

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

LGBTQ Loyalty Holdings, Inc.

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

FORM 10-Q

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

For the quarterly period ended **March 31, 2019**

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

For the transition period from _____ to _____

Commission file number: **000-54867**

LGBTQ LOYALTY HOLDINGS, 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.)

2435 Dixie Highway, Wilton Manors, FL 33305
(Address of principal executive offices, including zip code)

Tel: (858)-577-1746
(Registrant's telephone number, including area code)

LifeApps Brands Inc.
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

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

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if this registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of May 15, 2019 there were issued and outstanding 289,291,798 shares of Common Stock, \$0.001 par value.

LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)

FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2019
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LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash	\$ -	\$ 40,908
Accounts receivable	875	-
Other current assets	595	595
Total current assets	1,470	41,503
Total Assets	\$ 1,470	\$ 41,503
Liabilities and Stockholders' (Deficit)		
Current liabilities:		
Accounts payable	\$ 401,335	\$ 265,530
Accrued salaries - officers	74,350	348,800
Notes payable	32,486	33,000
Notes payable to related party	17,885	17,885
Advances due to related parties	10,974	10,974
Convertible note payable, net of debt discount	-	34,065
Derivative liability	-	42,104
Total current liabilities	537,030	752,358
Commitments and Contingencies		
Stockholders' (Deficit)		
Preferred stock, \$.001 par value, 10,000,000 shares authorized with 1 share designated as Series A Preferred and 1,500,000 shares designated as Series B Convertible Preferred, respectively	-	-
Common stock, \$.001 par value, 1,000,000,000 shares authorized, 290,291,798 and 121,984,192 shares issued and outstanding, respectively	290,291	121,984
Additional paid in capital	4,899,587	3,242,449
Deferred officer compensation	(129,036)	(195,054)
Accumulated (deficit)	(5,596,402)	(3,880,234)
Total stockholders' (deficit)	(535,560)	(710,855)
Total Liabilities and Stockholders' (Deficit)	\$ 1,470	\$ 41,503

See the accompanying notes to the unaudited condensed consolidated financial statements

LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2019	2018
Revenue	\$ 2,064	\$ 1,594
Cost of revenue	-	-
Gross profit	<u>2,064</u>	<u>1,594</u>
Operating expenses:		
General and administrative	1,033,062	184,702
Depreciation and amortization	-	150
Total operating expenses	<u>1,033,062</u>	<u>184,852</u>
Operating loss	(1,030,998)	(183,258)
Interest expense	685,170	26,461
Change in derivative liability	-	15,730
Net (loss) before income taxes	<u>(1,716,168)</u>	<u>(225,449)</u>
Provision for income taxes	-	-
Net (loss)	<u>\$ (1,716,168)</u>	<u>\$ (225,449)</u>
Per share information - basic and fully diluted:		
Net (loss) per share	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	<u>227,190,467</u>	<u>90,360,242</u>

See the accompanying notes to the unaudited condensed consolidated financial statements

LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,	
	2019	2018
Net cash used in operations	\$ (40,394)	\$ (10,331)
Cash flow from investing activities:	-	-
Net Cash used in investing activities	-	-
Cash flow from financing activities:		
Proceeds from convertible notes payable	-	32,000
Repayment of note payable	(514)	(514)
Shareholder advances	-	2,770
Net cash provided by (used in) financing activities	(514)	34,256
Net increase (decrease) in cash	(40,908)	23,925
Cash at beginning of period	40,908	1,084
Cash at end of period	\$ -	\$ 25,009
Non-cash investing and financing activities:		
Stock issued for services	\$ 321,100	\$ 44,100
Conversion of salary accruals and interest	\$ 348,312	\$ -
Conversion of note payable	\$ 83,383	\$ -
Exercise of stock options	\$ 5,000	\$ -

See the accompanying notes to the unaudited condensed consolidated financial statements

LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands, Inc.)
Reconciliation of Stockholders' Deficit
(Unaudited)

	Preferred Stock Series A		Common Stock		Additional Paid	Deferred	Accumulated	Total
	Shares	Amount	Shares	Amount	in capital	Compensation	(Deficit)	
Balance December 31, 2018	-	\$ -	121,984,192	\$ 121,984	\$ 3,242,449	\$ (195,054)	\$ (3,880,234)	\$ (710,855)
Amortization of deferred compensation						66,018		66,018
Stock issued for services			3,250,000	3,250	317,850			321,100
Exercise of stock options			500,000	500	4,500			5,000
Maxim Partners - Merger	1	-	129,558,574	129,559	259,116			388,675
Conversion of preferred stock	-1	-						
Related party debt conversions			8,600,298	8,600	339,712			348,312
Loan conversion			26,398,704	26,399	735,961			762,359
Loss for the period							(1,716,168)	(1,716,168)
Balance March 31, 2019	-	-	290,291,768	\$ 290,292	\$ 4,899,587	\$ (129,036)	\$ (5,596,402)	\$ (535,560)

	Preferred Stock Series A		Common Stock		Additional Paid	Deferred	Accumulated	Total
	Shares	Amount	Shares	Amount	in capital	Compensation	(Deficit)	
Balance December 31, 2017	-	-	87,704,686	\$ 87,704	\$ 2,579,489	\$ (391,010)	\$ (3,045,388)	\$ (769,205)
Amortization of deferred compensation						48,990		48,990
Stock issued for services			3,000,000	3,000	41,100			44,100
Loss for the period							(225,449)	(225,449)
Balance March 31, 2018	-	-	90,704,686	\$ 90,704	\$ 2,620,589	\$ (342,020)	\$ (3,270,837)	\$ (901,564)

