we can find.

#### **Off-Balance Sheet Arrangements**

None.

#### **Contractual Obligations**

Not applicable.

#### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable

#### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Our consolidated financial statements are included beginning immediately following the signature page to this report. See Item 15 for a list of the consolidated financial statements included herein.

#### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not Applicable.

#### **ITEM 9A. CONTROLS AND PROCEDURES**

##### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our senior management, including our Chief Executive Officer and our Chief Financial Officer, we performed an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this annual report (the "Evaluation Date"). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2015, our disclosure controls and procedures were not effective to provide reasonable assurance that material information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

##### **Management's Report on Internal Control over Financial Reporting**

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for the Company.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of its management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control, and accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect material misstatements. In addition, effective internal control at a point in time may become ineffective in future periods because of changes in conditions or due to deterioration in the degree of compliance with our established policies and procedures.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of the Evaluation Date, based on the framework set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1992. Based on its evaluation under this framework, management concluded that our internal control over financial reporting was not effective as of the Evaluation Date.

Management assessed the effectiveness of the Company's internal control over financial reporting as of the Evaluation Date and Management has identified the following deficiencies that, when aggregated, may possibly be viewed as a material weakness in our internal control over financial reporting as of that date:

We do not have an audit committee: While we are not currently obligated to have an audit committee, including a member who is an "audit committee financial expert," as defined in Item 407 of Regulation S-K, under applicable regulations or listing standards; however, it is management's view that such a committee is an important internal control over financial reporting, the lack of which may result in ineffective oversight in the establishment and monitoring of internal controls and procedures.

We do not have a majority of independent directors on our board of directors, which may result in ineffective oversight in the establishment and monitoring of required internal controls and procedures.

Inadequate Segregation of Duties: We have an inadequate number of personnel to properly implement control procedures.

There were adjustments made as a result of our audit.

However, management believes that the lack of a functioning audit committee and the lack of a majority of independent directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

Management, including our Chief Executive Officer and Chief Financial Officer, has discussed the possible material weakness noted above with our independent registered public accounting firm. Due to the nature of this possible material weakness, there is a more than remote likelihood that misstatements which could be material to the annual or interim financial statements could occur that would not be prevented or detected.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this annual report.

#### **Changes in Internal Controls**

There were no changes in our internal control over financial reporting that occurred during the year ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### **Management's Remediation Initiatives**

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We expect to increase our personnel resources and technical accounting expertise within the Company's accounting function. We also plan to appoint one or more additional outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee which will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management.

Management believes that the appointment of one or more additional independent directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of independent directors on our Board.

We anticipate that these initiatives will be implemented in conjunction with the growth of our business.

#### **Limitations on Effectiveness of Controls and Procedures**

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls 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. Our control systems are designed to provide such reasonable assurance of achieving their objectives. 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 our 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.

#### **ITEM 9B. OTHER INFORMATION**

Not applicable.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

##### **Executive Officers and Directors**

Below are the names of and certain information regarding the Company's current executive officers and directors who were appointed effective as of September 20, 2012:

<b>Name</b>	<b>Age</b>	<b>Title</b>
Robert R. Gayman	55	Chief Executive Officer, President and Director
Arnold Tinter	70	Chief Financial Officer, Treasurer, Secretary and Director
Howard Fuller	52	Director
Lawrence Patrick Roan	56	Director

Directors are elected to serve until the next annual meeting of stockholders and until their successors are elected and qualified. Executive officers are appointed by the Board of Directors and serve at its pleasure.

The principal occupation and business experience during at least the past five years for our executive officers and directors is as follows:

**Robert R. Gayman, Chief Executive Officer, President, Chairman of the Board of Directors**

Robert R. Gayman was appointed as our Chief Executive Officer, President and Chairman of the Board of Directors on September 20, 2012. He has served as Chief Executive Officer of our wholly-owned subsidiary, LifeApps, Inc., since July 15, 2009. Mr. Gayman has been a leader in the development and commercialization of software for over 20 years. The majority of his career has been dedicated to the technology sector, focusing on emerging technologies in such fields as interactive gaming and mobile devices. From August, 2000 to May, 2012, he served as Chief Executive Officer for Dolphin Interactive Inc., a company which he started and is a sales, marketing and consultancy company specializing in sales and marketing services to technology consumer package goods companies from fortune 500 companies to start-up entities, where his responsibilities included overall operational responsibility. In addition, from 2005 Robert additionally acts as a Senior Associate to Consulting firm Fuller Jones Associates in the areas of retail, entertainment and digital media consulting projects on an assignment basis. Prior to that, from 1995 to 2000, he was the Western Regional Sales Manager at SONY Computer Entertainment of America, a diversified technology and entertainment company, where he directed sales activities to the company's top tier accounts including Best Buy, Target and Walmart.

Mr. Gayman received a Bachelor of Arts degree in general studies in 1984 from University of Iowa.

Mr. Gayman has extensive experience with the development and commercialization of software, including sales management positions at several top gaming companies. We believe his background will provide us with invaluable insight into our customers' needs and requirements, and makes him an ideal fit to serve as our Chief Executive Officer, President and Chairman of the Board of Directors.

**Arnold Tinter, Chief Financial Officer, Treasurer, Secretary, Director**

Arnold Tinter was appointed as Director, Chief Financial Officer and Secretary on September 20, 2012. Mr. Tinter founded Corporate Finance Group, Inc., a consulting firm located in Denver, Colorado, in 1992, and is its President. Corporate Finance Group, Inc. is involved in financial consulting in the areas of strategic planning, mergers and acquisitions and capital formation. Mr. Tinter provides Chief Financial Officer ("CFO") services to a number of public companies, including LifeApps Brands Inc., Barfresh Food Group Inc., and Peak Pharmaceuticals, Inc. From 2006 to 2010 Mr. Tinter provided CFO services to Spicy Pickle Franchising, Inc., a public company, where his responsibilities included oversight of all accounting functions, including SEC reporting, strategic planning and capital formation. From May 2001 to May 2003, he served as CFO of Bayview Technology Group, LLC, a privately held company that manufactured and distributed energy-efficient products. From May 2003 to October 2004, he served as that company's Chief Executive Officer. Prior to 1990, Mr. Tinter was Chief Executive Officer of Source Venture Capital, a holding company with investments in the gaming, printing, and retail industries. In addition to the Company, Mr. Tinter currently serves as a director of Barfresh food Group Inc., a public company. Mr. Tinter received a B.S. degree in Accounting in 1967 from C.W. Post College, Long Island University, and is licensed as a certified public accountant in Colorado and New York.

Based upon Mr. Tinter's years of experience as a certified public accountant and a financial consultant as described above, including his service to a number of public companies, we believe that Mr. Tinter has the specific experience, qualifications, attributes and skills necessary to serve as our Chief Financial Officer and a member of our Board of Directors.

