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

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BioSig Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

3845

(Primary Standard Industrial
Classification Code Number)

26-4333375

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

12424 Wilshire Blvd., Suite 745

Los Angeles, CA 90025

(512) 329-2643

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Kenneth Londoner

Chief Executive Officer

12424 Wilshire Blvd., Suite 745

Los Angeles, CA 90025

(512) 329-2643

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth 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)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.001 par value per share	1,294,392	\$ 1.84 (2)	\$ 2,381,681.28	\$ 296.52
Common Stock underlying Warrants	683,334	\$ 1.84 (2)	\$ 1,257,334.56	\$ 156.54
Total	1,977,726	\$ 1.84 (2)	\$ 3,639,015.84	\$ 453.06

- (1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), the shares of common stock offered hereby also include an indeterminate number of additional shares of common stock as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.
- (2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low sales price of the common stock on May 15, 2018, as reported on the OTCQB.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED May 16, 2018

PRELIMINARY PROSPECTUS



BioSig Technologies, Inc.

Up to 1,294,392 Shares of Common Stock Underlying Series E Convertible Preferred Stock and up to 683,334 Shares of Common Stock Underlying Warrants

This prospectus relates to the resale of up to (i) 1,000,000 shares of common stock to be offered by the selling stockholders upon the conversion of 1,000 shares of our Series E Convertible Preferred Stock, at a conversion price of \$1.50 per share, (ii) 294,392 shares of our common stock issuable as a make-whole dividend of 7% per annum upon the conversion of our Series E Convertible Preferred Stock and (iii) 683,334 shares of our common stock to be offered by the selling stockholders upon the exercise of outstanding common stock purchase warrants.

Our common stock trades in the over-the-counter market and is quoted on the OTCQB tier of the OTC Markets Group, Inc. under the symbol "BSGM." Only a limited public market currently exists for our common stock. On May 15, 2018, the last reported sale price of our shares of common stock on the OTCQB was \$1.85 per share.

We will not receive any of the proceeds from the sale of common stock by the selling stockholders. However, we will receive proceeds from the exercise of the warrants if the warrants are exercised for cash. We intend to use those proceeds, if any, for general corporate purposes. All expenses of registration incurred in connection with this offering are being borne by us, but all selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

We qualify as an "emerging growth company" as defined in the Jumpstart our Business Startups Act of 2012, or JOBS Act, and have elected to comply with certain reduced public company reporting requirements in this and future filings.

Investing in our common stock is highly speculative and involves a high degree of risk. You should carefully consider the risks and uncertainties in the section entitled "Risk Factors" beginning on page 3 of this prospectus before making a decision to purchase our stock.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2018

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Information contained on our website is not part of this prospectus.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. It may not contain all the information that may be important to you. You should read this entire prospectus carefully, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our historical financial statements and related notes included elsewhere in this prospectus, or any accompanying prospectus supplement before making an investment decision. In this prospectus, unless the context requires otherwise, all references to “we,” “our,” “us” and the “Company” refer to BioSig Technologies, Inc.

Overview

We are a development stage medical device company that is developing a proprietary biomedical signal processing technology platform to extract information from physiologic signals. Our initial emphasis is on providing intracardiac signal information to electrophysiologists during electrophysiology (EP) studies and catheter ablation of atrial fibrillation (AF) and ventricular tachycardia (VT). Catheter ablation is a procedure that involves delivery of energy through the tip of a catheter that scars or destroys heart tissue in order to correct heart rhythm disturbances. Our product under development, the PURE (Precise Uninterrupted Real-time evaluation of Electrograms) EP System, is a surface electrocardiogram and intracardiac multichannel recording and analysis system that acquires, processes and displays electrocardiogram and electrograms required during electrophysiology studies and ablation procedures. The PURE EP System is intended to be used in addition to existing electrophysiology recorders. We believe that data provided by the PURE EP System will increase the workload ability and enhance the capabilities of the typical electrophysiology laboratory.

We were formed as BioSig Technologies, Inc., a Nevada corporation, in February 2009. In April 2011, we merged with our wholly-owned subsidiary, BioSig Technologies Inc., a Delaware corporation, with the Delaware corporation continuing as the surviving entity. We have not generated any revenue to date and consequently our operations are subject to all risks inherent in the establishment of a new business enterprise.

Our principal executive offices are located at 12424 Wilshire Blvd Suite 745 Los Angeles, CA 90025, telephone number (512) 329-2643. Our website address is www.biosigtech.com. Information accessed through our website is not incorporated into this prospectus and is not a part of this prospectus.

The Offering

Common stock offered by the selling stockholders:	Up to 1,000,000 shares of our common stock to be offered by the selling stockholders upon conversion of shares of our Series E Convertible Preferred Stock (“Series E Preferred Stock”), up to 294,392 shares of our common stock issuable as a make-whole dividend of 7% per annum upon the conversion of the Series E Preferred Stock and up to 683,334 shares of our common stock to be offered by the selling stockholders upon the exercise of outstanding common stock purchase warrants.
Common stock outstanding prior to the offering:	36,270,975
Common stock outstanding after this offering:	38,248,701 (1)
Use of proceeds:	We will not receive any proceeds from the sale of the common stock offered by the selling stockholders. However, we will receive proceeds from the exercise price of the warrants if the warrants are exercised for cash. We intend to use those proceeds, if any, for general corporate purposes.
OTCQB trading symbol:	“BSGM”
Risk factors:	You should carefully consider the information set forth in this prospectus and, in particular, the specific factors set forth in the “Risk Factors” section beginning on page 3 of this prospectus before deciding whether or not to invest in shares of our common stock.

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- (1) The number of shares of common stock outstanding after the offering is based upon 36,270,975 shares outstanding as of May 16, 2018 and assumes the exercise of all warrants with respect to those shares being registered for resale pursuant to the registration statement of which this prospectus forms a part.

The number of shares of common stock outstanding after this offering excludes:

- 9,095,319 shares of common stock issuable upon the exercise of currently outstanding options with a weighted average exercise price of \$1.95 per share;
- 1,740 shares of common stock available for future issuance under the BioSig Technologies, Inc. 2012 Equity Incentive Plan;
- 7,290 shares of common stock issuable for make whole dividends on our Series D Convertible Preferred Stock (“Series D Preferred Stock”);
- 27,000 shares of common stock issuable upon the conversion of our Series D Preferred Stock;
- 206,409 shares of common stock issuable for accrued dividends on our Series C Convertible Preferred Stock (“Series C Preferred Stock”) as of March 31, 2018;
- 383,338 shares of common stock issuable upon the conversion of our Series C Preferred Stock; and
- 13,117,223 shares of common stock issuable upon exercise of warrants with a weighted average exercise price of \$1.85 per share.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following factors and other information in this prospectus or any accompanying prospectus supplement before making a decision to invest in our common stock. If any of the risks actually occur, our business, financial conditions and operating results may be materially and adversely affected. In that event, the trading price of our common stock may decline, and you could lose all or part of your investment.

Risks Related to Our Business and Industry

Because our condition as a going concern is in doubt, we will be forced to cease our business operations unless we can raise sufficient funds to satisfy our working capital needs.

As shown in the accompanying financial statements during years ended December 31, 2017 and 2016, we incurred net losses attributable to common stockholders of \$12,815,620 and \$11,697,210, respectively and used \$7,470,054 in cash for operating activities for the year ended December 31, 2017. As of May 16, 2018, we had cash on hand of approximately \$4,550,000. These factors, among others, raise substantial doubt that we will be able to continue as a going concern for a reasonable period of time.

Our existence is dependent upon management's ability to develop profitable operations. We are devoting substantially all of our efforts to developing product candidates and there can be no assurance that our efforts will be successful. There is no assurance that can be given that our actions will result in profitable operations or the resolution of our liquidity problems.

Because we are an early development stage company with no products near commercialization, we expect to incur significant additional operating losses.

We are an early development stage company and we expect to incur substantial additional operating expenses over the next several years as our research, development, pre-clinical testing, regulatory approval and clinical trial activities increase. The amount of our future losses and when, if ever, we will achieve profitability are uncertain. We have no products that have generated any commercial revenue and do not expect to generate revenues from the commercial sale of our products in the near future, if ever. Our ability to generate revenue and achieve profitability will depend on, among other things, the following:

- successful completion of the pre-clinical and clinical development of our products;
- obtaining necessary regulatory approvals from the U.S. Food and Drug Administration or other regulatory authorities;
- establishing manufacturing, sales, and marketing arrangements, either alone or with third parties; and
- raising sufficient funds to finance our activities.

We might not succeed at all, or at any, of these undertakings. If we are unsuccessful at some or all of these undertakings, our business, prospects, and results of operations may be materially adversely affected.

Our product candidates are at an early stage of development and may not be successfully developed or commercialized.

Our main product candidate, the PURE EP System, is in the early stage of development and will require substantial further capital expenditures, development, testing, and regulatory clearances prior to commercialization, especially given that we have not yet completed pre-clinical testing on this product. The development and regulatory approval process takes several years and it is not likely that the PURE EP System, even if successfully developed and approved by the U.S. Food and Drug Administration, may not be commercially available for a number of years. In addition, due to budgetary constraints, we have not been able to devote the level of resources that we desired to our research and development efforts. The continued development of our product candidates is dependent upon our ability to obtain sufficient financing. However, even if we are able to obtain the requisite financing to fund our development program, we cannot assure you that our product candidates will be successfully developed or commercialized. Our failure to develop, manufacture or receive regulatory approval for or successfully commercialize any of our product candidates could result in the failure of our business and a loss of all of your investment in our company.

We expect to derive our revenue from sales of our PURE EP System and other products we may develop. If we fail to generate revenue from these sources, our results of operations and the value of our business will be materially and adversely affected.

We expect our revenue to be generated from sales of our PURE EP System and other products we may develop. Future sales of these products, if any, will be subject to, among other things, the receipt of regulatory approvals and commercial and market uncertainties that may be outside our control. If we fail to generate our intended revenues from these products, our results of operations and the value of our business and securities would be materially and adversely affected.

We may need to finance our future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements. Any additional funds that we obtain may not be on terms favorable to us or our stockholders and may require us to relinquish valuable rights.

Until and unless we receive approval from the U.S. Food and Drug Administration and other regulatory authorities for our products, we will not generate revenues from our products. Therefore, for the foreseeable future, we will have to fund all of our operations and capital expenditures from cash on hand, public or private equity offerings, debt financings, bank credit facilities or corporate collaboration and licensing arrangements. We believe that our existing cash on hand will be sufficient to enable us to fund our projected operating requirements for approximately the next two months. However, we may need to raise additional funds more quickly if one or more of our assumptions prove to be incorrect or if we choose to expand our product development efforts more rapidly than we presently anticipate. We also may decide to raise additional funds before we require them if we are presented with favorable terms for raising capital.

If we seek to sell additional equity or debt securities, obtain a bank credit facility or enter into a corporate collaboration or licensing arrangement, we may not obtain favorable terms for us and/or our stockholders or be able to raise any capital at all, all of which could result in a material adverse effect on our business and results of operations. The sale of additional equity or debt securities, if convertible, could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict our operations. Raising additional funds through collaboration or licensing arrangements with third parties may require us to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or to grant licenses on terms that may not be favorable to us or our stockholders. In addition, we could be forced to discontinue product development, reduce or forego sales and marketing efforts and forego attractive business opportunities, all of which could have an adverse impact on our business and results of operations.

We may be unable to develop our existing or future technology.

Our product, the PURE EP System, may not deliver the levels of accuracy and reliability needed to make it a successful product in the marketplace, and the development of such accuracy and reliability may be indefinitely delayed or may never be achieved. In addition, we may experience delays in the development of our technology for other reasons, including failure to obtain necessary funding and failure to obtain regulatory approvals. Failure to develop this or other technology could have an adverse material effect on our business, financial condition, results of operations and future prospects.

The results of clinical studies may not support the usefulness of our technology.

Conducting clinical trials is a long, expensive and uncertain process that is subject to delays and failure at any stage. Clinical trials can take months or years. The commencement or completion of any of our clinical trials may be delayed or halted for numerous reasons, including:

- the U.S. Food and Drug Administration may not approve a clinical trial protocol or a clinical trial, or may place a clinical trial on hold;
- subjects may not enroll in clinical trials at the rate we expect or we may not follow up on subjects at the rate we expect;
- subjects may experience events unrelated to our products;
- third-party clinical investigators may not perform our clinical trials consistent with our anticipated schedule or the clinical trial protocol and good clinical practices, or other third-party organizations may not perform data collection and analysis in a timely or accurate manner;
- interim results of any of our clinical trials may be inconclusive or negative;

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- regulatory inspections of our clinical trials may require us to undertake corrective action or suspend or terminate the clinical trials if investigators find us not to be in compliance with regulatory requirements; or
- governmental regulations or administrative actions may change and impose new requirements, particularly with respect to reimbursement.

Results of pre-clinical studies do not necessarily predict future clinical trial results and previous clinical trial results may not be repeated in subsequent medical trials. We may experience delays, cost overruns and project terminations despite achieving promising results in pre-clinical testing or early clinical testing. In addition, the data obtained from clinical trials may be inadequate to support approval or clearance of a submission. The U.S. Food and Drug Administration may disagree with our interpretation of the data from our clinical trials, or may find the clinical trial design, conduct or results inadequate to demonstrate the safety and effectiveness of the product candidate. The U.S. Food and Drug Administration may also require us to conduct additional pre-clinical studies or clinical trials that could further delay approval of our products. If we are unsuccessful in receiving U.S. Food and Drug Administration approval of a product, we would not be able to commercialize the product in the U.S., which could seriously harm our business. Moreover, we face similar risks in other jurisdictions in which we may sell or propose to sell our products.

The medical device industry is subject to stringent regulation and failure to obtain regulatory approval will prevent commercialization of our products.

Medical devices are subject to extensive and rigorous regulation by the U.S. Food and Drug Administration pursuant to the Federal Food, Drug, and Cosmetic Act, by comparable agencies in foreign countries and by other regulatory agencies and governing bodies. Under the Federal Food, Drug, and Cosmetic Act and associated regulations, manufacturers of medical devices must comply with certain regulations that cover the composition, labeling, testing, clinical study, manufacturing, packaging and distribution of medical devices. In addition, medical devices must receive U.S. Food and Drug Administration clearance or approval before they can be commercially marketed in the U.S., and the U.S. Food and Drug Administration may require testing and surveillance programs to monitor the effects of approved products that have been commercialized and can prevent or limit further marketing of a product based on the results of these post-market evaluation programs. The process of obtaining marketing clearance from the U.S. Food and Drug Administration for new products could take a significant period of time, require the expenditure of substantial resources, involve rigorous pre-clinical and clinical testing, require changes to the products and result in limitations on the indicated uses of the product. In addition, if we seek regulatory approval in non-U.S. markets, we will be subject to further regulatory approvals that may require additional costs and resources. There is no assurance that we will obtain necessary regulatory approvals in a timely manner, or at all.

Our product, the PURE EP System, will need to receive 510(k) marketing clearance from the U.S. Food and Drug Administration in order permit us to market this product in the U.S. In addition, if we intend to market our product for additional medical uses or indications, we will need to submit additional 510(k) applications to the U.S. Food and Drug Administration that are supported by satisfactory clinical trial results specifically for the additional indication. The results of our initial clinical trials may not provide sufficient evidence to allow the U.S. Food and Drug Administration to grant us such additional marketing clearances and even additional trials requested by the U.S. Food and Drug Administration may not result in our obtaining 510(k) marketing clearance for our product. The failure to obtain U.S. Food and Drug Administration marketing clearance for the PURE EP System, any additional indications for the PURE EP System or any other of our future products would have a material adverse effect on our business.

Even if regulatory approval is obtained, our products will be subject to extensive post-approval regulation.

Once a product is approved by the relevant regulatory body for our targeted commercialization market, numerous post-approval requirements apply, including but not limited to requirements relating to manufacturing, labeling, packaging, advertising and record keeping. Even if regulatory approval of a product is obtained, the approval may be subject to limitations on the uses for which the product may be marketed, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. Any such post-approval requirement could reduce our revenues, increase our expenses and render the approved product candidate not commercially viable. If we fail to comply with the regulatory requirements of the applicable regulatory authorities, or if previously unknown problems with any approved commercial products, manufacturers or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions or other negative consequences, including:

- restrictions on our products, manufacturers or manufacturing processes;
- warning letters and untitled letters;

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- civil penalties and criminal prosecutions and penalties;
- fines;
- injunctions;
- product seizures or detentions;
- import or export bans or restrictions;
- voluntary or mandatory product recalls and related publicity requirements;
- suspension or withdrawal of regulatory approvals;
- total or partial suspension of production; and
- refusal to approve pending applications for marketing approval of new products or of supplements to approved applications.

Regulations are constantly changing, and in the future our business may be subject to additional regulations that increase our compliance costs.

We believe we understand the current laws and regulations to which our products will be subject in the future. However, federal, state and foreign laws and regulations relating to the sale of our products are subject to future changes, as are administrative interpretations of regulatory agencies. If we fail to comply with such federal, state or foreign laws or regulations, we may fail to obtain regulatory approval for our products and, if we have already obtained regulatory approval, we could be subject to enforcement actions, including injunctions preventing us from conducting our business, withdrawal of clearances or approvals and civil and criminal penalties. In the event that federal, state, and foreign laws and regulations change, we may incur additional costs to seek government approvals, in addition to the clearance we intend to seek from the U.S. Food and Drug Administration in order to sell or market our products. If we are slow or unable to adapt to changes in existing regulatory requirements or the promulgation of new regulatory requirements or policies, we or our licensees may, following approval, lose marketing approval for our products which will impact our ability to conduct business in the future.

The market for our technology and revenue generation avenues for our products may be slow to develop, if at all.

The market for our products may be slower to develop or smaller than estimated or it may be more difficult to build the market than anticipated. The medical community may resist our products or be slower to accept them than we anticipate. Revenues from our products may be delayed or costs may be higher than anticipated which may result in our need for additional funding. We anticipate that our principal route to market will be through commercial distribution partners. These arrangements are generally non-exclusive and have no guaranteed sales volumes or commitments. The partners may be slower to sell our products than anticipated. Any financial, operational or regulatory risks that affect our partners could also affect the sales of our products. In the current economic environment, hospitals and clinical purchasing budgets may exercise greater restraint with respect to purchases, which may result in purchasing decisions being delayed or denied. If any of these situations were to occur this could have a material adverse effect on our business, financial condition, results of operations and future prospects.

If we seek to market our products in foreign jurisdictions, we may need to obtain regulatory approval in these jurisdictions.

In order to market our products in the European Union and many other foreign jurisdictions, we may need to obtain separate regulatory approvals and comply with numerous and varying regulatory requirements. Approval procedures vary among countries (except with respect to the countries that are part of the European Economic Area) and can involve additional clinical testing. The time required to obtain approval may differ from that required to obtain U.S. Food and Drug Administration approval. Should we decide to market our products abroad, we may fail to obtain foreign regulatory approvals on a timely basis, if at all. Approval by the U.S. Food and Drug Administration does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority, including obtaining CE Mark approval, does not ensure approval by regulatory authorities in other foreign countries or by the U.S. Food and Drug Administration. We may be unable to file for, and may not receive, necessary regulatory approvals to commercialize our products in any foreign market, which could adversely affect our business prospects.

The electrophysiology market is highly competitive.

There are a number of groups and organizations, such as healthcare, medical device and software companies in the electrophysiology market that may develop a competitive offering to our products. The largest companies in the electrophysiology market are GE, Johnson & Johnson, Boston Scientific, Siemens and Abbott. All of these companies have significantly greater resources, experience and name recognition than we possess. There is no assurance that they will not attempt to develop similar or superior products, that they will not be successful in developing such products or that any products they may develop will not have a competitive advantage over our products. If we experience delayed regulatory approvals or disputed clinical claims, we may not have a commercial or clinical advantage over competitors' products that we believe we currently possess. Should a superior offering come to market, this could have a material adverse effect on our business, financial condition, results of operations and future prospects.

We rely on key officers, consultants and scientific and medical advisors, and their knowledge of our business and technical expertise would be difficult to replace.

We are highly dependent on our officers, consultants and scientific and medical advisors because of their expertise and experience in medical device development. We do not have "key person" life insurance policies for any of our officers. Moreover, if we are unable to obtain additional funding, we will be unable to meet our current and future compensation obligations to such employees and consultants. In light of the foregoing, we are at risk that one or more of our consultants or employees may leave our company for other opportunities where there is no concern about such employers fulfilling their compensation obligations, or for other reasons. The loss of the technical knowledge and management and industry expertise of any of our key personnel could result in delays in product development, loss of customers and sales and diversion of management resources, which could adversely affect our results of operations.

We may fail to attract and retain qualified personnel.

We expect to rapidly expand our operations and grow our sales, research and development and administrative operations. This expansion is expected to place a significant strain on our management and will require hiring a significant number of qualified personnel. Accordingly, recruiting and retaining such personnel in the future will be critical to our success. There is intense competition from other companies, research and academic institutions, government entities and other organizations for qualified personnel in the areas of our activities. Many of these companies, institutions and organizations have greater resources than we do, along with more prestige associated with their names. If we fail to identify, attract, retain and motivate these highly skilled personnel, we may be unable to continue our marketing and development activities, and this could have a material adverse effect on our business, financial condition, results of operations and future prospects.

If we do not effectively manage changes in our business, these changes could place a significant strain on our management and operations.

Our ability to grow successfully requires an effective planning and management process. The expansion and growth of our business could place a significant strain on our management systems, infrastructure and other resources. To manage our growth successfully, we must continue to improve and expand our systems and infrastructure in a timely and efficient manner. Our controls, systems, procedures and resources may not be adequate to support a changing and growing company. If our management fails to respond effectively to changes and growth in our business, including acquisitions, there could be a material adverse effect on our business, financial condition, results of operations and future prospects.

Our strategic business plan may not produce the intended growth in revenue and operating income.

Our strategies ultimately include making significant investments in sales and marketing programs to achieve revenue growth and margin improvement targets. If we do not achieve the expected benefits from these investments or otherwise fail to execute on our strategic initiatives, we may not achieve the growth improvement we are targeting and our results of operations may be adversely affected. We may also fail to secure the capital necessary to make these investments, which will hinder our growth.

In addition, as part of our strategy for growth, we may make acquisitions and enter into strategic alliances such as joint ventures and joint development agreements. However, we may not be able to identify suitable acquisition candidates, complete acquisitions or integrate acquisitions successfully, and our strategic alliances may not prove to be successful. In this regard, acquisitions involve numerous risks, including difficulties in the integration of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. Although we will endeavor to evaluate the risks inherent in any particular transaction, there can be no assurance that we will properly ascertain all such risks. In addition, acquisitions could result in the incurrence of substantial additional indebtedness and other expenses or in potentially dilutive issuances of equity securities. There can be no assurance that difficulties encountered with acquisitions will not have a material adverse effect on our business, financial condition and results of operations.

We currently have no sales, marketing or distribution operations and will need to expand our expertise in these areas.

We currently have no sales, marketing or distribution operations and, in connection with the expected commercialization of our planned products, will need to expand our expertise in these areas. To increase internal sales, distribution and marketing expertise and be able to conduct these operations, we would have to invest significant amounts of financial and management resources. In developing these functions ourselves, we could face a number of risks, including:

- we may not be able to attract and build an effective marketing or sales force;
- the cost of establishing, training and providing regulatory oversight for a marketing or sales force may be substantial; and
- there are significant legal and regulatory risks in medical device marketing and sales that we have never faced, and any failure to comply with applicable legal and regulatory requirements for sales, marketing and distribution could result in an enforcement action by the U.S. Food and Drug Administration, European regulators or other authorities that could jeopardize our ability to market our planned products or could subject us to substantial liability.

The liability of our directors and officers is limited.

The applicable provisions of the Delaware General Corporation Law and our Amended and Restated Certificate of Incorporation and By-laws limit the liability of our directors to us and our stockholders for monetary damages for breaches of their fiduciary duties, with certain exceptions, and for other specified acts or omissions of such persons. In addition, the applicable provisions of the Delaware General Corporation Law and of our Amended and Restated Certificate of Incorporation and By-laws provide for indemnification of such persons under certain circumstances. In the event we are required to indemnify any of our directors or any other person, our financial strength may be harmed.

Our product development program depends upon third-party researchers who are outside our control and whose negative performance could materially hinder or delay our pre-clinical testing or clinical trials.

We do not have the ability to conduct all aspects of pre-clinical testing or clinical trials ourselves. We depend upon independent investigators and collaborators, such as commercial third-parties, government, universities and medical institutions, to conduct our pre-clinical and clinical trials under agreements with us. These collaborators are not our employees and we cannot control the amount or timing of resources that they devote to our programs. These investigators may not assign as great a priority to our programs or pursue them as diligently as we would if we were undertaking such programs ourselves. The failure of any of these outside collaborators to perform in an acceptable and timely manner in the future, including in accordance with any applicable regulatory requirements, such as good clinical and laboratory practices, or pre-clinical testing or clinical trial protocols, could cause a delay or otherwise adversely affect our pre-clinical testing or clinical trials, our success in obtaining regulatory approvals and, ultimately, the timely advancement of our development programs. In addition, these collaborators may also have relationships with other commercial entities, some of whom may compete with us. If our collaborators assist our competitors at our expense, our competitive position would be harmed.

Negative publicity or unfavorable media coverage could damage our reputation and harm our operations.

In the event that the marketplace perceives our products as not offering the benefits which we believe they offer, we may receive negative publicity. This publicity may result in litigation and increased regulation and governmental review. If we were to receive such negative publicity or unfavorable media attention, whether warranted or unwarranted, our ability to market our products would be adversely affected. We may be required to change our products and services and become subject to increased regulatory burdens, and we may be required to pay large judgments or fines and incur significant legal expenses. Any combination of these factors could further increase our cost of doing business and adversely affect our financial position, results of operations and cash flows.

We may face risks associated with future litigation and claims.

We may, in the future, be involved in one or more lawsuits, claims or other proceedings. These suits could concern issues including contract disputes, employment actions, employee benefits, taxes, environmental, health and safety, personal injury and product liability matters. Due to the uncertainties of litigation, we can give no assurance that we will prevail on any claims made against us in any such lawsuit. Also, we can give no assurance that any other lawsuits or claims brought in the future will not have an adverse effect on our financial condition, liquidity or operating results.

Specifically, we believe we will be subject to product liability claims or product recalls, particularly in the event of false positive or false negative reports, because we plan to develop and manufacture medical diagnostic products. We intend to obtain appropriate insurance coverage once we reach a manufacturing stage. A product recall or a successful product liability claim or claims that exceed our planned insurance coverage could have a material adverse effect on us. In addition, product liability insurance is expensive. In the future we may not be able to obtain coverage on acceptable terms, if at all. Moreover, our insurance coverage may not adequately protect us from liability that we incur in connection with clinical trials or sales of our products. In the event of an award against us during a time when we have no available insurance or insufficient insurance, we may sustain significant losses of our operating capital. In addition, any products liability litigation, regardless of outcome or strength of claims, may divert time and resources away from the day-to-day operation of our business and product development efforts. Any of these outcomes could adversely impact our business and results of operations, as well as impair our reputation in the medical and investment communities.

We may be subject, directly or indirectly, to U.S. federal and state health care fraud and abuse and false claims laws and regulations. Prosecutions under such laws have increased in recent years and we may become subject to such litigation. If we are unable to, or have not fully complied with such laws, we could face substantial penalties.

If we are successful in achieving regulatory approval to market our PURE EP System, our operations will be directly, or indirectly through our customers and health care professionals, subject to various U.S. federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, federal False Claims Act, and federal Foreign Corrupt Practices Act. These laws may impact, among other things, our proposed sales, and marketing and education programs.

The federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made under a federal health care program such as the Medicare and Medicaid programs. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal health care covered business, the statute has been violated. The federal Anti-Kickback Statute is broad and, despite a series of narrow safe harbors, prohibits many arrangements and practices that are lawful in businesses outside of the health care industry. Penalties for violations of the federal Anti-Kickback Statute include criminal penalties and civil and administrative sanctions such as fines, imprisonment and possible exclusion from Medicare, Medicaid and other federal health care programs. An alleged violation of the federal Anti-Kickback Statute may be used as a predicate offense to establish liability pursuant to other federal laws and regulations such as the federal False Claims Act. Many states have also adopted laws similar to the federal Anti-Kickback Statute, some of which apply to the referral of patients for health care items or services reimbursed by any source, not only the Medicare and Medicaid programs.

The federal False Claims Act prohibits persons from knowingly filing, or causing to be filed, a false claim to, or the knowing use of false statements to obtain payment from, the federal government. Suits filed under the federal False Claims Act, known as "qui tam" actions, can be brought by any individual on behalf of the government and such individuals, commonly known as "relators" or "whistleblowers," may share in any amounts paid by the entity to the government in fines or settlement. The frequency of filing qui tam actions has increased significantly in recent years, causing greater numbers of medical device and health care companies to have to defend a federal False Claims Act action. The federal Patient Protection and Affordable Care Act includes provisions expanding the ability of certain relators to bring actions that would have been previously dismissed under prior law. When an entity is determined to have violated the federal False Claims Act, it may be required to pay up to three times the actual damages sustained by the government, plus civil penalties for each separate false claim. The Deficit Reduction Act of 2005 encouraged states to enact or modify their state false claims act to be at least as effective as the federal False Claims Act by granting states a portion of any federal Medicaid funds recovered through Medicaid-related actions. Most states have enacted state false claims laws, and many of those states included laws including qui tam provisions.

The federal Patient Protection and Affordable Care Act includes provisions known as the Physician Payments Sunshine Act, which requires manufacturers of drugs, biologics, devices and medical supplies covered under Medicare and Medicaid starting in 2012 to record any transfers of value to physicians and teaching hospitals and to report this data beginning in 2013 to the Centers for Medicare and Medicaid Services for subsequent public disclosure. Manufacturers must also disclose investment interests held by physicians and their family members. Failure to submit the required information may result in civil monetary penalties of up to \$1 million per year for knowing violations and may result in liability under other federal laws or regulations. Similar reporting requirements have also been enacted on the state level in the U.S., and an increasing number of countries worldwide either have adopted or are considering similar laws requiring transparency of interactions with health care professionals. In addition, some states such as Massachusetts and Vermont impose an outright ban on certain gifts to physicians. If we receive U.S. Food and Drug Administration clearance to market our system in the U.S., these laws could affect our promotional activities by limiting the kinds of interactions we could have with hospitals, physicians or other potential purchasers or users of our system. Both the disclosure laws and gift bans will impose administrative, cost and compliance burdens on us.

We are unable to predict whether we could be subject to actions under any of these laws, or the impact of such actions. If we are found to be in violation of any of the laws described above and other applicable state and federal fraud and abuse laws, we may be subject to penalties, including civil and criminal penalties, damages, fines, or an administrative action of suspension or exclusion from government health care reimbursement programs and the curtailment or restructuring of our operations.

In addition, to the extent we commence commercial operations overseas, we will be subject to the federal Foreign Corrupt Practices Act and other countries' anti-corruption/anti-bribery regimes, such as the U.K. Bribery Act. The federal Foreign Corrupt Practices Act prohibits improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. Safeguards we implement to discourage improper payments or offers of payments by our employees, consultants, sales agents or distributors may be ineffective, and violations of the federal Foreign Corrupt Practices Act and similar laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against us, any of which would likely harm our reputation, business, financial condition and results of operations.

We have identified a material weakness in our internal control over financial reporting which, if not remediated, could adversely affect our reputation, business or stock price.

As disclosed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2018, as amended by Amendment No. 1 on Form 10-K/A filed with the Securities and Exchange Commission on March 26, 2018, we have identified a material weakness in our internal control over financial reporting related to the segregation of duties in the initiating and recording of transactions.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. Management has evaluated, and continues to evaluate, avenues for mitigating our internal controls weaknesses, but mitigating controls to completely mitigate internal control weaknesses have been deemed to be impractical and prohibitively costly, due to the size of our organization. While management expects to continue to use reasonable care in following and seeking improvements to effective internal control processes that have been and continue to be in use by us, we cannot assure you that our remedial measures will be sufficient to address the material weakness. Moreover, we cannot assure you that we will not identify additional material weaknesses in our internal control over financial reporting in the future. If we are unable to remediate the material weakness, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the Securities and Exchange Commission, could be adversely affected. The occurrence of or failure to remediate the material weakness may adversely affect our reputation and business and the market price of our common stock and any other securities we may issue.

Risks Related to Our Intellectual Property

If we do not obtain protection for our intellectual property rights, our competitors may be able to take advantage of our research and development efforts to develop competing products.

We intend to rely on a combination of patents, trade secrets, and nondisclosure and non-competition agreements to protect our proprietary intellectual property. We have filed a patent application with the U.S. Patent and Trademark Office, and we have filed this patent application under the Patent Cooperation Treaty (PCT) with the U.S. Receiving Office. We plan to file additional patent applications in the U.S. and in other countries as we deem appropriate for our products. Our applications have and will include claims intended to provide market exclusivity for certain commercial aspects of the products, including the methods of production, the methods of usage and the commercial packaging of the products. However, we cannot predict:

- the degree and range of protection any patents will afford us against competitors, including whether third parties will find ways to invalidate or otherwise circumvent our patents;
- if and when such patents will be issued, and, if granted, whether patents will be challenged and held invalid or unenforceable;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications; or
- whether we will need to initiate litigation or administrative proceedings which may be costly regardless of outcome.

Our success also depends upon the skills, knowledge and experience of our scientific and technical personnel, our consultants and advisors as well as our licensors and contractors. To help protect our proprietary know-how and our inventions for which patents may be unobtainable or difficult to obtain, we rely on trade secret protection and confidentiality agreements. To this end, it is our policy to require all of our employees, consultants, advisors and contractors to enter into agreements which prohibit the disclosure of confidential information and, where applicable, require disclosure and assignment to us of the ideas, developments, discoveries and inventions important to our business. These agreements may not provide adequate protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure or the lawful development by others of such information. If any of our trade secrets, know-how or other proprietary information is disclosed, the value of our trade secrets, know-how and other proprietary rights would be significantly impaired and our business and competitive position would suffer.

Given the fact that we may pose a competitive threat, competitors, especially large and well-capitalized companies that own or control patents relating to electrophysiology recording systems, may successfully challenge our current and planned patent applications, produce similar products or products that do not infringe our future patents, or produce products in countries where we have not applied for patent protection or that do not respect our patents.

If any of these events occurs, or we otherwise lose protection for our trade secrets or proprietary know-how, the value of our intellectual property may be greatly reduced. Patent protection and other intellectual property protection are important to the success of our business and prospects, and there is a substantial risk that such protections will prove inadequate.

If we infringe upon the rights of third parties, we could be prevented from selling products and forced to pay damages and defend against litigation.

If our products, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs and we may be required to:

- obtain licenses, which may not be available on commercially reasonable terms, if at all;
- abandon an infringing product candidate;
- redesign our product candidates or processes to avoid infringement;
- cease usage of the subject matter claimed in the patents held by others;
- pay damages; and/or
- defend litigation or administrative proceedings which may be costly regardless of outcome, and which could result in a substantial diversion of our financial and management resources.

Any of these events could substantially harm our earnings, financial condition and operations.

Risks Related to our Common Stock

The public trading market for our common stock is volatile and may result in higher spreads in stock prices, which may limit the ability of our investors to sell their shares of our common stock at a profit, if at all.

Our common stock trades in the over-the-counter market and is quoted on the OTCQB tier of the OTC Markets Group, Inc. The over-the-counter market for securities has historically experienced extreme price and volume fluctuations during certain periods. These broad market fluctuations may adversely affect the market price of our common stock and result in substantial losses to our investors. In addition, the spreads on stock traded through the over-the-counter market are generally unregulated and higher than on national stock exchanges, which means that the difference between the price at which shares could be purchased by investors in the over-the-counter market compared to the price at which they could be subsequently sold would be greater than on these exchanges. Significant spreads between the bid and asked prices of the stock could continue during any period in which a sufficient volume of trading is unavailable or if the stock is quoted by an insignificant number of market makers. Historically, our trading volume has been insufficient to significantly reduce this spread and we have had a limited number of market makers insufficient to affect this spread. These higher spreads could adversely affect investors who purchase the shares at the higher price at which the shares are sold, but subsequently sell the shares at the lower bid prices quoted by the brokers. Unless the bid price for the stock exceeds the price paid for the shares by the investor, plus brokerage commissions or charges, the investor could lose money on the sale. For higher spreads such as those on over-the-counter stocks, this is likely a much greater percentage of the price of the stock than for exchange listed stocks. There is no assurance that at the time an investor in our common stock wishes to sell the shares, the bid price will have sufficiently increased to create a profit on the sale.

We do not know whether a market for our common stock will be sustained or what the market price of our common stock will be and as a result it may be difficult for you to sell your shares of our common stock.

Although our common stock now trades on the OTCQB, an active trading market for our shares may not be sustained. It may be difficult for our stockholders to sell their shares without depressing the market price for our shares or at all. As a result of these and other factors, our stockholders may not be able to sell their shares. Further, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic partnerships or acquire companies or products by using our shares of common stock as consideration. If an active market for our common stock does not develop or is not sustained, it may be difficult for our stockholders to sell shares of our common stock.

The market price for our common stock may fluctuate significantly, which could result in substantial losses by our investors.

The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, such as:

- the outcomes of potential future patent litigation;
- our ability to monetize our future patents;
- changes in our industry;
- announcements of technological innovations, new products or product enhancements by us or others;
- announcements by us of significant strategic partnerships, out-licensing, in-licensing, joint ventures, acquisitions or capital commitments;
- changes in earnings estimates or recommendations by security analysts, if our common stock is covered by analysts;
- investors' general perception of us;
- future issuances of common stock;
- the addition or departure of key personnel;
- general market conditions, including the volatility of market prices for shares of technology companies, generally, and other factors, including factors unrelated to our operating performance; and
- the other factors described in this "Risk Factors" section.

These factors and any corresponding price fluctuations may materially and adversely affect the market price of our common stock and result in substantial losses by our investors.

Further, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations in the past. Continued market fluctuations could result in extreme volatility in the price of our common stock, which could cause a decline in the value of our common stock.

Price volatility of our common stock might be worse if the trading volume of our common stock is low. In the past, following periods of market volatility, stockholders have often instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and attention of management from our business, even if we are successful. Future sales of our common stock could also reduce the market price of such stock.

Moreover, the liquidity of our common stock is limited, not only in terms of the number of shares that can be bought and sold at a given price, but by delays in the timing of transactions and reduction in security analysts' and the media's coverage of us, if any. These factors may result in lower prices for our common stock than might otherwise be obtained and could also result in a larger spread between the bid and ask prices for our common stock. In addition, without a large float, our common stock is less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In the absence of an active public trading market, an investor may be unable to liquidate its investment in our common stock. Trading of a relatively small volume of our common stock may have a greater impact on the trading price of our stock than would be the case if our public float were larger. We cannot predict the prices at which our common stock will trade in the future.

Our common stock is a “penny stock,” which makes it more difficult for our investors to sell their shares.

Our common stock is subject to the “penny stock” rules adopted under Section 15(g) of the Securities Exchange Act of 1934, as amended. The penny stock rules generally apply to companies whose common stock is not listed on The NASDAQ Stock Market or other national securities exchange and trades at less than \$5.00 per share, other than companies that have had average revenue of at least \$6,000,000 for the last three years or that have tangible net worth of at least \$5,000,000 (\$2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than “established customers” complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. If our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market, it could create a circumstance commonly referred to as an “overhang,” in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Our stockholders may experience substantial dilution as a result of the conversion of outstanding convertible preferred stock or the exercise of options and warrants to purchase shares of our common stock.

As of May 16, 2018, we have granted options to purchase 9,095,319 shares of common stock and have reserved 1,740 shares of our common stock for further issuances pursuant to our 2012 Equity Incentive Plan. In addition, as of May 16, 2018, we may be required to issue 589,747 shares of our common stock for issuance upon conversion of outstanding convertible Series C preferred stock which includes accrued dividends as of March 31, 2018; 34,290 shares of our common stock for issuance upon conversion of outstanding convertible Series D preferred stock which includes make-whole payment dividends; 1,294,392 shares of our common stock for issuance upon conversion of outstanding convertible Series E preferred stock which includes make-whole payment dividends; and 13,800,557 shares of our common stock for issuance upon exercise of outstanding warrants. Should all of these shares be issued, you would experience dilution in ownership of our common stock and the price of our common stock will decrease unless the value of our company increases by a corresponding amount.