See the accompanying notes to the unaudited condensed consolidated financial statements

LGBTQ Loyalty Holdings, Inc.
(formerly LifeApps Brands Inc.)
Notes to Condensed Consolidated Financial Statements
March 31, 2019 and 2018
(Unaudited)

Note 1. Nature of Business

Throughout this report, the terms “our,” “we,” “us,” and the “Company” refer to LGBTQ Loyalty Holdings, Inc., (formerly LifeApps Brands Inc.) including its subsidiaries. The accompanying unaudited condensed consolidated financial statements of LGBTQ Loyalty Holdings, Inc. at March 31, 2018 and 2017 have been prepared in accordance with generally accepted accounting principles (“GAAP”) for interim financial statements, instructions to Form 10-Q, and Regulation S-X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2018. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make our financial statements not misleading have been included. The results of operations for the periods ended March 31, 2019 and 2018 presented are not necessarily indicative of the results to be expected for the full year. The December 31, 2018 balance sheet has been derived from our audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2018.

Through our wholly owned subsidiary LifeApps, Inc., we are a licensed developer and publisher of apps for the Apple Apps Store for iPhone, iPod touch, iPad and iPad mini. We are also a licensed developer on both Google Play and Amazon Appstore for Android. We have distributed apps on all three platforms.

Moving forward we are developing a digital media network specializing in targeting highly sought-after niche demographic audiences. The company will focus on two core businesses, an LGBT Ad Network and an LGBT Digital Network. Through our digital platform we will aggregate content from around the world. We will create original content along with sponsored content in a 24/7 digital network. The LGBT Ad Network will assist brands in global targeting of the LGBT demographic. The Ad Network will provide advertisers and brands with over 300 mainstream digital platforms and a “bullseye” on this loyal, affluent and ever-expanding audience. We will deliver to our audience with a relevant sponsored content marketing message across all spectrums of digitally connected devices. Our unique value proposition to our audience and sponsors is the ability deliver aggregated and original content, with emphasis on interactive content and captive video.

Note 2. Summary of Significant Accounting Policies

Going Concern

The accompanying unaudited condensed consolidated 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 \$5,596,402 and have negative working capital of \$(535,560). To date we have funded our operations through advances from related parties, 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. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries, LGBTQ Loyalty, LLC, 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.

Revenue Recognition

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

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.

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 \$0 and \$255 for the three months ended March 31, 2019 and 2018, respectively.

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 periods ended March 31, 2019 and 2018, and the outstanding stock options and warrants are anti-dilutive. Weighted average shares outstanding would have increased by approximately 2,902,500 and 3,412,200 for the three months ended March 31, 2019 and 2018, respectively, on a fully diluted basis.

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.

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 has determined that to date the adoption of ASU 2016-02 has had no impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other*, which eliminates step two of the quantitative goodwill impairment test. Step two required determination of the implied fair value of a reporting unit, and then a comparison of this implied fair value with the carrying amount of goodwill for the reporting unit, in order to determine any goodwill impairment. Under the new guidance, an entity is only required to complete a one-step quantitative test, by comparing the fair value of a reporting unit with its carrying amount, and any goodwill impairment charge is determined by the amount by which the carrying amount exceeds the reporting unit's fair value. However, the loss should not exceed the total amount of goodwill allocated to the reporting unit. The standard is effective for the Company in the first quarter of 2020, with early adoption permitted as of January 1, 2017, and is to be applied on a prospective basis.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities, which modifies the presentation and disclosure of hedging results. Further, it provides partial relief on the timing of certain aspects of hedge documentation and eliminates the requirement to recognize hedge ineffectiveness separately in income. The Company has determined that to date the adoption of this ASU has had no impact on its consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

Note 3. Related Party Transactions – Officer and Shareholder Advances

Amounts due related party represents cash advances, salary accruals, notes payable, and amounts paid on our behalf by an officer and shareholders of the Company. These advances are non-interest bearing, short term in nature and due on demand. The balance at March 31, 2019 and December 31, 2018 was \$10,974. Notes payable to related parties at March 31, 2019 and December 31, 2018 totaled \$17,885 with a 2% annual interest rate. Currently the company has defaulted on all of their related party loan obligations. Forbearance has been granted by the related parties on all loans. Salary accruals for the three-month periods ended March 31, 2019 and 2018 amounted to \$62,250 and \$81,000 respectively and net cash advances amounted to \$0 and \$2,770, respectively for the periods ended March 31, 2019 and 2018. Total unpaid accrued salary was \$74,350 and \$348,800 as of March 31, 2019 and December 31, 2018, respectively. On March 21, 2019 all parties to the employment and service agreements converted amounts due thereunder at December 31, 2018 into 8,600,298 shares of common stock.

On December 19, 2017 we entered into an Employment Services Agreements with our Chief Executive Officer and our President and an Executive Management Consulting Agreement with our former Chief Executive Officer. The Agreements have a two-year term and are subject to automatic renewal for successive periods of one year unless either we or the counterparties give the other written notice of intention to not renew at least 30 days prior to the end of the existing term. The Agreement with our current and former Chief Executive Officers provide for base compensation of \$150,000 and a base annual salary of \$24,000 for our President. The compensation payments are payable in bi-weekly installments. In the event any of the payments are not made within 30 days of the due date, they will accrue interest at the rate of 10% per annum.