**Lawrence Patrick Roan, Director**

Lawrence Patrick Roan is a National Account Manager for Ultra Flex Packaging Corporation in their Southwest region. He has over twenty years of sales and marketing experience in the commercial printing and consumer packaging business.

Mr. Roan was previously with Exopack, LLC, as a National Account Manager for their consumer plastics business. He managed high volume national accounts as well as key developmental market accounts, and was responsible for transitioning customers with multiple manufacturing sites throughout the U.S. He is a graduate of the University of Iowa and resides in Southern California.

## **Howard Fuller, Director**

Howard Fuller was appointed as a member of our Board of Directors on September 20, 2012. Dr. Fuller is a hands-on corporate executive with over 15 years of experience in Business Management Consulting, R&D, NPI and Manufacturing. From 2004 to the present, he served as Chief Executive Officer for Fuller, Jones & Associates, Inc., a company that provides consultancy and analytic services to a variety of industries from startups to fortune 500 companies. Additionally, from 2008 to present, he was the Chief Executive Officer at SECCO2 Engines, Inc., an engine technology company serving the stationary and mobile engine markets. Prior to leading startup companies, Dr. Fuller was a corporate executive at several large organizations including Solectron, SanDisk and Amyris. Dr. Fuller is also an Adjunct Professor at San Jose State University's Engineering Department, has published over 25 papers in leading journals, and has a Ph.D. in Industrial Engineering from the University of Wisconsin-Madison, with an M.S. in Statistics and B.S. in Mathematics.

Dr. Fuller brings to our Board a wealth of experience derived from his services as an executive in various businesses, including technology start-ups. He has demonstrated strong business acumen and ability to exercise sound judgment and has a reputation for integrity, honesty and adherence to ethical standards. Because of these factors, we believe Mr. Fuller has the appropriate qualifications to serve on our Board of Directors.

### **Family Relationships**

There are no family relationships among our Directors or executive officers.

### **Involvement in Certain Legal Proceedings**

None of our directors or executive officers has been involved in any of the following events during the past ten years:

Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);

Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or

Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

### **Board Committees**

The Company currently has not established any committees of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees in the future. We do not have a nominating committee or a nominating committee charter. Further, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, other than as described above, no security holders have made any such recommendations. The entire Board of Directors performs all functions that would otherwise be performed by committees. Given the present size of our board it is not practical for us to have committees. If we are able to grow our business and increase our operations, we intend to expand the size of our board and allocate responsibilities accordingly.

### **Audit Committee Financial Expert**

We have no separate audit committee at this time. The entire Board of Directors oversees our audits and auditing procedures. The Board of Directors has at this time not determined whether any director is an "audit committee financial expert" within the meaning of Item 407(d)(5) for SEC regulation S-K.

## **Board of Directors and Corporate Governance**

Our Board of Directors consists of four (4) members. On the Closing of the September 20, 2012 Merger, Andrew Listerman and Jon Albaugh, members of Pubco's Board of Directors, resigned, and simultaneously therewith, Robert Gayman, Arnold Tinter and Howard Fuller were appointed. Lawrence Patrick Roan was appointed as a member of our Board of Directors on September 15, 2015 to fill the vacancy created by the increase in the size of the Board of Directors to four members, effective as of that date.

### ***Board Independence***

We are not currently listed on any national securities exchange or quoted on an inter-dealer quotation system that has a requirement that certain of the members of the Board of Directors be independent. However, the Board of Directors has made a determination as to which of its members are independent. In evaluating the independence of its members and the composition of the committees of the Board of Directors, the Board utilizes the definition of "independence" developed by the Nasdaq Stock Market and in SEC rules, including the rules relating to the independence standards in audit committee members and the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act.

The Board of Directors expects to continue to evaluate whether and to what extent the members of the Board are independent. The Company intends to appoint persons to the Board who will meet the corporate governance requirements imposed by a national securities exchange. Therefore, the Company expects that a majority of its directors will be independent directors of which at least one director will qualify as an "audit committee financial expert," within the meaning of SEC rules.

We believe that Mr. Fuller is currently an "independent" director as that term is defined by the listing standards of the Nasdaq Stock Market and SEC rules, including the rules relating to the independence standards for audit committee members and the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act.

### **Advisory Board**

LifeApps expects to create and name members to an Advisory Board during our 2016 fiscal year. To better understand the markets we are entering into, and to make sure our products are of the highest quality and relevance to users, LifeApps will invite professional athletes and industry specialists to join an Advisory Board. These individuals will occasionally sit in on Company meetings, visit trade-shows and industry events, and provide their recommendations and advice to the Company. Individuals will be assigned to the Advisory Board for a period of one year, and can be asked to continue serving on the Advisory Board annually.

### **Shareholder Communications**

Currently, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, no security holders have made any such recommendations.

### **Code of Ethics**

We have adopted a written Code of Ethics. We believe that the Code of Ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of our Code of Ethics will be provided to any person requesting same without charge. To request a copy of our Code of Ethics, please make written request to our Chief Executive Officer, c/o LifeApps Brands Inc., Polo Plaza, 3790 Via De La Valle, #116E, Del Mar, CA 92014.

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

Section 16(a) of the Exchange Act requires our directors, officers and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Directors, officers and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely upon our review of the copies of such forms that we received with respect to the fiscal year ended December 31, 2015, we believe that each person who at any time during the fiscal year was a director, officer or beneficial owner of more than 10% of our Common Stock, satisfied their Section 16(a) filing requirements although Robert Gayman and Lawrence Patrick Roan filed reports on a late basis.

**ITEM 11. EXECUTIVE COMPENSATION**

The following table sets forth information concerning the total compensation paid or accrued by us during the fiscal years ended December 31, 2015 and 2014 to (i) all individuals that served as our principal executive officer or acted in a similar capacity for us at any time during the fiscal year ended December 31, 2015; (ii) our two most highly compensated executive officers other than the principal executive officer who were serving as executive officers at the end of the fiscal year ended December 31, 2015 who received annual compensation during the fiscal year ended December 31, 2015 in excess of \$100,000; and (iii) up to two additional individuals who received annual compensation during the fiscal year ended December 31, 2015 in excess of \$100,000 and who were not serving as executive officers of at the end of the fiscal year ended December 31, 2015.

**Summary Compensation Table**

Name & Principal Position	Fiscal Year ended December 31,	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Robert Gayman, CEO	2015	\$ 150,000	0	0	0	0	0	0	\$ 150,000
	2014	\$ 150,000	0	0	0	0	0	0	\$ 150,000

**Employment Agreements**

On September 20, 2012, Robert Gayman, our CEO, entered into an employment contract, the significant terms of which are as follows:

period of employment is twenty-four (24) months and may be automatically extended for annual periods thereafter;

annual base salary of \$150,000 per annum;

annual bonus at such time and in such amount as may be determined by the Board of Directors; and

participation in 2012 Equity Incentive Plan as determined by the Board of Directors.