The interests of our controlling stockholders may not coincide with yours and such controlling stockholders may make decisions with which you may disagree.

As of May 16, 2018, two of our stockholders beneficially owned over 22.50% of our common stock. As a result, these stockholders may be able to influence the outcome of matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of our company and make some future transactions more difficult or impossible without the support of our controlling stockholders. The interests of our controlling stockholders may not coincide with our interests or the interests of other stockholders.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We currently have new research coverage by securities and industry analysts. If one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

We are subject to financial reporting and other requirements that place significant demands on our resources.

We are subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended, including the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. Section 404 requires us to conduct an annual management assessment of the effectiveness of our internal controls over financial reporting. These reporting and other obligations place significant demands on our management, administrative, operational, internal audit and accounting resources. Any failure to maintain effective internal controls could have a material adverse effect on our business, operating results and stock price. Moreover, effective internal control is necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed.

We are an “emerging growth company” and we cannot be certain that the reduced disclosure requirements applicable to emerging growth companies will not make our common stock less attractive to investors.

The JOBS Act permits “emerging growth companies” like us to rely on some of the reduced disclosure requirements that are already available to smaller reporting companies. As long as we qualify as an emerging growth company or a smaller reporting company, we would be permitted to omit the auditor’s attestation on internal control over financial reporting that would otherwise be required by the Sarbanes-Oxley Act, as described above, and are also exempt from the requirement to submit “say-on-pay”, “say-on-pay frequency” and “say-on-parachute” votes to our stockholders and may avail ourselves of reduced executive compensation disclosure that is already available to smaller reporting companies.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of this exemption. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will cease to be an emerging growth company upon the earliest to occur of (i) the last day of the fiscal year during which we had total annual gross revenues of \$1 billion (as indexed for inflation); (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of common stock under our registration statement on Form S-1 that became effective on June 23, 2014; (iii) the date on which we have, during the previous 3-year period, issued more than \$1 billion in non-convertible debt; or (iv) the date on which we are deemed to be a “large accelerated filer,” as defined by the Securities and Exchange Commission, which would generally occur upon our attaining a public float of at least \$700 million. Once we lose emerging growth company status, we expect the costs and demands placed upon our management to increase, as we would have to comply with additional disclosure and accounting requirements, particularly if we would also not qualify as a smaller reporting company. In addition, until such time, we cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile and could cause our stock price to decline.

Delaware law and our Amended and Restated Certificate of Incorporation and By-laws contain anti-takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable.

Our board of directors is authorized to issue shares of preferred stock in one or more series and to fix the voting powers, preferences and other rights and limitations of the preferred stock. Accordingly, we may issue shares of preferred stock with a preference over our common stock with respect to dividends or distributions on liquidation or dissolution, or that may otherwise adversely affect the voting or other rights of the holders of common stock. Issuances of preferred stock, depending upon the rights, preferences and designations of the preferred stock, may have the effect of delaying, deterring or preventing a change of control, even if that change of control might benefit our stockholders. In addition, we are subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless (i) prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; (ii) the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (iii) on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 could delay or prohibit mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

The terms of our Series C Preferred Stock prohibit us from paying dividends in the future on our common stock. As a result, any return on investment may be limited to the value of our common stock.

The terms of our Series C Preferred Stock prohibit us from paying dividends in the future on our common stock, absent consent from the holders representing a super-majority of the outstanding shares of our Series C Preferred Stock and a certain investor. Because we will likely not pay dividends, our common stock may be less valuable because a return on an investment in our common stock will only occur if our stock price appreciates.

Risks Related to our Series C Preferred Stock

Our Series C Preferred Stock contains covenants that could limit our financing options and liquidity position, which would limit our ability to grow our business.

Covenants in the certificate of designation for our Series C Preferred Stock impose operating and financial restrictions on us. These restrictions prohibit or limit our ability to, among other things:

- incur additional indebtedness;
- permit liens on assets;
- repay, repurchase or otherwise acquire more than a de minimis number of shares of capital stock;
- pay cash dividends to our stockholders; and
- engage in transactions with affiliates.

These restrictions may limit our ability to obtain financing, withstand downturns in our business or take advantage of business opportunities. Moreover, debt financing we may seek may contain terms that include more restrictive covenants, may require repayment on an accelerated schedule or may impose other obligations that limit our ability to grow our business, acquire needed assets, or take other actions we might otherwise consider appropriate or desirable.

In addition, the certificate of designation for our Series C Preferred Stock requires us to redeem shares of our Series C Preferred Stock, at each holder's option and for an amount greater than their stated value, upon the occurrence of certain events, including our being subject to a judgment of greater than \$100,000 or our initiation of bankruptcy proceedings.

The holders of our Series C Preferred Stock are entitled to receive a dividend, which may be increased if we do not comply with certain covenants.

The holders of the Series C Preferred Stock are entitled to a 9% annual dividend on the \$1,000 per share stated value of our Series C Preferred Stock, which is payable in cash or, subject to the satisfaction of certain conditions, in pay-in-kind shares. The dividend may be increased to a 18% annual dividend if we fail to comply with certain covenants, including our being subject to a judgment of greater than \$100,000 or our initiation of bankruptcy proceedings. As a result of the payment of dividends related to our Series C Preferred Stock, we may be obligated to pay significant sums of money or issue a significant number of shares of our common stock, which could negatively affect our operations or result in the dilution of the holders of our common stock, respectively.

Our Series C Preferred Stock and certain of our warrants contain anti-dilution provisions that may result in the reduction of their conversion prices or exercise prices in the future.

Our Series C Preferred Stock and certain of our warrants contain anti-dilution provisions, which provisions require the lowering of the conversion price or exercise price, as applicable, to the purchase price of future offerings. Furthermore, with respect to such warrants, if we complete an offering below the exercise price of such warrants, the number of shares issuable under such warrants will be proportionately increased such that the aggregate exercise price payable after taking into account the decrease in the exercise price, shall be equal to the aggregate exercise price prior to such adjustment. If in the future we issue securities for less than the conversion or exercise price of our Series C Preferred Stock and such warrants, respectively, we will be required to further reduce the relevant conversion or exercise prices, and the number of shares underlying such warrants will be increased. We may find it more difficult to raise additional equity capital while our Series C Preferred Stock and such warrants are outstanding.

Risks Related to our Series D Preferred Stock

The holders of our Series D Preferred Stock are entitled to receive a dividend.

The holders of the Series D Preferred Stock are entitled to a 9% annual dividend on the \$1,500 per share stated value of our Series D Preferred Stock when such holders convert their shares of Series D Preferred Stock into common stock, which is payable in cash or, subject to the satisfaction of certain conditions, in pay-in-kind shares. As a result of the payment of dividends related to our Series D Preferred Stock, we may be obligated to pay significant sums of money or issue a significant number of shares of our common stock, which could negatively affect our operations or result in the dilution of the holders of our common stock, respectively.

Our Series D Preferred Stock and certain of our warrants contain anti-dilution provisions that may result in the reduction of their conversion prices or exercise prices in the future.

Our Series D Preferred Stock contains anti-dilution provisions, which provisions require the lowering of the conversion price to the purchase price of future offerings. If in the future we issue securities for less than the conversion price of our Series D Preferred Stock and such warrants, respectively, we will be required to further reduce the relevant conversion price. We may find it more difficult to raise additional equity capital while our Series D Preferred Stock is outstanding.

Risks Related to our Series E Preferred Stock

The holders of our Series E Preferred Stock are entitled to receive a dividend.

The holders of the Series E Preferred Stock are entitled to a 7% annual dividend on the \$1,500 per share stated value of our Series E Preferred Stock when such holders convert their shares of Series E Preferred Stock into common stock, which is payable in cash. As a result of the payment of dividends related to our Series E Preferred Stock, we may be obligated to pay significant sums of money which could negatively affect our operations.

Our Series E Preferred Stock and certain of our warrants contain anti-dilution provisions that may result in the reduction of their conversion prices or exercise prices in the future.

Our Series E Preferred Stock contains anti-dilution provisions, which provisions require the lowering of the conversion price to the purchase price of future offerings. If in the future we issue securities for less than the conversion price of our Series E Preferred Stock and such warrants, respectively, we will be required to further reduce the relevant conversion price. We may find it more difficult to raise additional equity capital while our Series E Preferred Stock is outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains “forward-looking statements,” which include information relating to future events, future financial performance, strategies, expectations, competitive environment and regulation. Words such as “may,” “should,” “could,” “would,” “predict,” “potential,” “continue,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “estimate,” and similar expressions, as well as statements in future tense, identify forward-looking statements. Forward-looking statements should not be read as a guarantee of the occurrence or the expected timing of future performance or results. Forward-looking statements are based on information we have when those statements are made or our management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- inability to manufacture our product candidates on a commercial scale on our own, or in collaboration with third parties;
- difficulties in obtaining financing on commercially reasonable terms;
- changes in the size and nature of our competition;
- loss of one or more key executives or scientists; and
- difficulties in securing regulatory approval to market our product candidates.

You should review carefully the section entitled “Risk Factors” beginning on page 3 of this prospectus for a discussion of these and other risks that relate to our business and investing in shares of our common stock. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

All shares of our common stock offered by this prospectus are being registered for the accounts of the selling stockholders and we will not receive any proceeds from the sale of these shares. However, we will receive proceeds from the exercise price of the warrants if the warrants are exercised for cash. We intend to use those proceeds, if any, for general corporate purposes.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

On October 29, 2014, our common stock commenced trading on OTCQB under the symbol “BSGM.” Prior to October 29, 2014, there was no established trading price for our common stock. The following table sets forth, for the periods indicated, the high and low sales prices per share of our common stock as reported by the OTCQB. The quotations reflect inter-dealer prices, without retail markup, markdown or commissions, and may not represent actual transactions.

	Fiscal Year 2018	
	High	Low
First Quarter	\$ 1.70	\$ 1.29
Second Quarter (through May 15, 2018)	\$ 2.36	\$ 1.57

	Fiscal Year 2017	
	High	Low
First Quarter	\$ 2.00	\$ 1.20
Second Quarter	\$ 1.76	\$ 1.23
Third Quarter	\$ 1.60	\$ 1.25
Fourth Quarter	\$ 1.75	\$ 1.29

	Fiscal Year 2016	
	High	Low
First Quarter	\$ 1.59	\$ 0.90
Second Quarter	\$ 2.15	\$ 1.33
Third Quarter	\$ 1.60	\$ 1.05
Fourth Quarter	\$ 1.59	\$ 1.25

	Fiscal Year 2015	
	High	Low
First Quarter	\$ 2.85	\$ 1.31
Second Quarter	\$ 4.80	\$ 2.00
Third Quarter	\$ 2.30	\$ 1.13
Fourth Quarter	\$ 1.90	\$ 1.08

We have never paid cash dividends on our common stock and do not anticipate paying any cash dividends in the foreseeable future, but intend to retain our capital resources for reinvestment in our business. In addition, the terms of our Series C Preferred Stock prohibit us from paying dividends in the future on our common stock, absent consent from the holders representing a super-majority of the outstanding shares of our Series C Preferred Stock and a certain investor.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements and the related notes thereto that are included in this prospectus. In addition to historical information, the following discussion and analysis includes forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in the section entitled "Risk Factors." See "Special Note Regarding Forward-Looking Statements."

Our Business

We are a development stage medical device company developing a proprietary biomedical signal processing technology platform to extract information from physiologic signals. Our initial emphasis is on providing intracardiac signal information to electrophysiologists during EP studies and catheter ablation of AF and VT. Our first product is the PURE (Precise Uninterrupted Real-time evaluation of Electrograms) EP™ System, a surface electrocardiogram and intracardiac multichannel recording and analysis system that acquires, processes and displays electrocardiograms and electrograms required during electrophysiology studies and catheter ablation procedures.

We have not generated any revenue to date and consequently our operations are subject to all risks inherent in the establishment of a new business enterprise.

Critical Accounting Policies and Estimates

The following discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the U.S. The preparation of financial statements in accordance with generally accepted accounting principles in the U.S. requires us to make estimates and assumptions that affect the amounts reported in our financial statements. The financial statements include estimates based on currently available information and our judgment as to the outcome of future conditions and circumstances. Significant estimates in these financial statements include allowance for doubtful accounts and accruals for inventory claims. Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of the financial statements and actual results could differ from the estimates and assumptions.

Among the significant judgments made by management in the preparation of our financial statements are the following:

Research and Development.

We account for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred.

Stock Based Compensation.

All stock-based payments to employees and to nonemployee directors for their services as directors consisted of grants of restricted stock and stock options, which are measured at fair value on the grant date and recognized in the statements of operations as compensation expense over the relevant vesting period. Restricted stock payments and stock-based payments to nonemployees are recognized as an expense over the period of performance. Such payments are measured at fair value at the earlier of the date a performance commitment is reached or the date performance is completed. In addition, for awards that vest immediately and are non-forfeitable, the measurement date is the date the award is issued.

On October 29, 2014, our common stock commenced trading on OTCQB under the symbol "BSGM." Fair value is typically determined by the closing price of our common stock on the date of the award.

Derivative Instrument Liability

We account for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. On December 31, 2017 and 2016, the Company did not have any derivative instruments that were designated as hedges.

On December 31, 2017 and 2016, we had outstanding preferred stock and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions.

Income Taxes.

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carryforwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. We record an estimated valuation allowance on our deferred income tax assets if it is not more likely than not that these deferred income tax assets will be realized. We recognize a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Results of Operations

We anticipate that our results of operations will fluctuate for the foreseeable future due to several factors, such as the progress of our research and development efforts and the timing and outcome of regulatory submissions. Due to these uncertainties, accurate predictions of future operations are difficult or impossible to make.

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Revenues and Cost of Goods Sold. We had no revenues or cost of goods sold during the three months ended March 31, 2018 and 2017.

Research and Development Expenses. Research and development expenses for the three months ended March 31, 2018 were \$862,420, a decrease of \$476,184, or 35.6%, from \$1,338,604 for the three months ended March 31, 2017. This decrease is primarily due to acquired research and development as we develop our proprietary technology platform in 2017 of \$543,927, net with additional personnel and outside design costs. Research and development expenses were comprised of the following:

Three months ended:

	March 31, 2018	March 31, 2017
Salaries and equity compensation	\$ 287,849	\$ 260,722
Consulting expenses	131,601	91,545
Clinical studies and design work	419,325	396,301
Acquired research and development	-	543,927
Travel, supplies, other	23,645	46,109
Total	<u>\$ 862,420</u>	<u>\$ 1,338,604</u>

Stock based compensation for research and development personnel was \$98,589 and \$13,104 for the three months ended March 31, 2018 and 2017, respectively.

General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2018 were \$1,771,796, an increase of \$214,455, or 13.8%, from \$1,557,341 incurred in the three months ended March 31, 2017. This increase is primarily due to an increase in employees in the current period as compared to the same period in the prior year and additional service provider fees paid.

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Payroll related expenses increased to \$534,627 in the current period from \$279,580 for the three months ended March 31, 2017, an increase of \$255,047. The increase was due to added staff in 2018 for commercialization, support personnel and a full time Chief Financial Officer in 2018. We incurred \$290,121 in stock based compensation in connection with the vesting of stock and stock options issued to board members, officers, employees and consultants for the three months ended March 31, 2018 as compared to \$547,642 in stock based compensation for the same period in 2017.

Professional services for the three months ended March 31, 2018 totaled \$208,922, an increase of \$126,371, or 153.1%, over the \$82,551 recognized for the three months ended March 31, 2017. Of professional services, legal fees totaled \$161,922 for the three months ended March 31, 2018, an increase of \$119,371, or 280.5%, from \$42,551 incurred for the three months ended March 31, 2017. Accounting fees incurred in the three months ended March 31, 2018 amounted to \$47,000, an increase of \$7,000, or 17.5%, from \$40,000 incurred in same period last year. The increase in legal fees was primarily due registration statements and patent filing and research costs in 2018.

Consulting, public and investor relations fees for the three months ended March 31, 2018 were \$532,050 as compared to \$493,666 incurred for the three months ended March 31, 2017. The increase in consulting and investor relations fees during the three months ended March 31, 2018 relate to our continued efforts to develop our recognition throughout the medical industry in an effective manner.

Travel, meals and entertainment costs for the three months ended March 31, 2018 were \$90,921, an increase of \$26,661, or 41.5%, from \$64,260 incurred in the three months ended March 31, 2017. Travel, meals and entertainment costs include travel related to business development and financing. Rent for the three months ended March 31, 2018 totaled \$34,853, an increase of \$3,203 or 10.1%, from \$31,650 incurred in three months ended March 31, 2017.

Depreciation Expense. Depreciation expense for the three months ended March 31, 2018 totaled \$2,903 a decrease of \$166, or 5.4%, over the expense of \$3,069 incurred in the three months ended March 31 2017, as a result of the aging of office computers and other equipment.

Loss on change in fair values of derivatives. Beginning in March 2015, we were required to estimate the fair value of the embedded beneficial conversion features of our issued Series C and Series D Preferred Stock and certain warrants with reset (anti-dilution) provisions. During the three months ended March 31, 2017, we incurred a loss on change in fair values of these derivatives of \$373,611. On January 1, 2018, we adopted ASU 2017-11 and according reclassified the fair value of the reset provisions embedded in previously issued Series C Preferred stock, Series D Preferred stock and certain warrants with embedded anti-dilutive provisions from liability to equity in aggregate of \$3,044,162 and are no longer required to treat certain embedded beneficial conversion features or reset (anti-dilution) provisions as liabilities.

Preferred Stock Dividend. Preferred stock dividend for the three months ended March 31, 2018 totaled \$305,046, an increase of \$281,301, or 1,184.7% from \$23,745 incurred during the three months ended March 31, 2017. Preferred stock dividends are primarily related to the issuance of our Series C, D and E Preferred Stock from 2013 through 2018. The significant increase in 2018 as compared to 2017 is the result of conversions of the Series D Preferred Stock and the payment, upon conversion, of a required minimum dividend of \$270 per share of Series D Preferred Stock for the first three years of issuance.

Net Loss available to common shareholders. As a result of the foregoing, net loss available to common shareholders for the three months ended March 31, 2018 was \$2,942,080 compared to a net loss of \$3,296,370 for the three months ended March 31, 2017.

Twelve Months Ended December 31, 2017 Compared to Twelve Months Ended December 31, 2016

Revenues and Cost of Goods Sold. We had no revenues or cost of goods sold during the twelve months ended December 31, 2017 and 2016.

Research and Development Expenses. Research and development expenses for the twelve months ended December 31, 2017 were \$4,756,468, an increase of \$2,101,967 or 79%, from \$2,654,501 for the twelve months ended December 31, 2016. This increase is primarily due to additional personnel and outside design costs as we develop our proprietary technology platform. Research and development expenses were comprised of the following:

	2017	2016
Salaries and equity compensation	\$ 1,481,421	\$ 1,744,780
Consulting expenses	500,628	322,520
Clinical studies and design work	2,066,028	388,447
Acquired research and development	543,927	-
Travel, supplies, other	164,464	198,754
Total	<u>\$ 4,756,468</u>	<u>\$ 2,654,501</u>

Stock based compensation for research and development personnel was \$432,929 and \$760,732 for the year ended December 31, 2017 and 2016, respectively.

On March 15, 2017, we entered into a know-how license agreement with Mayo Foundation for Medical Education and Research whereby we were granted an exclusive license, with the right to sublicense, certain know how and patent applications in the field of signal processing, physiologic recording, electrophysiology recording, electrophysiology software and autonomics to develop, make and offer for sale. The agreement expires in ten years from the effective date. As such, we are obligated to pay to Mayo Foundation a 1% or 2% royalty payment on net sales of licensed products, as defined.

In consideration, we issued 630,000 warrants to acquire the Company's common stock at an exercise price of \$1.50, expiring on March 15, 2020. The estimated fair value of \$543,927 was charged to operations as acquired research and development.

General and Administrative Expenses. General and administrative expenses for the twelve months ended December 31, 2017 were \$8,138,117, a decrease of \$361,187, or 4%, from \$8,499,304 incurred in the twelve months ended December 31, 2016. This decrease is primarily due to decrease in equity-based compensation, net with increases in professional services, consulting fees and travel, meals and entertainment costs.

Payroll related expenses (including equity compensation) decreased to \$5,579,117 in the twelve months ended December 31, 2017 from \$6,381,610 for the twelve months ended December 31, 2016, a decrease of \$802,493, or 13%. This decrease is due to the value of the stock-based compensation decreasing to \$4,316,542 in 2017, as a result of the vesting of stock and stock options issued to board members, officers and employees, as compared to \$5,233,818 of stock-based compensation in 2016, net with added additional personnel.

Professional services for the twelve months ended December 31, 2017 totaled \$362,663, an increase of \$2,968, or 1%, over the \$359,695 recognized for the twelve months ended December 31, 2016. Of professional services, legal fees totaled \$273,663 for the twelve months ended December 31, 2017, a decrease of \$12,532, or 4%, from \$286,195 incurred for the twelve months ended December 31, 2016. Accounting fees incurred in the twelve months ended December 31, 2017 amounted to \$89,000, an increase of \$15,500, or 21%, from \$73,500 incurred for the same period in 2016. The increases in professional fees was primarily related to a increase in legal and audit requirements in 2017 as compared to 2016 as we continue to develop our operations, including legal fees associated with our capital raising transactions and the filing of our registration statements.

Consulting fees totaled \$1,453,005 for the twelve months ended December 31, 2017, an increase of \$285,585 or 24%, from \$1,167,420 for the twelve months ended December 31, 2016. The increase primarily relates to our fund raising and investor relations to support our increased efforts in market research and potential investor identification.

Travel, meals and entertainment costs for the twelve months ended December 31, 2017 were \$379,970, an increase of \$105,008, or 38%, from \$274,962 incurred during the twelve months ended December 31, 2016. During 2017, additional travel was required than in 2016 due to our marketing and fund-raising efforts. Rent for the twelve months ended December 31, 2017 totaled \$142,975, an increase of \$14,419, or 11%, from \$128,556 incurred during the same period in 2016. In 2017, our significant increase was the result of our lease renewal in California along with final settlement with closing our Minneapolis, Minnesota office in late 2017.

Depreciation Expense. Depreciation expense for the twelve months ended 2017 totaled \$11,698 as compared to \$10,475 incurred during the same period in 2016. The increase is due primarily to additional equipment purchased in 2017.

Gain (loss) on change in fair values of derivatives. Beginning in March 2015, we are required to estimate the fair value of the embedded beneficial conversion features of our issued Series C Preferred stock and certain warrants with reset (anti-dilution) provisions. In addition, in November 2017; we issued a Series D Preferred stock and warrants with also contained reset (anti-dilutive) provisions. During the year ended December 31, 2017, we incurred a gain on change in fair values of these derivatives of \$210,465 as compared to a loss of \$422,908 for the same period in the year ended December 31, 2016.

Interest Income (expense). Interest income for the twelve months ended December 31, 2017 totaled \$75 as compared to \$1 incurred during the twelve months ended December 31, 2016.

Preferred Stock Dividend. Our preferred stock dividend for the twelve months ended December 31, 2017 totaled \$119,877, an increase of \$9,854, or 9% from \$110,023 incurred during the twelve months ended December 31, 2016. The increase in dividends is a result added Series D Preferred Stock issued in 2017, net of conversions of the Series C Preferred Stock to common reducing the number of Series C Preferred shares outstanding. Preferred stock dividends are related to our Series C and D Preferred Stock issued in 2013, 2015 and 2017.

Net Loss Available to Common Stockholders. Net loss available to common stockholders for the twelve months ended December 31, 2017 was \$12,815,620, compared to a net loss of \$11,697,210 for the twelve months ended December 31, 2016, an increase of \$1,118,410 or 10%. The primary reasons for the increase, as described above, are the increases in research and development expenses, net with a reduction in general and administrative expenses from 2016 to 2017.

Liquidity and Capital Resources

Three Months Ended March 31, 2018 Compared to three Months Ended March 31, 2017

As of March 31, 2018, we had a working capital of \$332,764, comprised of cash of \$1,035,100 and prepaid expenses of \$119,111, which was offset by \$338,811 of accounts payable and accrued expenses and accrued dividends on preferred stock issuances of \$482,636. For the three months ended March 31, 2018, we used \$2,387,274 of cash in operating activities and \$3,644 of cash in investing activities.

Cash provided by financing activities totaled \$1,878,439, comprised of proceeds from the sale of our common stock and receipt of common stock subscriptions of \$385,470 and the sale of our Series E preferred stock of \$1,492,969. In the comparable period in 2017, our aggregate cash provided by financing activities totaled \$1,799,692 comprised proceeds from the sale of our common stock. At March 31, 2018, we had cash of \$1,035,100 compared to \$1,547,579 at December 31, 2017. Our cash is held in bank deposit accounts. At March 31, 2018 and December 31, 2017, we had no convertible debentures or other debt outstanding.

Cash used in operations for the three months ended March 31, 2018 and 2017 was \$2,387,274 and \$1,609,841, respectively, which represent cash outlays for research and development and general and administrative expenses in such periods. The increase in cash outlays principally resulted from additional in operating costs and general and administrative expenses and a decrease of our outstanding accounts payable by \$134,714.

We used \$3,644 cash for investing activities for the three months ended March 31, 2018, compared to \$1,620 for the three months ended March 31, 2017. For both periods, we purchased computer and other equipment.

Twelve Months Ended December 31, 2017 Compared to Twelve Months Ended December 31, 2016

As of December 31, 2017, we had a working capital deficit (current liabilities in excess of current assets) of \$2,300,644, comprised of cash of \$1,547,579 and prepaid expenses of \$116,938, which was offset by \$473,098 of accounts payable and accrued expenses, accrued dividends on preferred stock issuances of \$447,901, warrant liability of \$2,358,240 and derivative liability of \$685,922. Excluding the derivative and warrant liabilities, our working capital would have been \$743,518. For the twelve months ended December 31, 2017, cash provided by financing activities totaled \$7,971,174, comprised of proceeds from the sale of our common stock and subscriptions of \$6,041,214 and sale of our Series D Preferred stock of \$1,929,960. In the comparable period in 2016, \$5,226,368 was raised through the sale of our common stock. At December 31, 2017, we had cash of \$1,547,579 compared to \$1,055,895 at December 31, 2016. Our cash is held in bank deposit accounts. At December 31, 2017 and 2016, we had no convertible debentures outstanding.

Cash used in operations for the twelve months ended December 31, 2017 and 2016 was \$7,470,054 and \$5,107,452, respectively, which represent cash outlays for research and development and general and administrative expenses in such periods. Increase in cash outlays principally resulted from increased research and development and general and administrative expenses due to the continued development of our operations.

Cash used in investing activities for the twelve months ended December 31, 2017 was \$9,436, compared to \$16,255 for the twelve months ended December 31, 2016. During both the twelve months ended December 31, 2017 and the twelve months ended December 31, 2016, we purchased office furniture and computer equipment.

October 2015 Private Placement

On October 23, 2015, we entered into a unit purchase agreement with certain accredited investors, pursuant to which we issued and sold, in multiple closings occurring on each of October 23, 2015, October 29, 2015, November 18, 2015, December 18, 2015, December 22, 2015, February 9, 2016, March 9, 2016, April 1, 2016, April 19, 2016 and April 29, 2016, an aggregate of 3,003,016 units, which consisted of, in the aggregate, 3,003,016 shares of our common stock and warrants to purchase up to 1,501,513 shares of our common stock at an exercise price of \$1.95, in exchange for aggregate gross proceeds of approximately \$4,504,516. As consideration for serving as our placement agent in connection with the private placement, we issued to Laidlaw & Company (UK) Ltd. warrants to purchase an aggregate of 232,960 shares of common stock at an exercise price of \$1.50 per share and paid cash fees equal to approximately \$257,959.

May 2016 Private Placement

On May 26, 2016, we entered into a unit purchase agreement with certain accredited investors, pursuant to which we issued and sold, in a closing occurring on June 1, 2016, an aggregate of 77,144 units, which consisted of, in the aggregate, 77,144 shares of our common stock and warrants to purchase up to 38,572 shares of our common stock at an exercise price of \$2.10, in exchange for aggregate gross proceeds of approximately \$135,000.

On February 9, 2017, the company entered into an amendment agreement with the investors and the terms of the May 2016 Private Placement Warrants were adjusted. As a result of the amendment, the exercise price applicable to the May 2016 Private Placement Warrants decreased to \$1.50 per share from \$2.10, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 6,429 shares of common stock may be issued upon exercise of the May 2016 Private Placement Warrants due to the adjustment.

August 2016 Private Placement

On August 30, 2016, we entered into a unit purchase agreement with certain accredited investors, pursuant to which we issued and sold, in two closings occurring on August 30, 2016 and September 19, 2016, an aggregate of 375,026 units, which consisted of, in the aggregate, 375,026 shares of our common stock and warrants to purchase up to 187,513 shares of our common stock at an exercise price of \$1.95, in exchange for aggregate gross proceeds of approximately \$562,540.

October 2016 Private Placement

On October 28, 2016, we entered into a unit purchase agreement with certain accredited investors, pursuant to which we issued and sold, in multiple closings occurring on each of October 28, 2016, November 23, 2016, December 16, 2016, December 22, 2016, February 10, 2017 and March 10, 2017 an aggregate of 2,899,974 units, which consisted of, in the aggregate, 2,899,974 shares of our common stock and warrants to purchase 1,449,991 shares of our common stock at an exercise price of \$1.50 per share, in exchange for aggregate gross proceeds of \$3,972,199, after financing costs of \$377,754. As consideration for serving as our placement agent in connection with this private placement, we issued to certain designees of Laidlaw & Company (UK) Ltd., our placement agent in connection with this private placement, warrants to purchase an aggregate of 186,957 shares of common stock at an exercise price of \$1.50 per share.

April 2017 Private Placement

In April 2017, we entered into securities purchase agreements with certain accredited investors, pursuant to which we issued and sold, in multiple closing occurring on each of April 6, 2017, April 17, 2017, May 5, 2017, June 20, 2017, June 30, 2017, July 13, August 18, October 11, and November 6, and December 29, 2017 and January 5, 2018 an aggregate of 3,008,607 shares of the Company's common stock and warrants to purchase 1,504,306 shares of our common stock at \$1.50, expiring three years from issuance, for aggregate net cash proceeds of \$4,521,901.

Series D Preferred Stock

On November 3, 2017, we entered into a securities purchase agreement with certain institutional accredited investors, pursuant to which we sold an aggregate of 1,334 shares of our Series D Preferred Stock, par value \$0.001 per share, and Class A Warrants to purchase an aggregate of 667,000 shares of the Company's common stock, par value \$0.001 per share at an exercise price of \$1.75 per share (the "Class A Warrants"), in exchange for aggregate net cash proceeds of \$1,929,975, net of expenses of \$70,025. Contemporaneously with the entry into the securities purchase Agreement, we and the purchasers agreed to exchange outstanding warrants to purchase 780,506 shares of the common stock at an exercise price of \$1.50 per share for new Class B Warrants to purchase an equal number of shares of common stock at the same exercise price (the "Class B Warrants"). Class A Warrants are exercisable immediately and expire on May 3, 2021 and have an exercise price of \$1.75 per share. The Class B Warrants are exercisable immediately and expire on November 3, 2020 and have an exercise price of \$1.50. The Class A Warrants and Class B Warrants otherwise have similar terms, including, a "full ratchet" anti-dilution adjustment in the event that the Company issues any common stock at a per share price lower than the applicable exercise price then in effect.

On November 6, 2017, the terms of the Class A Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Class A Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 111,167 shares of common stock may be issued upon exercise of the Class A Warrants due to the adjustment.

Series E Preferred Stock

On February 16, 2018, we entered into a securities purchase agreement with certain institutional accredited investors (the “Series E Holders”), pursuant to which we sold to the investors an aggregate of 1,000 shares of our Series E Preferred Stock, par value \$0.001 per share, and warrants (the “Series E Warrants”) to purchase an aggregate of 500,000 shares of common stock, par value \$0.001 per share, at an exercise price of \$1.75 per share, in exchange for aggregate consideration of \$1,500,000.

The Series E Warrants were exercisable immediately and expire on August 16, 2021, and had an exercise price of \$1.75 per share. The Series E Warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

On April 30, 2018, the terms of the Series E Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Series E Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 83,334 shares of common stock may be issued upon exercise of the Series E Warrants due to the adjustment.

April 2018 Private Placement

In April 2018, we entered into securities purchase agreements with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued and sold, in two closings occurring on April 30, 2018 and May 11, 2018, pursuant to which we issued 3,333,004 shares of our common stock and 1,666,506 warrants to purchase one share of our common stock, exercisable at a price of \$1.75 per share and expiring April 30, 2021 and May 11, 2018, in exchange for aggregate consideration of \$4,999,502. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

In their report dated February 27, 2018, our independent registered public accounting firm stated at December 31, 2017, there is substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is an issue raised due to our net losses and negative cash flows from operations since inception and our expectation that these conditions will continue for the foreseeable future. In addition, we will require additional financing to fund future operations. Further, we do not have any commercial products available for sale and have not generated revenues to date, and there is no assurance that, if approval of our products is received, we will be able to generate cash flow to fund operations. In addition, there can be no assurance that our research and development will be successfully completed or that any product will be approved or commercially viable. Our ability to continue as a going concern is subject to our ability to obtain necessary funding from outside sources, including obtaining additional funding from the sale of our securities, obtaining loans from various financial institutions or being awarded grants from government agencies, where possible. Our continued net operating losses increase the difficulty in meeting such goals and there can be no assurances that such methods will prove successful.

Our Series C Preferred Stock contains triggering events which would, among other things, require redemption (i) in cash, at the greater of (a) 120% of the stated value of \$1,000 or (b) the product of (I) the variable weighted average price of our common stock on the trading day immediately preceding the date of the triggering event and (II) the stated value divided by the then conversion price or (ii) in shares of our common stock, equal to a number of shares equal to the amount set forth in (i) above divided by 75%. As of December 31, 2017, the aggregate stated value of our Series C Preferred Stock was \$985,000. The triggering events include our being subject to a judgment of greater than \$100,000 or our initiation of bankruptcy proceedings. If any of the triggering events contained in our Series C Preferred Stock occur, the holders of our Series C Preferred Stock may demand redemption, an obligation we may not have the ability to meet at the time of such demand. We will be required to pay interest on any amounts remaining unpaid after the required redemption of our Series C Preferred Stock, at a rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law.

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We expect to incur losses from operations for the near future. We expect to incur increasing research and development expenses, including expenses related to clinical trials. We expect that our general and administrative expenses will increase in the future as we expand our business development, add infrastructure and incur additional costs related to being a public company, including incremental audit fees, investor relations programs and increased professional services.

Our future capital requirements will depend on a number of factors, including the progress of our research and development of product candidates, the timing and outcome of regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing and our success in developing markets for our product candidates. We believe our existing cash will not be sufficient to fund our operating expenses and capital equipment requirements. We anticipate we will need approximately \$5 million in addition to our current cash on hand to fund our operating expenses and capital equipment requirements for the next 12 months. We will have to raise additional funds to continue our operations and, while we have been successful in doing so in the past, there can be no assurance that we will be able to do so in the future. Our continuation as a going concern is dependent upon our ability to obtain necessary additional funds to continue operations and the attainment of profitable operations.

Future financing may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, existing holders of our securities may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our securities.

If additional financing is not available or is not available on acceptable terms, we may be required to delay, reduce the scope of or eliminate our research and development programs, reduce our commercialization efforts or obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain product candidates that we might otherwise seek to develop or commercialize independently.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

BUSINESS

History

We were formed as BioSig Technologies, Inc., a Nevada corporation, in February 2009 and in April 2011 we merged with our wholly-owned subsidiary, BioSig Technologies Inc., a Delaware corporation, with the Delaware corporation continuing as the surviving entity. We are principally devoted to improving biomedical signal processing to extract information from physiologic signals. Our initial focus is on providing intracardiac signal information to electrophysiologists during EP studies and catheter ablation for complex arrhythmias, AF and VT. We have not generated any revenue to date and consequently our operations are subject to all risks inherent in the establishment of a new business enterprise.

Overview

We are a development stage medical device company developing a proprietary biomedical signal processing technology platform to extract information from physiologic signals. Our initial emphasis is on providing intracardiac signal information to electrophysiologists during EP studies and catheter ablation of AF and VT. Our first product is the PURE (Precise Uninterrupted Real-time evaluation of Electrograms) EP™ System, a surface electrocardiogram and intracardiac multichannel recording and analysis system that acquires, processes and displays electrocardiograms and electrograms required during electrophysiology studies and catheter ablation procedures.

The PURE EP System is designed to assist electrophysiologists in making clinical decisions in real-time by providing information that, we believe, is not always easily obtained, if at all, from any other equipment presently used in electrophysiology labs. The PURE EP System's ability to minimize noise and artifacts and acquire high fidelity cardiac signals will potentially increase these signals' diagnostic value, and therefore offer improved accuracy and efficiency of the EP studies and related procedures. We are developing signal processing tools within the PURE EP System. We believe that these will assist electrophysiologists in further differentiating true signals from noise and will provide guidance in identifying ablation targets.

Since June 2011, we have collaborated with physicians affiliated with the Texas Cardiac Arrhythmia Institute at St. David's Medical Center in Austin, Texas who provided us with data for initial technology validation. The physicians had provided us with digital recordings obtained with conventional electrophysiology recording systems during different stages of electrophysiology studies. Using our proprietary signal processing tools that are part of the PURE EP System, we analyzed those recordings and successfully removed baseline wander, noise and artifacts from the data thereby providing better diagnostic quality signals.

In the second and third quarters of 2013, we performed and finalized testing of our proof of concept unit by initially using an electrocardiogram/intracardiac simulator at our lab, and then by obtaining pre-clinical recordings from the lab at the University of California at Los Angeles. We believe that our proof of concept unit performed well as compared to the conventional recording system, in that the electrocardiogram and intracardiac signals displayed on our proof of concept unit showed less baseline wander, noise and artifacts compared to signals displayed on the conventional recording system. Subsequently, we analyzed the results of our proof of concept unit to determine the final design of the PURE EP System prototype.

After conducting research of peer-reviewed EP publications (see *Initial Analysis* in Our Products section below), we contacted Samuel J. Asirvatham, M.D. (who we believed to be an expert in the field of signal-based catheter ablation), at Mayo Clinic in Rochester, Minnesota. Since the end of 2014, we have collaborated with Dr. Asirvatham and other physicians affiliated with Mayo Clinic in Rochester, Minnesota and Jacksonville, Florida. We have performed pre-clinical studies at Mayo Clinic since 2015 to validate technology within the PURE EP System prototype. These studies have been designed to determine clinical effectiveness for features within the PURE EP System that are in development. Since March 2016, we have published seven manuscripts in collaboration with the physicians from Mayo Clinic evidencing our pre-clinical findings. The publications cover a variety of subjects pertaining to the PURE EP System as an enhanced electrophysiology recording system with signal acquisition and differentiation and having specific visualization of different electrophysiology signals.

Our initial focus is on improving intracardiac signal processing and diagnostic information for catheter ablation procedures for the complex arrhythmias, atrial fibrillation, the most common cardiac arrhythmia, and ventricular tachycardia, an arrhythmia evidenced by a fast heart rhythm originating from the lower chambers of the heart, which can be life-threatening. Cardiac catheter ablation is a procedure that corrects conduction of electrical impulses in the heart that cause arrhythmias and is now a preferred treatment for certain arrhythmias. During this procedure, a catheter is usually inserted using a venous access into a specific area of the heart. Cryo or radiofrequency energy is delivered through the catheter to destroy small areas of the heart muscle that cause the abnormal heart rhythm. According to a 2014 article in *Circulation: Arrhythmia and Electrophysiology*, catheter ablation should be considered as the first-line therapy for patients with paroxysmal atrial fibrillation ("Ablation Versus Drugs: What is the Best First-Line Therapy for Paroxysmal Atrial Fibrillation?" (*Circ Arrhythm Electrophysiol.* 2014; 7:739-746).

Catheter ablation for many arrhythmias have high success rates; however, more complex or long-standing examples of the disease often require multiple procedures (each typically lasting from 3-6 hours), evidencing the need for additional research and technology to diagnose and treat these cases. Consequently, ablating AF and VT has been regarded as being extremely difficult. Therefore, access to these procedures has traditionally been limited to being performed by only the most well-trained cardiologists; however, advancements in new technologies and techniques show a strong growth rate for these procedures.