The Agreements contain customary termination provisions including terminations with or without cause, for good reason or voluntarily, non-competition and non-solicitation provisions, and an inventions and patents provision which provides that all the work produced by the counterparties, which is created, designed, conceived or developed by them in the course of their employment under the Agreements belong to us. Effective as of January 1, 2018, the agreements were modified to remove the conversion right provisions. On February 15, 2019 the Executive Management Consulting Agreement with our former Chief Executive Officer was terminated by mutual agreement.

During the periods ended March 31, 2019 and 2018 we recorded interest accruals of \$4,645 and \$658, respectively related to the contracts.

Note 4. Notes Payable

Notes payable to two unrelated third parties amounted to \$32,486 at March 31, 2019 and \$33,000 at December 31, 2018 with interest rates of 2% and 7% per annum, respectively. One of the notes in the amount of \$17,486 at March 31, 2019 is past due and is, therefore, in default. The other notes were issued in August and December of 2018 aggregating \$15,000. On March 7, 2019, the lender agreed in principal to convert the \$15,000 in loan principal into shares of our common stock at a conversion price of \$0.08 per share resulting in an issuance obligation of 187,500 shares. We have yet to issue the shares but expect to issue them in the near future. The lender also agreed to waive all interest due on the loans.

Note 5. Convertible Note Payable

On March 6, 2018, we executed a Promissory Note (the "2018 Note") to an unrelated entity and received an aggregate of \$32,000. The Note has an initial term of one year and provides for an original issue discount of \$3,000, which is being amortized over the initial term. The note carries face interest rates of 12% per annum. The Lender has the right, at any time and/or after 180 days at their 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 58% of a two-day average of the lowest trading price in the 15 range of trading days prior the conversion. The Notes provide for additional penalties if we cannot deliver the underlying common stock on a timely basis.

We evaluated the terms of the conversion features of the convertible note 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 the Note at \$55,118 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 1 year to maturity, risk free interest rate of 3.03% and annualized volatility of 298.79%. \$32,000 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 Note and is being amortized over the initial term of the convertible Note. The balance of \$23,118 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination.

To determine the fair value of our embedded derivatives, management evaluates assumptions regarding the probability of certain future events. Other factors used to determine fair value include our period end stock price, historical stock volatility, risk free interest rate and derivative term. The fair value recorded for the derivative liability varies from period to period. This variability may result in the actual derivative liability for a period either above or below the estimates recorded on our consolidated financial statements, resulting in significant fluctuations in other income (expense) because of the corresponding non-cash gain or loss recorded.

During the quarter ended September 30, 2018, the company became subject to a penalty assessment of \$17,500 due to a loan covenant violation. Such amount has been expensed as additional interest. Additionally, the fair value of the derivative liability associated with the penalty amounted to \$29,265 and has been recorded as additional interest expense.

On September 20, 2018, the lender exercised conversion rights pursuant to the loan agreement and converted \$8,000 of the loan principal into 1,777,778 shares of common stock. The company recognized an aggregate of \$10,375 of shareholder equity as a result of the conversion based of a fair value calculation at the conversion date and related adjustments to remaining loan discounts applicable to the converted loan amount. On December 31, 2018, the lender exercised conversion rights pursuant to the loan agreement and converted \$8,000 of the loan principal into 5,305,040 shares of common stock. The company recognized an aggregate of \$7,583 of shareholder equity as a result of the conversion based of a fair value calculation at the conversion date and related adjustments to remaining loan discounts applicable to the converted loan amount.

We value the derivative liability and at the end of each accounting period with the difference in value is recognized as gain or loss. At March 31, 2018 we determined the valuation using the Black-Sholes valuation model with the following assumptions: dividend yield of zero, .94 years to maturity, risk free interest rate of 2.85% and annualized volatility of 289.61%. We recognized \$15,730 of expense for the change in value of the derivative for the three months ended March 31, 2018. Interest expense for the period includes \$23,118 of origination interest, amortization of debt discounts of \$2,394 and interest accrual of \$288.

During the period February 6, 2019 through and including February 11, 2019, the holder of a March 6, 2018 convertible promissory note (the "Note") in the original principal amount of \$35,000 converted \$26,920 in principal and \$4,255 in interest into an aggregate of 26,398,734 shares of our common stock at a conversion price of \$0.0015 per share. As the result of such conversions, the Note has been repaid in full and terminated. The shares were issued in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended.

Interest expense for the period ended March 31, 2019 amounted to \$685,170.

Note 6. Stockholders' Equity

On January 25, 2019, we entered into and closed a securities exchange under a Securities Exchange Agreement (the "Securities Exchange Agreement") with LGBT Loyalty LLC, a New York limited liability company ("LGBT Loyalty"), and Maxim Partners, LLC, a New York limited liability company ("Maxim"), pursuant to which we acquired all of the membership interests of LGBT Loyalty, making LGBT Loyalty a wholly owned subsidiary of ours, in exchange for 120,959,996 shares (the "Shares") of our restricted common stock and one share of our newly created Series A Convertible Preferred Stock (the "Series A Preferred Stock"). The Shares issued to Maxim represented, upon issuance, 49.99% of our then issued and outstanding shares of common stock. Through LGBT Loyalty, we intend to create, establish, develop, manage and fund a LGBT Preference Index, LGBT Exchange Traded Fund and/or LGBT Loyalty Sponsor Fund. On March 29, 2019 an additional 8,598,578 shares were issued to Maxim for the conversion of the Series A Convertible Preferred Stock. LGBT Loyalty has no assets, liabilities nor operations at the exchange date, therefore, the value ascribed to the issued stock (\$388,675) has been charged to operations as expenses of the merger.