On September 20, 2015, the employment period under Mr. Gayman's employment contract automatically renewed until September 20, 2016.

**Outstanding Equity Awards at Fiscal Year Ended December 31, 2015**

Pursuant to the 2012 Equity Incentive Plan, on December 24, 2012, the Board of Directors authorized the issuance of 56,667 3-year options to purchase shares of our common stock to Robert Gayman our Chief Executive Officer and 16,667 3-year options to Arnold Tinter our Chief Financial Officer. One third of the options vested on that date and one third vested on each of the six month and one year anniversaries of the date of grant. The exercise price of the options was equal to the fair value of our common stock on the date of grant.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information with respect to the beneficial ownership of our common stock as of April 14, 2016, by (i) each stockholder known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors and executive officers, and (iii) all of our directors and executive officers as a group. Our only class of voting securities is our common stock. To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement. To our knowledge, there are no pending arrangements, including any pledges by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Unless otherwise indicated in the following table, the address for each person named in the table is c/o LifeApps Brands Inc., 10636 Scripps Summit Court Suite 166, San Diego, CA 92131.

Title of Class: Common Stock

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership<sup>(1)</sup></b>	<b>Percentage of Class<sup>(2)</sup></b>
Robert Gayman	4,289,999 <sup>(2)</sup>	21.48%
Arnold Tinter	73,333 <sup>(3)</sup>	*%
Howard Fuller	26,667 <sup>(4)</sup>	*
Lawrence Patrick Roan	5,661,025	28.48
All directors and executive officers as a group (3 persons)	10,051,024	50.40%

\*Less than 1%

Except as otherwise indicated, the persons named in this table have sole voting, investment and dispositive power with respect to all shares of common stock listed, which includes shares of common stock that such persons have the right to acquire within 60 days from April 14, 2016.

(1) Percentages are based upon 19,918,186 shares of our common stock outstanding as of April 14, 2016.

(2) Includes 56,667 shares of our common stock that may be issued to Mr. Gayman within 60 days upon exercise of incentive stock options granted under our 2012 Equity Incentive Plan.

(3) Includes 6,667 shares of our common stock that may be issued to Mr. Tinter within 60 days upon exercise of incentive stock options granted under our 2012 Equity Incentive Plan.

(4) Includes 6,667 shares of our common stock that may be issued to Mr. Fuller within 60 days upon exercise of incentive stock options granted under our 2012 Equity Incentive Plan.

**Securities Authorized for Issuance Under Equity Compensation Plans**

On September 10, 2012, our Board of Directors and stockholders owning a majority of our outstanding shares adopted our 2012 Equity Incentive Plan. A total of 666,667 shares of our common stock were originally reserved for issuance under the 2012 Plan but effective December 31, 2015, this amount was increased to 20,000,000 (post-split basis). If an incentive award granted under the 2012 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2012 Plan.

## Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2015, with respect to the shares of common stock that may be issued under our existing equity compensation plans:

<b>Plan Category</b>	<b>Number of shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-Average exercise price of outstanding options, warrants and rights</b>	<b>Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)</b>
Equity compensation plans approved by security holders	615,000	\$ 0.57	19,385,000
Equity compensation plans not approved by securities holders	—	—	—
<b>Total</b>	<b>615,000</b>	<b>0.57</b>	<b>19,385,000</b>

As of December 31, 2015, we have authorized for issuance stock options under the 2012 Plan to employees to purchase an aggregate of 20,000,000 (post-split basis) shares of our common stock. Of these 2012 Plan options, (i) three-year options for 133,333 shares, with an exercise price of \$1.05 per share, have been granted and (ii) three-year options for 265,000 shares, with an exercise price of \$0.57 per share, have been granted. During the year ended December 31, 2015 an aggregate of 90,000 expired.

See “Executive Compensation” for information regarding individual equity compensation arrangements received by our executive officers pursuant to their employment agreements with us.

### 2012 Equity Incentive Plan

The Board of Directors and stockholders owning a majority of our outstanding shares adopted the 2012 Equity Incentive Plan (the “2012 Plan”) on September 10, 2012. A total of 20,000,000 shares of our common stock are reserved for issuance under the 2012 Plan. If an incentive award granted under the 2012 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2012 Plan.

Shares issued under the 2012 Plan through the settlement, assumption or substitution of outstanding awards or obligations to grant future awards as a condition of acquiring another entity are not expected to reduce the maximum number of shares available under the 2012 Plan. In addition, the number of shares of common stock subject to the 2012 Plan and the number of shares and terms of any incentive award are expected to be adjusted in the event of any stock dividend, spin-off, split-up, stock split, reverse stock split, recapitalization, reclassification, merger, consolidation, liquidation, business combination or exchange of shares or similar transaction.

### Administration

It is expected that the compensation committee of the Board, or the Board in the absence of such a committee, will administer the 2012 Plan. Subject to the terms of the 2012 Plan, the compensation committee would have complete authority and discretion to determine the terms of awards under the 2012 Plan.

### ***Eligible Recipients***

Any officer or other employee of the Company or its affiliates, or an individual that the Company or an affiliate has engaged to become an officer or employee, or a consultant or advisor who provides services to the Company or its affiliates, including a non-employee director of the Board, is eligible to receive awards under the 2012 Plan.

### ***Grants***

The 2012 Plan authorizes the grant to eligible recipients of nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") and stock appreciation rights, as described below:

Options granted under the 2012 Plan entitle the grantee, upon exercise, to purchase a specified number of shares from us at a specified exercise price per share. The exercise price for shares of common stock covered by an option cannot be less than the fair market value of the common stock on the date of grant unless agreed to otherwise at the time of the grant. Such awards may include vesting requirements.

Restricted stock awards and restricted stock units may be awarded on terms and conditions established by the compensation committee, which may include performance conditions for restricted stock awards and the lapse of restrictions on the achievement of one or more performance goals for restricted stock units.

The compensation committee may make performance grants, each of which will contain performance goals for the award, including the performance criteria, the target and maximum amounts payable, and other terms and conditions.

Stock awards are permissible. The compensation committee will establish the number of shares of common stock to be awarded and the terms applicable to each award, including performance restrictions.

Stock appreciation rights or SARs, entitle the participant to receive a distribution in an amount not to exceed the number of shares of common stock subject to the portion of the SAR exercised multiplied by the difference between the market price of a share of common stock on the date of exercise of the SAR and the market price of a share of common stock on the date of grant of the SAR.