Our overall goal is to establish our proprietary biomedical signal processing technology as a new platform in the electrophysiology market that will have the following advantages over the electrophysiology recording systems currently available on the market:

- Precise, uninterrupted, real-time evaluations of electrograms (PURE EP™);
- Higher quality cardiac signal acquisition for accurate and more efficient electrophysiology studies and catheter ablation procedures to help reduce costs and length of procedures;
- Reliable display of information to better determine precise ablation targets, strategy and end point of procedures with the objective of reducing the need for multiple procedures;
- A device that can be fully integrated into existing electrophysiology lab environments.

If we are able to develop our product as designed, we believe that the PURE EP System and its signal processing tools will contribute to an increase in the number of procedures performed in each electrophysiology lab and possibly improved patient outcomes.

Our significant achievements to date include:

- Initial system concept validation has been performed in collaboration with physicians at the Texas Cardiac Arrhythmia Institute at St. David's Medical Center in Austin, Texas in June 2011. The Texas Cardiac Arrhythmia Institute provided challenging recordings obtained with electrophysiology recording systems presently in use at the institute during various electrophysiology studies. Our technology team successfully imported the data into the PURE EP System software and using proprietary signal processing, the PURE EP System software was able to reduce baseline wander, noise, and artifacts from the data and therefore provide better diagnostic quality signals.
- We have established clinical and/or advisory relationships for both technology development and validation studies with physicians and researchers affiliated with the following medical centers: Texas Cardiac Arrhythmia Institute, Austin, TX; Cardiac Arrhythmia Center at the University of California at Los Angeles, Los Angeles, CA; Mount Sinai Medical Center, New York, NY; Beaumont Medical Center, Detroit, MI; University Hospitals Case Medical Center, Cleveland, OH; The Heart Rhythm Institute, University of Oklahoma Health Sciences Center, Oklahoma City, OK; and Mayo Clinic, Rochester, MN.
- The Cardiac Arrhythmia Center at the University of California at Los Angeles and Dr. Kalyanam Shivkumar, a former member of our board of directors, have played a significant role in the initial functional testing of our hardware. Dr. Shivkumar and his team have enabled us to learn the connectivity of the lab and its devices that pertain to where our PURE EP System will fit in. In June 2013, we commenced our first proof of concept pre-clinical study with the assistance of Dr. Shivkumar in order to further test the components of the PURE EP System hardware, as further explained below.
- We are developing signal processing tools within the PURE EP System that will assist electrophysiologists in further differentiating true signals from noise, which may potentially provide guidance in identifying ablation targets. The signal processing tools are expected to be an integral part of the software of the PURE EP System, which we believe will significantly facilitate the locating of ablation targets.

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- In the second and third quarters of 2013, we performed and finalized testing of our proof of concept unit by initially using an electrocardiogram/intracardiac simulator at our lab, and subsequently by obtaining pre-clinical recordings from the lab at the University of California at Los Angeles. As part of the testing, we simultaneously recorded electrocardiogram and intracardiac signals on our proof of concept unit and GE's CardioLab recording system. An identical signal was applied to the input of both systems and the monitor of our proof of concept unit was positioned next to the monitor of GE's CardioLab recording system to allow for visual comparison. We believe that our proof of concept unit performed well as compared to GE's CardioLab recording system, in that the electrocardiogram and intracardiac signals displayed on our proof of concept unit showed less baseline wander, noise and artifacts compared to signals displayed on GE's CardioLab recording system. However, because this was a proof of concept test, without any clearly established protocols, we cannot present this data for publication and we do not have any independent verification or peer review of these findings.
- In the third quarter of 2013, we analyzed the results of our proof of concept unit to determine the final design of the PURE EP System prototype, which has since been completed.
- In September 2014, we performed additional tests on the PURE EP System prototype at the University of California at Los Angeles.
- In the fourth quarter of 2014, we appointed Dr. Samuel J. Asirvatham from Mayo Clinic as a member of our Scientific Advisory Board and initiated plans for pre-clinical studies at Mayo Clinic.
- In the first quarter of 2015, we appointed Dr. K. L. Venkatachalam from Mayo Clinic, Jacksonville, Florida, as a member of our Scientific Advisory Board. On March 31, 2015 Drs. Asirvatham and Venkatachalam performed our first pre-clinical study at the Mayo Clinic in Rochester, Minnesota.
- On June 10, 2015, Dr. Asirvatham performed our second pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On November 17, 2015, Dr. Asirvatham performed our third pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On February 22, 2016, we signed an agreement to initiate development of its PURE EP System with Minnetronix and are taking steps toward its 510(k) submission.
- On March 8, 2016, Dr. Ammar Killu from Mayo Clinic presented our preclinical data at the 13th Annual Dead Sea Symposium on Innovations in Cardiac Arrhythmias and Device Therapy in Tel Aviv, Israel entitled "Enhanced Electrophysiology Recording Improves Signal Acquisition and Differentiation".
- On March 28, 2016, we announced an Advanced Research Program with Dr. Asirvatham at the Mayo Clinic beginning June 2016.
- On June 2, 2016, Dr. Asirvatham performed our fourth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On June 23 and August 25 and 26, 2016, Dr. Vivek Reddy performed our pre-clinical study on a ventricular scar model at the Mount Sinai Hospital in New York, NY.
- On July 27, 2016, Dr. Asirvatham performed our fifth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On August 19, 2016, we presented a poster at the IEEE Engineering in Medicine and Biology Society annual conference (IEEE EMBC 2016) entitled "Enhanced Electrophysiology Recording System."
- On September 14, 2016, Dr. Asirvatham performed our sixth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- In December 2016, the Journal of the American College of Cardiology (JACC): Clinical Electrophysiology (Vol.2, No.7, pp.850) published the article entitled, "Novel Electrophysiology Signal Recording System Enables Specific Visualization of the Purkinje Network and Other High-Frequency Signals", submitted by the Mayo Clinic team.
- On December 9, 2016, we filed a provisional patent application entitled "Assessment of Catheter Position by Local Electrogram."

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- On December 9, 2016, we filed a provisional patent application entitled “Visualization of Conduction Tissue Signals.”
- On February 14, 2017, Dr. Asirvatham performed our seventh pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On March 15, 2017, Dr. Asirvatham performed our eighth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- In April 2017, the PURE EP System was featured in The Journal of Innovations in Cardiac Rhythm Management with the manuscript entitled, “Initial Experience with the BioSig PURE EP™ Signal Recording System: An Animal Laboratory Experience” co-authored by physicians from Mayo Clinic and Harvard Brigham & Women’s Hospital.
- On May 2, 2017, Dr. Asirvatham performed our ninth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On May 11, 2017, the PURE EP System was featured in a poster presentation entitled, “Use of Terminal Unipolar Electrogram Current of Injury as a Novel Marker to Estimate Contact: An Acute Canine Study.”
- On May 31, we announced that we have appointed Natasha Russkina as a Managing Director, Europe with the view of establishing European operations of BioSig Technologies, Inc. in Geneva, Switzerland.
- On July 10, 2017, the PURE EP System was featured in a poster presentation at the American Heart Association’s 13th Annual Basic Cardiovascular Sciences (BCVS) 2017 Scientific Sessions: Pathways to Cardiovascular Therapeutics entitled, “Use of a Novel Electrogram Filtering Algorithm to Visualize Conduction Tissue Signals in the Ventricle in Sinus Rhythm and Arrhythmia: An Acute Canine Study.”
- On July 11, 2017, we announced that we have engaged Health Research International (HRI) to compile essential market data and help perform strategic planning for its PURE EP™ platform technology.
- On July 12, 2017, the PURE EP System was featured in a poster presentation at the American Heart Association’s 13th Annual Basic Cardiovascular Sciences (BCVS) 2017 Scientific Sessions: Pathways to Cardiovascular Therapeutics entitled, “Assessment of Catheter Position above or below the Aortic Valve by Evaluation of Characteristics of the Local Electro gram: An Acute Canine Study.”
- On August 9, 2017, Dr. Asirvatham performed our tenth pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On October 11, 2017, we announced that Mr. Joseph W. Rafferty has joined the Company as Chief Commercialization Officer.
- On October 19, 2017, we announced that we have made significant progress towards commercialization of our PURE EP System and recently received the first production units of the PURE EP System from our manufacturing partner, Minnetronix.
- On October 24, 2017, we announced that we have engaged Quintain Project Solutions LLC as the manufacturing project management leader for the PURE EP System.
- On October 26, 2017, we announced that we concluded a key part of the strategic planning project launched earlier this year in collaboration with Health Research International (HRI). HRI conducted a detailed survey of U.S. electrophysiologists primarily based in New York, Texas, Massachusetts, Florida, Pennsylvania, and North Carolina to gather opinions on the main features of the PURE EP System. The inability to record high quality unipolar signals and difficulty detecting small intracardiac signals were consistently reported among the factors interfering with effective ablations. Survey respondents rated all six features listed of the PURE EP System as being ‘Very Helpful’ for their ablations, emphasizing overall noise reduction and improved signal clarity/accuracy as key benefits. Most respondents see signal clarity as paramount to the success of ablations and indicated interest in a technology that reduces ‘noise’.
- On November 2, 2017, we announced that we have engaged Sherpa Technology Group as our intellectual property advisor.
- On November 10, 2017, we announced that Andrew Filler, Partner and General Counsel of Sherpa Technology Group has joined our board of directors taking the place of Dr. Jerome B. Zeldis.

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- On November 14, 2017, we announced that we have added the role of Chief Regulatory and Compliance Officer in preparation of our FDA submission.
- On January 3, 2018, we announced that Steve Chaussy had been elevated to our full time Chief Financial Officer to facilitate growth trajectory of the Company.
- On January 9, 2018, we announced that we have partnered with Charles Austin and JK Advisors in preparation of the commercial launch of our PURE EP System.
- On January 10, 2018, Dr. Asirvatham and his team performed our eleventh pre-clinical study at Mayo Clinic in Rochester, Minnesota.
- On February 22, 2018, we announced that we have partnered with Focus Marketing to assist our commercial team in preparation of our targeted launch of our PURE EP System.
- On March 20, 2018, we announced that we have formed an Advisory Board to advise the leadership of BioSig on a range of subjects, including strategy, marketing, government affairs, partnerships, mergers and acquisitions, intellectual property, and capital markets.
- On March 28, 2018, we announced that we have filed our 510(k) application to the U.S. Food and Drug Administration (FDA) for our first product, PURE EP™ System.
- On May 9, 2018, we filed one “omnibus” hardware and software patent application with multiple claim sets, and a multiple feature-set graphical user interface (“GUI”) design patent, with detailed technical descriptions across multiple BioSig elements of novelty.

We have conducted a total of twelve pre-clinical studies to date with the PURE EP™ System prototype. We conducted our first three pre-clinical studies in 2015 at Mayo Clinic in Rochester, Minnesota. We have continued additional pre-clinical studies as part of an advanced research program since June 2016 at Mayo Clinic in Rochester, Minnesota. We also conducted one pre-clinical study at the Mount Sinai Hospital in New York, NY with emphasis on the VT model.

In the third quarter of 2017 in collaboration with Health Research International, we conducted a detailed survey of U.S. electrophysiologists to gather opinions on the main features of the PURE EP System.

We intend to continue further pre-clinical studies at Mayo Clinic and we intend to conduct a pre-clinical study at the Cardiac Arrhythmia Center at the University of California at Los Angeles. We intend to conduct further pre-clinical studies, and research studies. The main objective of these studies is to evaluate various findings and to demonstrate the preclinical potential of the PURE EP System

We have initiated technology development with Minnetronix, a medical technology and innovation company, and engaged Quintain Project Solutions LLC as the manufacturing project management leader for the PURE EP System – implementing steps for obtaining 510(k) clearance from the U.S. Food and Drug Administration for the PURE EP System.

We believe that by the conclusion of 2018, we will have obtained 510(k) marketing clearance from the FDA and will be able to commence marketing and commercialization of the PURE EP System. Our ability to achieve the aforementioned milestones will be principally determined by our ability to obtain necessary financing and regulatory approvals, among other factors.

We have chosen and are working with the National Standards Authority of Ireland (NSAI) as our Notified Body to obtain the CE Mark. CE marking is a mandatory approval for medical devices sold in Europe and Canada. We plan on submitting for CE Mark in 2019.

Because we are a development stage company, with our initial product under development, we currently do not have any customers. We anticipate that our initial customers will be hospitals and other health care facilities that operate electrophysiology labs.

Our Industry

Electrophysiology is the study of the propagation of electrical impulses throughout the heart. Electrophysiology studies are focused on the diagnosis and treatment of arrhythmias, a medical condition in which conduction of electrical impulses within the heart vary from the normal. Such conditions may be associated with significant health risks to patients. The cardiac electrophysiology study for the evaluation of cardiac conduction disorders has evolved rapidly from a research tool to an established clinical treatment. This technique permits detailed analyses of the mechanism underlying cardiac arrhythmias and determines precise locations of the sites of origin of these arrhythmias, thereby aiding in treatment strategies.

Pharmacological, or medicine-based, therapies have traditionally been used as initial treatments, but they often fail to adequately control the arrhythmia and may have significant side effects. Catheter ablation is now often recommended for an arrhythmia that medicine cannot control. Catheter ablation involves advancing several flexible catheters into the patient's blood vessels, usually either in the femoral vein, internal jugular vein or subclavian vein. The catheters are then advanced towards the heart. Electrical impulses are then used to induce the arrhythmia and local heating, or freezing is used to ablate (destroy) the abnormal tissue that is causing it. Catheter ablation of most arrhythmias has a high success rate and multiple procedures per patient have been found to be more successful.

Catheter ablation is performed by an electrophysiologist (a specially trained cardiologist) in a catheterization lab or a specialized electrophysiology lab. It is estimated that there are about 3,000 dedicated electrophysiology labs in the U.S. and 1,500 labs outside the U.S., each with an electrophysiology recording system costing an average of \$250,000. We believe that the current value of the electrophysiology recording device market in the U.S. is approximately \$750 million, based upon the number of electrophysiology labs in U.S. and the average cost of the recording system in each lab. With the potential of 12 million atrial fibrillation patients by the year 2050 (according to the Atrial Fibrillation Fact Sheet, last updated in August 2017 by the Centers for Disease Control and Prevention) and improvements in technology for atrial fibrillation ablation therapy, significant growth is predicted for the number of hospitals building electrophysiology labs. According to the 2016 HRI Global Opportunities in Medical Devices & Diagnostics report, analysts forecast the global market for electrophysiology devices will grow at a 10.3 percent compound annual growth rate, from \$3.68 billion in 2015 to \$6.015 billion in 2020; in addition, global ablation procedure numbers are predicted to grow from 865,000 to 1,350,000 per year.

Catheter Ablation of Atrial Fibrillation and Ventricular Tachycardia

We believe that the clearer recordings and additional information provided by the PURE EP System may improve outcomes during electrophysiology studies and ablation procedures for a variety of arrhythmias. For patients who are candidates for ablation, an electrophysiology study is necessary to define the targeted sites for the ablation procedure. Two common, yet complex, conditions for which ablation procedures are performed are atrial fibrillation and ventricular tachycardia. We believe that in the near future, the PURE EP System may have a meaningful impact on assisting ablation strategies for these conditions.

Most cardiac arrhythmias are well understood, and ablation simply requires destroying a small area of heart tissue possessing electrical abnormality. In contrast, complex arrhythmias, such as atrial fibrillation and ventricular tachycardia, have complex pathophysiology and, because knowledge of their origins and mechanisms are incomplete, ablation treatments for these arrhythmias are largely empirical. Furthermore, the length of these procedures, which typically last from 3-6 hours, exposes the physician and staff to extensive radiation, requiring them to wear heavy lead vests. Consequently, ablating atrial fibrillation and ventricular tachycardia has been regarded as being extremely difficult. Therefore, access to these procedures has traditionally been limited to being performed by only especially well-trained cardiologists; however, advancements in new technologies and techniques show a strong growth rate for these procedures.

AF is the most common heart rhythm disorder in the world and increases the risk for stroke 5-fold. In 2010, there was a reported global prevalence of 33.5 million (20.9 million men and 12.6 million women). In 2017, the Centers for Disease Control and Prevention stated that there are an estimated 2.7-6.1 million Americans suffering with AF, more than 750,000 patients hospitalized annually for the condition, and AF contributes to an estimated 130,000 deaths each year. Despite the fact that physicians have been performing radiofrequency ablations since the 1990s, catheter-based treatment is offered to less than 3% of the AF patient population in the U.S. and Europe. An increasing proportion of diagnosed atrial fibrillation cases are now being treated via ablation, as both physician confidence and the devices used in these procedures improve. A growing amount of positive clinical data has demonstrated the efficacy of AF ablation when compared to the traditional first-line treatment of anti-arrhythmic drugs. As a result, AF ablation is becoming the fastest growing procedure type in this market. The American College of Cardiology Foundation/American Heart Association Task Force reported that catheter-directed ablation of atrial fibrillation represents a substantial achievement that promises better therapy for a large number of patients presently resistant to pharmacological or electrical conversion to sinus rhythm ("2014 ACCF/AHA/HRS Focused Update on the Management of Patients With Atrial Fibrillation (Updating the 2011 Guideline)"). However, rates of success and complications may vary, sometimes considerably.

According to the Heart Rhythm Society, ventricular tachycardia is the most dangerous arrhythmia since it may result in ventricular fibrillation, a rapid chaotic heartbeat in the lower chambers of the heart which can often result in sudden cardiac death. Because the fibrillating muscle cannot contract and pump blood to the brain and vital organs, ventricular fibrillation is the number one cause of sudden cardiac death accounting for more than 350,000 deaths in the U.S. each year. Ventricular tachycardia is typically treated with implantable cardioverter defibrillators, or ICDs, or a combination of ablation along with an ICD. Catheter ablation of VT has historically been used primarily for drug refractory ventricular arrhythmias in patients with ICDs. However, advances in electro-anatomical mapping systems, techniques to identify ablation sites during sinus rhythm, and the use of hemodynamic support devices has broadened the applicability of catheter ablation for ventricular arrhythmias. When performed in centers with high procedural volumes, the rates of complications remain relatively low. However, success rates have historically been quite variable and highly dependent on the specific ablation approach adopted.

According to Dr. Srijoy Mahapatra, the status of ventricular tachycardia ablation is growing at a 14-17% compound annual growth rate due to the fact that ablation of ventricular tachycardia may help patients feel better and live longer, despite the risks, including the occurrence of stroke, and the modest success rates. The success of ventricular tachycardia ablation varies, depending on the patient's specific heart condition that caused ventricular tachycardia. The procedure is most effective in patients with otherwise normal hearts, in whom the success rate exceeds 90%. In patients with structural heart disease resulting from scar or cardiomyopathy, success rates range between 50% and 75% at six to 12 months. In cases in which a patient experiences a recurrence, two of three patients will still have less ventricular tachycardia than before the initial ablation (Circulation (2010) 122: e389-e391). Therefore, we believe that ablation will continue to become a preferred treatment for ventricular tachycardia, especially considering the challenges presented by ICD therapies; this increase in demand for ablation procedures will likely also increase the demand for technological advances in medical devices essential to ablation procedures, including electrophysiology recorders, in order to better support ablation procedures.

Electrophysiology Lab Environment and Electrophysiology Recording Systems

The electrophysiology lab environment and recording systems create significant amounts of noise and artifacts during electrophysiology procedures. Current surface and intracardiac recording systems typically consist of large workstations interconnected by a complex set of cables that contribute to significant amounts of noise during signal acquisition. Additional noise and artifacts generated from the electrophysiology lab equipment further hamper recordings of small electrophysiological potentials. Preserving spatiotemporal (space and time) characteristics of the signal in a very challenging electrophysiology recording environment is a difficult task. To remove noise and artifacts, recorders that are currently on the market offer a family of low pass, high pass and notch filters, but these filters alter signal information context.

The shape and amplitude of electrocardiograms, unipolar and bipolar electrograms, and, consequently, reconstructed endocardial and epicardial maps, are influenced not only by electrophysiological and structural characteristics of the myocardial tissue involved, but with characteristics of the recording system. Amplitude and morphology of electrocardiogram and intracardiac signals are significantly affected by filters used to remove noise. Because of the number of amplitude and interval measurements made during an electrophysiology study, it is imperative that the recording system faithfully acquires surface electrocardiogram and intracardiac electrograms. We believe that the recording systems that are currently available on the market are ineffective in preserving the optimal amount of original information contained in the cardiac signals.

In addition, the electrophysiology lab consists of sophisticated equipment that requires an electrophysiologist to mentally integrate information from a number of sources during procedures. There are numerous monitors in an electrophysiology lab that provide and display this variety of information. An electrophysiologist needs to evaluate the acquired cardiac signals and the patient's responses to any induced arrhythmias during the procedure. However, it is difficult for an electrophysiologist to synthesize the disparate information produced by the numerous monitors in the lab and calculate the real-time, three-dimensional orientation of the anatomy and the location of the recording and ablation catheters. As the number of electrophysiology procedures increase, a variety of diagnostic and therapeutic ablation catheters are becoming more widely available and new highly specialized catheters are being developed. In addition, remote robotic and magnetic navigation systems are being developed to address limitations of dexterity in controlling the catheter tip, especially during complex arrhythmia ablation procedures. We believe that, considering the improvements being made with respect to other equipment used in the electrophysiology lab and the continual increase of ablation procedures, the electrophysiology recorders currently available on the market are not sufficiently advanced with respect to the quality of their recordings to deliver adequate results. We believe that the PURE EP System will be able to deliver superior quality of recordings that will allow it to successfully integrate with the other advanced equipment found in the electrophysiology lab.

The requirement for optimal signal integrity is further amplified during ablation treatments of atrial fibrillation and ventricular tachycardia. Presently, one of the main objectives of the atrial fibrillation ablation procedure is to precisely identify, ablate and eliminate pulmonary vein potentials; and one of the main objectives of the ventricular tachycardia procedure is to map the arrhythmia substrate and precisely identify, ablate and eliminate small abnormal potentials. The information provided by recorders is essential for an electrophysiologist to determine ablation strategy during termination of both pulmonary vein potentials and ventricular tachycardia. Therefore, it is important that the recording system's noise removal technique does not alter the appearance and fidelity of these potentials. As a result, it is necessary that any new signal processing technology preserves signal fidelity as much as possible during electrophysiology recordings; otherwise, the signals that are needed to guide the ablation procedures will be difficult to distinguish due to noise interference.

Our Products

We intend to bring to the electrophysiology market the PURE EP System, an electrocardiogram/intracardiac recorder that will be coupled with an array of software tools intended for electrophysiology studies and procedures ranging from simple diagnostic tests to ablation for the most complex cases of arrhythmias. We believe that this system will provide unique recording capabilities because we are developing it to allow precise, uninterrupted, real-time evaluations of electrocardiograms and electrograms, and allow electrophysiologists to obtain data that cannot be acquired from present day recorders.

The PURE EP System uses a combination of analog and digital signal processing to acquire and display cardiac data. Because our technology consists of proprietary hardware, software and algorithms, the original cardiac data is not distorted. In addition, we are developing a library of software tools that are designed to be configured to fit the needs of electrophysiologists in different settings and/or for different arrhythmia treatments. With the software, the PURE EP System can be positioned to provide information that can be used by electrophysiologists to help guide the ablation catheter; shorten procedure times; and can reduce the complexity of maneuvers necessary for identifying ablation targets for various arrhythmias, including atrial fibrillation and ventricular tachycardia. The PURE EP System is intended to be used in addition to existing electrophysiology recorders. We believe that the less distorted cardiac data provided by the PURE EP System will increase the workload ability and enhance the capabilities of the typical electrophysiology laboratory.

Initial Analysis

According to S. J. Asirvatham, MD, et. al. ("Signals and Signal Processing for the Electrophysiologist," *Circ Arrhythm Electrophysiol.* (2011) 4:965-973), recording environments in a typical electrophysiology laboratory presents challenging situations. S. J. Asirvatham, MD, et. al., state, "Successful mapping and ablation in the electrophysiology laboratory is critically dependent on acquiring multiple, low-amplitude, intracardiac signals in the presence of numerous sources of electric noise and interference and displaying these signals in an uncomplicated and clinically relevant fashion, with minimal artifacts. This represents a significant engineering challenge and, in real-life electrophysiology laboratory, is not always successful."

To determine and validate the state of present electrophysiology recording technology in the field, we completed a detailed analysis of the effect of filters used by existing EP recorders to reduce noise on spatiotemporal characteristics of electrocardiograms and intracardiac electrograms. We used a custom-built electrocardiogram/intracardiac simulator with a database of various electrocardiogram signals combined with electrophysiology signals, along with waveforms from publicly available databases. The ability to faithfully reproduce database waveforms generated by an electrocardiogram/intracardiac simulator was tested using the PURE EP System and conventional electrophysiology recorders, the GE CardioLab and St. Jude EP-WorkMate.

We evaluated the signal quality (amplitude, morphology and duration) of the different recorders, along with the ability of the recorders to reduce noise level and remove baseline wander, which are the cardiac signals that have shifted from the isoelectric line (the base line of the signal tracing). The electrocardiogram and intracardiac signals subjected to the PURE EP System's signal processing showed less baseline wander, noise and artifacts compared to the conventional electrophysiology recorders. Further, spatiotemporal characteristics of signals were greatly distorted by the conventional electrophysiology system, particularly when a notch filter was used, as compared to the recording of the same spatiotemporal characteristics by the PURE EP System. A notch filter is used to remove a specific frequency from the signal, especially either 60Hz in the U.S. and 50Hz in Europe, and can be implemented in hardware or software.

During our initial analysis, we did not subject the evaluation of the data produced by our technology to any third-party review, as would be required for the publication of a formal study.

Proof of Concept Testing

We developed the PURE EP System's proof of concept unit, which is the version of the product prior to prototype. The proof of concept unit was designed using separate analog and digital boards to allow for easier debugging and to demonstrate single channel electrocardiogram and intracardiac acquisition capabilities. The proof of concept unit was built to (i) verify that the PURE EP System performs in line with our intended design of the product, (ii) validate a portion of the hardware design that we intend to use in the prototype, and (iii) verify the software used by the PURE EP System. The main objectives of the proof of concept unit were to demonstrate that the system's hardware and software have the ability to faithfully record small cardiac signals in an electrophysiology laboratory environment and to obtain initial performance results.

In the second and third quarters of 2013, we performed and finalized testing of our proof of concept unit by initially using an electrocardiogram/intracardiac simulator at our lab, and subsequently by obtaining pre-clinical recordings from the lab at the University of California at Los Angeles. As part of the testing, we simultaneously recorded electrocardiogram and intracardiac signals on our proof of concept unit and GE's CardioLab recording system. An identical signal was applied to the input of both systems and the monitor of our proof of concept unit was positioned next to the monitor of GE's CardioLab recording system to allow for visual comparison. We believe that our proof of concept unit performed well as compared to GE's CardioLab recording system, in that the electrocardiogram and intracardiac signals displayed on our proof of concept unit showed less baseline wander, noise and artifacts compared to signals displayed on GE's CardioLab recording system. However, because this was a proof of concept test, without any clearly established protocols, we cannot present this data for publication and we do not have any independent verification or peer review of these findings.

Subsequently, in the third quarter of 2013, we analyzed the results of our proof of concept unit to determine the final design of the PURE EP System prototype. Because the proof of concept unit was designed to verify the capabilities of the main components of the PURE EP System, we established a list of tasks necessary to complete the prototype (which we intend to use for end-user preference studies, additional pre-clinical studies and research studies), which has since been completed.

Proof of Concept Testing at UCLA's EP Lab



Prototype Testing

After conducting research of peer-reviewed EP publications (see *Initial Analysis* in Our Products section below), we contacted Samuel J. Asirvatham, M.D. (who we believed to be an expert in the field of signal-based catheter ablation), at Mayo Clinic in Rochester, Minnesota. Since the end of 2014, we have collaborated with Dr. Asirvatham and other physicians affiliated with Mayo Clinic in Rochester, Minnesota and Jacksonville, Florida. We have performed pre-clinical studies at Mayo Clinic since 2015 to validate technology within the PURE EP System prototype. These studies have been designed to determine clinical effectiveness for features within the PURE EP System that are in development. Since March 2016, we have published seven manuscripts in collaboration with the physicians from Mayo Clinic evidencing our pre-clinical findings. The publications cover a variety of subjects pertaining to the PURE EP System as an enhanced electrophysiology recording system with signal acquisition and differentiation and having specific visualization of different electrophysiology signals.

The current PURE EP System prototype



Technology and Development Plan

Our technology team consists of six engineers and a consulting firm with expertise in digital signal processing, low power analog and digital circuit design, software development, embedded system development, electromechanical design, testing and system integration, and the regulatory requirements for medical devices. We have also entered into collaboration agreements with advisors and medical institutions in the fields of cardiology and electrophysiology, including Mayo Clinic, Mount Sinai Hospital in New York, NY and the Texas Cardiac Arrhythmia Institute in Austin, TX (see “–Strategic Alliances”). We envision outsourcing manufacturing of the complete PURE EP System.

We have conducted a total of twelve pre-clinical studies to date with the PURE EP™ System prototype. We conducted our first three pre-clinical studies in 2015 at Mayo Clinic in Rochester, Minnesota. We have continued additional pre-clinical studies as part of an advanced research program since June 2016 at Mayo Clinic in Rochester, Minnesota. We also conducted one pre-clinical study at the Mount Sinai Hospital in New York, NY with emphasis on the VT model.

In the third quarter of 2017 in collaboration with Health Research International, we conducted a detailed survey of U.S. electrophysiologists to gather opinions on the main features of the PURE EP System.

We intend to continue further pre-clinical studies at Mayo Clinic and we intend to conduct a pre-clinical study at the Cardiac Arrhythmia Center at the University of California at Los Angeles. We intend to conduct further pre-clinical studies, and research studies. The main objective of these studies is to evaluate various findings and to demonstrate the preclinical potential of the PURE EP System

We have initiated technology development with Minnetronix, a medical technology and innovation company, and engaged Quintain Project Solutions LLC as the manufacturing project management leader for the PURE EP System – implementing steps for obtaining 510(k) clearance from the U.S. Food and Drug Administration for the PURE EP System.

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We believe that by the conclusion of 2018, we will have obtained 510(k) marketing clearance from the FDA and will be able to commence marketing and commercialization of the PURE EP System. Our ability to achieve the aforementioned milestones will be principally determined by our ability to obtain necessary financing and regulatory approvals, among other factors.

We have chosen and are working with the National Standards Authority of Ireland (NSAI) as our Notified Body to obtain the CE Mark. CE marking is a mandatory approval for medical devices sold in Europe and Canada. We plan on submitting for CE Mark in 2019.

Because we are a development stage company, with our initial product under development, we currently do not have any customers. We anticipate that our initial customers will be hospitals and other health care facilities that operate electrophysiology labs.

Competition

The electrophysiology market is characterized by intense competition and rapid technological advances. There are currently four large companies that share the majority of the electrophysiological recording market share. They produce the following electrophysiology recording systems, each with a unit price of approximately \$250,000 per unit:

- GE Healthcare's family of CardioLab Recording Systems were initially developed in the early 1990s by Prucka Engineering, which was acquired by General Electric Company in 1999.
- The LabSystem PRO EP Recording System was originally designed in the late 1980s by C.R. Bard. C.R. Bard's electrophysiology business was acquired by Boston Scientific Corporation in 2013.
- Siemens AG developed the Axiom Sensis XP in 2002.
- St. Jude Medical, Inc.'s EP-WorkMate Recording System was acquired from EP MedSystems, Inc. in 2008, which had received clearance for the product from the FDA in 2003. In January 2017, Abbott Laboratories acquired St Jude Medical, Inc.

Based upon our analysis of data taken from patent applications filed with the U.S. Patent and Trademark Office ("USPTO") and 510(k) approval applications filed with the FDA, we believe that the above recording systems are built on relatively old technologies and all use the identical approach in applying digital filters to remove noise and artifacts. We are of the opinion that such an approach sacrifices cardiac signal fidelity and, in the case of ablation; the filters have a direct impact on the ablation strategy of an electrophysiologist. The imprecise method to remove noise and artifacts used by the old recorders could be a contributing factor to the multiple (or repeated) ablation procedures that are frequently required in order to completely cure patients from atrial fibrillation and ventricular tachycardia. We are not currently aware of any other companies that are developing new recording technology for electrophysiology recorders.

Suppliers

The PURE EP System contains proprietary hardware and software modules that are assembled into the system. Hardware boards contain components that are available from different distributors. The parts used to manufacture analog and digital boards are readily available from a number of distributors or manufacturers. We obtained components from various suppliers and have assembled our first prototype in-house. We envision outsourcing manufacturing of the complete PURE EP System.

Research and Development Expenses

Research and development expenses for the fiscal years ended December 31, 2017, 2016 were \$4,756,468 and \$2,654,501, respectively.

Sales, Marketing and Customer Service

We plan to implement a market development program prior to launch of our PURE EP System. As the product progresses through development and testing, we intend to gather the data produced by the PURE EP System's processing and presenting electrocardiogram and intracardiac signals and use such data for posters, presentations at cardiology conferences, and, if appropriate, submissions to scientific journals. We believe that as we gather additional data from our existing proof of concept tests and our planned pre-clinical and clinical studies and user preference studies, we will be able to better determine the focus of our marketing efforts. We also plan to leverage our relationships with cardiac research and treatment centers to gain early product evaluation and validation. We believe that through these efforts, we may be able to gain preliminary acceptance of our PURE EP product by experienced professionals and academics in the electrophysiology field.

We also intend to simultaneously develop a branding strategy to introduce and support the PURE EP System. The strategy may include our presence at major relevant cardiology meetings on a national and regional basis to engage and educate physicians concerning the PURE EP System and any of our other products, as well as engaging in a variety of other direct marketing methods. We also intend to develop a small direct sales force together with a distribution network that has existing relationships with hospitals and electrophysiologists. We believe that we may be able to begin targeted commercial sales of the PURE EP System in the second half of 2018.

Intellectual Property

Patents

Our success depends in large part on our ability to establish and maintain the proprietary nature of our technology. Our co-founder and former chief technology officer, Budimir S. Drakulic, Ph.D., conceived of the proprietary elements of the PURE EP System in 2009 and 2010. We filed a patent application with the USPTO in December 2013 directed at systems and methods for the evaluation of electrophysiology systems. In March 2014, the inventors listed on the patent application filed in December 2013 assigned all of their rights to the patent application to us. In December 2014, we filed this patent application under the Patent Cooperation Treaty (PCT) with the U.S. Receiving Office. Our patent application filed in December 2013 represents a significant portion of our core proprietary intellectual property. Our patent application filed in December 2013 describes a system that can show comparative output of any two cardiac signal systems—such as the PURE EP System as compared to a competitor system, thus showing the value of the PURE EP System.

This patent application describes signal processing evaluators that assess how well a cardiac signal system reading a cardiac signal (such as the PURE EP System or another system) filters out noise, such as non-cardiac signals or other body-generated artifacts. Such noise is filtered by such systems with varying success, thus, an evaluator such as described in the patent application may be used to provide comparison data for a particular system versus another given the same or similar input. The patent application also describes a simulator that can send a simulated signal to a cardiac signal system (the PURE EP System or another system) in order to challenge such cardiac signal system to filter out typical noise. These are adjunct technologies that can be used to show the value of the PURE EP System as compared to other systems existing in the market. The additional patent applications that we intend to file in the U.S. in the future are expected to represent portions of the hardware and software technology associated with our PURE EP System, which technology includes a cardiac signal system that reads cardiac signals and filters such cardiac signals from noise such as non-cardiac signals or other body-generated artifacts. Upon filing of such patent applications, we believe that the novel aspects of our PURE EP System should be subject to pending patent application; however, we cannot be assured that all of the patents related to our patent applications, if any, will be granted.

In November 2017, we engaged 3LP Advisors LLC dba Sherpa Technology Group as our intellectual property advisor.

In addition to retaining Sherpa Technology Group, an intellectual property strategy firm based in Silicon Valley, we also retained Sterne Kessler Goldstein & Fox P.L.L.C., a patent firm based in Washington DC, to help develop and execute a strategy for the development of BioSig's patent portfolio. As a result of that collaboration, on May 9, 2018 BioSig filed one "omnibus" hardware and software patent application with multiple claim sets, and a multiple feature-set graphical user interface ("GUI") design patent, with detailed technical descriptions across multiple BioSig elements of novelty. BioSig plans to expand the patent filings into a robust patent family with multiple domestic and international patents to obtain broad utility claims that cover apparatus, methods and systems in EP and general signal processing areas, and display patents for its key GUI innovations. BioSig may choose to accelerate the patent prosecution process for key claim sets, e.g., by utilizing the United States Patent and Trademark Office acceleration programs (Track One) to shorten the time to grant domestically, and the Patent Cooperation Treaty and Patent Prosecution Highway to streamline and accelerate foreign filings as applicable.

Trademarks

Our trademark for "BIOSIG TECHNOLOGIES"; was registered on April 25, 2017. Our trademark for "PURE EP"; was registered on January 26, 2016.

Government Regulation

Our solutions include software and hardware which will be used for patient diagnosis and, accordingly, are subject to regulation by the U.S. Food and Drug Administration and other regulatory agencies. U.S. Food and Drug Administration regulations govern, among other things, the following activities that we perform and will continue to perform in connection with:

- Product design and development;
- Product testing;
- Product manufacturing;
- Product labeling and packaging;
- Product handling, storage, and installation;
- Pre-market clearance or approval;
- Advertising and promotion; and
- Product sales, distribution, and servicing.

U.S. Food and Drug Administration's Pre-market Clearance and Approval Requirements

The U.S. Food and Drug Administration classifies all medical devices into one of three classes. Devices deemed to pose lower risks are placed in either Class I or II, which requires the manufacturer to submit to the U.S. Food and Drug Administration a pre-market notification, known as a PMN, and a 510(k) approval, requesting clearance of the device for commercial distribution in the U.S. Class III devices are devices which must be approved by the pre-market approval process. These tend to be devices that are permanently implanted into a human body or that may be necessary to sustain life. For example, an artificial heart meets both these criteria. Based on analysis of predicate devices, we believe that our products will be classified as Class II. Pursuant to U.S. Food and Drug Administration guidelines, Class II devices include a programmable diagnostic computer, which is a device that can be programmed to compute various physiologic or blood flow parameters based on the output from one or more electrodes, transducers, or measuring devices; this device includes any associated commercially supplied programs. Because the PURE EP System is a surface electrocardiogram and intracardiac multichannel recording and analysis system that acquires, processes and displays electrocardiogram and electrograms, we believe it will be classified as a Class II device. We must, therefore, first receive a 510(k) clearance from the U.S. Food and Drug Administration for our PURE EP System before we can commercially distribute it in the U.S. In the event that our PURE EP System is classified as a Class III device, which we believe is unlikely to occur, the U.S. Food and Drug Administration regulatory approval process and the subsequent commercialization of our product will require significantly greater time and resources than if it is classified as a Class II device, which would require us to reassess our strategic business plan of operations.

510(k) Clearance Process

For our PURE EP System, we must submit a pre-market notification to the U.S. Food and Drug Administration demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device, a device that was in commercial distribution before May 28, 1976 for which the U.S. Food and Drug Administration has not yet called for the submission of pre-market approval applications, or is a device that has been reclassified from Class III to either Class II or I.

The U.S. Food and Drug Administration's 510(k) clearance process usually takes three to six months from the date the application is submitted and filed with the U.S. Food and Drug Administration, but it can take significantly longer. A device that reaches market through the 510(k) process is not considered to be "approved" by the U.S. Food and Drug Administration. They are generally referred to as "cleared" or "510(k) cleared" devices. Nevertheless, it can be marketed and sold in the U.S.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new 510(k) clearance or could require a pre-market approval, which requires more data and is generally a significantly longer process than the 510(k) clearance process. The U.S. Food and Drug Administration requires each manufacturer to make this determination initially, but the U.S. Food and Drug Administration can review any such decision and can disagree with a manufacturer's determination. If the U.S. Food and Drug Administration disagrees with a manufacturer's determination, the U.S. Food and Drug Administration can require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or a pre-market approval is obtained.

Pervasive and continuing U.S. Food and Drug Administration regulation

After a medical device is placed on the market, numerous U.S. Food and Drug Administration regulatory requirements apply, including, but not limited to the following:

- Quality System regulation, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures during the manufacturing process;
- Establishment Registration, which requires establishments involved in the production and distribution of medical devices intended for commercial distribution in the U.S. to register with the U.S. Food and Drug Administration;
- Medical Device Listing, which requires manufacturers to list the devices they have in commercial distribution with the U.S. Food and Drug Administration;
- Labeling regulations, which prohibit "misbranded" devices from entering the market, as well as prohibit the promotion of products for unapproved or "off-label" uses and impose other restrictions on labeling; and
- Medical Device Reporting regulations, which require that manufacturers report to the U.S. Food and Drug Administration if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur.