Effective February 20, 2019 we issued an aggregate of 750,000 shares of restricted common stock to a consultant in accordance with a service contract that provided for a 250,000 share stock grant and the exercise of 500,000 \$0.01 stock options in exchange for the cancellation of \$5,000 then outstanding accounts payable due to the consultant for prior services.

During March 2019 we issued an aggregate of 3,000,000 shares of restricted common stock to three unrelated individuals in accordance with their appointment as directors of the Company.

Effective March 26, 2019 we issued an aggregate of 8,600,298 shares of our restricted common stock pursuant to the automatic exercise of warrants issued to two current and prior company officers on January 25, 2019. The warrants were issued in exchange for the cancellation of an aggregate of \$348,312 of salary and interest accruals through December 31, 2018.

During the period ended March 31, 2018 we issued 3,000,000 shares of common stock in connection with consulting agreements with two unrelated entities. The shares were valued at the respective trading prices of our common stock on the dates the agreements were signed.

On April 3, 2019 we filed a Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock with the Delaware Secretary of State to create a new class of preferred stock, \$0.001 par value per share, designated Series B Convertible Preferred Stock ("Series B Preferred Stock") and authorized the issuance of up to 1,500,000 shares of Series B Preferred Stock. The Series B Preferred Stock has no voting, liquidation or other rights other than the right to receive dividends and to convert into common stock. The stated value of each share of Series B Convertible Preferred for purposes of conversions and dividends is \$1.15 (the "Conversion/Dividend Stated Value"). The stated value of each share of Series B Convertible Preferred for purposes of redemptions is \$1.35 (the "Redemption Stated Value").

We recorded \$66,018 and \$48,990 of amortization of deferred officer compensation during the periods ended March 31, 2019 and 2018, respectively. The 2019 amount includes the full amortization of the remaining balance due under the now terminated Executive Management Consulting Agreement with our former Chief Executive Officer.

Note 7. Options and Warrants

The following is a summary of stock options issued pursuant to the 2012 Equity Incentive Plan:

	<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, 2019	6,300,000	\$ 0.0049	2.4	-
Granted	-	\$ -	-	-
Exercised	500,000	\$ 0.01	-	-
Cancelled	-	\$ -	-	-
Outstanding March 31, 2019	<u>5,800,000</u>	<u>\$ 0.0045</u>	<u>2.2</u>	<u>\$ -</u>
Exercisable March 31, 2019	<u>5,800,000</u>	<u>\$ 0.0045</u>	<u>2.2</u>	<u>\$ -</u>

There was no stock based compensation expense for options for the periods ended March 31, 2019 and 2018. There will be no additional compensation expense recognized in future periods.

On January 25, 2019 we issued warrants to two Company executives in exchange for the cancellation of an aggregate of \$348,312 of salary and interest accruals through December 31, 2018. The warrants were fully exercised as described in Note 6 above.

Note 8. 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 other than the following:

Effective April 3, 2019, we issued 125,000 shares of our Series B Convertible Preferred Stock to five persons at a price of \$1.00 per share or an aggregate of \$125,000.

Effective April 18, 2019 we issued 2,000,000 shares of our common stock to LZ Gunderson and Robert Tull (1,000,000 shares each).

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

The following discussion should be read in conjunction with the financial information included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"), including our unaudited condensed consolidated financial statements as of March 31, 2019 and for the three months ended March 31, 2019 and 2018 and the related notes. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations section to "us," "we," "our," and similar terms refer to LifeApps 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. Factors that may affect our results include, but are not limited to, the risk factors in Item 2.01 in our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the Securities and Exchange Commission (the "SEC") on April 16, 2019. 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.

Business Overview

On January 25, 2019, we entered into and closed a Securities Exchange Agreement (the "Securities Exchange Agreement") pursuant to which LGBT Loyalty LLC ("LGBT Loyalty") became a wholly owned subsidiary of ours. Through LGBT Loyalty, we intend to create, establish, develop, manage and fund an LGBTQ Loyalty Preference Index (the "Index"). The Index is expected to be the first "preference" index to survey a representative group of the LGBTQ community to determine which companies within the S&P 500 best support and are supported by the LGBTQ community. We have signed a Letter of Intent to partner with ProcureAM in the creation and development of the Index. ProcureAM will also advise as to the additional service providers for the Index including outside Index Counsel, Index Calculation Agent, Bank Custodian, PR Firm, Data Collection Agent, Index Data Compiler, Listing Agent, Public Auditor and Index Advisors. The LGBTQ demographic has proven itself to be a fiercely loyal consumer group supporting companies and their brands. In addition, we are developing a business model designed for businesses to promote and showcase their support for the LGBTQ community. We also plan to create additional businesses that will enhance the Index, including LGBTQ Loyalty Sponsorship which we intend to establish to promote the growth of the Index. We will pursue partnerships with socially conscious companies globally that seek to market and advertise directly to LGBTQ consumers. We also intend to partner with some of the most recognizable LGBTQ community leaders from around the world to have them become LGBTQ Loyalty Sponsorship members that will promote the Index. The LGBTQ Loyalty Sponsorship will incorporate marketing and support of the companies included in the Index. Companies within the Index will be given the opportunity to purchase LGBTQ Loyalty Sponsorship packages. Sponsorship packages will be tier priced starting at ten thousand dollars for a first level package and increasing to one million dollars for a gold level package. We plan to utilize the networking and relationships of our Board of Directors to promote the LGBTQ Loyalty Sponsorship packages. We also intend to focus on two complimentary businesses, an LGBTQ Advertising Network and an LGBTQ Media Network. The LGBTQ Advertising Network will offer a direct link to the companies that desire to deliver a customized marketing campaign to the LGBTQ consumer. We intend to offer our expertise including our own survey data to help companies develop their targeted message in a powerful delivery network. The LGBTQ Media Network will aggregate content from around the world in a 24/7 digital delivery format that is intended to target the highly desired spending power of the LGBTQ consumer.