### ***Duration, Amendment, and Termination***

The Board may amend, suspend or terminate the 2012 Plan without stockholder approval or ratification at any time or from time to time. No change may be made that increases the total number of shares of common stock reserved for issuance pursuant to incentive awards or reduces the minimum exercise price for options or exchange of options for other incentive awards, unless such change is authorized by our stockholders within one year. Unless sooner terminated, the 2012 Plan terminates ten years after it is adopted.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Transactions Involving LFAP and/or LFAP Stockholders**

#### ***Employment Agreement***

On September 20, 2012, Robert Gayman, our CEO, entered into an employment contract, the significant terms of which are as follows:

period of employment is twenty-four (24) months, which may be extended for additional annual periods;

annual base salary of \$150,000 per annum;

annual bonus at such time and in such amount as may be determined by the Board of Directors; and

participation in 2012 Equity Incentive Plan as determined by the Board of Directors.

On September 20, 2015, Mr. Gayman's employment contract was automatically renewed until September 20, 2016.

During the year ended December 31, 2015, Mr. Gayman advanced the Company \$33,740 to pay operating expenses and was reimbursed \$12,300. In addition, he did not receive \$150,000 of his salary, which has been accrued on the Company's financial statements.

#### Director Independence

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be "independent" and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of "Independent Directors."

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

##### Audit Fees

Fee Category	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2014
Audit fees (1)	\$ 25,581	\$ 44,199
Audit-related fees (2)	-	-
Tax fees (3)	-	-
All other fees (4)	-	-
Total fees	\$ 25,581	\$ 44,199

(1) Audit fees consist of fees incurred for professional services rendered for the audit of consolidated financial statements, for reviews of our interim consolidated financial statements included in our quarterly reports on Form 10-Q and for services that are normally provided in connection with statutory or regulatory filings or engagements.

(2) Audit-related fees consist of fees billed for professional services that are reasonably related to the performance of the audit or review of our consolidated financial statements, but are not reported under "Audit fees."

(3) Tax fees consist of fees billed for professional services relating to tax compliance, tax planning, and tax advice.

(4) All other fees consist of fees billed for all other services.

##### Audit Committee's Pre-Approval Practice

Prior to our engagement of our independent auditor, such engagement was approved by our board of directors. The services provided under this engagement may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Pursuant our requirements, the independent auditors and management are required to report to our board of directors at least quarterly regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. Our board of directors may also pre-approve particular services on a case-by-case basis. All audit-related fees, tax fees and other fees incurred by us for the year ended December 31, 2012, were approved by our board of directors.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

**Financial Statements**

See Index to Financial Statements immediately following the signature page of this report.

**Financial Statement Schedules**

All financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

**Exhibits**

In reviewing the agreements included as exhibits to this Form 10-K, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Form 10-K and the Company's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

The following exhibits are included as part of this report:

<b>Exhibit No.</b>	<b>SEC Report Reference No.</b>	<b>Description</b>
2.1	2.1	Agreement and Plan of Merger and Reorganization dated as of September 20, 2012 by and among Registrant, LifeApps Acquisition Corp., and LifeApps Inc. (1)
2.2	2.2	Articles of Merger dated as of September 20, 2012 for the merger of LifeApps Acquisition Corp. into LifeApps Inc. (1)
2.3	2.1	Asset Acquisition Agreement Among the Registrant, LifeApps Inc. and Edward D. Laffey dated March 29, 2013 (4)
3.1	3.1	Amended and Restated Certificate of Incorporation of Registrant dated August 23, 2012 (1)
3.2	3.1	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Registrant dated December 31, 2015 (7)
3.3	3.2	Amended and Restated By-Laws of the Registrant (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 29, 2012 (2)
4.1	4.1	Form of Investor Warrant issued the investors in the September 2012 Private Placement Offering (1)

<b>Exhibit No.</b>	<b>SEC Report Reference No.</b>	<b>Description</b>
10.1	10.1	Split-Off Agreement, dated as of September 20, 2012, by and among the Registrant, Prime Time Travel Split Corp., and Andrew Listerman (1)
10.2	10.2	General Release Agreement, dated as of September 20, 2012, by and among the Registrant, Prime Time Travel Split Corp. and Andrew Listerman (1)
10.3	10.3	Form of Subscription Agreement between Registrant and the investors in the Private Placement Offering (1)
10.4	10.4	Subscription Escrow Agreement dated August 27, 2012, by and among the Registrant and Gottbetter & Partners, LLP (1)
10.5	10.5	Employment Agreement dated September 20, 2012 between Registrant and Robert R. Gayman (1)
10.6	10.6	Registrant's 2012 Equity Incentive Plan (1)
10.7	10.7	Form of Lock-Up Agreement (1)
10.8	10.8	Mobile App Agreement between LifeApps and Rachel Buehler dated May 7, 2012 (1)
10.9	10.9	Debt Conversion Agreement by and between the Registrant and Robert Gayman dated March 25, 2015 (6)
14.1	14.1	Code of Ethics (1)
16.1	16.1	Letter, dated November 5, 2012, from Li & Company, P.C. (3)
16.2	16.2	Letter dated September 17, 2014, from Eide Bailly LLP (5)
21.1	*	List of Subsidiaries
31.1	*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	*	Certifications 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	*	Certifications 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 Schema Document***
101.CAL	*	XBRL Calculation Linkbase Document***
101.DEF	*	XBRL Definition Linkbase Document***
101.LAB	*	XBRL Label Linkbase Document***
101.PRE	*	XBRL Presentation Linkbase Document***

\* Filed/Furnished herewith.

\*\* 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 if and to the extent that the Registrant specifically incorporates it by reference.

\*\*\* This XBRL exhibit 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.

- (1) Filed with the Securities and Exchange Commission on September 25, 2012 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated September 20, 2012, which exhibit is incorporated herein by reference.
- (2) Filed with the Securities and Exchange Commission on March 29, 2012 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated March 29, 2012, which exhibit is incorporated herein by reference.
- (3) Filed with the Securities and Exchange Commission on November 6, 2012 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated October 31, 2012, which exhibit is incorporated herein by reference.
- (4) Filed with the Securities and Exchange Commission on April 4, 2013 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated March 29, 2013, which exhibit is incorporated herein by reference.
- (5) Filed with the Securities and Exchange Commission on September 19, 2014 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated September 15, 2014, which exhibit is incorporated herein by reference
- (6) Filed with the Securities and Exchange Commission on April 3, 2015 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated March 25, 2015, which exhibit is incorporated herein by reference
- (7) Filed with the Securities and Exchange Commission on January 7, 2016 as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated December 31, 2015, which exhibit is incorporate herein by reference.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**LIFEAPPS BRAND INC.**