Failure to comply with applicable regulatory requirements can result in enforcement action by the U.S. Food and Drug Administration, which may include one or more of the following sanctions:

- Fines, injunctions, and civil penalties;
- Mandatory recall or seizure of our products;
- Administrative detention or banning of our products;
- Operating restrictions, partial suspension or total shutdown of production;
- Refusing our request for 510(k) clearance or pre-market approval of new product versions;
- Revocation of 510(k) clearance or pre-market approvals previously granted; and
- Criminal penalties.

International Regulation

International sales of medical devices are subject to foreign government regulations, which vary substantially from country to country. The time required to obtain approval by a foreign country may be longer or shorter than that required for U.S. Food and Drug Administration approval, and the requirements may differ significantly.

The European Union has adopted legislation, in the form of directives to be implemented in each member state, concerning the regulation of medical devices within the European Union. The directives include, among others, the Medical Device Directive that establishes standards for regulating the design, manufacture, clinical trials, labeling, and vigilance reporting for medical devices. Our PURE EP system may be affected by this legislation. Under the European Union Medical Device Directive, medical devices are classified into four classes, I, IIa, IIb, and III, with class I being the lowest risk and class III being the highest risk. Under the Medical Device Directive, a competent authority is nominated by the government of each member state to monitor and ensure compliance with the Medical Device Directive. The competent authority of each member state then designates a notified body to oversee the conformity assessment procedures set forth in the Medical Device Directive, whereby manufacturers demonstrate that their devices comply with the requirements of the Medical Device Directive and are entitled to bear the CE mark. CE is an abbreviation for Conformité Européenne (or European Conformity) and the CE mark, when placed on a product, indicates compliance with the requirements of the applicable directive. Medical devices properly bearing the CE mark may be commercially distributed throughout the European Union. Failure to obtain the CE mark will preclude us from selling the PURE EP System and related products in the European Union.

Employees

As of May 16, 2018, we had 15 full-time employees. Additionally, we use consultants as needed to perform various specialized services. None of our employees are represented under a collective bargaining agreement.

Properties

Our headquarters is located in Los Angeles, California where we lease an office approximately 2,200 square feet in size. In February 2018, we opened an administrative office located in Austin, Texas. Because we do not have any manufacturing requirements at this time, we believe our current facilities are sufficient to meet our needs.

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 our 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 our business, financial condition or operating result.

There are no material proceedings in which any of our directors, officers or affiliates or any registered or beneficial shareholder of more than 5% of our common stock is an adverse party or has a material interest adverse to our interest.

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth information regarding our executive officers and the members of our board of directors.

Name	Age	Position with the Company
Kenneth L. Londoner	50	Chief Executive Officer, Executive Chairman and Director
Steve Chaussy	64	Chief Financial Officer
Joseph Rafferty	60	Chief Commercialization Officer
Donald E. Foley	66	Director
Roy T. Tanaka	70	Director
Andrew L. Filler	51	Director
Patrick J. Gallagher	53	Director
Seth H. Z. Fischer	62	Director
Jeffrey F. O'Donnell, Sr.	58	Director
David Weild IV	61	Director

Directors are elected at each annual meeting of our stockholders and hold office until their successors are elected and qualified or until their earlier resignation or removal. Officers are appointed by our board of directors and serve at the discretion of the board of directors.

Biographical Information

Kenneth L. Londoner. Mr. Londoner has served as our director since February 2009, as our executive chairman since November 2013 and our chief executive officer since July 2017. He previously served as our chairman and chief executive officer from February 2009 to September 2013. Mr. Londoner has served as the managing partner of Endicott Management Partners, LLC, a firm dedicated to assisting emerging growth companies in their corporate development, since February 2010. From April 2007 to October 2009, he served as executive vice president – corporate business development and senior director of business development and, from November 2009 to December 2010, he served as a consultant to NewCardio, Inc., a medical device designer and developer. Mr. Londoner also served as a director of chatAND Inc. from January 2012 to April 2015. Mr. Londoner is a co-founder and board member of Safe Ports Holdings, Charleston, South Carolina. Mr. Londoner also served as a director of MedClean Technologies, Inc. from November 2008 to September 2010. Mr. Londoner was an investment officer and co-manager of the Seligman Growth Fund, Seligman Capital Fund, and approximately \$2 billion of pension assets at J & W Seligman & Co, Inc. in New York from 1991 to 1997. Mr. Londoner graduated from Lafayette College in 1989 with a degree in economics and finance and received his MBA from New York University's Leonard N. Stern School of Business in 1994. We believe that Mr. Londoner's extensive experience in financial and venture capital matters, as well as his intimate knowledge of our company as its co-founder make him an asset to our board of directors.

Steve Chaussy. Mr. Chaussy has served as our chief financial officer on a full-time basis since January 2018. Mr. Chaussy served as our chief financial officer on a part-time basis from May 2011 to January 2018. Since 2005, Mr. Chaussy has been the sole proprietor of Anna & Co., Inc., a consulting company that offers services to small publicly traded companies. Anna & Co., Inc. provides general financial and accounting services, with a special emphasis towards SEC reporting and compliance, to companies that lack sufficient resources to hire full-time employees to provide such services. From 2001 to 2005, Mr. Chaussy provided services as both a chief financial officer and as a consultant to small publicly traded companies. Prior to 2001, Mr. Chaussy served as chief financial officer for a large private distribution and wholesaling company, where he gained international experience. Mr. Chaussy is a graduate of Virginia Polytechnic Institute and State University and is a licensed certified public accountant in Virginia, California and Florida.

Joseph Rafferty. Mr. Rafferty has served as our chief commercialization officer since October 2017. Mr. Rafferty was the founder, president and chief executive officer of National Medical Sales, LLC June 2009 - 2017. National Medical Sales provided start up medical device companies instant access to a national commercialization platform in the endovascular, interventional oncology, interventional radiology and interventional cardiology markets. He was the vice president of US sales, sales training and physician training at Avinger, Inc. from January 2016 to July 2016. Mr. Rafferty was vice president of global sales at Pathway Medical Technologies from July 2007 to May 2009. He was recruited to lead, design and execute a commercialization plan for the Jetstream Atherectomy device. He was given the charter to build out a 60-person commercialization organization, including field sales leadership and team, customer service, sales operations, physician training and sales training. Then in 2005 to 2007, Mr. Rafferty was the director of national contracts for Synthes Spine - at that time, he was responsible for a 2-year growth over \$80 million in strategically contracted accounts and also functioned as associate EVP, sales operations. Mr. Rafferty was vice president and general manager for Sterilox Technologies from 2001 to 2005. He had full P&L responsibility for national and international business development and commercialization of medical, dental and food verticals in liquid chemical sterilant/high level disinfectant for the technology startup. Before 2000, Mr. Rafferty was a regional sales manager for ACS/Guidant where he authored the P3 program that leveraged ACS's breadth of products and became an industry standard practice. He was also a territory manager for the cardiosurgery division at CR Bard and J & J Ethicon Mechanical Products. Mr. Rafferty attended Temple University from 1977 to 1979 and graduated with a BS in communications, public relations/journalism.

Donald E. Foley. Mr. Foley has served as our director since October 2015. Mr. Foley was chairman of the board and chief executive officer of Wilmington Trust Corporation from 2010-2011. Prior to Wilmington Trust Corporation, Mr. Foley was senior vice president, treasurer and director of tax for ITT Corporation, a supplier of advanced technology products and services. Mr. Foley currently serves on the board of directors of AXA Equitable EQAT Mutual Funds and is an advisory board member of M&T Corporation Trust and Investment Committee. Mr. Foley also served on the boards of directors of M&T Corporation from 2011-2012 and of Wilmington Trust Company and Wilmington Trust Corporation from 2007-2011. In addition, Mr. Foley serves as chairman of the board of trustees of the Burke Rehabilitation Hospital and Burke Medical Research Institute, as well as the W. Burke Foundation since 2009 during which time the Hospital merged with the MonteFiore Hospital System. Mr. Foley holds an M.B.A. from New York University, and a B.A. from Union College where he had served as a trustee, and as a chairman of the President's Council. He also served as a trustee of the Covent of the Sacred Heart; and currently serves as a trustee at the Sacred Heart Network of schools and a trustee and head finance chair at New Beginning Family Academy, a charter school in Bridgeport, CT. Mr. Foley brings extensive financial, economic, capital markets and executive leadership expertise to our board gained through his successful career on Wall Street and the Fortune 500.

Roy T. Tanaka. Mr. Tanaka has served as our director since July 2012. From 2004 until his retirement in September 2008, Mr. Tanaka served as the worldwide president of Biosense Webster, Inc., a Johnson & Johnson company, a market and technology leader in the field of electrophysiology. He joined Biosense Webster, Inc. as its U.S. president in 1997. Previously he held a variety of senior management positions at Sorin Biomedical, Inc., including president and chief executive officer, and leadership roles at CooperVision Surgical and Shiley, a division of Pfizer, Inc. He currently serves on the boards of directors of Epix Therapeutics Inc., a company developing technology to measure the temperature in a lesion during cardiac ablation procedures, and VytronUS Inc., a company developing ultrasound technology in the diagnosis and treatment of complex cardiac arrhythmias. In addition, Mr. Tanaka served as a director of Volcano Corporation until May 2014 and TomoTherapy until its acquisition in June 2011. Mr. Tanaka brings broad experience in executive leadership in the medical device field. His operational expertise and knowledge of the regulatory environment, both in the U.S. and globally, also bring a valuable perspective.

Andrew L. Filler. Mr. Filler has served as our director since November 2017. Mr. Filler brings to BioSig over 20 years of experience in intellectual property for technology and medical device companies. He currently serves as Partner and General Counsel for Sherpa Technology Group since February 2014. In addition, Mr. Filler had served as General Counsel and Vice President of IP for Nanosys, Inc. from July 2004 until February 2014 and currently consults with Nanosys, Inc. on business and legal matters. Mr. Filler also served as chief intellectual property counsel at Caliper Technologies from January 2002 until June 2004, senior associate attorney at Weil, Gotshal & Manges from January 2000 until January 2002, and director of intellectual property at Corvascular from 1997 until 2000. We believe that Mr. Filler's extensive experience as an intellectual property lawyer and managing extensive intellectual property portfolios make him a valuable member of our board.

Patrick J. Gallagher. Mr. Gallagher has served as our director since July 2014. Mr. Gallagher, MBA, CFA, is an accomplished capital markets executive, advisor, and investor with a distinguished record of success in both the public and private markets. He has over 20 years of experience on Wall Street and extensive expertise in alternative investments, capital markets, and marketing. Since September 2014, Mr. Gallagher has served as Senior Managing Director and head of healthcare sales at Laidlaw & Co. (UK) Ltd. Mr. Gallagher serves as a strategic consultant for Athenex, Inc., a biopharmaceutical firm focused on next-generation therapies in oncology and immunology and was the vice president of business development and investor relations from September 2012 to October 2013. He also sits on the board of directors of Cingulate Therapeutics since July 2013, a clinical stage biopharmaceutical company focused on innovative new products for ADHD, as well as Evermore Global Advisors, a global money manager since May 2015. In November 2010, he was appointed by broker Concept Capital, a division of Sanders Morris Harris, as a Managing Director and the head of institutional sales. In 2001, Mr. Gallagher co-founded BDR Research Group, LLC, an independent sell-side research firm specializing in healthcare investing, financing and operations, and served as its chief executive officer until November 2010. Prior to 2001, he held various sales positions at investment and research firms Kidder Peabody, PaineWebber and New Vernon Associates. Mr. Gallagher is a CFA charter holder, received his MBA from Pennsylvania State University and holds a B.S. degree in finance from the University of Vermont. We believe that Mr. Gallagher's experience in capital markets and marketing, with extensive expertise concentrated in the life sciences space, make him a valuable resource on our board.

Seth H. Z. Fischer. Mr. Fischer has served as our director since May 2013. He most recently served as the Chief Executive Officer and as a director of Vivus, Inc., a publicly traded biopharmaceutical company commercializing and developing innovative, next-generation therapies to address unmet needs, with currently marketed products in metabolic disease and sexual health from September 2013 - December 2017. Prior to Vivus, Mr. Fischer served in positions of increasing responsibility with Johnson & Johnson, a public healthcare company, from 1983 until his retirement in 2012. Mr. Fischer served as Company Group Chairman, Johnson & Johnson, and Worldwide Franchise Chairman, Cardiovascular Devices, Cordis Corporation, from 2008 to 2012, which included responsibility for Cordis and Biosense Webster, and as Company Group Chairman, North America Pharmaceuticals from 2004 to 2007, which included responsibility for Ortho-McNeil Pharmaceuticals, Janssen, McNeil Pediatrics, and Scios. Prior to this position, He served as President of Ortho-McNeil Pharmaceuticals from 2000 to 2004, with his operating responsibilities encompassing the commercialization of products in multiple therapeutic categories including epilepsy, migraine, analgesic, anti-infective, cardiovascular, neurologic, psychiatric and women's health areas. Mr. Fischer currently serves as a member of the board of directors Agile Therapeutics, Inc., a public pharmaceutical company focused on women's health. He also serves on the board of directors of Marinus Pharmaceuticals, Inc., a public biopharmaceutical company focused on epilepsy and neuropsychiatric disorders. From April 2013 to September 2013, Mr. Fischer served on the board of directors of Trius Therapeutics, Inc., a public pharmaceutical company, until it was acquired by Cubist Pharmaceuticals, now a wholly owned subsidiary of Merck & Co., Inc. Mr. Fischer holds a Bachelor of General Studies from Ohio University and served as a captain in the U.S. Air Force. Mr. Fischer brings extensive executive level strategic and operational experience to our Board needed for strategic planning, product development, commercialization and operations.

Jeffrey F. O'Donnell, Sr. Mr. O'Donnell has served as our director since February 2015; he had previously served as a director from October 2011 until February 2014. Mr. O'Donnell has extensive experience in the Healthcare industry, merging a solid, traditional corporate background with emerging growth experience. Jeff brings more than 20 years of Board and Chief Executive experience running emerging medical device firms. Businesses under his direct leadership have achieved over \$1.5 Billion in value creation from initial public offering of stock or mergers and acquisitions. Currently, Jeff is the Chief Executive Officer and a Director of Trice Medical. Trice is an emerging growth medical device company developing optical needles used by orthopedic surgeons to diagnose soft tissue damage of joints. In 2008, Jeff started and ran Embrella Cardiovascular, a medical device startup company, which was sold in 2011 to Edwards Lifesciences (NYSE: EW). Prior to Embrella Cardiovascular, Jeff served as President and CEO of PhotoMedex (NASDAQ: PHMD) from 1999 to 2009. Prior to PhotoMedex, Jeff was the President and CEO of Cardiovascular Dynamics. His team took CCVD public on NASDAQ in June of 1996 and purchased Radiance Medical Systems and Endologix (NASDAQ: ELGX). From 1994 to 1995 Jeff held the position of President and CEO of Kensey Nash Corporation (NASDAQ: KNSY). Additionally, he has held several senior sales and marketing management positions at Boston Scientific Corporation, Guidant Corporation and with Johnson & Johnson's Orthopedic Division. In 2005, Jeff was named LifeSciences CEO of the Year by Price Waterhouse Coopers. In 2011, Jeff was named the Greater Philadelphia Emerging Entrepreneur of the Year by Ernst & Young. In 2017, Jeff assumed the role of Chairman of the Board of Directors for SpectraWave, a cardiology device company. He joined the AdvaMed Accel Board of Directors in 2016 and serves as an observer on the Membership, Ethics and Technology and Regulatory committees of the AdvaMed Board. Previously, Jeff served as Chairman of the Board of Strata Skin Sciences (NASDAQ: SSKN) (2 years) as well as Director on the Board at Cardiac Science (7 yrs.) and Endologix (12 yrs.). Jeff is a graduate of LaSalle University in Philadelphia. Mr. O'Donnell brings his experience in the healthcare industry and cardiovascular space, along with his experience with emerging growth companies, which will make him a valuable member of our board of directors.

David Weild IV. Mr. Weild has served as a director since May 2015. Mr. Weild is founder, chairman and CEO of Weild & Co., Inc., parent company of the investment banking firm Weild Capital, LLC. Prior to Weild & Co., Mr. Weild was vice chairman of NASDAQ, president of PrudentialFinancial.com and head of corporate finance and equity capital markets at Prudential Securities, Inc. Mr. Weild holds an M.B.A. from the Stern School of Business and a B.A. from Wesleyan University. Mr. Weild is currently on the board of PAVmed. From September 2010 to June 2011, Mr. Weild served on the board of Helium.com, until it was acquired by R.R. Donnelly & Sons Co. Since 2003, Mr. Weild was a director and then chairman of the board of the 9-11 charity Tuesday's Children. He became chairman emeritus in late 2016 and still serves on the board. Mr. Weild brings extensive financial, economic, stock exchange, capital markets, and small company expertise to the Company gained throughout his career on Wall Street. He is a recognized expert in capital markets and has spoken at the White House, Congress, the SEC, OECD and the G-20 on how market structure can be bettered to improve capital formation and economic growth.

Family Relationships

There are no family relationships among any of our officers or executive officers.

Independent Directors

Our board of directors has determined that each of Roy T. Tanaka, David Weild IV, Patrick J. Gallagher, Donald E. Foley, Seth H. Z. Fischer, Andrew L. Filler, and Jeffrey F. O'Donnell, Sr. is independent within the meaning of Rule 5605(a)(2) of the NASDAQ Listing Rules and the rules and regulations promulgated by the Securities and Exchange Commission.

Committees of the Board of Directors

Our board of directors has established an audit committee, a nominating and corporate governance committee and a compensation committee, each of which has the composition and responsibilities described below.

Audit Committee

Our audit committee is currently comprised of Messrs. Weild, Gallagher and O'Donnell, each of whom our board has determined to be financially literate and qualifies as an independent director under Section 5605(a)(2) and Section 5605(c)(2) of the rules of the NASDAQ Stock Market. Mr. Weild is the chairman of our audit committee. In addition, Mr. Weild qualifies as a financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is currently comprised of Messrs. Filler, Foley and Tanaka, each of whom qualifies as an independent director under Section 5605(a)(2) of the rules of the NASDAQ Stock Market. Mr. Filler is the chairman of our nominating and corporate governance committee.

Compensation Committee

Our compensation committee is currently comprised of Messrs. O'Donnell and Gallagher, both of whom qualifies as an independent director under Section 5605(a)(2) of the rules of the NASDAQ Stock Market, an "outside director" for purposes of Section 162(m) of the Internal Revenue Code and a "non-employee director" for purposes of Section 16b-3 under the Securities Exchange Act of 1934, as amended, and does not have a relationship to us which is material to his ability to be independent from management in connection with the duties of a compensation committee member, as described in Section 5605(d)(2) of the rules of the NASDAQ Stock Market. Mr. O'Donnell is the chairman of our compensation committee.

Code of Ethics

We have adopted a code of business conduct and ethics that applies to our officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. The full text of our Code of Business Conduct and Ethics is published on the Investors section of our website at www.biosigtech.com. We intend to disclose any future amendments to certain provisions of the Code of Business Conduct and Ethics, or waivers of such provisions granted to executive officers and directors, on this website within four business days following the date of any such amendment or waiver.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides certain summary information concerning compensation, for our last two fiscal years awarded to, earned by or paid to our named executive officers: (i) Kenneth L. Londoner, our chief executive officer, executive chairman and member of our board, (ii) Gregory D. Cash, our former chief executive officer and former member of our board and (iii) Steven Chaussy, our chief financial officer.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$ (1))	Option Awards (\$)	Nonequity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Kenneth L. Londoner, Chief Executive Officer, Executive Chairman and Director (7)	2017	435,000	-	758,500	(1)	-	-	-	1,193,500
	2016	315,000	-	538,940	(2)	-	-	-	853,940
Gregory D. Cash, President, Former Chief Executive Officer and Director	2017	179,252	-	137,000	(3)	-	-	-	316,252
	2016	325,000	-	259,221	(4)	-	-	-	584,221
Steven Chaussy, Chief Financial Officer	2017	180,833	-	380,000	(5)	-	-	-	560,833
	2016	110,000	-	386,000	(6)	-	-	-	496,000

- (1) Represents (i) common stock award or 450,000 shares granted November 8, 2017 and (ii) a common stock award of 50,000 shares granted on November 9, 2017
- (2) Represents (i) a common stock award of 250,000 shares granted May 4, 2016 and (ii) a common stock award of 41,500 shares granted December 8, 2016.
- (3) Represents a common stock award of 100,000 shares granted June 6, 2017
- (4) Represents (i) a stock option granted May 18, 2016 for the purchase of 150,000 shares of common stock at \$1.84 for ten years, exercisable immediately and (ii) a common stock award of 20,875 shares granted December 8, 2016.
- (5) Represents a common stock award of 250,000 shares granted November 8, 2017
- (6) Represents a common stock award of 200,000 shares granted May 4, 2016.
- (7) Mr. Londoner served as our Executive Chairman and Director through the entirety of our last two fiscal years. Mr. Londoner has served as our Chief Executive Officer since July 31, 2017.

Agreements with Executive Officers and Change-In-Control Arrangements

Kenneth L. Londoner

We entered into an employment agreement with Kenneth Londoner on March 1, 2013. The employment agreement terminated on March 1, 2015, after which Mr. Londoner's employment became on an at-will basis. Prior to its termination, Mr. Londoner's employment agreement required that Mr. Londoner receive an annual base salary of \$225,000 and be eligible for annual discretionary bonuses and equity-based incentives, as our board may determine. Mr. Londoner was also subject to non-competition and non-solicitation obligations, whereby, for a period lasting until one year after the termination of his employment with us, Mr. Londoner was not permitted to, directly or indirectly, (i) in any state in the U.S. or country that we conduct business and for which Mr. Londoner had responsibility, work for, invest in, provide financing to or establish a business that competes with our business, other than an exception that permits limited investment in publicly-traded competitors, (ii) solicit business from or do business with any customer, client, manufacturer or vendor with whom we did business or who we solicited within the preceding two years, and (iii) solicit, engage or hire any person employed by or who served as a consultant to us within the preceding twelve months. In September 2013, Mr. Londoner resigned as our chief executive officer, but remained with us in an executive role. In November 2013, Mr. Londoner became our executive chairman and on July 31, 2017, Mr. Londoner was again appointed as our chief executive officer. While Mr. Londoner's employment agreement expired on March 1, 2015, we intend to continue to compensate Mr. Londoner pursuant to the terms of his former employment agreement for his contributions with respect to corporate finance, investor relations, and business development.

Prior to entering into his employment agreement, Mr. Londoner was an at-will employee.

Gregory D. Cash

On July 15, 2014, we entered into an employment agreement with Gregory Cash. The employment agreement has an initial term of three years that expires on July 15, 2017. Under the employment agreement, Mr. Cash is entitled to an annual base salary of \$275,000. On March 31, 2015, upon our closing an equity or equity-linked financing with proceeds of at least \$3.5 million (a "Qualified Financing"), Mr. Cash's annual base salary automatically increased to \$325,000 and he received (i) a one-time payment equal to the difference between the amount he would have earned if his base salary was \$325,000 and the amount he actually earned at his base salary of \$275,000 for the time period from the effective date of the agreement until the closing of such Qualified Financing and (ii) a one-time cash bonus of \$30,000. Mr. Cash is also eligible to receive an annual bonus equal to at least 50% of the sum of his base salary and one-time payment, based on the achievement of reasonable performance criteria to be determined by the board in consultation with Mr. Cash within 90 days of the effective date.

In accordance with Mr. Cash's employment agreement, on July 15, 2014, we granted Mr. Cash an incentive stock option to purchase 1,265,769 shares of common stock, made pursuant to an Incentive Stock Option Agreement. The option has an exercise price of \$2.21, which was the fair market value of our common stock on the date of grant, and a term that expires ten years from the date of grant. The option will vest as follows (i) 542,473 shares of common stock will vest in eleven equal installments of 45,206 shares of common stock and one final installment of 45,207 shares of common stock on a quarterly basis with the first installment vesting on the effective date of his employment agreement and subsequent installments vesting every three months thereafter; (ii) 180,824 shares of common stock will vest immediately upon completion of a Qualified Financing; (iii) 180,824 shares of common stock will vest upon the listing of our common stock on a recognized U.S. national securities exchange (i.e., NYSE, MKT LLC, The Nasdaq Stock Market LLC or the New York Stock Exchange); (iv) 180,824 shares of common stock will vest upon the 510(k) clearance or any other type of clearance deemed necessary by the FDA of our PURE EP technology platform; and (v) 180,824 shares of common stock will vest upon our achieving a market capitalization of \$150,000,000 and maintaining such market capitalization for at least 90 consecutive calendar days.

In connection with the termination of Mr. Cash's employment with the Company, we entered into a General Release and Severance Agreement (the "Severance Agreement") with Mr. Cash, pursuant to which Mr. Cash's employment with the Company was terminated effective as of June 1, 2017. Pursuant to the Severance Agreement, the Company agreed, among other things, to: (i) make severance payments in an amount equal to Mr. Cash's base salary, less applicable taxes and other withholdings, through July 14, 2017, payable in equal installments in accordance with the normal payroll policies of the Company, with the first installment being paid on the Company's first regular pay date on or after the fortieth (40th) day following the Separation Date, which initial payment shall include all installment amounts that would have been paid during the first forty (40) days following the Separation Date had installments commenced immediately following the Separation Date; (ii) provide through December 31, 2017, or until Mr. Cash becomes eligible for comparable employer sponsored health plan benefits, whichever is sooner, all health plan benefits to which Mr. Cash was entitled prior to the Separation Date, pursuant to Mr. Cash's election of COBRA with the Company and Mr. Cash paying the relative costs therefor in the same proportion as existed while Mr. Cash was an active employee of the Company; (iii) issue 100,000 shares of restricted stock to Mr. Cash, subject to the terms and conditions of the BioSig Technologies, Inc. 2012 Equity Incentive Plan and the Award Agreement (as described below); and (iv) transfer to Mr. Cash title to certain equipment previously issued to him.

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In connection with the termination of Mr. Cash’s employment with the Company, on May 31, 2017, the Company also entered into a Restricted Stock Award Agreement (the “Award Agreement”) with Mr. Cash, pursuant to which the Company issued 100,000 shares of restricted stock (the “Severance Shares”) to Mr. Cash, subject to the terms of the Award Agreement.

Pursuant to the Award Agreement, the Severance Shares: (i) vested 100% as of the date of grant; (ii) are subject to forfeiture immediately upon any revocation by Mr. Cash of his release of claims against the Company under the Severance Agreement; and (iii) are subject to a one-year lock-up period, during which Mr. Cash will not be permitted to sell, transfer, pledge, hypothecate, margin, assign or otherwise encumber any of the Severance Shares.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding equity awards that have been previously awarded to each of the named executive officers and which remained outstanding as of December 31, 2017.

Name	Number of Securities underlying Unexercised Options (#) Exercisable	Number of Securities underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$/Sh)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares of Units That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market of Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)
Kenneth Londoner	250,000	-	\$ 2.09	1/16/2020	-	\$ -	-	\$ -
Steven Chaussy	30,000	-	\$ 2.09	1/16/2020	-	\$ -	-	\$ -
	30,000	-	\$ 2.09	6/11/2023	-	\$ -	-	\$ -

BioSig Technologies, Inc. 2012 Equity Incentive Plan

On October 19, 2012, our board of directors adopted the BioSig Technologies, Inc. 2012 Equity Incentive Plan, which provides for the grant of stock options, stock appreciation rights, restricted stock and restricted stock units to employees, directors and consultants, to be granted from time to time as determined by our board of directors or its designees. An aggregate of 15,186,123 shares of common stock are reserved for issuance under the BioSig Technologies, Inc. 2012 Equity Incentive Plan. As of May 16, 2018, the number of options and restricted stock awards granted under the BioSig Technologies, Inc. 2012 Equity Incentive Plan are 15,184,383.

**Equity Compensation Plan Information
As of December 31, 2017**

The following table provides certain information as of December 31, 2017, with respect to our equity compensation plans under which our equity securities are authorized for issuance:

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	8,510,319	\$ 2.10	1,907,509
Equity compensation plans not approved by security holders	-	-	-
Total	8,510,319	2.10	1,907,509

DIRECTOR COMPENSATION

The following table sets forth summary information concerning the total compensation paid to our non-employee directors during the fiscal year ended December 31, 2017 for services to our company.

Name	Fees Earned or Paid in Cash (\$)	Equity Awards (\$)	Total (\$)
Donald E. Foley	\$ -	\$ 44,700(1)	\$ 44,700
Roy T. Tanaka	\$ -	\$ 44,700(1)	\$ 44,700
Andrew L. Filler	\$ -	\$ 44,700(1)	\$ 44,700
Patrick J. Gallagher	\$ -	\$ 42,084(2)	\$ 42,084
Seth H. Z. Fischer	\$ -	\$ 69,537(3)	\$ 69,537
Jeffrey F. O'Donnell, Sr.	\$ -	\$ 378,500(4)	\$ 378,500
David Weild, IV	\$ -	\$ 74,500(5)	\$ 74,500
Jerome B. Zeldis (former member) (6)	\$ -	\$ -	\$ -
Total:	\$ -	\$ 698,721	\$ 698,721

- (1) Represents (i) a common stock award of 30,000 shares granted November 9, 2017
- (2) Represents (i) a stock option granted December 22, 2017 for the purchase of 39,926 shares of common stock, vesting immediately, at an exercise price of \$1.37 per share and termination date of December 22, 2027.
- (3) Represents (i) 2 stock options granted December 22, 2017 for the purchase of an aggregate of 65,972 shares of common stock, vesting immediately, at an exercise price of \$1.37 per share and termination date of December 22, 2027.
- (4) Represents (i) a common stock award of 200,000 shares granted on November 8, 2017 and (ii) a common stock award of 50,000 shares granted November 9, 2017.
- (5) Represents (i) a common stock award of 50,000 shares granted November 9, 2017
- (6) Dr. Zeldis retired as our director on November 9, 2017.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**Common Stock**

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 16, 2018:

- by each person who is known by us to beneficially own more than 5.0% of our common stock;
- by each of our named executive officers and directors; and
- by all of our named executive officers and directors as a group.

The percentages of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of the security, or investment power, which includes the power to dispose of or to direct the disposition of the security. With respect to the Series C Preferred Stock and warrants held by the beneficial owners listed below, there exist contractual provisions limiting conversion and exercise to the extent such conversion or exercise would cause such beneficial owner, together with its affiliates or members of a “group,” to beneficially own a number of shares of common stock which would exceed from 4.99% to 9.99% of our then outstanding shares of common stock following such conversion or exercise. The shares and percentage ownership of our outstanding shares indicated in the table below do not give effect to these limitations. Except as indicated in the footnotes to this table, to our knowledge and subject to community property laws where applicable, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned and each person’s address is c/o BioSig Technologies, Inc., 12424 Wilshire Blvd Suite 745 Los Angeles, CA 90025.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percentage of Common Stock Owned (1)(2)
<i>5% Owners</i>		
Lora Mikolaitis	3,458,724 (3)	9.45%
David Cherry	2,808,639 (4)	7.63%
Ramachandra Malya	1,870,000 (5)	5.08%
<i>Officers and Directors</i>		
Kenneth L. Londoner	4,789,413 (6)	13.06%
Roy T. Tanaka	974,802 (7)	2.62%
Seth H. Z. Fischer	616,916 (8)	1.67%
Patrick J. Gallagher	316,150 (9)	*
Jeffrey F. O’Donnell, Sr.	779,800(10)	2.13%
Steve Chaussy	1,217,323(11)	3.35%
Andrew L. Filler	94,518(12)	*
David Weild IV	400,000(13)	1.09%
Donald E. Foley	634,166(14)	1.73%
All directors and executive officers as a group (9 persons)	9,823,088	26.78%

* Less than 1%

- (1) Shares of common stock beneficially owned and the respective percentages of beneficial ownership of common stock assume the exercise of all options and other securities convertible into common stock beneficially owned by such person or entity currently exercisable or exercisable within 60 days of May 16, 2018, except as otherwise noted. Shares issuable pursuant to the exercise of stock options and other securities convertible into common stock exercisable within 60 days are deemed outstanding and held by the holder of such options or other securities for computing the percentage of outstanding common stock beneficially owned by such person, but are not deemed outstanding for computing the percentage of outstanding common stock beneficially owned by any other person.
- (2) These percentages have been calculated based on 36,270,975 shares of common stock outstanding as of May 16, 2018.
- (3) Comprised of (i) 43,750 shares of common stock, (ii) options to purchase 337,500 shares of common stock that are currently exercisable or exercisable within 60 days of May 16, 2018, and (iii) 3,077,474 shares of common stock held by Miko Consulting Group, Inc. Lora Mikolaitis has sole voting and dispositive power over the securities held for the account of Miko Consulting Group, Inc.
- (4) Comprised of (i) 10,000 shares of common stock and warrants to purchase 5,000 shares of common stock, (ii) 316,642 shares of common stock and warrants to purchase 158,321 shares of common stock held by Thomas David Cherry as Trustee of Cherry Family Trust, a trust for which David Cherry is deemed the beneficial owner, and (iii) 1,545,784 shares of common stock and warrants to purchase 772,892 shares of common stock held by Cherry Pipes Ltd., David Cherry has sole voting and dispositive power over the securities held for the account of Cherry Pipes Ltd.
- (5) Comprised of (i) 1,330,000 shares of common stock and (ii) warrants to purchase 540,000 shares of common stock.
- (6) Comprised of (i) 1,422,985 shares of common stock directly held by Mr. Londoner, (ii) 2,953,307 shares of common stock held by Endicott Management Partners, LLC, an entity for which Mr. Londoner is deemed the beneficial owner, (iii) warrants to purchase 163,121 shares of common stock, and (v) options to purchase 250,000 shares of common stock that are currently exercisable.
- (7) Comprised of (i) 80,875 shares of common stock and (ii) options to purchase 893,927 shares of common stock that are currently exercisable.
- (8) Comprised of (i) 25,000 shares of common stock and (ii) options to purchase 591,916 shares of common stock that are currently exercisable or exercisable within 60 days of May 16, 2018.
- (9) Comprised of (i) 53,000 shares of common stock directly held by Mr. Gallagher, (ii) 6,000 shares of common stock held by Amy E Gallagher Educational Trust for which Mr. Gallagher is deemed the beneficial owner, (iii) 6,000 shares of common stock held by Hans Gallagher Educational Trust for which Mr. Gallagher is deemed the beneficial owner, (iv) options to purchase 239,926 shares of common stock that are currently exercisable or exercisable within 60 days of May 16, 2018, and (v) warrants to purchase 11,224 shares of common stock.
- (10) Comprised of (i) 409,000 shares of common stock and (ii) options to purchase 370,800 shares of common stock that are currently exercisable.
- (11) Comprised of (i) 1,157,323 shares of common stock and (ii) options to purchase 60,000 shares of common stock that are currently exercisable.
- (12) Comprised of (i) 44,518 shares of common stock and (ii) options to purchase 50,000 shares of common stock that are currently exercisable.
- (13) Comprised of (i) 50,000 shares of common stock and (ii) options to purchase 350,000 shares of common stock that is currently exercisable.
- (14) Comprised of (i) 255,000 shares of common stock, (ii) options to purchase 279,166 shares of common stock that are currently exercisable or exercisable within 60 days of May 16, 2018 and (iii) warrants to purchase 100,000 shares of common stock.

SELLING STOCKHOLDERS

Up to 1,977,726 shares of our common stock are currently being offered by the selling stockholders under this prospectus. This reflects the sum of the number of shares of our common stock (i) into which the Series E Preferred Stock are currently exercisable, at a price of \$1.50 per share per \$1,500 principal amount of Series E Preferred Stock, (ii) issuable upon payment of the make-good dividend of 7% per annum payable upon conversion of the Series E Preferred Stock (iii) into which the Series E Warrants are exercisable at \$1.50 per share, and (iv) into which the Consent Warrants (as defined below) are exercisable at \$1.50 per share. All of the shares of Series E Preferred Stock and the Series E Warrants were purchased by the Series E Holders pursuant to the Securities Purchase Agreement dated as of February 16, 2018 (the “Series E Purchase Agreement”), by and among the Company and the Series E Holders (the “Private Placement”). The Series E Holders paid \$1,500 for a unit consisting of one share of Series E Preferred Stock and a Series E Warrant to purchase up to an aggregate of 500,000 shares of our common stock at an exercise price of \$1.75 per share. On April 30, 2018, the terms of the Series E Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Series E Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 83,334 shares of common stock may be issued upon exercise of the Series E Warrants due to the adjustment.

In connection with the Private Placement, on February 14, 2018, we entered into a consent agreement (the “Consent”) with the holders of our Series D Convertible Preferred Stock (the “Series D Holders”). In consideration for their entry into the Consent, we issued to the Series D Holders warrants to purchase up to an aggregate of 100,000 shares of common stock (the “Consent Warrants”). The Consent Warrants are exercisable immediately and expire on February 14, 2021, and have an exercise price of \$1.50 per share. The Consent Warrants include a “full ratchet” anti-dilution adjustment in the event that we issue any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time pursuant to this prospectus. The selling stockholders may also sell, transfer or otherwise dispose of all or a portion of their shares in transactions exempt from the registration requirements of the Securities Act of 1933, as amended, or pursuant to another effective registration statement covering those shares. Except for the ownership of the shares of common stock and the warrants issued pursuant to the Series E Purchase Agreement, the Series E Holders have not had any material relationship with us within the past three years. Except for the ownership of the Consent Warrants and the purchase of shares of our Series D Preferred Stock and the Series D Warrants, the Series D Holders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership of the shares of common stock by each of the selling stockholders. The second column lists the number of shares of common stock beneficially owned by each selling stockholder, based on its ownership of the Series E Preferred Stock, the Series E Warrants and/or the Consent Warrants, as of May 16, 2018, assuming exercise of all warrants held by the selling stockholder on that date, without regard to any limitations on exercise.

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders and does not take into account any limitations on (i) conversion of the Series E Preferred Stock or issuance of common stock or (ii) exercise of the Series E Warrants or the Consent Warrants.

In accordance with the terms of a registration rights agreement with the Series E Holders (the “Registration Rights Agreement”), this prospectus generally covers the resale of at least the sum of (i) the number of shares of common stock issued upon conversion of the Series E Preferred Stock issued pursuant to the Series E Purchase Agreement as of the trading day immediately preceding the date the registration statement is initially filed with the SEC, (ii) the number of shares of common stock issuable as a make-whole dividend of 7% per annum upon the conversion of our Series E Preferred Stock and (iii) the maximum number of shares of common stock issued and issuable upon exercise of the Series E Warrants as of the trading day immediately preceding the date the registration statement is initially filed with the SEC. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

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Under the terms of the Series E Preferred Stock, a selling stockholder may not convert the Series E Preferred Stock to the extent such exercise would cause such selling stockholder, together with its affiliates, to beneficially own a number of shares of common stock which would exceed 4.99% of our then outstanding shares of common stock following such exercise. Under the terms of the Series E Warrants and the Consent Warrants, a selling stockholder may not exercise the Series E Warrants or the Consent Warrants to the extent such exercise would cause such selling stockholder, together with its affiliates, to beneficially own a number of shares of common stock which would exceed 4.99% of our then outstanding shares of common stock following such exercise, excluding for purposes of such determination shares of common stock issuable upon exercise of such warrants which have not been exercised. The number of shares in the second column does not reflect these limitations. The selling stockholders may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

Selling Stockholder	Ownership Before Offering		Ownership After Offering	
	Number of shares of common stock beneficially owned (1)	Number of shares offered	Number of shares of common stock beneficially owned (1)	Percentage of common stock beneficially owned (1)
Cavalry Fund I LP (2)	1,053,863 (3)	938,863 (4)	115,000	*
L1 Capital Global Opportunities Master Fund (5)	1,053,863 (6)	938,863 (7)	115,000	*
Alpha Capital Anstalt (8)	1,792,095 (9)	87,500 (9)	1,704,595 (9)	4.48%
Brio Capital Master Fund Ltd (10)	336,734(11)	12,500(12)	324,234(13)	*

* Less than 1%

- (1) In computing the percentage of our common stock beneficially owned by each selling stockholder after the offering, we have assumed the exercise by such selling stockholder of all warrants with respect to those shares being offered by such selling stockholder, and therefore the calculation is based on a number of shares of common stock outstanding comprised of (i) 36,270,975 shares of common stock outstanding as of May 16, 2018 plus (ii) the number of shares offered by the selling stockholder in this offering underlying warrants held by such selling stockholder. The shares offered by one selling stockholder underlying warrants held by such selling stockholder are not deemed outstanding for the purpose of computing the percentage ownership of any other selling stockholder.
- (2) Thomas Walsh has sole voting and dispositive power over the securities held for the account of this selling stockholder.
- (3) Includes (i) 115,000 shares of common stock (ii) 500,000 shares of common stock issuable upon conversion of Series E Preferred Stock, (iii) 147,196 shares of common stock as a make-good dividend issuable upon the conversion of Series E Preferred Stock, and (iv) 291,667 of common stock issuable upon the exercise of warrants.
- (4) Includes (i) 500,000 shares of common stock issuable upon conversion of Series E Preferred Stock, (ii) 147,196 shares of common stock as a make-good dividend issuable upon the conversion of Series E Preferred Stock, and (iii) 291,667 of common stock issuable upon the exercise of warrants.
- (5) David Feldman has sole voting and dispositive power over the securities held for the account of this selling stockholder.
- (6) Includes (i) 115,000 shares of common stock (ii) 500,000 shares of common stock issuable upon conversion of Series E Preferred Stock, (iii) 147,196 shares of common stock as a make-good dividend issuable upon the conversion of Series E Preferred Stock, and (iv) 291,667 of common stock issuable upon the exercise of warrants.
- (7) Includes (i) 500,000 shares of common stock issuable upon conversion of Series E Preferred Stock, (ii) 147,196 shares of common stock as a make-good dividend issuable upon the conversion of Series E Preferred Stock, and (iii) 291,667 of common stock issuable upon the exercise of warrants.
- (8) Konrad Ackerman has sole voting and dispositive power over the securities held for the account of this selling stockholder.
- (9) Includes shares of common stock issuable upon the exercise of warrants.