In connection with the Securities Exchange Agreement and the closing thereunder, no changes were made to the composition of our Board of Directors (the "Board") or executive officers. Accordingly, immediately following the closing, our Board continued to be comprised of Robert Blair and Lawrence Roan, and our executive officers continued to be comprised of Robert Blair (Chief Executive Officer and Chief Financial Officer) and Brian Neal (President). Effective March 8, 2019, we appointed Barney Frank and Billy Bean to our board. Effective March 25, 2019, we appointed Martina Navratilova to our board. Effective April 18, 2019 we appointed LZ Granderson and Robert Tull to our board.

The Securities Exchange Agreement also provides that during the six month period following the January 25, 2019 closing under the Securities Exchange Agreement (i) we cannot enter into any financing transactions without the prior written consent of Maxim, which consent cannot be unreasonably withheld, and (ii) we cannot issue any equity or debt securities without the prior written consent of Maxim, which consent cannot be unreasonably withheld.

On January 24, 2019 we filed a Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock with the Delaware Secretary of State to create a series of preferred stock designated Series A Convertible Preferred Stock (the "Series A Preferred Stock") consisting of one share. The share of Series A Preferred Stock was issued to Maxim Partners, LLC, a New York limited liability company ("Maxim") in connection with the January 25, 2019 Securities Exchange Agreement described below. The Series A Preferred Stock has no voting, liquidation or other rights other than the right to convert into common stock. The Series A Preferred Stock will automatically convert into additional shares of our restricted common stock immediately after such time that (i) the number of shares of our authorized common stock is increased from 500,000,000 to 1,000,000,000 shares (the "Share Increase"); and (ii) the January 25, 2019 warrants issued to Brian Neal, our President, and Robert Gayman, our former Executive Management Consultant, at the closing of the securities exchange transaction described below (the "Management Warrants") are automatically exercised for shares of our restricted common stock. The Management Warrants represent common stock purchase warrants that were issuable to Robert Blair, our Chief Executive Officer, Brian Neal and Robert Gayman, and/or their designees or assignees (collectively, the "Management Holders") in exchange for the cancellation of all amounts due to the Management Holders by us as of, but not including, January 1, 2019, which amounts consisted solely of accrued salaries and /or consulting fees earned by the Management Holders through December 31, 2018, plus interest due thereon. These amounts consisted of \$161,629 due to Robert Blair, representing \$154,600 of compensation and \$7,029 of interest, \$25,054 due to Brian Neal, representing \$24,000 of compensation and \$1,054 of interest and \$161,629 due to Robert Gayman, representing \$154,600 of compensation and \$7,029 of interest. Prior to their issuance, Robert Blair gifted his right to receive Management Warrants to Brian Neal. The Management Warrants are automatically exercisable for shares of our restricted common stock following the Share Increase at an exercise price equal to a 10% discount to the volume weighted average price ("VWAP") for our common stock during the three trading days ending on the seventh trading day following the date on which this Current Report is filed with the Securities and Exchange Commission. Except as otherwise provided below, the share of Series A Preferred Stock is automatically convertible into 99.98% of the number of shares issued upon the automatic exercise of the Management Warrants. However, upon the conversion of the Series A Preferred Stock, Maxim may not own more than 49.99% of our then issued and outstanding common stock. In the event that the full conversion of the Series A Preferred Stock would result in Maxim owning more than 49.99% of our then issued and outstanding common stock, the conversion will be limited to such number of shares that will result in Maxim owning 49.99% of our then issued and outstanding common stock and the issuance of the remaining shares issuable upon conversion will be deferred until such time that their issuance will not increase Maxim 's ownership of our common stock to more than 49.99%.

In connection with the January 25, 2019 Securities Exchange Agreement with LGBT Loyalty and Maxim, we acquired all of the membership interests of LGBT Loyalty in exchange for 120,959,996 shares of our restricted common stock and one share of our newly created Series A Convertible Preferred Stock (the "Series A Preferred Stock"). The common stock issued to Maxim represented, upon issuance, 49.99% of our then issued and outstanding shares of common stock. Effective March 26, 2019, the share of Series A Convertible Preferred Stock was converted into 8,598,578 shares of our common stock.

On March 26, 2019, we filed a Certificate of Amendment to our Certificate of Incorporation to increase our authorized capitalization from 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, to 1,000,000,000 shares of common stock, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share. As the result of the filing of the Certificate of Amendment, the Management Warrants were automatically exercised for 8,600,298 shares of our common stock and following such exercise the outstanding share of Series A Preferred Stock was automatically converted into 8,598,578 shares of common stock.