Dated: April 14, 2016

By: /s/ Robert Gayman

Name: Robert Gayman

Title: Chief Executive Officer

Dated: April 14, 2016

By: /s/ Arnold Tinter

Name: Arnold Tinter

Title: Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Robert Gayman</u> Robert Gayman	Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors	April 14, 2016
<u>/s/ Arnold Tinter</u> Arnold Tinter	Chief Financial Officer (Principal Financial and Accounting Officer)	April 14, 2016
<u>/s/ Howard Fuller</u> Howard Fuller	Director	April 14, 2016

LIFEAPPS BRAND INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Reports of Independent Registered Public Accounting Firms	F-2, F-3
<a href="#">Consolidated Balance Sheets as of December 31, 2015 and 2014</a>	F-4
<a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2015 and 2014</a>	F-5
<a href="#">Consolidated Statements of Equity for the period from January 1, 2012 through December 31, 2015</a>	F-6
<a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2015 and 2014</a>	F-7
<a href="#">Notes to Consolidated Financial Statements</a>	F-8

**PRITCHETT, SILER & HARDY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
1438 N. HIGHWAY 89 STE. 130  
FARMINGTON, UTAH 84025

(801) 447-9572 FAX (801) 447-9578

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders  
LifeApps Brands Inc. (formerly LifeApps Digital Media Inc.)  
Del Mar, CA

We have audited the accompanying consolidated balance sheets of LifeApps Brands Inc. (formerly LifeApps Digital Media Inc.) as of December 31, 2015 and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LifeApps Brands Inc. (formerly LifeApps Digital Media Inc.) as of December 31, 2015 and the consolidated results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ Pritchett, Siler & Hardy, P.C.*

Pritchett, Siler & Hardy, P.C.  
Farmington, Utah  
April 14, 2016



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders  
LifeApps Digital Media Inc.  
10636 Scripps Summit Court, Suite 148  
San Diego, CA 92131

We have audited the accompanying consolidated balance sheet of LifeApps Digital Media Inc. and subsidiaries (collectively the "Company") as of December 31, 2014, and the related consolidated statements of operations, movement in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LifeApps Digital Media Inc. and subsidiaries as of December 31, 2014, and the results of their operations and their cash flows for each of the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements the Company has suffered losses and negative cash flow from operations which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Cutler & Co.

Wheat Ridge, CO 80033  
April 15, 2015

LifeApps Brands Inc.  
(formerly: LifeApps Digital Media, Inc.)  
Consolidated Balance Sheets  
December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 4,968	\$ 19,941
Accounts receivable	-	3,652
Other current assets	940	345
Total current assets	5,908	23,938
Fixed assets, net of depreciation	649	3,206
Intangible asset, net of amortization	10,274	46,069
Total Assets	<u>\$ 16,831</u>	<u>\$ 73,213</u>
<b>Liabilities and Stockholders' (Deficit)</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 126,871	\$ 120,893
Amounts due to related parties	329,554	166,364
Total current liabilities	456,425	287,257
Convertible notes payable, net of debt discount	-	10,120
Derivative liability on long term convertible note payable	-	63,564
Total liabilities	<u>456,425</u>	<u>360,941</u>
Stockholders' (Deficit)		
Preferred stock, \$.001 par value, 10,000,000 shares authorized none issued or outstanding	-	-
Common stock, \$.001 par value, 500,000,000 shares authorized, 19,918,186 and 6,102,000 shares issued and outstanding, as of December 31, 2015 and 2014, respectively	19,918	6,102
Additional paid in capital	2,063,244	1,613,158
Accumulated (deficit)	(2,522,756)	(1,906,988)
Total stockholders' (deficit)	<u>(439,954)</u>	<u>(287,728)</u>
Total Liabilities and Stockholders' (Deficit)	<u>\$ 16,831</u>	<u>\$ 73,213</u>

See the accompanying notes to the consolidated financial statements

LifeApps Brands Inc.  
(formerly: LifeApps Digital Media, Inc.)  
Consolidated Statements of Operations  
For the Years Ended December 31, 2015 and 2014

	2015	2014
Revenue	\$ 139,660	\$ 325,756
Cost of revenue	115,600	273,137
Gross profit (loss)	<u>24,060</u>	<u>52,619</u>
Operating expenses:		
General and administrative	302,969	459,571
Depreciation and amortization	38,352	38,667
Total operating expenses	<u>341,321</u>	<u>498,238</u>
Operating loss	(317,261)	(445,619)
Other (income) and expenses:		
Inventory write-down	-	96,492
Change in derivative liability	138,619	(12,683)
Financing related costs – related parties	110,962	-
Interest (income) expense, net	48,926	138,667
Total other (income) and expense	<u>298,507</u>	<u>222,476</u>
Loss before income taxes	(615,768)	(668,095)
Provision for income taxes	-	-
Net (loss)	<u>\$ (615,768)</u>	<u>\$ (668,095)</u>
Per share information - basic and fully diluted:		
Weighted average shares outstanding	<u>13,072,129</u>	<u>5,190,605</u>
Net (loss) per share	<u>\$ (0.05)</u>	<u>\$ (0.13)</u>

See the accompanying notes to the consolidated financial statements

LifeApps Brands Inc.  
(formerly: LifeApps Digital Media, Inc.)  
Consolidated Statement of Stockholders' Equity (Deficit)  
For the Years Ended December 31, 2015 and 2014

	Common Stock		Additional Paid in capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2014	5,066,667	\$ 5,067	\$ 1,419,551	\$ (1,238,893)	\$ 185,725
Equity based compensation	-	-	14,876	-	14,876
Conversion of debt	1,035,333	1,035	178,731	-	179,766
Net loss for the year ended December 31, 2014	-	-	-	(668,095)	(668,095)
Balance, December 31, 2014	6,102,000	6,102	1,613,158	(1,906,988)	(287,728)
Conversion of debt – convertible debt	6,508,500	6,508	260,182	-	266,690
Conversion of debt – related party	7,307,686	7,308	189,904	-	197,212
Net loss for the year ended December 31, 2015	-	-	-	(615,768)	(615,768)
Balance, December 31, 2015	19,918,186	\$ 19,918	\$ 2,063,244	\$ (2,522,756)	\$ (439,594)

See the accompanying notes to the consolidated financial statements

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2015 and 2104

	2015	2014
Cash flow from operating activities:		
Net income (loss)	\$ (615,768)	\$ (668,095)
Adjustments to reconcile net income (loss ) to net cash used in operating activities		
Depreciation	2,557	2,557
Amortization	35,795	36,110
Equity based compensation	-	14,876
Financing related costs – convertible debt	193,007	118,450
Financing related costs – related party	110,961	-
Write-down of inventory	-	96,492
Officer salary accrual	150,000	150,000
Changes in operating assets and liabilities:		
Accounts receivable	3,652	(399)
Inventory	-	42,460
Other current assets	(595)	3,127
Accounts payable	5,977	42,610
Net cash used in operations	<u>(114,414)</u>	<u>(161,812)</u>
Cash flow from financing activities:		
Issuance of convertible notes for cash	-	135,000
Shareholders advances	111,740	36,877
Shareholder repayment	(12,300)	(27,000)
Net cash(used) provided by financing activities	<u>99,440</u>	<u>144,877</u>
Net (decrease) increase in cash	(14,974)	(16,935)
Cash at beginning of period	19,941	36,876
Cash at end of period	<u>\$ 4,968</u>	<u>\$ 19,941</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash financing activities:		
Conversion of notes payable to common stock	<u>\$ 96,054</u>	<u>\$ 72,156</u>
Conversion of related party loans to common stock	<u>\$ 86,250</u>	<u>\$ -</u>

See the accompanying notes to the consolidated financial statements.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**Note 1. Nature of Business**

Throughout this report, the terms “our,” “we,” “us,” and the “Company” refer to LifeApps Brands Inc., including its subsidiaries.