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- (10) Shaye Hirsch has sole voting and dispositive power over the securities held for the account of this selling stockholder.
- (11) Includes (i) 27,000 shares of common stock issuable upon conversion of Series D Preferred Stock, (ii) 7,290 shares of common stock as a make-whole dividend issuable upon the conversion of Series D Preferred Stock, and (iii) 302,444 of common stock issuable upon the exercise of warrants.
- (12) Includes shares of common stock issuable upon the exercise of warrants.
- (13) Includes (i) 27,000 shares of common stock issuable upon conversion of Series D Preferred Stock, (ii) 7,290 shares of common stock as a make-whole dividend issuable upon the conversion of Series D Preferred Stock, and (iii) 289,944 of common stock issuable upon the exercise of warrants.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Accrued expenses related primarily to travel reimbursements due related parties as of December 31, 2017 and 2016 was \$27,375 and \$15,755, respectively.

On April 1, 2017, the Company received and canceled 10,744 shares of its common stock as payment for short-swing profit pursuant to Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended from Mr. Londoner.

On June 16, 2017 Mr. Cash was granted 100,000 shares of common stock at a cost basis of \$1.37 per share in connection with his severance settlement. The granted shares vested immediately.

On November 1, 2017, in connection with Mr. Filler joining the Company's Board of Directors, the Company entered into a Master Services Agreement (the "Agreement") with 3LP Advisors LLC (d/b/a Sherpa Technology Group) ("Sherpa") and an initial statement of work (the "SOW"), pursuant to which Sherpa will develop, execute and expand the Company's intellectual property strategy over the course of the next approximately 18 months by evaluating the business and technology landscape in which the Company operates, and charting and executing a strategy of patent filing and licensing. In connection with the SOW, the Company will pay Sherpa fee of (i) \$200,000 in cash, of which \$25,000 will be paid on January 1, 2018, with the remainder to be paid upon completion of certain objectives, and (ii) a ten-year option to purchase up to 300,000 of the Company's common stock at an exercise of \$1.50 per share of common stock, of which 150,000 options vest immediately and 150,000 options are performance conditioned. Mr. Filler is the general counsel and partner of Sherpa.

On February 15, 2018, the Company granted our board member, Andrew L. Filler, 50,000 options to purchase common stock in connection with his appointment as chairman of our Nominating and Corporate Governance Committee at the exercise price of \$1.42 per share for a term of ten years, vesting immediately.

DESCRIPTION OF SECURITIES

We have authorized 201,000,000 shares of capital stock, par value \$0.001 per share, of which 200,000,000 are shares of common stock and 1,000,000 are shares of "blank check" preferred stock, of which 200 are authorized as Series A Preferred Stock, 600 are authorized as Series B Preferred Stock, 4,200 are authorized as Series C Preferred Stock, 1,400 are authorized as Series D Preferred Stock, and 1,000 are authorized as Series E Preferred Stock. On May 16, 2018, there were 36,270,975 shares of common stock issued and outstanding, 575 shares of Series C Preferred Stock issued and outstanding, 27 shares of Series D Preferred Stock issued and outstanding, 1,000 shares of Series E Preferred Stock issued and outstanding, and no shares of Series A Preferred Stock or Series B Preferred Stock issued and outstanding.

Holders of Capital Stock

As of May 16, 2018, there were approximately 309 holders of our common stock, as determined by counting our record holders and the number of participants reflected in a security position listing provided to us by the Depository Trust Company. Because the "DTC participants" are brokers and other institutions holding shares of our common stock on behalf of their customers, we do not know the actual number of unique shareholders represented by these record holders. As of May 16, 2018, there were: no holders of our Series A Preferred Stock or Series B Preferred Stock; 9 holders of our Series C Preferred Stock; 1 holder of our Series D Preferred Stock; and 2 holders of our Series E Preferred Stock.

Common Stock

The holders of common stock are entitled to one vote per share on all matters to be voted upon by stockholders. Holders of our common stock are entitled to receive ratably dividends as may be declared by the board of directors out of funds legally available for that purpose. The rights of the holders of our Series C Preferred Stock, as described below, prohibit us from paying cash dividends to our holders of common stock absent the approval of holders representing at least 67% of the outstanding shares of the Series C Preferred Stock, which holders must include Alpha Capital Anstalt, so long as Alpha Capital Anstalt holds not less than \$100,000 of the Series C Preferred Stock. We have not paid any dividends since our inception, and, subject to our obligations to pay dividends to the holders of the Series C Preferred Stock, as described below, we presently anticipate that all earnings, if any, will be retained for development of our business. Even if we are permitted to pay cash dividends in the future, any future disposition of dividends will be at the discretion of our board of directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors.

Each share of common stock entitles the holder to one vote, either in person or by proxy, at meetings of stockholders. The holders are not permitted to vote their shares cumulatively. Accordingly, the stockholders of our common stock who hold, in the aggregate, more than fifty percent of the total voting rights can elect all of our directors and, in such event, the holders of the remaining minority shares will not be able to elect any of such directors. The vote of the holders of a majority of the issued and outstanding shares of common stock entitled to vote thereon is sufficient to authorize, affirm, ratify or consent to such act or action, except as otherwise provided by law.

Holders of our common stock have no preemptive rights or other subscription rights, conversion rights, redemption or sinking fund provisions. Subject to the rights of the holders of our preferred stock, upon our liquidation, dissolution or winding up, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities. There are no provisions in our Amended and Restated Certificate of Incorporation or our By-laws that would prevent or delay a change in our control.

Preferred Stock

There are presently no issued and outstanding shares of Series A Preferred Stock or Series B Preferred Stock.

Series C Preferred Stock

Each share of the Series C Preferred Stock is entitled to a nine percent (9%) annual dividend on the \$1,000 per share stated value. Unless the Series C Preferred Stock is converted into shares of common stock, the dividends shall accrue and be payable in cash or, subject to the satisfaction of certain conditions, in pay-in-kind shares. Such cumulative dividends are payable quarterly, commencing on September 30, 2013 and on each conversion date. The terms of the Series C Preferred Stock were amended on March 27, 2014 and August 15, 2014. The description herein reflects such amended terms.

In the event that

- (i) we fail to, or announce our intention not to, deliver common stock share certificates upon conversion of our Series C Preferred Stock prior to the seventh trading day after such shares are required to be delivered,
- (ii) we fail for any reason to pay in full the amount of cash due pursuant to our failure to deliver common stock share certificates upon conversion of our Series C Preferred Stock within five calendar days after notice therefor is delivered,
- (iii) we fail to have available a sufficient number of authorized and unreserved shares of common stock to issue upon a conversion of our Series C Preferred Stock,
- (iv) we fail to observe or perform any other covenant, agreement or warranty contained in, or otherwise commit any breach of our obligations under, the securities purchase agreement, the registration rights agreement, the certificate of designation or the warrants entered into pursuant to the private placement transaction for our Series C Preferred Stock, which failure or breach could have a material adverse effect, and such failure or breach is not cured within 30 calendar days after written notice was delivered,
- (v) we are party to a change of control transaction,
- (vi) we file for bankruptcy or a similar arrangement or are adjudicated insolvent,
- (vii) we are subject to a judgment, including an arbitration award against us, of greater than \$100,000, and such judgment remains unvacated, unbonded or unstayed for a period of 45 calendar days,

the holders of the Series C Preferred Stock are entitled, among other rights, to redeem their shares of Series C Preferred Stock at any time for greater than their stated value or increase the dividend rate on their shares of Series C Preferred Stock to 18%.

In the event of our liquidation or winding up of affairs, the holders of the Series C Preferred Stock will be entitled to a liquidation preference of the stated value plus any accrued but unpaid dividends or any other fees due the holder. The shares of the Series C Preferred Stock rank senior to the rights of the common stock and all other securities exercisable or convertible into shares of common stock.

Any holder of Series C Preferred Stock is entitled at any time to convert any whole or partial number of shares of Series C Preferred Stock into shares of our common stock at a price of \$1.50 per share, subject to the beneficial ownership limitation described below. The Series C Preferred Stock is subject to full ratchet anti-dilution price protection upon the issuance of equity or equity-linked securities at an effective common stock purchase price of less than \$1.50 per share as well as other customary anti-dilution protection.

In the event we issue any equity or equity-linked securities with terms more favorable than those of the Series C Preferred Stock, any holder of the Series C Preferred Stock may request to amend the terms of such holder's Series C Preferred Stock to be equivalent to the terms of such issued equity or equity-linked securities, subject to certain exempted issuances.

The holders of the Series C Preferred Stock vote together with the holders of our common stock on an as-converted basis, but may not vote the Series C Preferred Stock in excess of the beneficial ownership limitation of the Series C Preferred Stock. The beneficial ownership limitation is 4.99% of our then outstanding shares of common stock following such conversion or exercise, which may be increased to up to 9.99% of our then outstanding shares of common stock following such conversion or exercise upon the request of an individual holder. The beneficial ownership limitation is determined on an individual holder basis, such that the as-converted number of shares of one holder is not included in the shares outstanding when calculating the limitation for a different holder. In addition, absent the approval of holders representing at least 67% of the outstanding shares of the Series C Preferred Stock, which holders must include Alpha Capital Anstalt, so long as Alpha Capital Anstalt holds not less than \$100,000 of Series C Preferred Stock, we may not (i) increase the number of authorized shares of preferred stock, (ii) amend our charter documents, including the terms of the Series C Preferred Stock, in any manner adverse to the holders of the Series C Preferred Stock, including authorizing or creating any class of stock ranking senior to, or otherwise *pari passu* with, the shares of Series C Preferred Stock as to dividends, redemption or distribution of assets upon a liquidation, or (iii) perform certain covenants, including:

- incur additional indebtedness;
- permit liens on assets;
- repay, repurchase or otherwise acquire more than a *de minimis* number of shares of capital stock;
- pay cash dividends to our stockholders; and
- engage in transactions with affiliates.

Series D Preferred Stock

Each share of our Series D Preferred Stock is entitled to receive cumulative dividends at the rate per share (as a percentage of the stated value per share of Series D Preferred Stock) of 9% per annum, with respect to the Series D Preferred Stock on each date that such holder converts Series D Preferred Stock into common stock (with respect only to Series D Preferred Stock being converted). We may pay such dividends, at its option, in cash, common stock or a combination thereof. Payment of dividends in shares of common stock is subject to the satisfaction of certain equity conditions set forth in the Certificate of Designations. Upon the conversion of Series D Preferred Stock prior to November 3, 2020, we shall also pay to the holders of the Series D Preferred Stock so converted cash, or at our option, common stock or a combination thereof, with respect to the Series D Preferred Stock so converted in an amount equal to \$270 per \$1,000 of stated value of the Series D Preferred Stock being converted, less the amount of all prior dividends paid on such converted Series D Preferred Stock before the relevant date of conversion. Any dividends, whether paid in cash or shares of common stock, that are not paid within seven trading days following a dividend payment date shall continue to accrue and shall entail a late fee, which must be paid in cash, at the rate of 18% per annum or the lesser rate permitted by applicable law which shall accrue daily from the dividend payment date through and including the date of actual payment in full.

In the event of our liquidation or winding up of its affairs, the holders of Series D Preferred Stock will be entitled to a liquidation preference of the stated value per share of \$1,500 plus any accrued but unpaid dividends or any other fees due the holder. A total of 1,400 shares were designated as Series D Preferred Stock.

Each share of Series D Preferred Stock may, at any time, be converted into shares of common stock determined by dividing the stated value of the Series D Preferred Stock being converted by the conversion price of \$1.50 per share. The conversion price is subject to "full ratchet" anti-dilution price protection upon the issuance of equity or equity-linked securities at a price lower than the conversion price as well as other customary anti-dilution protection.

Series E Preferred Stock

Each share of our Series E Preferred Stock is entitled to receive cumulative dividends at the rate per share (as a percentage of the stated value per share of Series E Preferred Stock) of 7% per annum, with respect to the Series E Preferred Stock on each date that such holder converts shares of Series E Preferred Stock into common stock (with respect only to shares of Series E Preferred Stock being converted). Upon the conversion of shares of Series E Preferred Stock prior to February 16, 2021, we shall also pay to the holders of the Series E Preferred Stock so converted cash, or at our option, common stock or a combination thereof, with respect to the Series E Preferred Stock so converted in an amount equal to \$210 per \$1,000 of stated value of the Series E Preferred Stock being converted, less the amount of all prior dividends paid on such converted Series E Preferred Stock before the relevant date of conversion.

In the event of our liquidation or winding up of its affairs, the holders of Series E Preferred Stock will be entitled to a liquidation preference of the stated value per share of \$1,500 plus any accrued but unpaid dividends or any other fees due the holder. A total of 1,000 shares were designated as Series E Preferred Stock.

Each share of Series E Preferred Stock may, at any time, be converted into shares of common stock determined by dividing the stated value of the Series E Preferred Stock being converted by the conversion price of \$1.50 per share. The conversion price is subject to “full ratchet” anti-dilution price protection upon the issuance of equity or equity-linked securities at a price lower than the conversion price as well as other customary anti-dilution protection.

Warrants

Five-Year Warrants

In connection with the private placement of our Series C Preferred Stock, on February through July 2013, we issued to the holders of our Series C Preferred Stock five-year warrants to purchase up to an aggregate of 1,330,629 shares of common stock at an exercise price of \$2.61 per share. The warrants contain full ratchet anti-dilution price protection upon the issuance of equity or equity-linked securities at an effective common stock purchase price of less than \$2.61 per share as well as other customary anti-dilution protection. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”. As a result of the full-ratchet anti-dilution protection provision of the warrants, the exercise price of the warrants was subsequently decreased from \$2.61 per share to \$1.50 per share and the aggregate number of shares issuable under the warrants was increased to 2,315,301.

Five-Year Amendment Warrants

As consideration for (i) extending the termination date of the securities purchase agreement and (ii) extending the filing and effectiveness dates for the filing of the registration statement pursuant to the registration rights agreement related to our Series C Preferred Stock, on July 15, 2013, we issued to the holders of our Series C Preferred Stock that purchased shares of our Series C Preferred Stock prior to the July 15, 2013 closing, five-year warrants to purchase up to an aggregate of 289,730 shares of common stock. The terms of these warrants are identical to the Five-Year Warrants described above. As a result of the full-ratchet anti-dilution protection provision of the warrants, the exercise price of the warrants subsequently decreased from \$2.61 per share to \$1.50 per share and the aggregate number of shares issuable under the warrants was increased to 504,130.

October 2013 Five-Year Amendment Warrants

As consideration for amending the terms of the securities purchase agreement to permit our private placement of our common stock and warrants in December 2013, on October 14, 2013, we issued to the holders of our Series C Preferred Stock five-year warrants to purchase up to an aggregate of 332,684 shares of common stock. The terms of these warrants are identical to the Five-Year Warrants described above. As a result of the full-ratchet anti-dilution protection provision of the warrants, the exercise price of the warrants was subsequently decreased from \$2.61 per share to \$1.50 per share and the aggregate number of shares issuable under the warrants was increased to 578,870.

December 2013 Five-Year Warrants

In connection with the private placement of our common stock in December 2013 and January 2014, we issued to the investors participating in the private placement five-year warrants to purchase up to an aggregate of 177,947 shares of common stock at an exercise price of \$3.67 per share. The warrants contain customary anti-dilution protections. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”.

April 2014 Five-Year Warrants

In connection with the private placement of our common stock in April 2014, we issued to the investors participating in the private placement five-year warrants to purchase up to an aggregate of 114,880 shares of common stock at an exercise price of \$3.75 per share. The warrants contain customary anti-dilution protections. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”.

August 2014 Five-Year Warrants

In connection with the private placement of our common stock in August and September 2014, we issued to the investors participating in the private placement five-year warrants to purchase up to an aggregate of 190,600 shares of common stock at an exercise price of \$2.75 per share. The warrants contain customary anti-dilution protections. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”.

December 2014 Warrants

In connection with the private placement of our common stock in December 2014 and January, February and March 2015, we issued to the investors participating in the private placement five-year warrants to purchase up to an aggregate of 801,800 shares of common stock. The warrants are exercisable at \$3.75 per share and expire March 31, 2020. The warrants contain customary anti-dilution protections. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”.

October 2015 Three-Year Warrants

In connection with the private placement of our common stock in October, November and December 2015 and February, March and April 2016, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 1,501,513 shares of common stock at an exercise price of \$1.95 per share. The warrants contain customary anti-dilution protections and are exercisable for cash.

May 2016 Warrants

In connection with the private placement of our common stock in June 2016, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 38,572 shares of common stock at an exercise price of \$2.10 per share. The warrants contain customary anti-dilution protections and are exercisable for cash. In February 2017, we exchanged these warrants for warrants to purchase up to an aggregate of 45,001 shares of common stock at an exercise price of \$1.50, with all other terms and conditions the same.

August 2016 Warrants

In connection with the private placement of our common stock in August and September 2016, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 187,513 shares of common stock at an exercise price of \$1.95 per share. The warrants contain customary anti-dilution protections and are exercisable for cash.

October 2016 Warrants

In connection with the private placement of our common stock in October, November and December 2016 and February and March 2017, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 1,449,991 shares of common stock at an exercise price of \$1.50 per share. The warrants contain customary anti-dilution protections and are exercisable for cash.

April 2017 Warrants

In connection with the private placement of our common stock in April, May, June, July, August, September, October, November and December 2017 and January 2018, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 1,504,306 shares of common stock at an exercise price of \$1.50 per share. The warrants contain customary anti-dilution protections and are exercisable for cash.

Series D – Class A Warrants and Class B Warrants

On November 3, 2017, we entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain institutional accredited investors (the “Investors”), pursuant to which we issued Class A Warrants to purchase an aggregate of 667,000 shares of common stock at an exercise price of \$1.75 per share. Contemporaneously with the entry into the Purchase Agreement, we and the Investors agreed to exchange outstanding warrants to purchase 780,506 shares of common stock at an exercise price of \$1.50 per share for new Class B Warrants to purchase an equal number of shares of common stock at the same exercise price.

On November 6, 2017, the terms of the Class A Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Class A Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 111,167 shares of common stock may be issued upon exercise of the Class A Warrants due to the adjustment.

Class A Warrants are exercisable immediately and expire on May 3, 2021. The Class B Warrants are exercisable immediately and expire on November 3, 2020 and have an exercise price of \$1.50. The Class A Warrants and Class B Warrants otherwise have similar terms, including, a “full ratchet” anti-dilution adjustment in the event that we issue any common stock at a per share price lower than the applicable exercise price then in effect, and the ability to be exercised via a cashless exercise.

Series E Warrants

On February 16, 2018, we entered into a Securities Purchase Agreement with certain institutional accredited investors pursuant to which we issued Series E Warrants to purchase an aggregate of 500,000 shares of common stock, par value \$0.001 per share, at an exercise price of \$1.75 per share. The Series E Warrants are exercisable immediately and expire on August 16, 2021. The Series E Warrants include a “full ratchet” anti-dilution adjustment in the event that we issue any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

On April 30, 2018, the terms of the Series E Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Series E Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 83,334 shares of common stock may be issued upon exercise of the Series E Warrants due to the adjustment.

Consent Warrants

On February 14, 2018, in connection with our entry into the Series E Purchase Agreement, we entered into the Consent with the Series D Holders. Pursuant to the Consent, the Series D Holders consented to the Private Placement and are entitled at any time on or before April 17, 2018, to elect to receive the more favorable terms of the Private Placement. In consideration for their entry into the Consent, we issued to the Series D Holders the Consent Warrants. The Consent Warrants are exercisable immediately and expire on February 14, 2021, and have an exercise price of \$1.50 per share. The Consent Warrants include a “full ratchet” anti-dilution adjustment in the event that we issue any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

April 2018 Warrants

In connection with the private placement of our common stock on April 30 and May 11, 2018, we issued to the investors participating in the private placement three-year warrants to purchase up to an aggregate of 1,666,506 shares of common stock at an exercise price of \$1.75 per share. The warrants contain customary anti-dilution protections and are exercisable for cash.

Mayo Warrant

In March 2017, we issued to Mayo Clinic Ventures three-year warrants to purchase up to an aggregate of 630,000 shares of common stock at an exercise price of \$1.50 per share in connection with a know-how licensing agreement with Mayo Foundation for Medical Education and Research. The warrants contain customary anti-dilution protections and are exercisable for cash.

Series A Placement Agent Warrant

As consideration for serving as our placement agent in connection with the private placement of Series A Preferred Stock, on January 18, 2013, we issued to Laidlaw & Company (UK) Ltd. a seven-year warrant to purchase up to 35,076 shares of common stock at an exercise price of \$1.84 per share. The terms of this warrant are otherwise identical to the Five-Year Warrants described above.

Series B Placement Agent Warrant

As consideration for serving as our placement agent in connection with the private placement of Series B Preferred Stock, on January 18, 2013, we issued to Laidlaw & Company (UK) Ltd. a seven-year warrant to purchase up to 30,755 shares of common stock at an exercise price of \$2.02 per share. The terms of this warrant are otherwise identical to the Five-Year Warrants described above.

Series C Placement Agent Warrant

As consideration for serving as our placement agent in connection with the private placement of Series C Preferred Stock, on July 15, 2013, we issued to Laidlaw & Company (UK) Ltd. a warrant to purchase up to 177,057 shares of common stock. The terms of this warrant are identical to the Five-Year Warrants described above. As a result of the full-ratchet anti-dilution protection provision of the warrants, the exercise price of the warrants subsequently decreased from \$2.61 per share to \$1.50 per share and the aggregate number of shares issuable under the warrants was increased to 308,079.

Par Value Warrant

As consideration for providing general financial advisory services, on January 7, 2013, we issued to James Capital Group LLC a seven-year warrant to purchase up to 383,320 shares of common stock at an exercise price of \$0.001 per share. The terms of this warrant are otherwise identical to the Five-Year Warrants described above.

Consultant Warrant

As consideration for providing general financial advisory services, on August 17, 2015, we issued Alere Financial Partners, LLC a three-year warrant to purchase up to 100,000 shares of common stock each at an exercise price of \$2.00 per share and a three-year warrant to purchase up to 100,000 shares of common stock each at an exercise price of \$2.50 per share. The warrants contain customary anti-dilution protections and are exercisable for cash or may be exercised by means of a “cashless exercise”.

Common Stock Placement Agent Warrants

As consideration for serving as our placement agent in connection with a private placement of our common stock, on December 31, 2013 and January 31, 2014, we issued to Laidlaw & Company (UK) Ltd. warrants to purchase an aggregate of up to 40,327 shares of common stock. The terms of this warrant are identical to the December 2013 Five-Year Warrants described above.

As consideration for serving as our placement agent in connection with a private placement of our common stock, on April 4 and April 30, 2014, we issued to Laidlaw & Company (UK) Ltd. warrants to purchase an aggregate of up to 22,976 shares of common stock. The terms of this warrant are identical to the April 2014 Five-Year Warrants described above.

As consideration for serving as our placement agent in connection with a private placement of our common stock, on August 15 and September 12, 2014, we issued to Laidlaw & Company (UK) Ltd. warrants to purchase an aggregate of up to 38,120 shares of common stock. The terms of this warrant are identical to the August 2014 Five-Year Warrants described above.

As consideration for serving as our placement agent in connection with a private placement of our common stock, between December 2014 and March 2015, we issued to Laidlaw & Company (UK) Ltd. warrants to purchase an aggregate of up to 400,900 shares of common stock. The terms of this warrant are identical to the December 2014 Warrants described above.

As consideration for serving as our placement agent in connection with a private placement of our common stock, between October 2015 and April 2016, we issued to Laidlaw & Company (UK) Ltd. and certain designated employees of Laidlaw & Company (UK) Ltd., three-year warrants to purchase up to an aggregate of 232,960 shares of common stock at an exercise price of \$1.50 per share. The warrants contain customary anti-dilution protections and are exercisable for cash or may be exercised by means of a “cashless exercise”.

As consideration for serving as our placement agent in connection with a private placement of our common stock, between October 2016 and March 2017, we issued to certain designated employees of Laidlaw & Company (UK) Ltd., three-year warrants to purchase up to an aggregate of 186,957 shares of common stock at an exercise price of \$1.50 per share. The warrants contain customary anti-dilution protections and are exercisable for cash or may be exercised by means of a “cashless exercise”.

Registration Rights

2013 Series C Private Placement

On February 6, 2013, in connection with our private placement of our Series C Preferred Stock and warrants, we entered into a registration rights agreement with the purchasers pursuant to which we agreed to provide certain registration rights with respect to the common stock issuable upon conversion of our Series C Preferred Stock and exercise of the warrants issued to holders of our Series C Preferred Stock. Specifically, we agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the common stock issuable upon conversion of the Series C Preferred Stock and exercise of the warrants on or before July 22, 2013 and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within five trading days after we are notified that registration statement is not being reviewed by the Securities and Exchange Commission, and by November 22, 2013 in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed by July 22, 2013, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within five trading days after we are notified that registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission by November 22, 2013 in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 20 consecutive calendar days or more than an aggregate of 45 calendar days during any 12-month period after its first effective date, then we are subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 0.25% of the aggregate purchase price paid by such purchasers per month of delinquency. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement shall be 3% of the aggregate purchase price paid by the purchasers, and (ii) if any partial amount of liquidated damages remains unpaid for more than seven days, we shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreement, we must maintain the effectiveness of the registration statement from the effective date until the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions, subject to the our right to suspend or defer the use of the registration statement in certain events.

We filed a registration statement on July 22, 2013, which was originally declared effective on June 23, 2014. We (i) filed a post-effective amendment to the registration statement on June 30, 2015, which was declared effective on July 13, 2015, to update the registration statement to include audited financial statements for the 2014 fiscal year, (ii) filed a post-effective amendment to the registration statement on May 27, 2016, which was declared effective on June 13, 2016, to update the registration statement to include audited financial statements for the 2015 fiscal year, and (iii) filed a post-effective amendment to the registration statement on May 26, 2017, which was declared effective on June 5, 2017, to update the registration statement to incorporate by reference audited financials for the 2016 fiscal year, to satisfy the requirements under the registration rights agreement with the purchasers of our Series C Preferred Stock and warrants. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

2014 Private Placement

On each of December 31, 2013, April 4, 2014, August 15, 2014, and December 19, 2014, in connection with private placements of our common stock and warrants, we entered into registration rights agreements with the purchasers in such private placements pursuant to which we agreed to provide certain registration rights with respect to the common stock issued to the investors participating in such private placements and the common stock issuable upon exercise of the related warrants issued to such investors. Specifically, we agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued pursuant to the private placements and issuable upon the exercise of the warrants within 45 days of the termination date of such private placements and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within 30 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, and within 180 calendar days of the initial filing date of the registration statement in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed within 45 days of the applicable termination date, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within 30 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission within 180 calendar days of the initial filing date of the registration statement in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 10 consecutive calendar days or more than an aggregate of 15 calendar days during any 12-month period after its first effective date, then we are subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 1.0% of the aggregate purchase price paid by such purchasers per month of delinquency, provided, however, that we will not be required to make any payments if any of the foregoing events occurred at such time that all securities registered or to be registered in the registration statement are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended and provided, further, that we will not be required to make any liquidated damage payments with respect to any securities registered or to be registered in the registration statement that we are unable to register due to limits imposed by the Securities and Exchange Commission's interpretation of Rule 415 under the Securities Act of 1933, as amended. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreements dated December 31, 2013, April 4, 2014 and August 15, 2014 shall be 3% of the aggregate purchase price paid by the purchasers, (ii) the maximum aggregate liquidated damages due under the registration rights agreement dated December 19, 2014 shall be 6% of the aggregate purchase price paid by the purchasers and (iii) if any partial amount of liquidated damages remains unpaid for more than seven days, we shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreements, we must maintain the effectiveness of the registration statement from the effective date until the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions and without the requirement to be in compliance with the current public information requirement under Rule 144, subject to the our right to suspend or defer the use of the registration statement in certain events.

We filed a registration statement on May 20, 2015, which was originally declared effective on June 12, 2015. We filed a post-effective amendment to the registration statement on June 17, 2016, which was declared effective on July 1, 2016, to update the registration statement to include audited financial statements for the 2015 fiscal year, to satisfy the requirements under the registration rights agreement with the purchasers of our common stock and warrants. We filed a post-effective amendment to the registration statement on May 26, 2017, which was declared effective on June 5, 2017, to update the registration statement to incorporate by reference audited financial statements for the 2016 fiscal year, to satisfy the requirements under the registration rights agreement with the purchasers of our common stock and warrants. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

2015 Private Placement

On October 23, 2015, in connection with concurrent and related private placements of our common stock and warrants, we entered into registration rights agreements with the purchasers in such private placements pursuant to which we agreed to provide certain registration rights with respect to the common stock issued to the investors participating in such private placements and the common stock issuable upon exercise of the related warrants issued such investors. Specifically, we agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued pursuant to the private placement and issuable upon the exercise of the warrants within 45 days of the final termination date of such private placements and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within 10 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, and within 120 calendar days of the initial filing date of the registration statement in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed within 45 days of the applicable termination date, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within 10 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission within 120 calendar days of the initial filing date of the registration statement in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 10 consecutive calendar days or more than an aggregate of 15 calendar days during any 12-month period after its first effective date, then we are subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 1.0% of the aggregate purchase price paid by such purchasers per month of delinquency, provided, however, that we will not be required to make any payments if any of the foregoing events occurred at such time that all securities registered or to be registered in the registration statement are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended and provided, further, that we will not be required to make any liquidated damage payments with respect to any securities registered or to be registered in the registration statement that we are unable to register due to limits imposed by the Securities and Exchange Commission's interpretation of Rule 415 under the Securities Act of 1933, as amended. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement dated October 23, 2015 shall be 6% of the aggregate purchase price paid by the purchasers and (ii) if any partial amount of liquidated damages remains unpaid for more than seven days, we shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreements, we must maintain the effectiveness of the registration statement from the effective date until the first to occur of (i) the date that is one year from the date the registration statement is declared effective by the Securities and Exchange Commission and (ii) the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions and without the requirement to be in compliance with the current public information requirement under Rule 144, subject to the our right to suspend or defer the use of the registration statement in certain events.

We filed a registration statement on August 2, 2016, which was originally declared effective on August 9, 2016. We filed a post-effective amendment to the registration statement on May 22, 2017, which was declared effective on May 31, 2017, to update the registration statement to incorporate by reference audited financial statements for the 2016 fiscal year, to satisfy the requirements under the registration rights agreement with the purchasers of our common stock and warrants. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

2016 Private Placement

On October 28, 2016 in connection with concurrent and related private placements of our common stock and warrants, we entered into registration rights agreements with the purchasers in such private placements pursuant to which we agreed to provide certain registration rights with respect to the common stock issued to the investors participating in such private placements and the common stock issuable upon exercise of the related warrants issued to such investors. Specifically, we agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued pursuant to the private placement and issuable upon the exercise of the warrants within 45 days of the final termination date of such private placements and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within 10 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, and within 120 calendar days of the initial filing date of the registration statement in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed within 45 days of the applicable termination date, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within 10 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission within 120 calendar days of the initial filing date of the registration statement in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 10 consecutive calendar days or more than an aggregate of 15 calendar days during any 12-month period after its first effective date, then we are subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 1.0% of the aggregate purchase price paid by such purchasers per month of delinquency, provided, however, that we will not be required to make any payments if any of the foregoing events occurred at such time that all securities registered or to be registered in the registration statement are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended and provided, further, that we will not be required to make any liquidated damage payments with respect to any securities registered or to be registered in the registration statement that we are unable to register due to limits imposed by the Securities and Exchange Commission's interpretation of Rule 415 under the Securities Act of 1933, as amended. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement dated October 28, 2016 shall be 6% of the aggregate purchase price paid by the purchasers and (ii) if any partial amount of liquidated damages remains unpaid for more than seven days, we shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreements, we must maintain the effectiveness of the registration statement from the effective date until the first to occur of (i) the date that is one year from the date the registration statement is declared effective by the Securities and Exchange Commission and (ii) the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions and without the requirement to be in compliance with the current public information requirement under Rule 144, subject to the our right to suspend or defer the use of the registration statement in certain events.

We filed a registration statement on June 8, 2017, which was declared effective on September 21, 2017. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

2017 Private Placement

On April 6, 2017, in connection with concurrent and related private placements of our common stock and warrants, we entered into registration rights agreements with the purchasers in such private placements pursuant to which we agreed to provide certain registration rights with respect to the common stock issued to the investors participating in such private placements and the common stock issuable upon exercise of the related warrants issued to such investors. Specifically, we agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued pursuant to the private placement and issuable upon the exercise of the warrants within 45 days of the final termination date of such private placements and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within 10 calendar days after we are notified that the registration statement is not being reviewed by the Securities and Exchange Commission, and within 120 calendar days of the initial filing date of the registration statement in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed within 45 days of the applicable termination date, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within 10 calendar days after we are notified that registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission within 120 calendar days of the initial filing date of the registration statement in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 10 consecutive calendar days or more than an aggregate of 15 calendar days during any 12-month period after its first effective date, then we are subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 1.0% of the aggregate purchase price paid by such purchasers per month of delinquency, provided, however, that we will not be required to make any payments if any of the foregoing events occurred at such time that all securities registered or to be registered in the registration statement are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended and provided, further, that we will not be required to make any liquidated damage payments with respect to any securities registered or to be registered in the registration statement that we are unable to register due to limits imposed by the Securities and Exchange Commission's interpretation of Rule 415 under the Securities Act of 1933, as amended. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement dated April 6, 2017 shall be 6% of the aggregate purchase price paid by the purchasers and (ii) if any partial amount of liquidated damages remains unpaid for more than seven days, we shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

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Pursuant to the registration rights agreements, we must maintain the effectiveness of the registration statement from the effective date until the first to occur of (i) the date that is one year from the date the registration statement is declared effective by the Securities and Exchange Commission and (ii) the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions and without the requirement to be in compliance with the current public information requirement under Rule 144, subject to the our right to suspend or defer the use of the registration statement in certain events.

We filed a registration statement on February 28, 2018, and Amendment No. 1 to the registration statement on March 22, 2018, which was declared effective on March 26, 2018. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

November 2017 Private Placement - Series D Preferred Stock

On November 3, 2017, in connection with a private placement of our Series D Preferred Stock and warrants, we entered into a registration rights agreement with the purchasers in such private placement whereby we agreed to file a registration statement with the Securities and Exchange Commission within 45 days of the closing of the private placement covering the resale of (a) all shares of common stock issuable upon conversion of the Series D Preferred Stock issued in the private placement, (b) all shares of common stock issuable upon exercise of the Class A Warrants and Class B Warrants (the “Nov. 2017 Warrants”), (c) any additional shares of common stock issuable in connection with any anti-dilution provisions in the Nov. 2017 Warrants, and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event (collectively, “November Registrable Securities”), not then registered. We agreed to use our reasonable best efforts to cause such registration statement to be declared effective by the Securities and Exchange Commission (such date, the “Effectiveness Date”) within 90 days of the initial filing date of the registration statement.

If (i) the registration statement is not filed on or within to 45 days of the closing of the private placement, (ii) we fail to file with the Securities and Exchange Commission a request for acceleration of a registration statement within 5 calendar days of the date that we are notified by the Securities and Exchange Commission that such registration statement will not be reviewed or will not be subject to further review, (iii) prior to the effective date of a registration statement, we fail to file a pre-effective amendment and otherwise respond in writing to comments made by the Securities and Exchange Commission in respect of such registration statement within 30 days after the receipt of comments by or notice from the Securities and Exchange Commission that such amendment is required in order for such registration statement to be declared effective, (iv) the registration statement is not declared effective by the Effectiveness Date or (v) certain other events described in the registration rights agreement (each, an “Event”), then we shall pay liquidated damages to the Investors in an amount equal to 1% of the aggregate purchase price paid by the Investors on the day of delinquency and each 30th day of delinquency thereafter. Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement shall be 10% of the aggregate purchase price paid by the Investors.

We filed a registration statement on December 18, 2017, which was originally declared effective on December 29, 2017. We filed a post-effective amendment to the registration statement on January 18, 2018, which was declared effective on January 23, 2018, to update the registration statement. We intend to file additional post-effective amendments to such registration statement as may be required by law, rule or regulation.

February 2018 Private Placement - Series E Preferred Stock

On February 16, 2018, in connection with a private placement of our Series E Preferred Stock and warrants, we entered into a registration rights agreement with the purchasers in such private placement whereby we agreed to file a registration statement with the Securities and Exchange Commission within 90 days of the closing of the private placement covering the resale of (a) all shares of common stock issuable upon conversion of the Series E Preferred Stock issued in the private placement, (b) all shares of common stock issuable upon exercise of the warrants issued in the private placement, (c) all other shares of common stock issued pursuant to any transaction documents which have been, or which may, from time to time be issued or become issuable to the purchasers in the private placement (without regard to any limitation or restriction on purchases), and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event (collectively, the “Registrable Securities”), not then registered. We agreed to use our reasonable best efforts to keep the registration statement effective pursuant to Rule 415 under the Securities Act of 1933, as amended, until the earlier of (i) the date on which the purchasers in the private placement shall have sold all the December Registrable Securities covered thereby and (ii) that date that all Registrable Securities may be sold pursuant to Rule 144 without any public information requirement or volume or manner of sale limitations.

Delaware Anti-Takeover Law and Provisions of our Amended and Restated Certificate of Incorporation and By-laws

Section 203 of the Delaware General Corporation Law, in general, prohibits a business combination between a corporation and an interested stockholder within three years of the time such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, exclusive of shares owned by directors who are also officers and by certain employee stock plans; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized by the affirmative vote at a stockholders' meeting of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

The term "business combination" is defined to include, among other transactions between an interested stockholder and a corporation or any direct or indirect majority owned subsidiary thereof: a merger or consolidation; a sale, lease, exchange, mortgage, pledge, transfer or other disposition (including as part of a dissolution) of assets having an aggregate market value equal to 10% or more of either the aggregate market value of all assets of the corporation on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; certain transactions that would result in the issuance or transfer by the corporation of any of its stock to the interested stockholder; certain transactions that would increase the interested stockholder's proportionate share ownership of the stock of any class or series of the corporation or such subsidiary; and any receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any such subsidiary.

In general, Section 203 defines an "interested stockholder" as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with, or controlling, or controlled by, the entity or person. The term "owner" is broadly defined to include any person that individually, with or through that person's affiliates or associates, among other things, beneficially owns the stock, or has the right to acquire the stock, whether or not the right is immediately exercisable, under any agreement or understanding or upon the exercise of warrants or options or otherwise or has the right to vote the stock under any agreement or understanding, or has an agreement or understanding with the beneficial owner of the stock for the purpose of acquiring, holding, voting or disposing of the stock.