On April 3, 2019 we filed a Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock with the Delaware Secretary of State to create a new class of preferred stock, \$0.001 par value per share, designated Series B Convertible Preferred Stock ("Series B Preferred Stock") and authorized the issuance of up to 1,500,000 shares of Series B Preferred Stock. The Series B Preferred Stock has no voting, liquidation or other rights other than the right to receive dividends and to convert into common stock. The stated value of each share of Series B Convertible Preferred for purposes of conversions and dividends is \$1.15 (the "Conversion/Dividend Stated Value"). The stated value of each share of Series B Convertible Preferred for purposes of redemptions is \$1.35 (the "Redemption Stated Value"). Subject to earlier conversion or redemption, the Series B Preferred Stock will automatically convert into fully paid and non-accessible shares of our common stock 24 months following the date of issuance of such Series B Preferred Stock without any action or payment required on the part of the holder of the Series B Convertible Preferred Stock. Subject to a floor price limitation of \$0.03 per share, the automatic conversion price to which the Conversion/Dividend Stated Value will be applied will be the lower of (i) \$0.10 per share of common stock; or (ii) a 20% discount to the lowest volume weighted average price ("VWAP") for our common stock on our principal trading market during the five (5) trading days immediately prior to the automatic conversion date. Subject to earlier conversion or redemption, the Series B Preferred Stock will also automatically convert into fully paid and non-assessable shares of common stock upon the conversion terms provided above if (i) the closing sale price for our common stock on our principal trading market closes at or above \$0.20 for 10 consecutive trading days;(ii) our common stock is uplisted to NASDAQ or a national securities exchange; or (iii) we complete an offering of securities resulting in aggregate gross proceeds of not less than \$3,000,000. Notwithstanding the foregoing, the automatic conversion events set forth in (i), (ii) and (iii) above are not applicable during the 180 day period following the issuance date or if the common stock issuable upon conversion is not registered or subject to sale pursuant to Rule 144 or another exemption from the registration requirements of the Securities Act of 1933, as amended. Commencing 180 days after the issuance date, the holders of Series B Preferred Stock will have the right to convert their Series B Convertible Preferred at any time into common stock on the same conversion terms applicable to automatic conversions. Absent the prior written approval of the Company, all automatic and optional conversions of Series B Preferred Stock must be for a minimum of 5,000 shares of Series B Preferred except in cases where the holder owns less than 5,000 shares and is converting all Series B Preferred shares then owned by the holder. No fractional shares of common stock will be issued upon conversions of the Series B Convertible Preferred. In lieu of any fractional share to which the holder would otherwise be entitled, we will round up to the next full share. Dividends at the rate of 12% per annum (1% per month) are payable on the Conversion/Dividend Stated Value of the Series B Preferred Stock in cash or stock at our discretion. Dividends are payable at the end of each month following the applicable issuance date. Dividends payable in stock will be calculated based on the 5-day VWAP during each of the last 5 trading days of the month for which payment is being made. To the extent that a month for which dividends are payable does not involve a full month because shares of Series B Preferred Stock were issued, redeemed, or converted during such month, the dividend payable shall be pro-rated to reflect the number of days of such month that the dividend applies to. In all events, dividends shall not be payable for periods following redemption, conversion or the 24 month anniversary of the applicable issuance date. The Series B Preferred Stock is redeemable in cash by us at any time prior to conversion upon five business days prior written notice to the holder at the Redemption Stated Value for each share being redeemed. The automatic and optional conversion price will be appropriately adjusted to reflect stock splits, stock dividends (exclusive of the dividends payable on the Series B Preferred Stock) business combinations and similar recapitalization. Effective April 3, 2019, we issued 125,000 shares of our Series B Preferred Stock to five persons at a price of \$1.00 per share or an aggregate of \$125,000.

We are a licensed developer and publisher of apps for the Apple App Store for iPhone, iPod touch, iPad and iPad mini. We are also a licensed developer on both Google Play and Amazon Appstore for Android. We have distributed apps/publications on all three platforms. Moving forward we will focus on the development of niche demographic media networks. Our management team has selected the LGBT marketplace as their first audience to target for the following reasons: the LGBT community is estimated to have four times the buying power of Hispanics and African Americans, two times the buying power of Asian Americans and four times the buying power of millennials, and they are extremely loyal and consistent consumers. At current growth rates, the purchasing power of the US LGBT community is estimated to exceed 1 trillion dollars by 2020. Currently, the LGBT audience is fragmented across multiple sites. We will target this audience directly with community specific content, blogs, stories and video. Currently there are an estimated 19.6 million people who identify themselves as LGBT in the US. They represent an estimated 890 billion dollars of buying power in the US and an estimated 3 trillion dollars globally. Same-sex households have an estimated 23% higher median income as compared to mainstream households. They are believed to be 1.23 times more likely to buy brands that reflect their style and they are believed to be 1.56 times more likely to consider themselves a spender rather than a saver. Our focus will be to aggregate the LGBT audience through a powerful database marketing platform.

We will continue to explore acquisitions of companies and new technologies. In addition, we will also explore the acquisition of consumer related products as well. Such acquisitions will be considered where the purchase can help increase our revenues or enable us to attain assets that will allow us to gain technological advances that would be more costly to develop than to purchase.

Our Products

We intend to create a LGBTQ Loyalty Preference Index. We will attempt to grow and publicize the Index through an LGBTQ Loyalty Sponsorship program. LGBTQ Loyalty Sponsorship packages will be offered to companies that support the LGBTQ community. We also intend to create a LGBTQ Advertising Network and a LGBTQ Media Network. The LGBTQ Loyalty Preference Index will survey and select up to 100 of the most influential companies that support and market their products and services to LGBTQ consumers. Our LGBTQ Loyalty Sponsorships and LGBTQ Membership Programs will be offered to all companies that express an interest in promoting their support for the LGBTQ community through marketing, hiring practices, charitable giving and other forms of support. The LGBTQ Advertising Network will deliver market specific messaging to this powerful consumer group and will be available to assist companies in tailoring their advertising for the greatest impact. The LGBTQ Media Network will attract viewers through breaking news and relevant content from the world of news, entertainment, sports, politics, travel and health and fitness. The LGBTQ Media Network will aggregate content from around the world in a 24/7 digital delivery format that is intended to target the highly desired spending power of the LGBTQ consumer. Subject to our receipt of required financing, we expect to launch our products during the fourth quarter of 2019.