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.

During October 2015 the Company’s Board of Directors adopted the following resolutions regarding the name and capital structure of the Company:

- (i) to change the name of the Corporation to LifeApps Brands Inc.;
- (ii) to increase the number of authorized shares of capital stock of the Corporation to 510,000,000 shares (500,000,000 shares of common stock, par value \$0.001 per share, and 10,000,000 shares of “blank check” preferred stock, par value \$0.001 per share); and
- (iii) to reduce the number of outstanding shares of the Corporation’s common stock by means of one-for-fifteen (1:15) reverse stock split (the “Reverse Stock Split”); and
- (iv) to increase the number of shares issuable under the LifeApps Digital Media Inc. 2012 Equity Incentive Plan from 10,000,000 to 20,000,000, on a post-Reverse Stock Split basis.

These changes became effective during the quarter ended December 31, 2015. The changes have been reflected in the foregoing financial statements and notes thereto as if the exchange had occurred in the earliest period presented.

**Note 2. Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (“GAAP”), which contemplates our continuation as a going concern. We have incurred losses to date of 2,522,756. 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.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

*Financial Instruments*

The estimated fair values for financial instruments were determined at discrete points in time based on relevant market information. These estimates involved uncertainties and could not be determined with precision. The carrying amounts of accounts receivable, accounts payable and accrued liabilities approximated fair value because of the short-term maturities of these instruments. The fair value of notes payable approximated to their carrying value as generally their interest rates reflected our effective annual borrowing rate.

*Fair Value Measurements:*

ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

Our financial instruments consist of cash, short-term trade receivables, prepaid expenses, payables, accruals and convertible notes payable. The carrying values of cash and cash equivalents, short-term trade receivables, prepaid expenses, payables, and accruals approximate fair value because of the short term maturities of these instruments.

*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. As of the year ended December 31, 2015 all of our accounts receivable were fully reserved. Bad debt expense for the years ended December 31, 2015 and 2014 amounted to \$3,812 and \$10,439, respectively.

*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 Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic 350 *Intangibles – Goodwill and Other* ("ASC 350"), the costs to obtain and register internet domain names were capitalized.

*Fixed Assets*

Fixed assets consists of furniture and equipment and 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 3 years.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

*Derivative Financial Instruments:*

We do not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, we used a Black Scholes valuation model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

*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 years ended December 31, 2015 and 2014. Research and development expenses amounted to \$7,797 and \$14,237 for years ended December 31, 2015 and 2014, respectively. Research and development expenses were included in general and administrative expenses.

*Advertising Costs*

We recognize advertising expense when incurred. Advertising expense was \$4,388 and \$38,475 for the years ended December 31, 2015 and 2014, respectively.

*Rent Expense*

We recognize 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 was \$6,751 and \$6,830 for the years ended December 31, 2015 and 2014, 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.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

*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 years ended December 31, 2015 and 2014 we did not have any interest, penalties or any significant unrecognized uncertain tax positions.

*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 diluted earnings per share were not calculated because we recorded net losses for the years ended December 31, 2015 and 2014, and the outstanding stock options and warrants are anti-dilutive.

*Recent Pronouncements*

From time to time, new accounting pronouncements are issued that we adopt as of the specified effective date. We believe that the impact of recently issued standards that are not yet effective may have an impact on our results of operations and financial position.

ASU Update 2014-09 Revenue from Contracts with Customers (Topic 606) issued May 28, 2014 by FASB and IASB converged guidance on recognizing revenue in contracts with customers on an effective date after December 31, 2017 will be evaluated as to impact and implemented accordingly.

ASU Update 2014-15 Presentation of Financial Statements-Going Concern (Sub Topic 205-40) issued August 27, 2014 by FASB defines managements responsibility to evaluate whether there is a substantial doubt about an organizations ability to continue as a going concern. The additional disclosure required is effective after December 31, 2015 and will be evaluated as to impact and implemented accordingly.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Cost* . The guidance requires an entity to present debt issuance costs in the balance sheet as a direct reduction from the carrying amount of the debt liability, consistent with debt discounts, rather than as an asset. Amortization of debt issuance costs will continue to be reported as interest expense. Debt issuance costs related to revolving credit arrangements, however, will continue to be presented as an asset and amortized ratably over the term of the arrangement. ASU 2015-03 is effective for reporting periods beginning after December 15, 2015 including interim periods within those annual periods. Early application is permitted, and upon adoption, ASU 2015-03 should be applied on a retrospective basis.

In July 2015, the FASB issued ASU 2015-11, *Inventory*, which simplifies the measurement principle of inventories valued under the First-In, First-Out ("FIFO") or weighted average methods from the lower of cost or market to the lower of cost and net realizable value. ASU 2015-11 is effective for reporting periods beginning after December 15, 2016 including interim periods within those annual periods. We do not expect the standard to have a material impact on our Consolidated Financial Statements.

LifeApps Brands Inc.  
 (formerly LifeApps Digital Media, Inc.)  
 Notes to Consolidated Financial Statements  
 December 31, 2015 and 2014  
 (Continued)

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, which requires that deferred tax assets and liabilities be classified as noncurrent on the consolidated balance sheet. ASU 2015-17 is effective for annual periods beginning after December 15, 2016, including interim periods within those annual periods. Early adoption is permitted as of the beginning of an interim or annual reporting period. Upon adoption, ASU 2015-17 may be applied either prospectively or retrospectively. We do not expect the adoption of this guidance to have a material impact on our Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, to improve financial reporting about leasing transactions. This ASU will require organizations that lease assets ("lessees") to recognize a lease liability and a right-of-use asset on its balance sheet for all leases with terms of more than twelve months. A lease liability is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset represents the lessee's right to use, or control use of, a specified asset for the lease term. The amendments in this ASU simplify the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. This ASU leaves the accounting for the organizations that own the assets leased to the lessee ("lessor") largely unchanged except for targeted improvements to align it with the lessee accounting model and Topic 606, Revenue from Contracts with Customers.