The restrictions in Section 203 do not apply to corporations that have elected, in the manner provided in Section 203, not to be subject to Section 203 of the Delaware General Corporation Law or, with certain exceptions, which do not have a class of voting stock that is listed on a national securities exchange or held of record by more than 2,000 stockholders. Our Amended and Restated Certificate of Incorporation and By-laws do not opt out of Section 203.

Section 203 could delay or prohibit mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Provisions of our Amended and Restated Certificate of Incorporation and By-laws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our Amended and Restated Certificate of Incorporation and By-laws:

- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by our board of directors, chairman, chief executive officer, president or secretary; and
- provide advance notice provisions with which a stockholder who wishes to nominate a director or propose other business to be considered at a stockholder meeting must comply.

Indemnification of Directors and Officers

Pursuant to Section 145 of the Delaware General Corporation Law, a corporation has the power to indemnify its directors and officers against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with a third-party action, other than a derivative action, and against expenses actually and reasonably incurred in the defense or settlement of a derivative action, provided that there is a determination that the individual acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe the individual's conduct was unlawful. Such determination will be made, in the case of an individual who is a director or officer at the time of such determination:

- by a majority of the disinterested directors, even though less than a quorum;
- by a committee of such directors designated by a majority vote of such directors, even though less than a quorum;
- if there are no disinterested directors, or if such directors so direct, by independent legal counsel; or
- by a majority vote of the stockholders, at a meeting at which a quorum is present.

Without court approval, however, no indemnification may be made in respect of any derivative action in which such individual is adjudged liable to the corporation.

The Delaware General Corporation Law requires indemnification of directors and officers for expenses relating to a successful defense on the merits or otherwise of a derivative or third-party action.

The Delaware General Corporation Law permits a corporation to advance expenses relating to the defense of any proceeding to directors and officers contingent upon such individuals' commitment to repay any advances unless it is determined ultimately that such individuals are entitled to be indemnified.

Under the Delaware General Corporation Law, the rights to indemnification and advancement of expenses provided in the law are non-exclusive, in that, subject to public policy issues, indemnification and advancement of expenses beyond that provided by statute may be provided by law, agreement, vote of stockholders, disinterested directors or otherwise.

Limitation of Personal Liability of Directors

The Delaware General Corporation Law provides that a corporation's certificate of incorporation may include a provision limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. However, no such provision can eliminate or limit the liability of a director for:

Our Amended and Restated Certificate of Incorporation provides that our directors will not be personally liable to us or any of our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the Delaware General Corporation Law.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to our directors, officers and persons controlling us, we have been advised that it is the Securities and Exchange Commission's opinion that such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable.

PLAN OF DISTRIBUTION

Each selling stockholder (the “Selling Stockholders”) of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the OTCQB or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- In transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 under the Securities Act of 1933, as amended, if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

We are required to pay certain fees and expenses incurred by us incident to the registration of the securities. We have agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The Selling Stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the Selling Stockholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for us to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) the date on which all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of securities of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

LEGAL MATTERS

Haynes and Boone, LLP, New York, New York, will pass upon the validity of the shares of our common stock offered by the selling stockholders under this prospectus.

MATERIAL CHANGES

There have been no material changes to us since December 31, 2017 that have not been described in a Form 10-Q, a Current Report on Form 8-K or in this prospectus that should be included.

EXPERTS

Our financial statements as of December 31, 2017 and 2016 and for the years then ended included in this prospectus have been audited by Liggett & Webb, P.A., an independent registered public accounting firm, as stated in its report appearing in the registration statement, and are included in reliance upon the report of such firm given upon its authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1, together with any amendments and related exhibits, under the Securities Act of 1933, as amended, with respect to our shares of common stock offered by this prospectus. The registration statement contains additional information about us and our shares of common stock that the selling stockholders are offering in this prospectus.

We are required to file annual, quarterly and current reports and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Our Securities and Exchange Commission filings are available to the public over the Internet at the Securities and Exchange Commission’s website at <http://www.sec.gov>. You may also read and copy any document we file at the Securities and Exchange Commission’s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms and their copy charges. Access to those electronic filings is available as soon as practicable after filing with the Securities and Exchange Commission. You may also request a copy of those filings, excluding exhibits, from us at no cost. Any such request should be addressed to us at: 12424 Wilshire Blvd Suite 745 Los Angeles, CA 90025, Attention: Kenneth L. Londoner, Chief Executive Officer.

BIOSIG TECHNOLOGIES, INC.

FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
BioSig Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of BioSig Technologies, Inc. (“Company”) as of December 31, 2017 and 2016, and the related statements of operations, stockholders’ deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Company’s Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred losses from operations since inception and has a net stockholders’ deficiency. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are described in Note 2 to the financial statements. The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Basis for Opinion

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Liggett & Webb, P.A.

We have served as the Company’s auditor since 2013.

New York, New York
February 27, 2018

BIOSIG TECHNOLOGIES, INC.
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash	\$ 1,547,579	\$ 1,055,895
Prepaid expenses	116,938	134,263
Total current assets	<u>1,664,517</u>	<u>1,190,158</u>
Property and equipment, net	18,716	24,188
Other assets:		
Deposits	17,084	27,612
Total assets	<u>\$ 1,700,317</u>	<u>\$ 1,241,958</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses, including \$27,375 and \$15,755 to related parties as of December 31, 2017 and 2016, respectively	\$ 473,098	\$ 373,103
Dividends payable	447,901	359,891
Warrant liability	2,358,240	1,937,234
Derivative liability	685,922	288,934
Total current liabilities	<u>3,965,161</u>	<u>2,959,162</u>
Series C Preferred Stock, 985 and 1,070 shares issued and outstanding; liquidation preference of \$985,000 and \$1,070,000 as of December 31, 2017 and 2016, respectively	<u>985,000</u>	<u>1,070,000</u>
Stockholders' deficit		
Preferred stock, \$0.001 par value, authorized 1,000,000 shares, designated 200 shares of Series A, 600 shares of Series B, 4,200 shares of Series C and 1,400 shares of Series D Preferred Stock		
Series D Preferred Stock, \$0.001 par value, 1,334 and 0 shares issued and outstanding; liquidation preference of \$2,001,000 and \$0 as of December 31, 2017 and 2016, respectively	1	-
Common stock, \$0.001 par value, authorized 200,000,000 shares, 29,321,204 and 22,588,184 issued and outstanding as of December 31, 2017 and 2016, respectively	29,321	22,588
Additional paid in capital	53,215,635	41,019,251
Common stock subscription	29,985	-
Accumulated deficit	<u>(56,524,786)</u>	<u>(43,829,043)</u>
Total stockholders' deficit	<u>(3,249,844)</u>	<u>(2,787,204)</u>
Total liabilities and stockholders' deficit	<u>\$ 1,700,317</u>	<u>\$ 1,241,958</u>

See the accompanying notes to the financial statements

BIOSIG TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS

	Year ended December 31,	
	2017	2016
Operating expenses:		
Research and development	\$ 4,756,468	\$ 2,654,501
General and administrative	8,138,117	8,499,304
Depreciation	11,698	10,475
Total operating expenses	<u>12,906,283</u>	<u>11,164,280</u>
Loss from operations	(12,906,283)	(11,164,280)
Other income (expense):		
Gain (loss) on change in fair value of derivatives	210,465	(422,908)
Interest income	75	1
Loss before income taxes	(12,695,743)	(11,587,187)
Income taxes (benefit)	-	-
Net loss	(12,695,743)	(11,587,187)
Preferred stock dividend	(119,877)	(110,023)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	<u>\$ (12,815,620)</u>	<u>\$ (11,697,210)</u>
Net loss per common share, basic and diluted	<u>\$ (0.50)</u>	<u>\$ (0.60)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>25,550,686</u>	<u>19,490,767</u>

See the accompanying notes to the financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2017

	Series D Preferred stock		Common stock		Additional	Common	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Paid in Capital	stock Subscription		
Balance, January 1, 2016	-	\$ -	16,825,703	\$ 16,826	\$29,314,399	\$ -	\$ (32,241,856)	\$ (2,910,631)
Sale of common stock	-	-	3,798,417	3,798	5,222,570	-	-	5,226,368
Common stock issued for services	-	-	1,335,000	1,335	2,469,715	-	-	2,471,050
Common stock issued upon conversion of Series C Preferred Stock at \$1.50 per share	-	-	267,334	267	400,733	-	-	401,000
Common stock issued settlement of Series C Preferred Stock accrued dividends at \$1.55 per share	-	-	58,185	58	90,365	-	-	90,423
Reclassify fair value of derivative liability to equity upon conversion of Series C Preferred Stock to common shares	-	-	-	-	103,096	-	-	103,096
Stock based compensation	-	-	303,545	304	3,528,396	-	-	3,528,700
Preferred Stock dividend	-	-	-	-	(110,023)	-	-	(110,023)
Net loss	-	-	-	-	-	-	(11,587,187)	(11,587,187)
Balance, December 31, 2016	-	\$ -	22,588,184	\$ 22,588	\$41,019,251	\$ -	\$ (43,829,043)	\$ (2,787,204)

BIOSIG TECHNOLOGIES, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
TWO YEARS ENDED DECEMBER 31, 2017

	Series D Preferred stock		Common stock		Additional	Common	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Paid in Capital	stock Subscription		
Balance, December 31, 2016	-	\$ -	22,588,184	\$ 22,588	\$41,019,251	\$ -	\$ (43,829,043)	\$ (2,787,204)
Sale of common stock	-	-	4,131,536	4,131	6,007,098	-	-	6,011,229
Sale of Series D preferred stock	1,334	1	-	-	1,929,959	-	-	1,929,960
Common stock issued for services	-	-	2,271,788	2,272	3,384,345	-	-	3,386,617
Common stock issued upon conversion of Series C Preferred Stock at \$1.50 per share	-	-	56,669	57	84,943	-	-	85,000
Common stock issued settlement of Series C Preferred Stock accrued dividends at \$1.37 per share	-	-	24,021	24	31,844	-	-	31,868
Common stock received and canceled in connection with short term swing profit reimbursement	-	-	(10,744)	(11)	11	-	-	-
Common stock subscription received	-	-	-	-	-	29,985	-	29,985
Reclassify initial fair value of derivative and warrant liability of Series D preferred stock and warrants at issuance	-	-	-	-	(1,049,216)	-	-	(1,049,216)
Reclassify fair value of derivative liability to equity upon conversion of Series C Preferred Stock to common shares	-	-	-	-	20,757	-	-	20,757
Fair value of warrant issued to acquire research and development	-	-	-	-	543,927	-	-	543,927
Stock based compensation	-	-	259,750	260	1,362,593	-	-	1,362,853
Preferred stock dividend	-	-	-	-	(119,877)	-	-	(119,877)
Net loss	-	-	-	-	-	-	(12,695,743)	(12,695,743)
Balance, December 31, 2017	<u>1,334</u>	<u>\$ 1</u>	<u>29,321,204</u>	<u>\$ 29,321</u>	<u>\$53,215,635</u>	<u>\$ 29,985</u>	<u>\$ (56,524,786)</u>	<u>\$ (3,249,844)</u>

See the accompanying notes to the financial statements

BIOSIG TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (12,695,743)	\$ (11,587,187)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	11,698	10,475
Equipment distribution as officer compensation	3,210	-
Change in derivative liabilities	(210,465)	422,908
Equity based compensation	4,749,470	5,999,750
Fair value of issued warrant to acquire research and development	543,927	-
Changes in operating assets and liabilities:		
Prepaid expenses	17,325	(102,955)
Security deposit	10,528	-
Accounts payable	102,338	149,661
Deferred rent payable	(2,342)	(104)
Net cash used in operating activities	<u>(7,470,054)</u>	<u>(5,107,452)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(9,436)	(16,255)
Net cash used in investing activity	<u>(9,436)</u>	<u>(16,255)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	6,011,229	5,226,368
Proceeds from sale of Series D preferred stock	1,929,960	-
Proceeds from common stock subscription	29,985	-
Net cash provided by financing activities	<u>7,971,174</u>	<u>5,226,368</u>
Net increase in cash and cash equivalents	491,684	102,661
Cash and cash equivalents, beginning of the period	1,055,895	953,234
Cash and cash equivalents, end of the period	<u>\$ 1,547,579</u>	<u>\$ 1,055,895</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non cash investing and financing activities:		
Common stock issued upon conversion of Series C Preferred Stock and accrued dividends	<u>\$ 116,868</u>	<u>\$ 491,423</u>
Reclassify initial fair value of derivative and warrant liabilities from equity upon issuance of Series D preferred stock	<u>\$ 1,049,216</u>	<u>\$ -</u>
Reclassify fair value of derivative liability to equity	<u>\$ 20,757</u>	<u>\$ 103,096</u>

See the accompanying notes to the financial statements

**BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Business and organization

BioSig Technologies Inc. (the “Company”) was initially incorporated on February 24, 2009 under the laws of the State of Nevada and subsequently re-incorporated in the state of Delaware in 2011. The Company and its efforts are principally devoted to improving the quality of cardiac recordings obtained during ablation of atrial fibrillation (AF) and ventricular tachycardia (VT). The Company has not generated any revenue to date and consequently its operations are subject to all risks inherent in the establishment of a new business enterprise.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management’s judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability and useful lives of long-lived assets, the fair value of the Company’s stock, stock-based compensation, fair values relating to warrant and other derivative liabilities and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents. The Company places its cash and temporary cash investments with credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limit. At December 31, 2017 and 2016, deposits in excess of FDIC limits were \$1,297,579 and \$805,895, respectively.

Prepaid Expenses

Prepaid expenses are comprised of vendor deposits of \$100,000, prepaid insurance and operating expense prepayments.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Long-Lived Assets

The Company follows Accounting Standards Codification 360-10-15-3, "Impairment or Disposal of Long-lived Assets," which established a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

Derivative Instrument Liability

The Company accounts for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. At December 31, 2017 and 2016, the Company did not have any derivative instruments that were designated as hedges.

At December 31, 2017 and 2016, the Company had outstanding preferred stock and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions (See Note 6 and Note 7).

Research and development costs

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of \$4,756,468 and \$2,654,501 for the year ended December 31, 2017 and 2016, respectively.

BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes (“ASC 740-10”) for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as non-current.

Net Income (loss) Per Common Share

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share (“ASC 260-10”). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the “treasury stock” and/or “if converted” methods as applicable.

The computation of basic and diluted loss per share as of December 31, 2017 and 2016 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net income (loss) per share are as follows:

	2017	2016
Series C convertible preferred stock	656,667	713,333
Series D convertible preferred stock	1,334,000	-
Options to purchase common stock	8,510,319	8,245,190
Warrants to purchase common stock	12,789,086	9,128,189
Totals	23,290,072	18,086,712

Stock based compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by the Company in the same expense classifications in the statements of operations, as if such amounts were paid in cash.

As of December 31, 2017, there were outstanding stock options to purchase 8,510,319 shares of common stock, 7,347,486 shares of which were vested. As of December 31, 2016, the Company had 8,245,190 options outstanding to purchase shares of common stock, of which 7,028,639 were vested.

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Registration Rights

The Company accounts for registration rights agreements in accordance with the Accounting Standards Codification subtopic 825-20, Registration Payment Arrangements (“ASC 825-20”). Under ASC 825-20, the Company is required to disclose the nature and terms of the arrangement, the maximum potential amount and to assess each reporting period the probable liability under these arrangements and, if exists, to record or adjust the liability to current period operations.

Beginning on October 28, 2016, the Company entered into subscription agreements with certain accredited investors pursuant to which the Company sold to the investors units, which each unit consisting of one share of the Company’s common stock and a warrant to purchase one half of one share of common stock (the “*Private Placement*”). In connection with the Private Placement, the Company also entered into a registration rights agreements with the investors, pursuant to which the Company agreed to provide certain registration rights with respect to the common stock and warrants issued under the Private Placement. The registration rights agreements require the Company to file a registration statement within 45 calendar days upon the final closing under the Private Placement and to be effective 120 calendar days thereafter. The final closing under the Private Placement occurred on March 31, 2017. On June 8, 2017, the Company filed the required registration statement and on September 19, 2017 was declared effective. The Company has estimated the liability under the registration rights agreement at \$-0- as of December 31, 2017.

On November 3, 2017, in connection with the Company’s private placement of Series D Preferred Stock and warrants, the Company entered into a registration rights agreement with the purchasers pursuant to which the Company agreed to provide certain registration rights with respect to the common stock issuable upon conversion of Series D Preferred Stock and exercise of the warrants issued to holders of Series D Preferred Stock. Specifically, the Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the common stock issuable upon conversion of the Series D Preferred Stock and exercise of the warrants on or before December 18, 2017 and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within five trading days after the Company is notified that registration statement is not being reviewed by the Securities and Exchange Commission, and by March 18, 2018 in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments. On December 18, 2017, the Company filed the required registration statement. The Company has estimated the liability under the registration rights agreement at \$-0- as of December 31, 2017.

Beginning on April 6, 2017, the Company entered into subscription agreements with certain accredited investors pursuant to which the Company sold to the investors units, which each unit consisting of one share of the Company’s common stock and a warrant to purchase one half of one share of common stock (the “*Private Placement*”). In connection with the Private Placement, the Company also entered into a registration rights agreements with the investors, pursuant to which the Company agreed to provide certain registration rights with respect to the common stock and warrants issued under the Private Placement. The registration rights agreements require the Company to file a registration statement within 45 calendar days upon the final closing under the Private Placement and to be effective 120 calendar days thereafter. The final closing under the Private Placement occurred on December 31, 2017. The Company has estimated the liability under the registration rights agreement at \$-0- as of December 31, 2017.

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Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements, except as disclosed.

NOTE 2 – GOING CONCERN AND MANAGEMENT'S LIQUIDITY PLANS

As of December 31, 2017, the Company had cash of \$1,547,579 and working capital deficit (current liabilities in excess of current assets) of \$2,300,644 principally due to the inclusion of non-cash derivative and warrant liabilities recorded in current liabilities. In addition, the Company raised \$6,041,214 through the sale of common stock and warrants (See Note 8) and \$1,929,960 through the sale of Series D preferred stock and warrants (Note 6) in 2017. Subsequent to December 31, 2017, the Company raised \$1,500,000 from the sale of Series E preferred stock and warrants and \$270,000 from the sale of common stock (Note 13). As of December 31, 2017, excluding the derivative and warrant liabilities, the Company's working capital would have been \$743,518. During the year ended December 31, 2017, the Company used net cash in operating activities of \$7,470,054. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company has sufficient funds to meet its research and development and other funding requirements for at least the next 6 months.

The Company's primary source of operating funds since inception has been cash proceeds from private placements of common and preferred stock. The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. The Company has stockholders' deficiencies at December 31, 2017 and requires additional financing to fund future operations. Further, the Company does not have any commercial products available for sale and there is no assurance that if approval of their products is received that the Company will be able to generate cash flow to fund operations. In addition, there can be no assurance that the Company's research and development will be successfully completed or that any product will be approved or commercially viable.

Accordingly, the accompanying financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company's President and shareholders have advanced funds to the Company for working capital purposes since the Company's inception in February 2009. No formal repayment terms or arrangements exist and the Company is not accruing interest on these advances. As of December 31, 2017 and 2016, all advances had been repaid.

Accrued expenses related primarily to travel reimbursements due related parties as of December 31, 2017 and 2016 was \$27,375 and \$15,755, respectively.

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On May 4, 2016, Mr. Londoner and Mr. Chaussy were granted 250,000 and 200,000 shares of common stock at a cost basis of \$1.93 per share for their 2016 performance, respectively. The granted shares vested immediately.

On December 8, 2016, Mr. Londoner and Mr. O'Donnell each were granted 41,500 shares of common stock at a cost basis of \$1.36 per share for their 2016 performance. The granted shares vested immediately and were subsequently issued in 2017.

On December 8, 2016 Mr. Cash and Mr. Tanaka each were granted 20,875 shares of common stock at a cost basis of \$1.36 per share for their 2016 performance. The granted shares vested immediately and were subsequently issued in 2017.

On December 22, 2016 Mr. Zeldis and Mr. Weild each were granted options to purchase 50,000 shares of common stock at a cost basis of \$1.36 per share for their 2016 performance. The granted options vested as of December 22, 2016 and are exercisable for a ten year term.

On December 22, 2016 Mr. Gallagher and Mr. Foley each were granted options to purchase 25,000 shares of common stock at a cost basis of \$1.36 per share for their 2016 performance. The granted options vested as of December 22, 2016 and are exercisable for a ten year term.

On April 1, 2017, the Company received and canceled 10,744 shares of its common stock as payment for short-swing profit pursuant to Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended from Mr. Londoner.

On June 16, 2017 Mr. Cash was granted 100,000 shares of common stock at a cost basis of \$1.37 per share in connection with his severance settlement. The granted shares vested immediately.

On November 8, 2017, Mr. Londoner, Mr. Chaussy and Mr. O'Donnell were granted 450,000, 250,000 and 200,000 shares of common stock at a cost basis of \$1.52 per share for their 2017 performance, respectively. The granted shares vested immediately.

On November 1, 2017, in connection with Mr. Filler joining the Company's Board of Directors, the Company entered into a Master Services Agreement (the "Agreement") with 3LP Advisors LLC (d/b/a Sherpa Technology Group) ("Sherpa") and an initial statement of work (the "SOW"), pursuant to which Sherpa will develop, execute and expand the Company's intellectual property strategy over the course of the next approximately 18 months by evaluating the business and technology landscape in which the Company operates, and charting and executing a strategy of patent filing and licensing. In connection with the SOW, the Company will pay Sherpa fee of (i) \$200,000 in cash, of which \$25,000 will be paid on January 1, 2018, with the remainder to be paid upon completion of certain objectives, and (ii) a ten-year option to purchase up to 300,000 of the Company's common stock at an exercise of \$1.50 per share of common stock, of which 150,000 options vest immediately and 150,000 options are performance conditioned. Mr. Filler is the general counsel and partner of Sherpa.

On November 9, 2017, Mr. Londoner, Mr. O'Donnell and Mr. Weild, as members of the board of directors, were granted each 50,000 shares of common stock at a cost basis of \$1.49 per share for their 2017 board and committee service. The granted shares vested immediately.

On November 9, 2017, Mr. Tanaka, Mr. Filler and Mr. Foley, as members of the board of directors, were granted each 30,000 shares of common stock at a cost basis of \$1.49 per share for their 2017 board service. The granted shares vested immediately.

On December 22, 2017 Mr. Gallagher and Mr. Fischer were granted options to purchase 39,926 and 65,972 shares of common stock at a cost basis of \$1.37 per share for their 2017 board service. The granted options vested as of December 22, 2017 and are exercisable for a ten year term.

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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Computer equipment	\$ 87,059	\$ 84,704
Furniture and fixtures	12,975	10,117
Subtotal	100,034	94,821
Less accumulated depreciation	(81,318)	(70,633)
Property and equipment, net	<u>\$ 18,716</u>	<u>\$ 24,188</u>

During the year ended December 31, 2017, the Company distributed equipment with a book value of \$3,210 to a prior employee in connection with a settlement agreement.

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

Depreciation expense was \$11,698 and \$10,475 for the years ended December 31, 2017 and 2016, respectively.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31, 2017 and 2016 consist of the following:

	2017	2016
Accrued accounting and legal	\$ 93,595	\$ 120,464
Accrued reimbursements	2,600	43,116
Accrued consulting	109,059	1,192
Accrued research and development expenses	246,030	181,884
Accrued office and other	7,912	10,202
Deferred rent	569	2,912
Accrued settlement related to arbitration	13,333	13,333
	<u>\$ 473,098</u>	<u>\$ 373,103</u>

NOTE 6 – SERIES C 9% CONVERTIBLE PREFERRED STOCK*Series C 9% Convertible Preferred Stock*

On January 9, 2013, the Board of Directors authorized the issuance of up to 4,200 shares of 9% Series C Convertible Preferred Stock (the "Series C Preferred Stock").

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The Series C Preferred Stock is entitled to preference over holders of junior stock upon liquidation in the amount of \$1,000 plus any accrued and unpaid dividends; entitled to dividends as a preference to holders of junior stock at a rate of 9% per annum of the stated value of \$1,000 per share, payable quarterly beginning on September 30, 2013 and are cumulative. The holders of the Series C Preferred Stock vote together with the holders of our common stock on an as-converted basis, but may not vote the Series C Preferred Stock in excess of the beneficial ownership limitation of the Series C Preferred Stock. The beneficial ownership limitation is 4.99% of our then outstanding shares of common stock following such conversion or exercise, which may be increased to up to 9.99% of our then outstanding shares of common stock following such conversion or exercise upon the request of an individual holder. The beneficial ownership limitation is determined on an individual holder basis, such that the as-converted number of shares of one holder is not included in the shares outstanding when calculating the limitation for a different holder.

In addition, absent the approval of holders representing at least 67% of the outstanding shares of the Series C Preferred Stock, we may not (i) increase the number of authorized shares of preferred stock, (ii) amend our charter documents, including the terms of the Series C Preferred Stock, in any manner adverse to the holders of the Series C Preferred Stock, including authorizing or creating any class of stock ranking senior to, or otherwise pari passu with, the shares of Series C Preferred Stock as to dividends, redemption or distribution of assets upon a liquidation, or (iii) perform certain covenants, including:

- incur additional indebtedness;
- permit liens on assets;
- repay, repurchase or otherwise acquire more than a de minimis number of shares of capital stock;
- pay cash dividends to our stockholders; and
- engage in transactions with affiliates.

Any holder of Series C Preferred Stock is entitled at any time to convert any whole or partial number of shares of Series C Preferred Stock into shares of our common stock at a price of \$1.50 per share. The Series C Preferred Stock is subject to full ratchet anti-dilution price protection upon the issuance of equity or equity-linked securities at an effective common stock purchase price of less than \$1.50 per share as well as other customary anti-dilution protection.

In the event that:

- (i) we fail to, or announce our intention not to, deliver common stock share certificates upon conversion of our Series C Preferred Stock prior to the seventh trading day after such shares are required to be delivered,
- (ii) we fail for any reason to pay in full the amount of cash due pursuant to our failure to deliver common stock share certificates upon conversion of our Series C Preferred Stock within five calendar days after notice therefor is delivered,
- (iii) we fail to have available a sufficient number of authorized and unreserved shares of common stock to issue upon a conversion of our Series C Preferred Stock,
- (iv) we fail to observe or perform any other covenant, agreement or warranty contained in, or otherwise commit any breach of our obligations under, the securities purchase agreement, the registration rights agreement, the certificate of designation or the warrants entered into pursuant to the private placement transaction for our Series C Preferred Stock, which failure or breach could have a material adverse effect, and such failure or breach is not cured within 30 calendar days after written notice was delivered,
- (v) we are party to a change of control transaction,
- (vi) we file for bankruptcy or a similar arrangement or are adjudicated insolvent,
- (vii) we are subject to a judgment, including an arbitration award against us, of greater than \$100,000, and such judgment remains unvacated, unbonded or unstayed for a period of 45 calendar days,

The holders of the Series C Preferred Stock are entitled, among other rights, to redeem their shares of Series C Preferred Stock at any time for greater than their stated value or increase the dividend rate on their shares of Series C Preferred Stock to 18%. The Company determined that certain of the defined triggering events were outside the Company's control and therefore classified the Series C Preferred Stock outside of equity.

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In connection with the sale of the Series C preferred stock, the Company issued an aggregate of 1,330,627 warrants to purchase the Company's common stock at \$2.61 per share expiring five years from the initial exercise date. The warrants contain full ratchet anti-dilution price protection upon the issuance of equity or equity-linked securities at an effective common stock purchase price of less than \$2.61 per share as well as other customary anti-dilution protection. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a "cashless exercise".

As a result of an amendment to the conversion price of our Series C Preferred Stock, the full-ratchet anti-dilution protection provision of the warrants decreased the exercise price of the warrants from \$2.61 per share to \$1.50 per share and increased the aggregate number of shares issuable under the warrants to 2,315,301.

In accordance with ASC 470-20, at issuance, the Company recognized an embedded beneficial conversion feature present in the Series C Preferred Stock when it was issued. The Company allocated the net proceeds between the intrinsic value of the conversion option (\$1,303,671) and the warrants (\$1,064,739) to additional paid-in capital. The aggregate debt discount, comprised of the relative intrinsic value of the conversion option (\$1,303,671), the relative fair value of the warrants (\$1,064,739), and the issuance costs (\$412,590), for a total of \$2,781,000, is amortized over an estimated one year as interest expense.

At the time of issuance and until March 31, 2015, the Company determined that the anti-dilutive provisions embedded in the Series C Preferred Stock and related issued warrants did not meet the defined criteria of a derivative in such that the net settlement requirement of delivery of common shares does not meet the "readily convertible to cash" as described in Accounting Standards Codification 815 and therefore bifurcation is not required. There was no established market for the Company's common stock. As described in Note 7, as of March 31, 2015, the Company determined a market had been established for the Company's common stock and accordingly, reclassified the fair value of the embedded reset provisions of the Series C Preferred Stock and warrants of \$1,242,590 and \$4,097,444, respectively, from equity to liabilities.

Issuances:

During the month of February 2013, the holders of previously issued convertible bridge notes converted into 600 shares of the Company's Series C Preferred Stock.

During the months of February, March, May, and July 2013, the Company sold an aggregate of 2,181 shares of the Company's Series C Preferred Stock for net proceeds of \$1,814,910.

On May 11, 2015, the Company sold an aggregate of 450 shares of its Series C Preferred Stock for net proceeds of \$450,000.

2017 and 2016 conversions:

In February 2016, the Company issued an aggregate of 54,859 shares of its common stock in exchange for 75 shares of the Company's Series C Preferred Stock and accrued dividends.

In May 2016, the Company issued an aggregate of 197,713 shares of its common stock in exchange for 236 shares of the Company's Series C Preferred Stock and accrued dividends.

In June 2016, the Company issued an aggregate of 54,759 shares of its common stock in exchange for 70 shares of the Company's Series C Preferred Stock and accrued dividends.

In December 2016, the Company issued an aggregate of 18,188 shares of its common stock in exchange for 20 shares of the Company's Series C Preferred Stock and accrued dividends.

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In June 2017, the Company issued an aggregate of 60,846 shares of its common stock in exchange for 65 shares of the Company's Series C Preferred Stock and accrued dividends.

In July 2017, the Company issued an aggregate of 19,844 shares of its common stock in exchange for 20 shares of the Company's Series C Preferred Stock and accrued dividends.

For the year ended December 31, 2017, at the time of conversions, the Company reclassified the fair value of the embedded beneficial conversion feature of the Series C Preferred Stock of \$20,757 from liability to equity. The fair values were determined using a Multinomial Lattice pricing model and the following assumptions: estimated contractual terms of 2.00 years, a risk free interest rate of 0.74% to 1.06%, a dividend yield of 0%, and volatility of 151% to 166%.

Series C Preferred Stock issued and outstanding totaled 985 and 1,070 as of December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the Company has accrued \$419,283 and \$359,891 dividends payable on the Series C Preferred Stock.

Registration Rights Agreement

In connection with the Company's private placement of Series C Preferred Stock and warrants, the Company entered into a registration rights agreement with the purchasers pursuant to which the Company agreed to provide certain registration rights with respect to the common stock issuable upon conversion of Series C Preferred Stock and exercise of the warrants issued to holders of Series C Preferred Stock. Specifically, the Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the common stock issuable upon conversion of the Series C Preferred Stock and exercise of the warrants on or before July 22, 2013 and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within five trading days after the Company is notified that registration statement is not being reviewed by the Securities and Exchange Commission, and by November 22, 2013 in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

If (i) the registration statement is not filed by July 22, 2013, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within five trading days after the Company is notified that the registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission by November 22, 2013 in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 20 consecutive calendar days or more than an aggregate of 45 calendar days during any 12-month period after its first effective date, then the Company is subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 0.25% of the aggregate purchase price paid by such purchasers per month of delinquency.

Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreement shall be 3% of the aggregate purchase price paid by the purchasers, and (ii) if any partial amount of liquidated damages remains unpaid for more than seven days, the Company shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreement, the Company must maintain the effectiveness of the registration statement from the effective date until the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions, subject to the right to suspend or defer the use of the registration statement in certain events.

The Company filed a registration statement on July 22, 2013, which was originally declared effective on June 23, 2014. At December 31, 2017 and 2016, the Company estimated the liability at \$-0-.

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NOTE 7 – WARRANT AND DERIVATIVE LIABILITIES

Series C 9% Convertible Preferred Stock and related warrants

At the time of issuance and until March 31, 2015, the Company determined that the anti-dilutive provisions embedded in the Series C Preferred Stock and related warrants (see Note 6) did not meet the defined criteria of a derivative in such that the net settlement requirement of delivery of common shares does not meet the “readily convertible to cash” as described in Accounting Standards Codification 815 and therefore bifurcation was not required. There was no established market for the Company’s common stock. As of March 31, 2015, the Company determined a market had been established for the Company’s common stock and accordingly, reclassified from equity to liability treatment the fair value of the embedded reset provisions of the Series C Preferred Stock and warrants of \$1,242,590 and \$4,097,444, respectively.

The Company valued the reset provisions of the Series C Preferred Stock and warrants in accordance with ASC 470-20 using the Multinomial Lattice pricing model and the following assumptions: estimated contractual terms, a risk free interest rate of 0.56% to 0.89%, a dividend yield of 0%, and volatility of 141%.

Series D Convertible Preferred Stock and related warrants

At issuance, the Company determined that certain anti-dilutive provisions embedded in the Series D Preferred Stock and related warrants (see Note 8) met the defined criteria of a derivative and accordingly, reclassified from equity to liability the determined fair value of the embedded reset provisions of the Series D Preferred Stock and warrants of \$397,162 and \$652,054, respectively.

The Company valued the reset provisions of the Series D Preferred Stock and warrants in accordance with ASC 470-20 using the Multinomial Lattice pricing model and the following assumptions: estimated contractual terms, a risk free interest rate of 1.74%, a dividend yield of 0%, and volatility of 130%.

At December 31, 2017, the Company marked to market the fair value of the reset provisions of the Preferred Stock and warrants and determined fair values of \$685,922 and \$2,358,240, respectively. The Company recorded a gain from change in fair value of derivatives of \$210,465 for year ended December 31, 2017. The fair values of the embedded derivatives were determined using the Multinomial Lattice pricing model and the following assumptions: estimated contractual term of 1.43 to 3.36 years, a risk free interest rate of 1.39% to 1.89%, a dividend yield of 0%, and volatility of 131%

NOTE 8 – STOCKHOLDER EQUITY

Preferred stock

The Company is authorized to issue 1,000,000 shares of \$0.001 par value preferred stock. As of December 31, 2017 and 2016, the Company has authorized 200 shares of Series A preferred stock, 600 shares of Series B preferred stock, 4,200 shares of Series C Preferred Stock and (in 2017) 1,400 shares of Series D Preferred Stock. As of December 31, 2017 and 2016, there were no outstanding shares of Series A and Series B preferred stock.

Series C Preferred Stock

In February 2016, the Company issued 54,859 shares of its common stock in exchange for 75 shares of the Company’s Series C Preferred Stock and accrued dividends.

In May 2016, the Company issued an aggregate of 197,713 shares of its common stock in exchange for 236 shares of the Company’s Series C Preferred Stock and accrued dividends.

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In June 2016, the Company issued an aggregate of 54,759 shares of its common stock in exchange for 70 shares of the Company's Series C Preferred Stock and accrued dividends.

In December 2016, the Company issued an aggregate of 18,188 shares of its common stock in exchange for 20 shares of the Company's Series C Preferred Stock and accrued dividends.

In June 2017, the Company issued 60,846 shares of its common stock in exchange for 65 shares of the Company's Series C Preferred Stock and accrued dividends.

In July 2017, the Company issued an aggregate of 19,844 shares of its common stock in exchange for 20 shares of the Company's Series C Preferred Stock and accrued dividends.

Cumulatively from January 1, 2017 to December 31, 2017, the Company exchanged 85 shares of the Company's Series C Preferred Stock and dividends with a recorded value of \$116,868 for 80,690 shares of common stock.

As of December 31, 2017 and 2016, the Company has 985 and 1,070 Series C Preferred Stock issued and outstanding.

Series D Preferred Stock

On November 3, 2017, the Board of Directors authorized the issuance of up to 1,400 shares of Series D Convertible Preferred Stock (the "Series D Preferred Stock") and accordingly, the Company filed the Certificate of Designations for the Series D Preferred Stock with the Secretary of State of the State of Delaware. Pursuant to such Certificate of Designations, in the event of the Company's liquidation or winding up of its affairs, the holders of Preferred Shares will be entitled to a liquidation preference of the stated value per Preferred Share of \$1,500 (the "Stated Value") plus any accrued but unpaid dividends or any other fees due the holder.

A holder of Preferred Shares is entitled at any time to convert any whole or partial number of shares of Preferred Shares into shares of Common Stock determined by dividing the Stated Value of the Preferred Shares being converted by the conversion price of \$1.50 per share (the "Conversion Price"). The Conversion Price is subject to "full ratchet" anti-dilution price protection upon the issuance of equity or equity-linked securities at a price lower than the Conversion Price as well as other customary anti-dilution protection.

A holder of the Preferred Shares shall be entitled to receive cumulative dividends at the rate per Preferred Share (as a percentage of the Stated Value per Preferred Share) of 9% per annum, with respect to the Series D Preferred Stock on each date that such Holder converts Preferred Shares into Common Stock (with respect only to Preferred Shares being converted). The Company may pay such dividends, at its option, in cash, Common Stock or a combination thereof. Payment of dividends in shares of Common Stock is subject to the satisfaction of certain equity conditions set forth in the Certificate of Designations. Upon the conversion of Preferred Shares prior to November 3, 2020, the Company shall also pay to the Holders of the Preferred Shares so converted cash, or at the Company's option, Common Stock or a combination thereof, with respect to the Preferred Shares so converted in an amount equal to \$270 per \$1,000 of Stated Value of the Preferred Shares being converted, less the amount of all prior dividends paid on such converted Preferred Shares before the relevant date of conversion.

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On November 3, 2017, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain institutional accredited investors (the "Investors"), pursuant to which the Company sold an aggregate of 1,334 shares (the "Preferred Shares") of its Series D Preferred Stock, par value \$0.001 per share, and Class A Warrants to purchase an aggregate of 667,000 shares of the Company's common stock, par value \$0.001 per share at an exercise price of \$1.75 per share (the "Class A Warrants"), in exchange for aggregate net cash proceeds of \$1,929,960, net of expenses of \$70,040. Contemporaneously with the entry into the Purchase Agreement, the Company and the Purchasers agreed to exchange outstanding warrants to purchase 780,506 shares of the Common Stock at an exercise price of \$1.50 per share for new Class B Warrants to purchase an equal number of shares of common stock at the same exercise price (the "Class B Warrants"). Class A Warrants are exercisable immediately and expire on May 3, 2021, and have an exercise price of \$1.75 per share. The Class B Warrants are exercisable immediately and expire on November 3, 2020, and have an exercise price of \$1.50. The Class A Warrants and Class B Warrants otherwise have similar terms, including, a "full ratchet" anti-dilution adjustment in the event that the Company issues any common stock at a per share price lower than the applicable exercise price then in effect.

On November 6, 2017, the terms of the Class A Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Class A Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 111,167 shares of common stock may be issued upon exercise of the Class A Warrants due to the adjustment.

In connection with the Company's private placement of Series D Preferred Stock and warrants, the Company entered into a registration rights agreement with the purchasers pursuant to which the Company agreed to provide certain registration rights with respect to the common stock issuable upon conversion of Series D Preferred Stock and exercise of the warrants issued to holders of Series D Preferred Stock. Specifically, the Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the common stock issuable upon conversion of the Series D Preferred Stock and exercise of the warrants on or before December 18, 2017 and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within five trading days after the Company is notified that registration statement is not being reviewed by the Securities and Exchange Commission, and by March 18, 2018 in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments. On December 18, 2017, the Company filed the required registration statement. The Company has estimated the liability under the registration rights agreement at \$-0- as of December 31, 2017.

As of December 31, 2017, the Company has 1,334 Series D Preferred Stock issued and outstanding and has accrued \$28,618 dividends payable on the Series D Preferred Stock.

Common stock

On November 18, 2016 at the Special Meeting, the stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 50,000,000 to 200,000,000 shares (the "Certificate Amendment"). The Certificate Amendment had been previously approved by the Company's Board on September 7, 2016, subject to stockholder approval. Immediately following the Special Meeting on November 18, 2016, the Company filed the Certificate Amendment with the Secretary of State of the State of Delaware.