Revenue

We intend to monetize and drive revenue through development of the LGBTQ Loyalty Preference Index. We will receive a percentage of the revenues derived from the Index. We expect the Index to reach the break-even point when its holdings of funds under management are approximately \$40,000,000. We also intend to drive revenue through ancillary businesses that will support and be supported by the LGBTQ Loyalty Preference Index. Our LGBTQ Loyalty Sponsorships and LGBTQ Membership Programs are intended to produce revenue through direct sales of the offerings to companies who desire to be recognized as supportive of the LGBTQ community. The LGBTQ Advertising Network and LGBTQ Media Network are expected to drive revenue as a vehicle to market and advertise to the highly sought-after LGBTQ consumer demographic.

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 March 31, 2019, we have incurred losses of \$(5,596,402). To date we have funded our operations through advances from related parties, issuances of convertible debt, and the sale of our common and preferred 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.

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

Three months ended March 31, 2019, compared with the three months ended March 31, 2018

Revenues for the three months ended March 31, 2019 and 2018 were \$2,064 and \$1,594, respectively. Revenues for both periods were derived primarily from the sale of sports apparel and health and fitness products.

There were no costs associated with the revenue for the quarters resulting gross profits for three months ended March 31, 2019 and 2018 of \$2,064 and \$1,594 (100%), respectively.

We had net losses of \$1,716,168 and \$225,449 for the three months ended March 31, 2019 and 2018, respectively.

The following is a breakdown of our selling, general and administrative expenses for the three months ended March 31, 2019 and 2018:

	Three months Ended March 31,			
	2019	2018	Difference	% Change
Personnel costs	\$ 431,663	\$ 86,812	\$ 344,821	397.2%
Professional fees	167,008	6,100	160,908	2,367.8%
Travel and entertainment	3,301	1,523	1,778	113.7%
Consulting expense	41,455	89,155	(47,700)	(53.5)%
Stock related expenses	-	262	(262)	-
Merger costs	388,675	-	388,675	-
Rent	-	255	(255)	-
Other expenses	961	597	364	60.9%
	<u>\$ 1,033,063</u>	<u>\$ 184,704</u>	<u>\$ 848,359</u>	<u>2,898.3%</u>

Personnel costs during the quarter ended March 31, 2019 consisted principally of \$68,500 of salaries paid or accrued for our chief executive officer and president, \$43,312 of amortization of deferred compensation and \$313,600 related to the value of shares issued for director compensation. Personnel costs during the quarter ended March 31, 2018 consisted principally of \$43,500 of salaries accrued for our chief executive officer and president, \$43,312 of amortization of deferred compensation.

Professional fees increased primarily due to the timing of audit related costs and fees associated with the Securities Exchange Agreement with LGBT Loyalty LLC.

Travel expenses increased as a result of costs associated with Securities Exchange Agreement with LGBT Loyalty LLC.

Consulting expenses during the quarter ended March 31, 2019 consisted principally of \$18,750 of costs paid or accrued for our former chief executive officer and \$22,705 of amortization of deferred compensation. Consulting expenses during the quarter ended March 31, 2018 consisted principally of \$37,500 of costs accrued for our former chief executive officer, \$5,676 of amortization of deferred compensation. Additionally, we had \$45,979 of costs associated with cash payments and common stock issued in connection with consulting contracts with third parties.

We incurred \$388,675 of costs associated with the Securities Exchange Agreement with LGBT Loyalty LLC as a result of the issuance of 129,558,574 shares of our common stock.

All of our other operating costs were not significant in the aggregate.

We had operating losses of \$1,030,998 and \$183,258 for the three months ended March 31, 2019 and 2018, respectively.

Interest and derivative expenses are primarily related to a convertible note payable to a third-party lender that was secured during the quarter ended March 31, 2018. The note was fully converted to common stock during the quarter ended March 31, 2019.

Liquidity and Capital Resources

Historically, we have been financed primarily by capital contributions from management, from short term loans, and through sales of our securities. Our existing sources of liquidity may not be sufficient for us to implement our business plans. There are no assurances that we will be able to raise additional capital as and when needed.

As of March 31, 2019, we had a working capital deficit of \$535,560 as compared to a working capital deficit of \$710,855 at December 31, 2018.

During the three months ended March 31, 2019 and 2018, operations used cash of \$40,394 and \$10,331, respectively.

During the three months ended March 31, 2019 and 2018, we used no cash in investing activities.

During the three months ended March 31, 2019 and 2018, net cash provided by (used in) financing activities was \$(514) and \$34,256, respectively. We received \$32,000 as proceeds from a convertible note payable to a third-party lender during the quarter ended March 31, 2018.

Additionally, we received net amounts of \$650 of cash advances from our chief executive officer and net amounts of \$1,606 of cash advances from a director and shareholders during the three months ended March 31, 2018.