The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. The Company is evaluating the potential impact of ASU 2016-02 on its Consolidated Financial Statements.

**Note 3. Fixed Assets**

At December 31, 2015 and 2014, fixed assets consisted of the following:

	2015	2014
Furniture and Equipment	\$ 7,670	\$ 7,670
Less accumulated depreciation	(7,021))	(4,464)
	<u>\$ 649</u>	<u>\$ 3,206</u>

The amount charged to depreciation expense furniture and equipment was \$2,557 for each of the years ended December 31, 2015 and 2014.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

**Note 4. Intangible Assets**

At December 31, 2015 and 2014, intangible assets consist of the following:

	2015	2014
Internet domain names	\$ 58,641	\$ 58,641
Less accumulated amortization	(55,062)	(38,851)
	<u>\$ 3,580</u>	<u>\$ 19,790</u>
Website and data bases	\$ 56,050	\$ 56,050
Less accumulated amortization	(51,380)	(32,696)
	<u>\$ 4,670</u>	<u>\$ 23,354</u>
Customer and supplier lists	\$ 4,500	\$ 4,500
Less accumulated amortization	(2,475)	(1,575)
	<u>\$ 2,025</u>	<u>\$ 2,925</u>
Total intangibles	\$ 119,191	\$ 119,191
	(108,917)	(73,123)
	<u>\$ 10,274</u>	<u>\$ 46,069</u>

We recognized goodwill and identifiable intangibles arising from the allocation of the purchase prices of assets acquired in accordance with ASC 805. Goodwill represents the excess of cost over fair value of all identifiable assets less any liabilities assumed. We have not recognized any goodwill in these financial statements. Additionally, ASC 805 gives guidance on five types of assets: marketing-related, customer-related, artistic-related, contract-related, and technology based intangible assets. We identified identifiable intangibles that are marketing-related, customer-related, and technology based.

The amount charged to amortization expense for all intangibles was \$35,795 and \$36,110 for the years ended December 31, 2015 and 2014, respectively.

Estimated future amortization expense related to the intangibles as of December 31, 2015 is as follows:

Year Ended December 31,	
2016	9,149
2017	900
2018	225
	<u>\$ 10,274</u>

**Note 5. Amounts Due Related Parties**

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 cash advances, salary accruals and 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 December 31, 2015 and 2014, was \$329,554 and \$166,364, respectively. Salary accruals for each year amounted to \$150,000 and net cash advances amounted to \$99,440 and \$9,877, respectively for the years ended December 31, 2015 and 2014.

On March 25, 2015, we entered into a debt conversion agreement with our CEO and principal stockholder. The agreement provided the CEO with the right to convert \$31,250 owed to him for working capital loans made to the Company for 1,666,667 restricted shares of our common stock. The conversion price was based on the following formula - equal to the lesser of \$1 .02 or 60% of the lowest trade price (\$0.0025) in the 25 trading days previous to the conversion. (In the event that Conversion Shares are not deliverable by DWAC, an additional 10% discount shall apply; if the shares are ineligible for deposit into the DTC system and only eligible for Xclearing deposit, an additional 5% discount shall apply; and in the case of both, an additional cumulative 15% discount shall apply.) The conversion price as calculated was \$0.01875 per share (post-split basis). We recognized a loss on conversion of \$47,500, the difference between the conversion price and the closing trading price on the date of the conversion.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

On September 15, 2015, we entered into a debt conversion agreement with a director and stockholder. Between August 6, 2014 and September 10, 2015, the director loaned the Company a total of \$55,000 (the "Loan Amount") for working capital purposes. On September 15, 2015, the Board resolved that the director be granted the right to convert the Loan Amount into 5,641,026 shares (the "Conversion Shares") of the Company's common stock in accordance with the provisions of the Debt Conversion Agreement. The conversion price used to calculate the number of Conversion Shares was set at \$0.00975 (post-split basis) based on the following formula: the conversion price will be equal to the lesser of \$1.02 or 60% of the lowest trade price in the 25 trading days prior to the conversion. Because the Conversion Shares are not deliverable by DWAC, an additional 10% discount applies to the calculation. Following issuance of the Conversion Shares, the director owns 28.3% of the 19,918,186 outstanding shares of the Company's common stock. We recognized a loss on conversion of \$63,462, the difference between the conversion price and the closing trading price on the date of the conversion.

The maximum amount owed to related parties during the years ended December 31, 2015 and 2014 were \$329,554 and \$166,364 respectively.

**Note 6. Convertible Notes Payable**

During 2014, we executed a Promissory Note (the "Note") and received three draws totaling \$135,000. The Note is due March 17, 2016 and provides for an original issue discount of \$15,185, which will be amortized over 24 months, and face interest rate of 12% per annum. 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 into shares of our common stock. 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.

We evaluated the terms of the conversion features of the convertible debenture in accordance with ASC Topic No. 815 - 40, Derivatives and Hedging - Contracts in Entity's Own Stock and determined it is indexed to the Company's common stock and that the conversion features meet the definition of a liability and therefore bifurcated the conversion feature and accounted for it as a separate derivative liability.

We valued the conversion feature at origination of all draws at \$230,408 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 1.25 to 2 years to maturity, risk free interest rate of 0.38% to 0.58% and annualized volatility of 97.34% to 146%. \$135,000 of the value assigned to the derivative liability was recognized as a debt discount on the convertible debenture. The debt discount was recorded as reduction (contra-liability) to the convertible debenture and is being amortized over the life of the convertible debenture. The balance of \$95,408 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination.

We valued the derivative liability and at the end of each accounting period the difference in value is recognized as gain or loss. At June 30, 2015 (the final accounting period during which the liability was outstanding), we determined the valuation using the Black-Scholes valuation model with the following assumptions: dividend yield of zero, 0.96 years to maturity, risk free interest rate of 0.56% and annualized volatility of 167%. We recognized \$138,619 of expense and \$12,683 of income for the change in value of the derivative for the years ended December 31, 2015 and 2014, respectively.

During the year ended December 31, 2015, the lender converted \$96,054 of the principal and accrued interest of the Note into 6,508,500 shares of our \$0.001 par value common stock and, as a result of this conversion, the Note along with accrued interest has been repaid in full and is no longer outstanding. During 2014, the Lender converted \$72,156 of the principal of the Note into 1,035,333 shares of our \$0.001 common stock.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

The balance at December 31, 2014 was comprised of:

Convertible notes payable	\$ 78,029
Unamortized original issue discount and debt discount	(67,909)
	<u>\$ 10,120</u>

Interest expense for the year ended December 31, 2015 was \$48,926 and includes \$8,671 of amortization of original issue discount, \$29,964 of amortization of debt discount, and \$10,293 of accrued interest. Interest expense for the year ended December 31, 2014 was \$138,667 and includes origination interest on the derivative liability of \$95,408, \$4,271 of amortization of original issue discount, \$31,452 of amortization of debt discount, and \$7,536 of accrued interest.