As of December 31, 2017 and 2016, the Company had 29,321,204 and 22,588,184 shares issued and outstanding, respectively.

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During the year ended December 31, 2016, the Company issued an aggregate of 790,000 shares of common stock under the terms of its 2012 Equity Plan for services rendered totaling \$1,419,200 (\$1.80 average per share).

During the year ended December 31, 2016, the Company issued an aggregate of 545,000 shares of common stock for services rendered totaling \$1,051,850 (\$1.93 average per share).

During the year ended December 31, 2016, the Company entered into securities purchase agreements with investors pursuant to which the Company issued 3,798,417 shares of common stock and 2,040,504 warrants for aggregate proceeds of \$5,226,368, net of \$490,543 in expenses.

During the year ended December 31, 2016, the Company issued 220,000 shares of common stock as vested previously issued restricted stock units

During the year ended December 31, 2016, the Company issued 83,545 shares of its common stock in exchange for 100,000 common stock options previously issued in May 2016 under the terms of its 2012 Equity Plan. The equality of the fair value was determined using the Black Scholes option pricing model with the following assumptions: dividend yield: 0%; volatility: 122.82%; risk free rate: 1.08%, term: 5 years and fair value of the Company's common stock: \$1.84.

During the year ended December 31, 2017, the Company issued an aggregate of 1,825,000 shares of common stock under the terms of its 2012 Equity Plan for services rendered totaling \$2,705,250 (\$1.48 average per share).

During the year ended December 31, 2017, the Company issued an aggregate of 446,788 shares of its common stock for services totaling \$681,367 (\$1.53 per share).

During the year ended December 31, 2017, the Company issued an aggregate of 135,000 and 124,750 shares of its common stock for vested restricted stock units and stock based compensation previously accrued in 2016.

During the year ended December 31, 2017, the Company entered into securities purchase agreements with investors pursuant to which the Company issued 4,131,536 shares of common stock and 2,246,300 warrants for aggregate proceeds of \$6,011,229, net of \$186,075 in expenses.

In April 2017, the Company received and canceled 10,744 shares of its common stock as payment for short-swing profit pursuant to Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended from an officer and member of the Company's Board of Directors.

In connection with the securities purchase agreements described above, the Company entered into registration rights agreements with the purchasers in such private placements pursuant to which the Company agreed to provide certain registration rights with respect to the common stock issued to the investors participating in such private placements and the common stock issuable upon exercise of the related warrants issued such investors. Specifically, the Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued pursuant to the private placement and issuable upon the exercise of the warrants within 45 days of the termination date of such private placement and to cause such registration statement to be declared effective by the Securities and Exchange Commission, in the event that the registration statement is not reviewed by the Securities and Exchange Commission, within 30 calendar days after the Company is notified that registration statement is not being reviewed by the Securities and Exchange Commission, and within 180 calendar days of the initial filing date of the registration statement in the event that the registration statement is reviewed by the Securities and Exchange Commission and the Securities and Exchange Commission issues comments.

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If (i) the registration statement is not filed within 45 days of the applicable termination date, (ii) the registration statement is not declared effective by the Securities and Exchange Commission within 30 calendar days after the Company is notified that registration statement is not being reviewed by the Securities and Exchange Commission, in the case of a no review, (iii) the registration statement is not declared effective by the Securities and Exchange Commission within 180 calendar days of the initial filing date of the registration statement in the case of a review by the Securities and Exchange Commission pursuant to which the Securities and Exchange Commission issues comments or (iv) the registration statement ceases to remain continuously effective for more than 10 consecutive calendar days or more than an aggregate of 15 calendar days during any 12-month period after its first effective date, then the Company is subject to liquidated damage payments to the holders of the shares sold in the private placement in an amount equal to 1.0% of the aggregate purchase price paid by such purchasers per month of delinquency, provided, however, that the Company will not be required to make any payments any of the foregoing events occurred at such time that all securities registered or to be registered in the registration statement are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended and provided, further, that the Company will not be required to make any liquidated damage payments with respect to any securities registered or to be registered in the registration statement that the Company is unable to register due to limits imposed by the Securities and Exchange Commission's interpretation of Rule 415 under the Securities Act of 1933, as amended.

Notwithstanding the foregoing, (i) the maximum aggregate liquidated damages due under the registration rights agreements shall be 3% to 6% of the aggregate purchase price paid by the purchasers and (iii) if any partial amount of liquidated damages remains unpaid for more than seven days, the Company shall pay interest of 18% per annum, accruing daily, on such unpaid amount.

Pursuant to the registration rights agreements, the Company must maintain the effectiveness of the registration statement from the effective date until the date on which all securities registered under the registration statement have been sold, or are otherwise able to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions, subject to the right to suspend or defer the use of the registration statement in certain events.

The Company filed registration statements, which was declared effective to satisfy the requirements under the registration rights agreements with the purchasers of its common stock and warrants prior to April 6, 2017. The final closing under the April 6, 2017 Private Placement occurred on December 31, 2017. The Company has estimated the liability under the registration rights agreement at \$-0- as of December 31, 2017.

NOTE 9 – OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS

Options

On October 19, 2012, the Company's Board of Directors approved the 2012 Equity Incentive Plan ("the "Plan) and terminated the Long-Term Incentive Plan (the "2011 Plan"). The Plan provides for the issuance of options to purchase up to 15,186,123 (as amended) shares of the Company's common stock to officers, directors, employees and consultants of the Company (as amended). Under the terms of the Plan the Company may issue Incentive Stock Options as defined by the Internal Revenue Code to employees of the Company only and nonstatutory options. The Board of Directors of the Company or a committee thereof administers the Plan and determines the exercise price, vesting and expiration period of the grants under the Plan.

However, the exercise price of an Incentive Stock Option should not be less than 110% of fair value of the common stock at the date of the grant for a 10% or more stockholder and 100% of fair value for a grantee who is not 10% stockholder. The fair value of the common stock is determined based on the quoted market price or in absence of such quoted market price, by the administrator in good faith.

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Additionally, the vesting period of the grants under the Plan will be determined by the administrator, in its sole discretion, with an expiration period of not more than ten years. The Company reserved 227,388 shares of its common stock for future issuance under the terms of the Plan.

During the year ended December 31, 2016, the Company granted an aggregate of 750,000, net of 100,000 canceled, options to officers, directors and key consultants.

During the year ended December 31, 2016, the Company granted an aggregate of 723,545 stock grants to officers, employees and key consultants under the plan. See Note 8.

During the year ended December 31, 2017, the Company granted an aggregate of 1,680,898 options to officers, directors and key consultants.

During the year ended December 31, 2017, the Company granted an aggregate of 2,009,750 stock grants to officers, employees and key consultants under the plan. See Note 8.

The following table presents information related to stock options at December 31, 2017:

Options Outstanding			Options Exercisable	
Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options	
\$ 1.01-2.00	3,825,540	6.8	2,662,707	\$
2.01-3.00	4,384,779	3.7	4,384,779	
3.01-4.00	300,000	7.3	300,000	
	8,510,319	5.2	7,347,486	

A summary of the stock option activity and related information for the 2012 Plan for the years ended December 31, 2017 and 2016 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2016	7,780,190	\$ 2.30	6.4	\$ -
Grants	905,000	1.71	10.0	\$ -
Exercised	-		-	-
Canceled	(440,000)	2.24		-
Outstanding at December 31, 2016	8,245,190	\$ 2.24	5.7	\$ -
Grants	1,680,898	1.50	10.0	\$ -
Exercised	-			-
Canceled	(1,415,769)	\$ 2.17		-
Outstanding at December 31, 2017	8,510,319	\$ 2.11	5.2	\$ 27,045
Exercisable at December 31, 2017	7,347,486	\$ 2.19	4.8	\$ 25,394

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than the Company's stock price of \$1.44 as of December 31, 2017, which would have been received by the option holders had those option holders exercised their options as of that date.

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Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from an index of historical stock prices of comparable entities until sufficient data exists to estimate the volatility using the Company's own historical stock prices. Management determined this assumption to be a more accurate indicator of value. The Company accounts for the expected life of options based on the contractual life of options for non-employees.

For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification. The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options. The fair value of stock-based payment awards during the years ended December 31, 2017 and 2016 was estimated using the Black-Scholes pricing model.

On May 18, 2016, the Company granted an aggregate of 685,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.84 per share for a term of ten years, vesting immediately. In September 2016, the Company issued 83,545 shares of its common stock in exchange for 100,000 common stock options previously issued in May 2016 under the terms of its 2012 Equity Plan. The equality of the fair value was determined using the Black Scholes option pricing model with the following assumptions: dividend yield: 0%; volatility: 122.82%; risk free rate: 1.08%, term: 5 years and fair value of the Company's common stock: \$1.84.

On August 24, 2016, the Company granted 65,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.33 per share for a term of ten years with 12,500 vesting immediately; 37,500 vesting quarterly beginning September 14, 2016 through December 14, 2017 and 15,000 performance contingent.

On December 22, 2016, the Company granted an aggregate of 150,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.36 per share for a term of ten years with vesting immediately.

On December 29, 2016, the Company granted 5,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.35 per share for a term of ten years with vesting immediately.

The following assumptions were used in determining the fair value of employee and vesting non-employee options during the year ended December 31, 2016:

Risk-free interest rate	1.08% - 2.04%
Dividend yield	0%
Stock price volatility	109.3% to 122.82%
Expected life	5 – 10 years
Weighted average grant date fair value	\$ 1.47

On February 8, 2017, the Company granted an aggregate of 130,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.55 per share for a term of ten years with vesting immediately.

On November 8, 2017, the Company granted 200,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.57 per share for a term of ten years with 50,000 vesting immediately and 50,000 vesting each anniversary through November 8, 2020.

On November 8, 2017, the Company granted 475,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.57 per share for a term of ten years with 237,500 vesting immediately and 237,500 at one year anniversary.

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On November 24, 2017, the Company granted 50,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.45 per share for a term of ten years, vesting immediately.

On November 24, 2017, the Company granted 420,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.45 per share for a term of ten years with 120,000 vesting immediately; 50,000 vesting on two year anniversary and 250,000 performance contingent.

On November 24, 2017, the Company granted 300,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.50 per share for a term of ten years with 150,000 vesting immediately and 150,000 performance contingent.

On December 22, 2017, the Company granted 105,898 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.37 per share for a term of ten years, vesting immediately.

The following assumptions were used in determining the fair value of employee and vesting non-employee options during the year ended December 31, 2017:

Risk-free interest rate	2.01% - 2.34%
Dividend yield	0%
Stock price volatility	95.72% to 107.17%
Expected life	5 – 10 years
Weighted average grant date fair value	\$ 1.17

The fair value of all options vesting during the year ended December 31, 2017 and 2016 of \$1,269,591 and \$2,801,948, respectively, was charged to current period operations. Unrecognized compensation expense of \$979,812 and \$310,817 at December 31, 2017 and 2016, respectively, will be expensed in future periods.

Restricted Stock

The following table summarizes the restricted stock activity for the two years ended December 31, 2017:

Restricted shares issued as of January 1, 2016	175,000
Granted	180,000
Vested	(220,000)
Total restricted shares issued as of December 31, 2016	135,000
Granted	-
Vested	(135,000)
Vested restricted shares as of December 31, 2017	-
Unvested restricted shares as of December 31, 2017	-

On September 7, 2016, the Company granted 180,000 restricted stock units (“RSU”) to a consultant vesting monthly over one year beginning October 7, 2016.

Stock based compensation expense related to restricted stock grants was \$93,261 and \$213,174 for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017, the stock-based compensation relating to restricted stock of \$-0- remains unamortized.

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Warrants

The following table summarizes information with respect to outstanding warrants to purchase common stock of the Company at December 31, 2017:

Exercise Price	Number Outstanding	Expiration Date
\$ 0.001	383,320	January 2020
\$ 1.50	8,667,440	February 2018 to May 2021
\$ 1.84	35,076	January 2020
\$ 1.95	1,689,026	October 2018 to September 2019
\$ 2.00	100,000	August 2018
\$ 2.02	30,755	January 2020
\$ 2.50	100,000	August 2018
\$ 2.75	228,720	August 2019 to September 2019
\$ 3.67	214,193	December 2018 to January 2019
\$ 3.75	1,340,556	April 2019 to March 2020
	<u>12,789,086</u>	

On February 9, 2016, the Company issued 25,000 warrants to purchase the Company's common stock at \$1.95 per share, expiring on February 9, 2019, in connection with the sale of the Company's common stock. In addition, the Company issued 6,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring February 9, 2019 for placement agent services.

On March 9, 2016, the Company issued an aggregate of 100,000 warrants to purchase the Company's common stock at \$1.95 per share, expiring on March 9, 2019, in connection with the sale of the Company's common stock. In addition, the Company issued 12,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring March 9, 2019 for placement agent services.

On April 1, 2016, the Company issued an aggregate of 100,327 warrants to purchase the Company's common stock at \$1.95 per share, expiring on April 1, 2019, in connection with the sale of the Company's common stock. In addition, the Company issued 18,040 warrants to purchase the Company's common stock at \$1.50 per share, expiring April 1, 2019 for placement agent services.

On April 19, 2016, the Company issued an aggregate of 84,980 warrants to purchase the Company's common stock at \$1.95 per share, expiring on April 19, 2019, in connection with the sale of the Company's common stock. In addition, the Company issued 17,996 warrants to purchase the Company's common stock at \$1.50 per share, expiring April 19, 2019 for placement agent services.

On April 29, 2016, the Company issued an aggregate of 567,866 warrants to purchase the Company's common stock at \$1.95 per share, expiring on April 29, 2019, in connection with the sale of the Company's common stock. In addition, the Company issued an aggregate of 96,256 warrants to purchase the Company's common stock at \$1.50 per share, expiring between October 23, 2018 through April 29, 2019 for placement agent services.

On June 1, 2016, the Company issued an aggregate of 38,572 warrants to purchase the Company's common stock at \$2.10 per share, expiring on June 1, 2019, in connection with the sale of the Company's common stock.

On August 30, 2016, the Company issued an aggregate of 152,513 warrants to purchase the Company's common stock at \$1.95 per share, expiring on August 30, 2019, in connection with the sale of the Company's common stock.

On September 19, 2016, the Company issued an aggregate of 35,000 warrants to purchase the Company's common stock at \$1.95 per share, expiring on September 19, 2019, in connection with the sale of the Company's common stock.

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On October 28, 2016, the Company issued an aggregate of 173,284 warrants to purchase the Company's common stock at \$1.50 per share, expiring on October 28, 2019, in connection with the sale of the Company's common stock.

On November 23, 2016, the Company issued an aggregate of 50,002 warrants to purchase the Company's common stock at \$1.50 per share, expiring on November 23, 2019, in connection with the sale of the Company's common stock.

On December 16, 2016, the Company issued an aggregate of 456,668 warrants to purchase the Company's common stock at \$1.50 per share, expiring on December 16, 2019, in connection with the sale of the Company's common stock.

On December 22, 2016, the Company issued an aggregate of 115,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring on December 22, 2019, in connection with the sale of the Company's common stock.

On February 9, 2017, the Company exchanged 38,572 warrants with an exercise price of \$2.10 with 45,001 warrants with an exercise price of \$1.50, all other terms and conditions the same, to 2016 investors to adjust offered terms in connection with the Company's equity raise with other investors.

On February 10, 2017, the Company issued an aggregate of 300,628 warrants to purchase the Company's common stock at \$1.50 per share, expiring on February 10, 2020, in connection with the sale of the Company's common stock.

On March 10, 2017, the Company issued an aggregate of 197,159 warrants to purchase the Company's common stock at \$1.50 per share, expiring on March 10, 2020, in connection with the sale of the Company's common stock.

On March 15, 2017, the Company issued 630,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring on March 15, 2020, to Mayo Foundation in connection with a know-how licensing agreement (See Note 10). The fair value of the of the issued warrants of \$543,927, determined using the Black-Scholes option model with an estimated volatility of 105.22%, risk free rate of 1.599%, dividend yield of -0- and fair value of the Company's common stock of \$1.37, was charged to current period operations as acquired research and development.

On March 31, 2017, the Company issued an aggregate of 157,250 warrants to purchase the Company's common stock at \$1.50 per share, expiring on March 31, 2020, in connection with the sale of the Company's common stock.

On April 6, 2017, the Company issued an aggregate of 288,300 warrants to purchase the Company's common stock at \$1.50 per share, expiring on April 6, 2020, in connection with the sale of the Company's common stock.

On May 5, 2017, the Company issued an aggregate of 6,667 warrants to purchase the Company's common stock at \$1.50 per share, expiring on May 5, 2020, in connection with the sale of the Company's common stock.

On May 17, 2017, the Company issued an aggregate of 186,957 warrants to purchase the Company's common stock at \$1.50 per share, expiring on May 17, 2020, for placement agent services in connection with the sale of the Company's common stock.

On June 20, 2017, the Company issued 10,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring on June 20, 2020, in connection with the sale of the Company's common stock.

On June 30, 2017, the Company issued an aggregate of 108,334 warrants to purchase the Company's common stock at \$1.50 per share, expiring on June 30, 2020, in connection with the sale of the Company's common stock.

On July 13, 2017, the Company issued an aggregate of 133,501 warrants to purchase the Company's common stock at \$1.50 per share, expiring on July 13, 2020, in connection with the sale of the Company's common stock.

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On August 18, 2017, the Company issued an aggregate of 175,500 warrants to purchase the Company's common stock at \$1.50 per share, expiring on August 18, 2020, in connection with the sale of the Company's common stock.

On September 18, 2017, the Company issued an aggregate of 51,668 warrants to purchase the Company's common stock at \$1.50 per share, expiring on September 18, 2020, in connection with the sale of the Company's common stock.

On October 11, 2017, the Company issued an aggregate of 193,334 warrants to purchase the Company's common stock at \$1.50 per share, expiring on October 11, 2020, in connection with the sale of the Company's common stock.

On November 3, 2017, the Company issued an aggregate of 667,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring on May 3, 2021, in connection with the sale of the Company's Series D preferred stock. The warrants contain certain anti-dilutive provisions (see Note 8).

On November 3, 2017, the Company issued an aggregate of 780,506 warrants to purchase the Company's common stock at \$1.50 per share, expiring on November 3, 2020 in exchange for the return and cancellation of previous issued 780,505 warrants. The transaction was in connection with the sale of the Series D preferred stock. Both the issued and canceled warrants contain certain anti-dilutive provisions (see Note 8).

On November 6, 2017, the Company issued an aggregate of 206,668 warrants to purchase the Company's common stock at \$1.50 per share, expiring on November 6, 2020, in connection with the sale of the Company's common stock.

On November 6, 2017, due to certain anti-dilutive provisions embedded in the November 3, 2017 warrants issued in connection with the sale of Series D preferred stock (see above), exercise price of the previously issued 667,000 warrants were reset to \$1.50 and an additional 111,167 warrants were issued with an exercise price of \$1.50 per share, expiring May 3, 2021.

On December 29, 2017, the Company issued an aggregate of 230,334 warrants to purchase the Company's common stock at \$1.50 per share, expiring on December 29, 2020, in connection with the sale of the Company's common stock.

Stock based compensation related to warrants issued for services was \$0 and \$56,931 for the years ended December 31, 2017 and 2016, respectively.

A summary of the warrant activity for the years ended December 31, 2017 and 2016 is as follows:

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	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2016	7,078,685	\$ 2.02	3.0	497,933
Grants	2,049,504	\$ 1.74	2.5	-
Exercised	-		\$ -	-
Canceled	-		\$ -	-
Outstanding at December 31, 2016	9,128,189	\$ 1.96	2.1	\$ 494,099
Grants	4,479,974	1.50	3.0	-
Exercised	-			-
Canceled	(819,077)	\$ 1.50		-
Outstanding at December 31, 2017	12,789,086	\$ 1.82	1.7	\$ 551,636
Vested and expected to vest at December 31, 2017	12,789,086	\$ 1.82	1.7	\$ 551,636
Exercisable at December 31, 2017	12,789,086	\$ 1.82	1.7	\$ 551,636

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on warrants with an exercise price less than the Company's stock price of \$1.44 as of December 31, 2017, which would have been received by the warrant holders had those warrant holders exercised their warrants as of that date.

NOTE 10 – FAIR VALUE MEASUREMENT

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”). ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

All items required to be recorded or measured on a recurring basis are based upon level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

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Upon adoption of ASC 825-10, there was no cumulative effect adjustment to beginning retained earnings and no impact on the financial statements.

The carrying value of the Company's cash and cash equivalents, accounts payable and other current assets and liabilities approximate fair value because of their short-term maturity.

As of December 31, 2017 and 2016, the Company did not have any items that would be classified as level 1 or 2 disclosures.

The Company recognizes its derivative and warrant liabilities as level 3 and values its derivatives using the methods discussed in Note 7. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed in Note 5 are that of volatility and market price of the underlying common stock of the Company.

As of December 31, 2017 and 2016, the Company did not have any derivative instruments that were designated as hedges.

The derivative and warrant liability as of December 31, 2017, in the amount of \$685,922 and \$2,358,240, respectively, has a level 3 classification.

The following table provides a summary of changes in fair value of the Company's level 3 financial liabilities as of December 31, 2017:

	Warrant Liability	Derivative
Balance, December 31, 2015	\$ 1,621,199	\$ 285,157
Total (gains) losses		
Transfers out due to conversion of Series C Preferred Stock	-	(103,096)
Mark to market to December 31, 2016	316,035	106,873
Balance, December 31, 2016	1,937,234	288,934
Initial fair value of derivative at date of issuance of Series D Preferred Stock	-	397,162
Initial fair value of warrant liability at date of issuance	652,054	-
Transfers out due to conversion of Series C Preferred Stock	-	(20,757)
Mark to market to December 31, 2017	(231,048)	20,583
Balance, December 31, 2017	2,358,240	685,922
Gain (loss) on change in warrant and derivative liabilities for the year ended December 31, 2016	\$ 231,048	\$ (20,583)

Fluctuations in the Company's stock price are a primary driver for the changes in the derivative valuations during each reporting period. As the stock price decreases for each of the related derivative instruments, the value to the holder of the instrument generally decreases, therefore decreasing the liability on the Company's balance sheet. Additionally, stock price volatility is one of the significant unobservable inputs used in the fair value measurement of each of the Company's derivative instruments.

BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 – COMMITMENTS AND CONTINGENCIES*Operating leases*

On February 8, 2017, the Company entered into a lease amendment agreement, whereby the Company agreed to extend the lease for office space in Los Angeles, California, commencing September 1, 2017 and expiring on August 31, 2019. In connection with the lease, the Company is obligated to lease parking spaces at an aggregate approximate cost of \$978 per month. In addition, the Company entered into a lease for storage space with the Los Angeles, California building commencing on December 1, 2017 and expiring on August 31, 2019.

Future minimum lease payments under these three agreements are as follows:

Year Ending December 31,	
2018	\$ 112,994
2019	76,995
	<u>\$ 189,989</u>

Licensing agreements

On March 15, 2017, the Company entered into a know-how license agreement with Mayo Foundation for Medical Education and Research whereby the Company was granted an exclusive license, with the right to sublicense, certain know how and patent applications in the field of signal processing, physiologic recording, electrophysiology recording, electrophysiology software and autonomics to develop, make and offer for sale. The agreement expires in ten years from the effective date.

The Company is obligated to pay to Mayo Foundation a 1% or 2% royalty payment on net sales of licensed products, as defined.

In consideration, the Company issued 630,000 warrants to acquire the Company's common stock at an exercise price of \$1.50, expiring on March 15, 2020.

Employment agreements

On July 14, 2014, the Company's Board of Directors (the "Board") increased the size of the Board to eight members and appointed Gregory D. Cash and Patrick J. Gallagher as members of the Board, effective as of July 15, 2014, to serve for a term expiring at the Company's 2015 annual meeting of stockholders. In addition, the Board appointed Mr. Cash to serve as the Company's president and chief executive officer.

In connection with the appointment of Mr. Cash, on July 15, 2014 (the "Effective Date"), the Company entered into an employment agreement with Mr. Cash (the "Employment Agreement"). The Employment Agreement has an initial term of three years that expires on July 15, 2017. Under the Employment Agreement, Mr. Cash is entitled to an annual base salary of \$275,000. Upon the Company closing an equity or equity-linked financing with proceeds to the Company of at least \$3.5 million (a "Qualified Financing"), Mr. Cash's annual base salary will automatically increase to \$325,000 and he will receive (i) a one-time payment equal to the difference between the amount he would have earned if his base salary was \$325,000 and the amount he actually earned at his base salary of \$275,000 for the time period from the Effective Date until the closing of such Qualified Financing and (ii) a one-time cash bonus of \$30,000. If the Company does not complete a Qualified Financing within six months after the Effective Date, Mr. Cash's annual base salary will nonetheless increase to \$325,000 and he will receive the same one-time payment unless the Company reasonably determines that the failure to complete such Qualified Financing was within the reasonable control of Mr. Cash. Mr. Cash is also eligible to receive an annual bonus equal to at least 50% of the sum of his base salary and one-time payment, based on the achievement of reasonable performance criteria to be determined by the Board in consultation with Mr. Cash within 90 days of the Effective Date.

BIOSIG TECHNOLOGIES INC.
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In accordance with the Employment Agreement, on July 15, 2014, the Company granted Mr. Cash an incentive stock option to purchase 1,265,769 shares of the Company's common stock, made pursuant to an Incentive Stock Option Agreement. The option has an exercise price of \$2.21, which was the fair market value of the Company's common stock on the date of grant, and a term that expires ten years from the date of grant. The option will vest as follows (i) 542,473 shares of common stock will vest in eleven equal installments of 45,206 shares of common stock and one final installment of 45,207 shares of common stock on a quarterly basis with the first installment vesting on the Effective Date and subsequent installments vesting every three months thereafter; (ii) 180,824 shares of common stock will vest immediately upon completion of a Qualified Financing; (iii) 180,824 shares of common stock will vest upon the listing of the Company's common stock on a recognized U.S. national securities exchange (i.e., NYSE, MKT LLC, The Nasdaq Stock Market LLC or the New York Stock Exchange); (iv) 180,824 shares of common stock will vest upon the 510(k) clearance or any other type of clearance deemed necessary by the U.S. Food and Drug Administration of the Company's PURE (Precise Uninterrupted Real-time evaluations of Electrograms) EP technology platform; and (v) 180,824 shares of common stock will vest upon the Company achieving a market capitalization of \$150,000,000 and maintaining such market capitalization for at least 90 consecutive calendar days.

Effective July 15, 2017, the Company elected not to continue under the above described agreement and accordingly terminated employment with Mr. Cash.

As of December 31, 2017, there are no outstanding employment agreements.

Litigation

The Company is subject at times to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity. There was no outstanding litigation as of December 31, 2017.

NOTE 12 – INCOME TAXES

At December 31, 2017, the Company has available for federal income tax purposes a net operating loss carry forward of approximately \$24,000,000, expiring in the year 2036, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the earnings history of the Company; it is more likely than not that the benefits will not be realized. Due to possible significant changes in the Company's ownership, the future use of its existing net operating losses may be limited. All or portion of the remaining valuation allowance may be reduced in future years based on an assessment of earnings sufficient to fully utilize these potential tax benefits. During the year ended December 31, 2017, the Company has increased the valuation allowance from \$5,500,000 to \$8,200,000. We have adopted the provisions of ASC 740-10-25, which provides recognition criteria and a related measurement model for uncertain tax positions taken or expected to be taken in income tax returns. ASC 740-10-25 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities.

Tax position that meet the more likely than not threshold are then measured using a probability weighted approach recognizing the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company had no tax positions relating to open income tax returns that were considered to be uncertain.

The Company is required to file income tax returns in the U.S. Federal various State jurisdictions. The Company is no longer subject to income tax examinations by tax authorities for tax years ending before December 31, 2013.

The effective rate differs from the statutory rate of 34% for due to the following:

BIOSIG TECHNOLOGIES INC.
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	<u>2017</u>	<u>2016</u>
Statutory rate on pre-tax book loss	(34.00)%	(34.00)%
(Gain) loss on change in fair value of derivatives	(0.56)%	1.24%
Stock based compensation	12.72%	17.6%
Fair value of warrant to acquire research and development	1.46%	0.00%
Other	0.09%	0.09%
Valuation allowance	20.29%	15.07%
	<u>0.00%</u>	<u>0.00%</u>

The Company's deferred taxes as of December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Non-Current deferred tax asset:		
Net operating loss carry-forwards	\$ 8,200,000	\$ 5,500,000
Valuation allowance	(8,200,000)	(5,500,000)
Net non-current deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

NOTE 13 – SUBSEQUENT EVENTS

Adoption of Accounting Standards

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815). The amendments in Part I of this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features.

When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception.

Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company anticipates early adoption of this pronouncement effective January 1, 2018. As such, the impact would be the reclassification of the December 31, 2017 fair values of our warrant and derivative liabilities to equity.

On January 1, 2018, the Company adopted ASU 2017-11 and accordingly reclassified the fair value of the reset provisions embedded in previously issued Series C Preferred stock, Series D Preferred stock and certain warrants with embedded anti-dilutive provisions from liability to equity in aggregate of \$3,044,162.

BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Series E Preferred Stock Issuance

On February 16, 2018, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain institutional accredited investors (the “Investors”), pursuant to which the Company sold to the Investors an aggregate of 1,000 shares (the “Preferred Shares”) of its Series E Preferred Stock, par value \$0.001 per share, and warrants to purchase an aggregate of 500,000 shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at an exercise price of \$1.75 per share (the “Warrants”), in exchange for aggregate consideration of \$1,500,000 (the “Transaction”). The sale of the Preferred Shares and Warrants were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”) provided by Section 4(a)(2) and Regulation D (Rule 506) under the Securities Act.

The Purchase Agreement contains representations and warranties of the Company and the Investors that are typical for transactions of this type. The Purchase Agreement also contains covenants on the part of the Company that are typical for transactions of this type. For a period of twelve months after the closing date of Transaction, the Investors are entitled to a right of first refusal (the “ROFR”) with respect to subsequent sales of securities by the Company (other than with respect to issuances of Excluded Securities (as defined in the Purchase Agreement)) Pursuant to the ROFR, each Investor will have the opportunity to elect to purchase its pro rata portion of thirty percent (30%) of any securities being offered by the Company in the subsequent offering.

In connection with the entry into the Purchase Agreement, the Investors and the Company also entered into a registration rights agreement (the “Registration Rights Agreement”) whereby the Company agreed to file a registration statement with the Securities and Exchange Commission (the “SEC”) within 90 days of the closing of the transactions contemplated by the Purchase Agreement (the “Filing Date”) covering the resale of (a) all shares of Common Stock Issuable upon conversion of the Preferred Shares, (b) all shares of Common Stock issuable upon exercise of the Warrants, (c) all other shares of Common Stock issued pursuant to any transaction documents which have been, or which may, from time to time be issued or become issuable to the Investors under the Transaction Documents (without regard to any limitation or restriction on purchases), and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event (“Registrable Securities”), not then registered. The Company will use its reasonable best efforts to keep the registrations statement effective pursuant to Rule 415 under the Securities Act until the earlier of (i) the date on which the Investors shall have sold all the Registrable Securities covered thereby and (ii) that date that all Registrable Securities may be sold pursuant to Rule 144 without any public information requirement or volume or manner of sale limitations.

The Warrants are exercisable immediately and expire on August 16, 2021, and have an exercise price of \$1.75 per share. The Warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

In connection with its entry into the Purchase Agreement, on February 14, 2018, the Company entered into a consent agreement (the “Consent”) with the holders of the Company’s Series D Convertible Preferred Stock (the “Series D Holders”). Pursuant to the Consent, the Series D Holders consented to the Transaction and are entitled at any time on or before April 17, 2018, to elect to receive the more favorable terms of the Transaction. In consideration for their entry into the Consent, the Company issued to the Series D Holders warrants to purchase up to an aggregate of 100,000 shares of Common Stock (the “Consent Warrants”). The Consent Warrants are exercisable immediately and expire on February 14, 2021, and have an exercise price of \$1.50 per share. The Consent Warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect. The issuance of the Consent Warrants to the Series D Holders was in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) and Regulation D (Rule 506) under the Securities Act.

**BIOSIG TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Common Stock Issuance

On January 5, 2018, the Company entered into a unit purchase agreements with certain accredited investors pursuant to which the Company issued 200,000 shares of our common stock and 100,000 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring January 5, 2021, in exchange for aggregate consideration of \$299,985, net of expenses of \$15 (of which \$29,985 were received as common stock subscriptions as of December 31, 2017).

In January and February 2018, the Company issued an aggregate of 367,343 shares of common stock in exchange for 280 shares of our Series D 9% Convertible Preferred Stock and accrued dividends.

On February 14, 2018, the Company issued an aggregate of 9,919 shares of common stock in exchange for 10 shares of our Series C 9% Convertible Preferred Stock and accrued dividends.

On February 1, 2018, the Company granted 200,000 restricted stock units to consultants for services rendered, of which 100,000 vest upon date of grant and 100,000 shares vest at the one-year anniversary of the date of grant provided the consultants are providing services through the vesting date.

Options

On February 15, 2018, the Company granted our board member, Andrew L. Filler 50,000 options to purchase common stock in connection with his appointment as chairman of our Nominating and Corporate Governance Committee at the exercise price of \$1.42 per share for a term of ten years, vesting immediately.

**BIOSIG TECHNOLOGIES, INC.
CONDENSED BALANCE SHEETS**

	March 31, 2018	December 31, 2017
	<i>(unaudited)</i>	
ASSETS		
Current assets:		
Cash	\$ 1,035,100	\$ 1,547,579
Prepaid expenses	119,111	116,938
Total current assets	<u>1,154,211</u>	<u>1,664,517</u>
Property and equipment, net	19,457	18,716
Other assets:		
Deposits	<u>22,477</u>	<u>17,084</u>
Total assets	<u><u>\$ 1,196,145</u></u>	<u><u>\$ 1,700,317</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses, including \$7,236 and \$27,375 to related parties as of March 31, 2018 and December 31, 2017, respectively	\$ 338,811	\$ 473,098
Dividends payable	482,636	447,901
Warrant liability	-	2,358,240
Derivative liability	-	<u>685,922</u>
Total current liabilities	<u>821,447</u>	<u>3,965,161</u>
Series C Preferred Stock, 965 and 985 shares issued and outstanding; liquidation preference of \$965,000 and \$985,000 as of March 31, 2018 and December 31, 2017, respectively	<u>965,000</u>	<u>985,000</u>
Stockholders' deficit		
Preferred stock, \$0.001 par value, authorized 1,000,000 shares, designated 200 shares of Series A, 600 shares of Series B, 4,200 shares of Series C, 1,400 shares of Series D, 1,000 shares of Series E Preferred Stock		
Series D Preferred Stock, \$0.001 par value, 687 and 1,334 shares issued and outstanding; liquidation preference of \$1,030,500 and \$2,001,000 as of March 31, 2018 and December 31, 2017, respectively	1	1
Series E Preferred Stock, \$0.001 par value, 1,000 and 0 shares issued and outstanding; liquidation preference of \$1,500,000 and \$0 as of March 31, 2018 and December 31, 2017, respectively	1	-
Common stock, \$0.001 par value, authorized 200,000,000 shares, 30,497,707 and 29,321,204 issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	30,498	29,321
Additional paid in capital	55,381,386	53,215,635
Common stock subscription	115,470	29,985
Accumulated deficit	<u>(56,117,658)</u>	<u>(56,524,786)</u>
Total stockholders' deficit	<u>(590,302)</u>	<u>(3,249,844)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 1,196,145</u></u>	<u><u>\$ 1,700,317</u></u>

See the accompanying notes to the unaudited condensed financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31,	
	2018	2017
Operating expenses:		
Research and development	\$ 862,420	\$ 1,338,604
General and administrative	1,771,796	1,557,341
Depreciation	2,903	3,069
Total operating expenses	2,637,119	2,899,014
Loss from operations	(2,637,119)	(2,899,014)
Other income (expense):		
Loss on change in fair value of derivatives	-	(373,611)
Interest income	85	-
Loss before income taxes	(2,637,034)	(3,272,625)
Income taxes (benefit)	-	-
Net loss	(2,637,034)	(3,272,625)
Preferred stock dividend	(305,046)	(23,745)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	<u>\$ (2,942,080)</u>	<u>\$ (3,296,370)</u>
Net loss per common share, basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>29,944,445</u>	<u>23,051,872</u>

See the accompanying notes to the unaudited condensed financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
THREE MONTHS ENDED MARCH 31, 2018

	Series D Preferred stock		Series E Preferred stock		Common stock		Additional	Common	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid in Capital	stock Subscription	Deficit	
Balance, December 31, 2017	1,334	\$ 1	-	\$ -	29,321,204	\$ 29,321	\$53,215,635	\$ 29,985	\$ (56,524,786)	\$(3,249,844)
Reclassify fair value of derivative and warrant liabilities to equity upon adoption of ASU 2017-11	-	-	-	-	-	-	-	-	3,044,162	3,044,162
Common stock issued for services	-	-	-	-	100,000	100	141,900	-	-	142,000
Sale of common stock	-	-	-	-	200,000	200	299,785	(29,985)	-	270,000
Common stock issued upon conversion of Series C Preferred Stock at \$1.50 per share	-	-	-	-	13,334	13	19,987	-	-	20,000
Common stock issued settlement of Series C Preferred Stock accrued dividends at \$1.25 per share	-	-	-	-	6,595	7	8,269	-	-	8,276
Common stock issued upon conversion of Series D Preferred Stock at \$1.50 per share	(647)	-	-	-	647,000	647	(647)	-	-	-
Common stock issued settlement of Series D Preferred Stock accrued dividends at \$1.25 per share	-	-	-	-	209,574	210	261,825	-	-	262,035
Sale of Series E Preferred stock	-	-	1,000	1	-	-	1,492,968	-	-	1,492,969
Common stock subscription received	-	-	-	-	-	-	-	115,470	-	115,470
Stock based compensation	-	-	-	-	-	-	246,710	-	-	246,710
Preferred stock dividend	-	-	-	-	-	-	(305,046)	-	-	(305,046)
Net loss	-	-	-	-	-	-	-	-	(2,637,034)	(2,637,034)
Balance, March 31, 2018 (unaudited)	<u>687</u>	<u>\$ 1</u>	<u>1,000</u>	<u>\$ 1</u>	<u>30,497,707</u>	<u>\$ 30,498</u>	<u>\$55,381,386</u>	<u>\$ 115,470</u>	<u>\$ (56,117,658)</u>	<u>\$(590,302)</u>

See the accompanying notes to the unaudited condensed financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,637,034)	\$ (3,272,625)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	2,903	3,069
Change in derivative liabilities	-	373,611
Equity based compensation	388,710	560,746
Fair value of issued warrant to acquire research and development	-	543,927
Changes in operating assets and liabilities:		
Prepaid expenses	(2,173)	(27,514)
Security deposit	(5,393)	-
Accounts payable	(134,714)	209,466
Deferred rent payable	427	(521)
Net cash used in operating activities	<u>(2,387,274)</u>	<u>(1,609,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(3,644)</u>	<u>(1,620)</u>
Net cash used in investing activity	(3,644)	(1,620)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	270,000	1,799,692
	1,492,969	-
Proceeds from sale of Series E preferred stock		
Proceeds from common stock subscription	<u>115,470</u>	<u>-</u>
Net cash provided by financing activities	1,878,439	1,799,692
Net (decrease) increase in cash and cash equivalents	(512,479)	188,231
Cash and cash equivalents, beginning of the period	<u>1,547,579</u>	<u>1,055,895</u>
Cash and cash equivalents, end of the period	<u>\$ 1,035,100</u>	<u>\$ 1,244,126</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non cash investing and financing activities:		
Common stock issued upon conversion of Series C Preferred Stock and accrued dividends	<u>\$ 28,276</u>	<u>\$ -</u>
Common stock issued upon conversion of Series D Preferred Stock and accrued dividends	<u>\$ 262,035</u>	<u>\$ -</u>
Reclassify fair value of derivative and warrant liabilities to equity upon adoption of ASU 2017-11	<u>\$ 3,044,162</u>	<u>\$ -</u>
Accrual of dividend payable charged to additional paid in capital	<u>\$ 305,046</u>	<u>\$ 23,745</u>

See the accompanying notes to the unaudited condensed financial statements

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(unaudited)

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

BioSig Technologies Inc. (the “Company”) was initially incorporated on February 24, 2009 under the laws of the State of Nevada and subsequently re-incorporated in the state of Delaware in 2011. The Company is principally devoted to improving the quality of cardiac recordings obtained during EP studies and catheter ablation procedures. The Company has not generated any revenue to date and consequently its operations are subject to all risks inherent in the establishment of a new business enterprise.