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

Going Concern

Our financial statements have been prepared on a going concern basis which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future. We have incurred losses since inception resulting in an accumulated deficit of approximately \$(5,596,402) as of March 31, 2019 and further losses are anticipated in the development of our business raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand and/or additional officer and shareholder advances. These financials do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts or amounts and classifications of liabilities that might result from this uncertainty.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

Limitations on Effectiveness of Controls and Procedures

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

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

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

For information regarding risk factors, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on April 16, 2019, which may be accessed via EDGAR through the Internet at www.sec.gov.

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

Recent Sales of Unregistered Securities

Effective January 25, 2019, in connection with the closing under the January 25, 2019 Securities Exchange Agreement, we issued 120,959,996 shares of our common stock and one share of our Series A Convertible Preferred Stock to Maxim Partners, LLC.

Effective March 26, 2019 the share of Series A Convertible Preferred Stock was automatically converted into 8,598,578 shares of our common stock.

Effective January 25, 2019 we issued common stock purchase warrants to Brian Neal and Robert Gayman in consideration of amounts due by us to Brian Neal, Robert Gayman and Robert Blair as of, but not including, January 1, 2019. Effective March 26, 2019 the warrants held by Brian Neal were automatically converted into 4,609,458 shares of our common stock and the warrants held by Robert Gayman were automatically converted into 3,990,840 shares of our common stock.

Effective February 20, 2019 we issued 250,000 shares of our common stock to a consultant pursuant to a Consulting Agreement made as of February 20, 2019 and issued an additional 500,000 shares to the consultant pursuant to his exercise of 500,000 stock options at a price of \$0.01 per share or an aggregate of \$5,000.

Effective March 8, 2019, we issued 1,000,000 shares of our common stock to each of Barney Frank and Billy Bean in connection with their respective appointments to our Board of Directors. Effective March 25, 2019 we issued 1,000,000 shares of our common stock to Martina Navratilova in connection with her appointment to our Board of Directors. Effective April 18, 2019, we issued 1,000,000 shares of our common stock to each of LZ Granderson and Robert Tull in connection with their respective appointments to our Board of Directors.

Effective April 3, 2019, we issued 125,000 shares of our Series B Convertible Preferred Stock to five persons at a price of \$1.00 per share or an aggregate of \$125,000.

All of the foregoing issuances of securities were made in reliance on Section 4(a)(2) of the Securities Act of 1933 as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

We are in default under a \$20,000 Promissory Note dated May 20, 2017 that became due on August 31, 2017. We have entered into a payment plan with the payee thereunder wherein we are making monthly cash payments to reduce the outstanding balance due. At March 31, 2019 the outstanding balance was approximately \$17,486.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 5. OTHER INFORMATION

Effective April 25, 2019, we filed a Certificate of Amendment to our Certificate of Incorporation (the "Charter Amendment") with the Delaware Secretary of State to change our name from LifeApps Brands Inc. to LGBTQ Loyalty Holdings, Inc. Our trading symbol will remain "LFAP".

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
<u>3.1</u>	<u>Certificate of Amendment to Certificate of Incorporation filed with the Delaware Secretary of State on April 25, 2019</u>
<u>31.1</u>	<u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>32.1*</u>	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.2*</u>	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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

SIGNATURES

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

LGBTQ LOYALTY HOLDINGS, INC.

May 17, 2019

By: /s/ Robert A. Blair

Robert A. Blair, Chief Executive Officer and Chief Financial Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:10 PM 04/25/2019
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CERTIFICATE OF AMENDMENT
TO THE CERTIFICATE OF INCORPORATION
OF
LIFEAPPS BRANDS INC.

a Delaware corporation

Pursuant to Section 242 of the General Corporation Law of the State of Delaware (the "**DGCL**"), LifeApps Brands Inc., a corporation organized and existing under the DGCL (the "**Corporation**"), hereby certifies as follows:

A. The name of the Corporation is LifeAppsBrands Inc.

B. The Certificate of Incorporation of the Corporation (the "Certificate") is hereby amended to reflect a change in the name of the Corporation by deleting Article 1 of the Certificate in its entirety and restating the same as follows:

"The name of the corporation is LGBTQ Loyalty Holdings, Inc. (the "Corporation")."

C. This amendment to the Certificate was duly adopted in accordance with the provisions of Section 242(b)(1) of the DGCL, which provide that no meeting or vote of stockholders shall be required to adopt an amendment to the certificate of incorporation that effects only changes of a corporation's name.

D. This amendment to the Certificate shall be effective on April 25, 2019.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this 18th day of April, 2019.

By: /s/ Robert A. Blair
Name: Robert A. Blair
Title: Chief Executive Officer

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

I, Robert A. Blair, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LGBTQ Loyalty Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2019

By: /s/ Robert A. Blair
Robert A. Blair
Chief Executive Officer
(Principal Executive Officer)

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

I, Robert A. Blair, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LGBTQ Loyalty Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2019

By: /s/ Robert A. Blair
Robert A. Blair
Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report of LGBTQ Loyalty Holdings, Inc. (the "Company") on Form 10-Q, for the fiscal quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert A. Blair, Chief Executive Officer of LGBTQ Loyalty Holdings, Inc., certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: May 17, 2019

By: /s/ Robert A. Blair
Robert A. Blair
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report of LGBTQ Loyalty Holdings, Inc. (the "Company") on Form 10-Q, for the fiscal quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert A. Blair, Chief Financial Officer of LGBTQ Loyalty Holdings, Inc., certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

Date: May 17, 2019

By: /s/ Robert A. Blair
Robert A. Blair
Chief Financial Officer
(Principal Financial Officer)