**Note 7. Stockholders' Equity**

During the year ended December 31, 2015 we issued 13,816,186 shares of common stock as a result of conversion of debt. As more fully described in Notes 5 and 6 above, of the shares issued, 6,508,500 were to an unrelated note holder and 7,307,686 were to officers and/or directors of the Company.

During the year ended December 31, 2014, the holder of the convertible note converted \$72,156 of the principal. The note was converted into 1,035,333 shares of our \$0.001 par value common stock. The conversion was valued at \$179,766, based on the relative amount of the conversion as compared to the Original Issue Discount, the debt discount and the derivative liability value. We recorded \$1,035 as common stock and additional paid in capital \$178,731.

In addition, \$14,876 in equity based compensation expense for the year ended December 31, 2014 was credited to additional paid in capital.

**Note 8. 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 provided for the issuance of up to 666,667 shares of our common stock. During October 2015 the Board of Directors amended the plan to increase the number of shares issuable under the LifeApps Digital Media Inc. 2012 Equity Incentive Plan to 20,000,000, on a post-Reverse Stock Split basis. 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 418,333 shares of our common stock. Subsequent to the grant 20,000 options were cancelled. All options were granted prior to the year ended December 31, 2015. The options vested from three months to one year. The option all had a term of three years. 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 and non-employees for the year ended December 31, 2014 was \$14,876. There was no stock based compensation expense recorded for the year ended December 31, 2015 as the options were fully vested during 2014.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

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

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding January 1, 2015	330,000	\$ 0.705	-	-
Granted	-	\$ -	-	-
Exercised	-	\$ -	-	-
Cancelled	90,000	\$ 1.05	-	-
Outstanding December 31, 2015	<u>240,000</u>	<u>\$ 0.57</u>	<u>.43</u>	<u>-</u>
Exercisable December 31, 2015	<u>240,000</u>	<u>\$ 0.57</u>	<u>.43</u>	<u>-</u>

There will be no additional compensation expense recognized in future periods.

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

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value at date of grant</u>
Outstanding January 1, 2015	1,025,000	\$ 0.87	-	-
Granted	-	\$ -	-	-
Exercised	-	\$ -	-	-
Cancelled	650,000	\$ .07	-	-
Outstanding December 31, 2015	<u>375,000</u>	<u>\$ 0.57</u>	<u>.43</u>	<u>\$ -</u>
Exercisable December 31, 2015	<u>375,000</u>	<u>\$ 0.57</u>	<u>.43</u>	<u>\$ -</u>

There will be no additional compensation expense recognized in future periods.

**Note 9. Outstanding Warrants**

There were no warrants issued during the years ended December 31, 2015 or 2014. The following is a summary of outstanding warrants as of December 31, 2015:

	<u>Number of warrants</u>	<u>Exercise price per share</u>	<u>Average remaining term in years</u>	<u>Aggregate intrinsic value at date of grant</u>
Warrants issued in connection with private placement of units in 2012	<u>400,000</u>	<u>\$ 15.00</u>	<u>2.28</u>	<u>\$ -</u>

The warrants expire on September 20, 2017.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

**Note 10. Income Taxes**

Income tax provision (benefit) for the years ended December 31, 2015 and 2014, is summarized below:

	2015	2014
Current:		
Federal	\$ -	\$ -
State	-	-
Total current	-	-
Deferred:		
Federal	(139,000)	(149,500)
State	(22,500)	(24,200)
Total deferred	(161,500)	(173,700)
Increase in valuation allowance	161,500	173,700
Total provision	\$ -	\$ -

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences as of December 31, 2015 and 2014 are as follows:

	2015	2014
Income tax provision at the federal statutory rate	34.0%	34.0%
State income taxes, net of federal benefit	5.5%	5.5%
Increase in valuation allowance	(39.5)%	(39.5)%
	0.0%	0.0%

Components of the net deferred income tax assets at December 31, 2015 and 2014 were as follows:

	2015	2014
Net operating loss carryovers	\$ 501,100	\$ 339,600
Valuation allowance	(501,100)	(339,600)
	\$ -	\$ -

In accordance with ASC 740, at December 31, 2015 we determined that a valuation allowance should be recognized against deferred tax assets because, based on the weight of available evidence, it is more likely than not (i.e., greater than 50% probability) that some portion or all of the deferred tax asset will not be realized in the future. We recognized a reserve of 100% of the amounts of the deferred tax benefit in the amount of \$663,700.

As of December 31, 2015 we had cumulative net operating loss carry forwards of \$1,268,500 which expire from 2032 through 2035.

There are open statutes of limitations for taxing authorities in federal and state jurisdictions to audit our tax returns from 2010 through the current period. Our policy is to account for income tax related interest and penalties in income tax expense in the consolidated statement of operations. There have been no income tax related interest or penalties assessed or recorded.

LifeApps Brands Inc.  
(formerly LifeApps Digital Media, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 2015 and 2014  
(Continued)

**Note 11. Business Segments**

We currently have two business segments; (i) the sale of physical products (“Products”) and (ii) digital publishing (“Publishing”). 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.

No customers accounted for more than 10% of our revenues in the years ended December 31, 2015 and 2014.

**Note 12. 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.

LIST OF SUBSIDIARIES

LifeApps Inc.

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## CERTIFICATIONS

I, Robert Gayman, certify that:

1. I have reviewed this Annual Report on Form 10-K of LifeApps Brand 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 officers 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 most recent fiscal quarter (the registrant's fourth fiscal quarter) covered by this 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 officers 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 registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weakness 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: April 14, 2016

*/s/ Robert Gayman*

Robert Gayman  
Principal Executive Officer

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## CERTIFICATIONS

I, Arnold Tinter, certify that:

1. I have reviewed this Annual Report on Form 10-K of LifeApps Brand 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 officers 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 most recent fiscal quarter (the registrant's fourth fiscal quarter) covered by this 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 officers 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 registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weakness 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: April 14, 2016

*/s/ Arnold Tinter*

Arnold Tinter  
Principal Financial Officer

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**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 Annual Report of LifeApps Brand Inc. (the "Company") on Form 10-K for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Gayman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

*/s/ Robert Gayman*

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Name: Robert Gayman  
Title: Chief Executive Officer  
Date: April 14, 2016

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**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 Annual Report of LifeApps Brand Inc. (the "Company") on Form 10-K for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arnold Tinter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Arnold Tinter

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Name: Arnold Tinter  
Title: Chief Financial Officer  
Date: April 14, 2016

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