The unaudited condensed interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The condensed balance sheet as of December 31, 2017 has been derived from audited financial statements.

Operating results for the three months ended March 31, 2018 are not necessarily indicative of results that may be expected for the year ending December 31, 2018. These condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2017 filed with the Company’s Form 10-K/A with the Securities and Exchange Commission on March 26, 2018.

NOTE 2 – GOING CONCERN AND MANAGEMENT’S LIQUIDITY PLANS

As of March 31, 2018, the Company had cash of \$1,035,100 and working capital of \$332,764. The Company raised approximately \$1,500,000 through the sale of Series E preferred stock and warrants and \$385,000 through the sale of common stock and warrants during the three months ended March 31, 2018 and approximately \$4,675,000 subsequent to March 31, 2018 (See Note 11). During the three months ended March 31, 2018, the Company used net cash in operating activities of \$2,387,274. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management believes that the Company has sufficient funds to meet its research and development and other funding requirements for at least the next 6 months.

The Company’s primary source of operating funds since inception has been cash proceeds from private placements of common and preferred stock. The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. The Company has stockholders’ deficiencies at March 31, 2018 and requires additional financing to fund future operations. Further, the Company does not have any commercial products available for sale and there is no assurance that if approval of their products is received that the Company will be able to generate cash flow to fund operations. In addition, there can be no assurance that the Company’s research and development will be successfully completed or that any product will be approved or commercially viable.

Accordingly, the accompanying financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the financial statements do not necessarily purport to represent realizable or settlement values. The condensed financial statements do not include any adjustment that might result from the outcome of this uncertainty.

NOTE 3 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability and useful lives of long-lived assets, the fair value of the Company’s stock, stock-based compensation and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

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Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”) requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures (“ASC 820-10”) and Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”), which permits entities to choose to measure many financial instruments and certain other items at fair value.

Derivative Instrument Liability

The Company accounts for derivative instruments in accordance with ASC 815, which establishes accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other financial instruments or contracts and requires recognition of all derivatives on the balance sheet at fair value, regardless of hedging relationship designation. Accounting for changes in fair value of the derivative instruments depends on whether the derivatives qualify as hedge relationships and the types of relationships designated are based on the exposures hedged. At March 31, 2018 and December 31, 2017, the Company did not have any derivative instruments that were designated as hedges.

At March 31, 2018 and December 31, 2017, the Company had outstanding preferred stock and warrants that contained embedded derivatives. These embedded derivatives include certain conversion features and reset provisions (See Note 6 and Note 7).

Research and development costs

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development (“ASC 730-10”). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of \$862,420 and \$1,338,604 for the three months ended March 31, 2018 and 2017, respectively.

Net Income (loss) Per Common Share

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share (“ASC 260-10”). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the “treasury stock” and/or “if converted” methods as applicable.

The computation of basic and diluted loss per share as of March 31, 2018 and 2017 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

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Potentially dilutive securities excluded from the computation of basic and diluted net income (loss) per share are as follows:

	March 31, 2018	March 31, 2017
Series C convertible preferred stock	643,333	713,333
Series D convertible preferred stock	687,000	-
Series E convertible preferred stock	1,000,000	-
Options to purchase common stock	8,230,319	8,245,190
Warrants to purchase common stock	12,237,628	10,419,655
Totals	<u>22,798,280</u>	<u>19,378,178</u>

Stock Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and interim financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period.

As of March 31, 2018, the Company had 8,230,319 options outstanding to purchase shares of common stock, of which 7,168,319 were vested.

As of December 31, 2017, there were outstanding stock options to purchase 8,510,319 shares of common stock, 7,347,486 shares of which were vested.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes (“ASC 740-10”) for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Deferred taxes are classified as non-current.

Registration Rights

On February 16, 2018, in connection with the Company’s private placement of Series E Preferred Stock and warrants, the Company also entered into a registration rights agreement (the “Registration Rights Agreement”) whereby the Company agreed to file a registration statement with the Securities and Exchange Commission (the “SEC”) within 90 days of the closing of the transactions contemplated by the Purchase Agreement (the “Filing Date”) covering the resale of (a) all shares of Common Stock Issuable upon conversion of the Preferred Shares, (b) all shares of Common Stock issuable upon exercise of the Warrants, (c) all other shares of Common Stock issued pursuant to any transaction documents which have been, or which may, from time to time be issued or become issuable to the Investors under the Transaction Documents (without regard to any limitation or restriction on purchases), and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event (“Registrable Securities”), not then registered. The Company will use its reasonable best efforts to keep the registrations statement effective pursuant to Rule 415 under the Securities Act until the earlier of (i) the date on which the Investors shall have sold all the Registrable Securities covered thereby and (ii) that date that all Registrable Securities may be sold pursuant to Rule 144 without any public information requirement or volume or manner of sale limitations. The Company has estimated the liability under the registration rights agreement at \$-0- as of March 31, 2018.

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Adoption of Accounting Standards

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815). The amendments in Part I of this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features.

When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception.

Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.

On January 1, 2018, the Company adopted ASU 2017-11 and accordingly reclassified the fair value of the reset provisions embedded in previously issued Series C Preferred stock, Series D Preferred stock and certain warrants with embedded anti-dilutive provisions from liability to equity in aggregate of \$3,044,162.

Recent Accounting Pronouncements

There are various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company’s financial position, results of operations or cash flows.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the condensed financial statements, except as disclosed.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2018 and December 31, 2017 is summarized as follows:

	March 31, 2018	December 31, 2017
Computer equipment	\$ 90,703	\$ 87,059
Furniture and fixtures	12,975	12,975
Subtotal	103,678	100,034
Less accumulated depreciation	(84,221)	(81,318)
Property and equipment, net	\$ 19,457	\$ 18,716

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Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

Depreciation expense was \$2,903 and \$3,069 for the three months ended March 31, 2018 and 2017, respectively.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at March 31, 2018 and December 31, 2017 consist of the following:

	March 31, 2018	December 31, 2017
Accrued accounting and legal	\$ 151,745	\$ 93,595
Accrued reimbursements	10,510	2,600
Accrued consulting	12,650	109,059
Accrued research and development expenses	148,932	246,030
Accrued office and other	644	7,912
Deferred rent	997	569
Accrued settlement related to arbitration	13,333	13,333
	<u>\$ 338,811</u>	<u>\$ 473,098</u>

NOTE 6 – SERIES C 9% CONVERTIBLE PREFERRED STOCK

On January 9, 2013, the Board of Directors authorized the issuance of up to 4,200 shares of 9% Series C Convertible Preferred Stock (the “Series C Preferred Stock”).

The Series C Preferred Stock is entitled to preference over holders of junior stock upon liquidation in the amount of \$1,000 plus any accrued and unpaid dividends; entitled to dividends as a preference to holders of junior stock at a rate of 9% per annum of the stated value of \$1,000 per share, payable quarterly beginning on September 30, 2013 and are cumulative. The holders of the Series C Preferred Stock vote together with the holders of our common stock on an as-converted basis, but may not vote the Series C Preferred Stock in excess of the beneficial ownership limitation of the Series C Preferred Stock. The beneficial ownership limitation is 4.99% of our then outstanding shares of common stock following such conversion or exercise, which may be increased to up to 9.99% of our then outstanding shares of common stock following such conversion or exercise upon the request of an individual holder. The beneficial ownership limitation is determined on an individual holder basis, such that the as-converted number of shares of one holder is not included in the shares outstanding when calculating the limitation for a different holder.

In connection with the sale of the Series C preferred stock, the Company issued an aggregate of 1,330,627 warrants to purchase the Company’s common stock at \$2.61 per share expiring five years from the initial exercise date. The warrants contain full ratchet anti-dilution price protection upon the issuance of equity or equity-linked securities at an effective common stock purchase price of less than \$2.61 per share as well as other customary anti-dilution protection. The warrants are exercisable for cash; or if at any time after six months from the issuance date, there is no effective registration statement registering the resale, or no current prospectus available for the resale, of the shares of common stock underlying the warrants, the warrants may be exercised by means of a “cashless exercise”.

As a result of an amendment to the conversion price of our Series C Preferred Stock, the full-ratchet anti-dilution protection provision of the warrants decreased the exercise price of the warrants from \$2.61 per share to \$1.50 per share and increased the aggregate number of shares issuable under the warrants to 2,315,301.

In February 2018, the Company issued 9,919 shares of its common stock in exchange for 10 shares of the Company’s Series C Preferred Stock and accrued dividends.

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In March 2018, the Company issued 10,010 shares of its common stock in exchange for 10 shares of the Company's Series C Preferred Stock and accrued dividends.

Series C Preferred Stock issued and outstanding totaled 965 and 985 as of March 31, 2018 and December 31, 2017, respectively. As of March 31, 2018 and December 31, 2017, the Company has accrued \$432,660 and \$419,283 dividends payable on the Series C Preferred Stock.

NOTE 7 – WARRANT AND DERIVATIVE LIABILITIES

Series C 9% Convertible Preferred Stock and related warrants

At the time of issuance and until March 31, 2015, the Company determined that the anti-dilutive provisions embedded in the Series C Preferred Stock and related warrants (see Note 6) did not meet the defined criteria of a derivative in such that the net settlement requirement of delivery of common shares does not meet the "readily convertible to cash" as described in Accounting Standards Codification 815 and therefore bifurcation was not required. There was no established market for the Company's common stock. As of March 31, 2015, the Company determined a market had been established for the Company's common stock and accordingly, reclassified from equity to liability treatment the fair value of the embedded reset provisions of the Series C Preferred Stock and warrants of \$1,242,590 and \$4,097,444, respectively.

The Company valued the reset provisions of the Series C Preferred Stock and warrants in accordance with ASC 470-20 using the Multinomial Lattice pricing model and the following assumptions: estimated contractual terms, a risk free interest rate of 0.56% to 0.89%, a dividend yield of 0%, and volatility of 141%.

Series D Convertible Preferred Stock and related warrants

At issuance, the Company determined that certain anti-dilutive provisions embedded in the Series D Preferred Stock and related warrants (see Note 8) met the defined criteria of a derivative and accordingly, reclassified from equity to liability the determined fair value of the embedded reset provisions of the Series D Preferred Stock and warrants of \$397,162 and \$652,054, respectively.

The Company valued the reset provisions of the Series D Preferred Stock and warrants in accordance with ASC 470-20 using the Multinomial Lattice pricing model and the following assumptions: estimated contractual terms, a risk free interest rate of 1.74%, a dividend yield of 0%, and volatility of 130%.

At December 31, 2017, the Company marked to market the fair value of the reset provisions of the Preferred Stock and warrants and determined fair values of \$685,922 and \$2,358,240, respectively. The fair values of the embedded derivatives were determined using the Multinomial Lattice pricing model and the following assumptions: estimated contractual term of 1.43 to 3.36 years, a risk free interest rate of 1.39% to 1.89%, a dividend yield of 0%, and volatility of 131%.

On January 1, 2018, the Company adopted ASU 2017-11 and according reclassified the fair value of the reset provisions embedded in previously issued Series C Preferred stock, Series D Preferred stock and certain warrants with embedded anti-dilutive provisions from liability to equity in aggregate of \$3,044,162.

NOTE 8 – STOCKHOLDER EQUITY

Preferred stock

The Company is authorized to issue 1,000,000 shares of \$0.001 par value preferred stock. As of March 31, 2018 and December 31, 2017, the Company has authorized 200 shares of Series A preferred stock, 600 shares of Series B preferred stock, 4,200 shares of Series C Preferred Stock, 1,400 shares of Series D Preferred Stock and (2018) 1,000 shares of Series E Preferred Stock. As of March 31, 2018 and December 31, 2017, there were no outstanding shares of Series A and Series B preferred stock.

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Series C Preferred Stock

In February 2018, the Company issued 9,919 shares of its common stock in exchange for 10 shares of the Company's Series C Preferred Stock and accrued dividends.

In March 2018, the Company issued 10,010 shares of its common stock in exchange for 10 shares of the Company's Series C Preferred Stock and accrued dividends.

Series D Preferred Stock

In January 2018, the Company issued an aggregate of 235,911 shares of its common stock in exchange for 180 shares of the Company's Series D Preferred Stock and accrued dividends.

In February 2018, the Company issued an aggregate of 131,432 shares of its common stock in exchange for 100 shares of the Company's Series D Preferred Stock and accrued dividends.

In March 2018, the Company issued an aggregate of 489,231 shares of its common stock in exchange for 367 shares of the Company's Series D Preferred Stock and accrued dividends.

Series E Preferred Stock

On February 16, 2018, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain institutional accredited investors (the "Investors"), pursuant to which the Company sold to the Investors an aggregate of 1,000 shares (the "Preferred Shares") of its Series E Preferred Stock, par value \$0.001 per share, and warrants to purchase an aggregate of 500,000 shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"), at an exercise price of \$1.75 per share (the "Warrants"), in exchange for aggregate consideration of \$1,492,969, net of transaction expenses of \$7,031 (the "Transaction").

The Purchase Agreement contains representations and warranties of the Company and the Investors that are typical for transactions of this type. The Purchase Agreement also contains covenants on the part of the Company that are typical for transactions of this type. For a period of twelve months after the closing date of Transaction, the Investors are entitled to a right of first refusal (the "ROFR") with respect to subsequent sales of securities by the Company (other than with respect to issuances of Excluded Securities (as defined in the Purchase Agreement)) Pursuant to the ROFR, each Investor will have the opportunity to elect to purchase its pro rata portion of thirty percent (30%) of any securities being offered by the Company in the subsequent offering.

In connection with the entry into the Purchase Agreement, the Investors and the Company also entered into a registration rights agreement (the "Registration Rights Agreement") whereby the Company agreed to file a registration statement with the Securities and Exchange Commission (the "SEC") within 90 days of the closing of the transactions contemplated by the Purchase Agreement (the "Filing Date") covering the resale of (a) all shares of Common Stock Issuable upon conversion of the Preferred Shares, (b) all shares of Common Stock issuable upon exercise of the Warrants, (c) all other shares of Common Stock issued pursuant to any transaction documents which have been, or which may, from time to time be issued or become issuable to the Investors under the Transaction Documents (without regard to any limitation or restriction on purchases), and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event ("Registrable Securities"), not then registered. The Company will use its reasonable best efforts to keep the registrations statement effective pursuant to Rule 415 under the Securities Act until the earlier of (i) the date on which the Investors shall have sold all the Registrable Securities covered thereby and (ii) that date that all Registrable Securities may be sold pursuant to Rule 144 without any public information requirement or volume or manner of sale limitations.

The Warrants are exercisable immediately and expire on August 16, 2021, and have an exercise price of \$1.75 per share. The Warrants include a "full ratchet" anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

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In connection with its entry into the Purchase Agreement, on February 14, 2018, the Company entered into a consent agreement (the “Consent”) with the holders of the Company’s Series D Convertible Preferred Stock (the “Series D Holders”). Pursuant to the Consent, the Series D Holders consented to the Transaction and are entitled at any time on or before April 17, 2018, to elect to receive the more favorable terms of the Transaction. In consideration for their entry into the Consent, the Company issued to the Series D Holders warrants to purchase up to an aggregate of 100,000 shares of Common Stock (the “Consent Warrants”). The Consent Warrants are exercisable immediately and expire on February 14, 2021, and have an exercise price of \$1.50 per share. The Consent Warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect.

Common stock

The Company is authorized to issue 200,000,000 shares of \$0.001 par value common stock. As of March 31, 2018 and December 31, 2017, the Company had 30,497,707 and 29,321,204 shares issued and outstanding, respectively.

During the three months ended March 31, 2018, the Company issued 100,000 shares of its common stock for services totaling \$142,000 (\$1.42 per share).

During the three months ended March 31, 2018, the Company entered into securities purchase agreements with investors pursuant to which the Company issued 180,000 shares of common stock and 90,000 warrants for aggregate proceeds of \$270,000.

During the three months ended March 31, 2018, the Company issued 20,000 shares of common stock and 10,000 warrants for a previously received common stock subscription of \$29,985.

NOTE 9 – OPTIONS AND WARRANTS

Options

On October 19, 2012, the Company’s Board of Directors approved the 2012 Equity Incentive Plan (“the “Plan) and terminated the Long-Term Incentive Plan (the “2011 Plan”). The Plan provides for the issuance of options to purchase up to 15,186,123 (as amended) shares of the Company’s common stock to officers, directors, employees and consultants of the Company (as amended). Under the terms of the Plan the Company may issue Incentive Stock Options as defined by the Internal Revenue Code to employees of the Company only and nonstatutory options. The Board of Directors of the Company or a committee thereof administers the Plan and determines the exercise price, vesting and expiration period of the grants under the Plan.

However, the exercise price of an Incentive Stock Option should not be less than 110% of fair value of the common stock at the date of the grant for a 10% or more stockholder and 100% of fair value for a grantee who is not 10% stockholder. The fair value of the common stock is determined based on the quoted market price or in absence of such quoted market price, by the administrator in good faith.

Additionally, the vesting period of the grants under the Plan will be determined by the administrator, in its sole discretion, with an expiration period of not more than ten years.

The following table presents information related to stock options at March 31, 2018:

Options Outstanding		Options Exercisable	
Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
\$ 1.01-2.00	3,545,540	7.2	2,483,540
2.01-3.00	4,384,779	3.4	4,384,779
3.01-4.00	300,000	7.0	300,000
	8,230,319	5.2	7,168,319

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A summary of the stock option activity and related information for the 2012 Plan for the three months ended March 31, 2018 is as follows:

	<u>Shares</u>	<u>Weighted- Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at December 31, 2017	8,510,319	\$ 2.11	5.2	\$ 27,045
Grants	50,000	\$ 1.42	10.0	\$ -
Exercised	-			
Canceled	(330,000)	1.66		
Outstanding at March 31, 2018	8,230,319	\$ 2.12	5.2	\$ 158,930
Exercisable at March 31, 2018	7,168,319	\$ 2.20	4.7	\$ 104,305

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than the Company's stock price of \$1.57 as of March 31, 2018, which would have been received by the option holders had those option holders exercised their options as of that date.

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived from an index of historical stock prices of comparable entities until sufficient data exists to estimate the volatility using the Company's own historical stock prices. Management determined this assumption to be a more accurate indicator of value. The Company accounts for the expected life of options based on the contractual life of options for non-employees.

For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification. The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options. The fair value of stock-based payment awards during the three months ended March 31, 2018 and 2017 was estimated using the Black-Scholes pricing model.

On February 15, 2018, the Company granted 50,000 options to purchase the Company stock in connection with the services rendered at the exercise price of \$1.42 per share for a term of ten years with vesting immediately.

The following assumptions were used in determining the fair value of employee options for the three months ended March 31, 2018:

Risk-free interest rate	2.65%
Dividend yield	0%
Stock price volatility	94.10%
Expected life	5 years
Weighted average grant date fair value	\$ 1.01

The fair value of all options vesting during the three months ended March 31, 2018 and 2017 of \$246,710 and \$42,984, respectively, was charged to current period operations. Unrecognized compensation expense of \$783,894 and \$979,812 at March 31, 2018 and December 31, 2017, respectively, will be expensed in future periods.

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Warrants

The following table summarizes information with respect to outstanding warrants to purchase common stock of the Company at March 31, 2018:

Exercise Price	Number Outstanding	Expiration Date
\$ 0.001	383,320	January 2020
\$ 1.50	7,615,982	February 2018 to May 2021
\$ 1.75	500,000	August 2021
\$ 1.84	35,076	January 2020
		October 2018 to September 2019
\$ 1.95	1,689,026	
\$ 2.00	100,000	August 2018
\$ 2.02	30,755	January 2020
\$ 2.50	100,000	August 2018
		August 2019 to September 2019
\$ 2.75	228,720	December 2018 to January 2019
\$ 3.67	214,193	
\$ 3.75	1,340,556	April 2019 to March 2020
	<u>12,237,628</u>	

On January 5, 2018, the Company issued 100,000 warrants to purchase the Company's common stock at \$1.50 per share, expiring on January 5, 2021, in connection with the sale of the Company's common stock.

On February 14, 2018, the Company entered into a consent agreement with the holders of the Company's Series D Convertible Preferred Stock. Pursuant to the consent, the Series D Holders consented to the Series E Preferred Stock transaction and are entitled at any time on or before April 17, 2018, to elect to receive the more favorable terms of the transaction. In consideration for their entry into the consent, the Company issued to the Series D Holders warrants to purchase up to an aggregate of 100,000 shares of common stock. The consent warrants are exercisable immediately and expire on February 14, 2021, and have an exercise price of \$1.50 per share. The warrants contain certain anti-dilutive provisions (see Note 8).

On February 16, 2018, the Company issued an aggregate of 500,000 warrants to purchase the Company's common stock at \$1.75 per share, expiring on August 16, 2021, in connection with the sale of the Company's Series E preferred stock. The warrants contain certain anti-dilutive provisions (see Note 8).

A summary of the warrant activity for the three months ended March 31, 2018 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2017	12,789,086	\$ 1.82	1.7	\$ 551,636
Grants	700,000	\$ 1.68	3.0	-
Exercised	-			-
Expired	(1,251,458)	\$ 1.50	-	-
Outstanding at March 31, 2018	12,237,628	\$ 1.85	1.7	\$ 1,134,548
Vested and expected to vest at March 31, 2018	12,237,628	\$ 1.85	1.7	\$ 1,134,548
Exercisable at March 31, 2018	12,237,628	\$ 1.85	1.7	\$ 1,134,548

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NOTE 10 – FAIR VALUE MEASUREMENT

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”). ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

All items required to be recorded or measured on a recurring basis are based upon level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

Upon adoption of ASC 825-10, there was no cumulative effect adjustment to beginning retained earnings and no impact on the financial statements.

The carrying value of the Company’s cash and cash equivalents, accounts payable and other current assets and liabilities approximate fair value because of their short-term maturity.

As of March 31, 2018 and December 31, 2017, the Company did not have any items that would be classified as level 1 or 2 disclosures.

As of March 31, 2018 and December 31, 2017, the Company did not have any derivative instruments that were designated as hedges.

The following table provides a summary of changes in fair value of the Company’s level 3 financial liabilities as of March 31, 2018:

	<u>Warrant Liability</u>	<u>Derivative</u>
Balance, December 31, 2017	\$ 2,358,240	\$ 685,922
Total (gains) losses		
Transfers out due to the adoption of ASU 2017-11 effective January 1, 2018	(2,358,240)	(685,922)
Balance, March 31, 2018	\$ -	\$ -

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2018
(unaudited)

NOTE 11 – SUBSEQUENT EVENTS

In April 2018, the Company issued an aggregate of 577,339 shares of its common stock in exchange for 454 shares of the Company's Series D Preferred Stock and accrued dividends.

In April 2018, the Company issued an aggregate of 351,021 shares of its common stock in exchange for 370 shares of the Company's Series C Preferred Stock and accrued dividends.

On April 30, 2018 the Company entered into a Unit Purchase Agreement (the "Purchase Agreement") with certain accredited investors (the "Investors"), pursuant to which the Company sold to the Investors an aggregate of 3,193,004 shares of the Company's common stock and warrants to purchase an aggregate of 1,596,506 shares of the Company's common stock, at an exercise price of \$1.75 per share, in exchange for aggregate consideration of \$4,789,502, net of transaction expenses of approximately \$1,000 (the "April 2018 private placement"), of which \$115,470 was received as common stock subscriptions as of March 31, 2018.

In connection with the April 2018 private placement, the Company issued additional warrants to purchase an aggregate of 83,334 shares of the Company's common stock, at an exercise price of \$1.50 per share to the Series E holders. In addition, 500,000 warrants to purchase the Company's common stock at an exercise price of \$1.75 per share previously issued to the Series E holders were reset to an exercise price of \$1.50 per share.



BioSig Technologies, Inc.

Up to 1,294,392 Shares of Common Stock Underlying Series E Convertible Preferred Stock and up to 683,334 Shares of Common Stock Underlying Warrants

PROSPECTUS

, 2018

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

We are paying all of the selling stockholders' expenses related to this offering, except that the selling stockholders will pay any applicable underwriting discounts and commissions. The fees and expenses payable by us in connection with this Registration Statement are estimated as follows:

Securities and Exchange Commission Registration Fee	\$ 453.06
Accounting Fees and Expenses	\$ 3,500.00
Legal Fees and Expenses	\$ 15,000.00
Printing Expenses	\$ None
Miscellaneous Fees and Expenses	\$ None
Total	\$ <u>18,953.06</u>

Item 14. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware provides, in general, that a corporation incorporated under the laws of the State of Delaware, as we are, may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than a derivative action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. In the case of a derivative action, a Delaware corporation may indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or any other court in which such action was brought determines such person is fairly and reasonably entitled to indemnity for such expenses.

We are also permitted to apply for, and currently maintain, insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the General Corporation Law of the State of Delaware would permit indemnification.

Item 15. Recent Sales of Unregistered Securities.

On April 4, 2014 and April 30, 2014, in two separate closings, we entered into a securities purchase agreement with twenty-eight accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 229,760 shares of our common stock and five-year warrants to purchase 114,880 shares of our common stock for aggregate cash proceeds of \$574,400. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On April 30, 2014, in connection with the above described private placement, we issued a five-year warrant to purchase up to 22,976 shares of common stock upon the same terms as the warrants in the above described private placement to Laidlaw & Company (UK) Ltd., our placement agent in the private placement. The warrant was not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and was offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Laidlaw & Company (UK) Ltd. was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time of the private placement.

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On August 15, 2014 and September 12, 2014, in two separate closings, we entered into a securities purchase agreement with 23 accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 381,200 shares of our common stock and five-year warrants to purchase 190,600 shares of our common stock for aggregate cash proceeds of \$953,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On August 15, 2014 and September 12, 2014, in connection with the above described private placement, we issued a warrant to purchase up to an aggregate of 38,120 shares of common stock upon the same terms as the warrants in the above described private placement to Laidlaw & Company (UK) Ltd., our placement agent in the private placement. The warrant was not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and was offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Laidlaw & Company (UK) Ltd. was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time of the private placement.

On December 19, 2014, December 30, 2014, January 23, 2015, February 10, 2015, February 27, 2015 and March 31, 2015, in six separate closings, we entered into a securities purchase agreement with 102 accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 1,603,600 shares of our common stock, “A” warrants expiring July 31, 2015 to purchase 1,603,600 shares of our common stock and “B” warrants expiring March 21, 2020 to purchase 801,800 shares of our common stock for aggregate cash proceeds of \$4,009,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On March 31, 2015, in connection with the above described private placement, we issued a warrant to purchase up to 400,900 shares of common stock upon the same terms as the “B” warrants in the above described private placement to Laidlaw & Company (UK) Ltd., our placement agent in the private placement. The warrant was not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and was offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Laidlaw & Company (UK) Ltd. was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time of the private placement.

On May 11, 2015, we entered into a securities purchase agreement with Alpha Capital Anstalt and a securities purchase agreement with Brio Capital Master Fund Ltd., pursuant to which we issued 450 shares of our Series C Preferred Stock and five-year warrants to purchase 374,641 shares of our common stock for aggregate cash proceeds of \$450,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On August 17, 2015, as consideration for providing general financial advisory services, we issued Alere Financial Partners, LLC a three-year warrant to purchase up to 100,000 shares of common stock each at an exercise price of \$2.00 and a three-year warrant to purchase up to 100,000 shares of common stock each at an exercise price of \$2.50 per share. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On October 23, 2015, October 29, 2015, November 18, 2015, December 18, 2015, December 22, 2015, February 9, 2016, March 9, 2016, April 1, 2016, April 19, 2016 and April 29, 2016, in ten separate closings, we entered into a securities purchase agreement with 49 accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 3,003,016 shares of our common stock and three-year warrants to purchase an aggregate of up to 1,501,513 shares of our common stock for aggregate cash proceeds of approximately \$4,504,516. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

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On October 23, 2015, October 29, 2015, November 18, 2015, December 18, 2015, December 22, 2015, February 9, 2016, March 9, 2016, April 1, 2016, April 19, 2016 and April 29, 2016, in connection with the above described private placement, we issued warrants to purchase an aggregate of up to 232,960 shares of common stock exercisable for cash or by means of a cashless exercise at a price of \$1.50 per share, and the same other terms as the warrants in the above described private placement to Laidlaw & Company (UK) Ltd. (“Laidlaw”), our placement agent in the private placement, and certain of its designated employees pursuant to the terms of the Company’s engagement letter with Laidlaw. However, prior to their issuance, Laidlaw assigned its rights to the Employee Warrants to certain designated employees. Rather than issue such Employee Warrants first to Laidlaw, and then immediately process an assignment to the designated Laidlaw employees, for administrative convenience, we issued the Employee Warrants directly to Laidlaw’s designated employees. The warrant was not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and was offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Laidlaw & Company (UK) Ltd. was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time of the private placement.

On June 1, 2016, we entered into a securities purchase agreement with 3 accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 77,144 shares of our common stock and three-year warrants to purchase up to 38,572 shares of our common stock, exercisable at \$2.10 per share and expiring June 1, 2019, in exchange for aggregate cash proceeds of approximately \$135,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On September 1, 2016, we entered into a securities purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 305,026 shares of our common stock and 152,513 warrants to purchase one share of our common stock, exercisable at a price of \$1.95 per share and expiring August 30, 2019, in exchange for aggregate consideration of \$431,549, net of \$25,990 in expenses. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On September 19, 2016, we entered into a securities purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 70,000 shares of our common stock and 35,000 warrants to purchase one share of our common stock, exercisable at a price of \$1.95 per share and expiring September 19, 2019, in exchange for aggregate consideration of \$98,533, net of \$6,467 in expenses. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On October 28, 2016, November 23, 2016, December 16, 2016, December 22, 2016, February 10, 2017, March 10, 2017 and March 31, 2017, in seven separate closings, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued an aggregate of 2,899,974 units, which consisted of, in the aggregate, 2,899,974 shares of our common stock and warrants to purchase 1,449,991 shares of our common stock at an exercise price of \$1.50 per share, in exchange for aggregate gross proceeds of \$3,972,199, after financing costs of \$377,754. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On October 28, 2016, November 23, 2016, December 16, 2016, December 22, 2016, February 10, 2017, March 10, 2017 and March 31, 2017, in connection with the above described private placement, we issued warrants to purchase an aggregate of up to 186,957 shares of common stock exercisable for cash or by means of a cashless exercise at a price of \$1.50 per share expiring January 13, 2020, and the same other terms as the warrants in the above described private placement to certain designated employees of Laidlaw, our placement agent in the private placement, pursuant to the terms of the Company’s engagement letter with Laidlaw. However, prior to their issuance, Laidlaw assigned its rights to the Employee Warrants to certain designated employees. Rather than issue such Employee Warrants first to Laidlaw, and then immediately process an assignment to the designated Laidlaw employees, for administrative convenience, we issued the Employee Warrants directly to Laidlaw’s designated employees. The warrant was not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and was offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Laidlaw was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time of the private placement.

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In March 2017, we issued to Mayo Clinic Ventures three-year warrants to purchase up to an aggregate of 630,000 shares of common stock at an exercise price of \$1.50 per share in connection with a know-how licensing agreement with Mayo Foundation for Medical Education and Research. The securities were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On April 6, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 426,667 shares of our common stock and 213,334 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring April 6, 2020, in exchange for aggregate consideration of \$640,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On April 17, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 149,932 shares of our common stock and 74,966 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring April 17, 2020, in exchange for aggregate consideration of \$224,898. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On May 5, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 13,334 shares of our common stock and 6,667 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring May 5, 2020, in exchange for aggregate consideration of \$20,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On June 20, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 20,000 shares of our common stock and 10,000 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring June 20, 2020, in exchange for aggregate consideration of \$30,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On June 30, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 216,667 shares of our common stock and 108,334 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring June 30, 2020, in exchange for aggregate consideration of \$325,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On July 13, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 267,002 shares of our common stock and 133,501 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring July 13, 2020, in exchange for aggregate consideration of \$400,500. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On August 18, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 351,000 shares of our common stock and 175,500 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring August 18, 2020, in exchange for aggregate consideration of \$526,500. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On September 18, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 103,334 shares of our common stock and 51,668 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring September 18, 2020, in exchange for aggregate consideration of \$155,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On October 11, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 386,667 shares of our common stock and 193,334 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring October 11, 2020, in exchange for aggregate consideration of \$580,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On November 3, 2017, we entered into a securities purchase agreement with certain institutional accredited investors pursuant to which we sold to the investors an aggregate of 1,334 shares of our Series D Preferred Stock, par value \$0.001 per share, and Class A Warrants to purchase an aggregate of 667,000 shares of common stock, par value \$0.001 per share at an exercise price of \$1.75 per share, in exchange for aggregate net cash proceeds of \$1,929,975, net of expenses of \$70,025. Contemporaneously with the entry into the securities purchase agreement, we and the purchasers agreed to exchange outstanding warrants to purchase 780,506 shares of common stock at an exercise price of \$1.50 per share for new Class B Warrants to purchase an equal number of shares of common stock at the same exercise price. On November 6, 2017, the terms of the Class A Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Class A Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 111,167 shares of common stock may be issued upon exercise of the Class A Warrants due to the adjustment. The Class A Warrants are exercisable immediately and expire on May 3, 2021 and have an exercise price of \$1.50 per share. The Class B Warrants are exercisable immediately and expire on November 3, 2020 and have an exercise price of \$1.50. The Class A Warrants and Class B Warrants otherwise have similar terms, including, a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock at a per share price lower than the applicable exercise price then in effect. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On November 6, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 413,336 shares of our common stock and 206,668 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring November 6, 2020, in exchange for aggregate consideration of \$620,002. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On December 29, 2017, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 460,668 shares of our common stock and 230,334 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring December 29, 2020, in exchange for aggregate consideration of \$691,001. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On January 5, 2018, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 200,000 shares of our common stock and 100,000 warrants to purchase one share of our common stock, exercisable at a price of \$1.50 per share and expiring January 5, 2021, in exchange for aggregate consideration of \$300,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

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On February 16, 2018, we entered into a securities purchase agreement with certain institutional accredited investors pursuant to which we sold to the investors an aggregate of 1,000 shares of Series E Preferred Stock, par value \$0.001 per share, and warrants to purchase an initial aggregate of 500,000 shares of common stock, par value \$0.001 per share, at an initial exercise price of \$1.75 per share, in exchange for aggregate consideration of \$1,500,000. The sale of the securities sold in this offering were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended provided by Section 4(a)(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended. The warrants are exercisable immediately and expire on August 16, 2021, and have an exercise price of \$1.75 per share. The warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect. In connection with the entry into the purchase agreement, on February 14, 2018, we entered into a consent agreement (the “Consent”) with the holders of our Series D Convertible Preferred Stock (the “Series D Holders”). Pursuant to the Consent, the Series D Holders consented to the February 16, 2018 transaction and are entitled at any time on or before April 17, 2018, to elect to receive the more favorable terms of the transaction. In consideration for their entry into the Consent, we issued to the Series D Holders warrants to purchase up to an aggregate of 100,000 shares of common stock (the “Consent Warrants”). The Consent Warrants are exercisable immediately and expire on February 14, 2021 and have an exercise price of \$1.50 per share. The Consent Warrants include a “full ratchet” anti-dilution adjustment in the event that the Company issues any common stock or common stock equivalent at a per share price lower than the applicable exercise price then in effect. The issuance of the Consent Warrants to the Series D Holders was in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) and Regulation D (Rule 506) under the Securities Act.

On April 30, 2018, the terms of the Series E Warrants automatically adjusted due to the full-ratchet anti-dilution protection provision contained in such warrants. As a result of the adjustment, the exercise price applicable to the Series E Warrants decreased to \$1.50 per share from \$1.75 per share, and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable under such warrant, after taking into account the decrease in the exercise price, is equal to the aggregate exercise price prior to such adjustment. An additional 83,334 shares of common stock may be issued upon exercise of the Series E Warrants due to the adjustment.

On April 30, 2018, we entered into a unit purchase agreement with certain accredited investors (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 3,193,004 shares of our common stock and 1,596,506 warrants to purchase one share of our common stock, exercisable at a price of \$1.75 per share and expiring April 30, 2021, in exchange for aggregate consideration of \$4,789,502. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

On May 11, 2018, we entered into a unit purchase agreement with a certain accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended), pursuant to which we issued 140,000 shares of our common stock and 70,000 warrants to purchase one share of our common stock, exercisable at a price of \$1.75 per share and expiring May 11, 2021, in exchange for aggregate consideration of \$210,000. The securities sold in this offering were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration under the Securities Act of 1933, as amended, provided by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended.

Item 16. Exhibits and Financial Statement Schedules.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form S-1 filed on July 22, 2013)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.2 to the Form S-1 filed on July 22, 2013)
3.3	Certificate of Second Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.3 to the Form S-1 filed on July 22, 2013)
3.4	Certificate of Third Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.5 to the Form S-1/A filed on January 21, 2014)
3.5	Certificate of Fourth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.6 to the Form S-1/A filed on March 28, 2014)
3.6	Certificate of Fifth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on August 21, 2014)
3.7	Certificate of Sixth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 25, 2016)
3.8	Certificate of Designation of Preferences, Rights and Limitations of Series D Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 9, 2017)
3.9	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on February 16, 2018)
3.10	Bylaws of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.4 to the Form S-1 filed on July 22, 2013)
5.1	Opinion of Haynes and Boone, LLP (filed herewith)
10.1	BioSig Technologies, Inc. 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form S-1 filed on July 22, 2013)
10.2	Form of Stock Option Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Form S-1 filed on July 22, 2013)
10.3	Securities Purchase Agreement, dated September 19, 2011, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.3 to the Form S-1 filed on July 22, 2013)
10.4	Securities Purchase Agreement, dated December 27, 2011, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.4 to the Form S-1 filed on July 22, 2013)
10.5	Securities Purchase Agreement, dated February 6, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.5 to the Form S-1 filed on July 22, 2013)
10.6	Registration Rights Agreement, dated February 6, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.6 to the Form S-1 filed on July 22, 2013)
10.7	Form of Warrant used in connection with February 6, 2013 private placement (incorporated by reference to Exhibit 10.7 to the Form S-1 filed on July 22, 2013)
10.8	Amendment Agreement No. 1 to Securities Purchase Agreement and Registration Rights Agreement, dated February 25, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.8 to the Form S-1 filed on July 22, 2013)
10.9	Amendment Agreement No. 2 to Securities Purchase Agreement, dated April 12, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.9 to the Form S-1 filed on July 22, 2013)
10.10	Amendment Agreement No. 3 to Securities Purchase Agreement and Registration Rights Agreement, dated June 25, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.10 to the Form S-1 filed on July 22, 2013)
10.11	Office Lease Agreement, dated August 9, 2011, by and between BioSig Technologies, Inc. and Douglas Emmett 1993, LLC (incorporated by reference to Exhibit 10.11 to the Form S-1 filed on July 22, 2013)
10.12	Employment Agreement, dated March 1, 2013, by and between BioSig Technologies, Inc. and Kenneth Londoner (incorporated by reference to Exhibit 10.12 to the Form S-1 filed on July 22, 2013)
10.13	Indemnity Agreement, dated May 2, 2013 by and between BioSig Technologies, Inc. and Seth H. Z. Fischer (incorporated by reference to Exhibit 10.14 to the Form S-1 filed on July 22, 2013)
10.14	Amendment Agreement No. 4 to Securities Purchase Agreement, dated October 14, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.23 to the Form S-1/A filed on January 21, 2014)

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- 10.15 [Securities Purchase Agreement, dated December 31, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.24 to the Form S-1/A filed on January 21, 2014\)](#)
- 10.16 [Registration Rights Agreement, dated December 31, 2013, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.25 to the Form S-1/A filed on January 21, 2014\)](#)
- 10.17 [Form of Warrant used in connection with December 31, 2013 private placement \(incorporated by reference to Exhibit 10.26 to the Form S-1/A filed on January 21, 2014\)](#)
- 10.18 [Amendment No. 1 to the BioSig Technologies, Inc. 2012 Equity Incentive Plan \(incorporated by reference to Exhibit 10.27 to the Form S-1/A filed on March 28, 2014\)](#)
- 10.19 [Amendment Agreement No. 5 to Securities Purchase Agreement, dated March 24, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.28 to the Form S-1/A filed on March 28, 2014\)](#)
- 10.20 [Patent Assignment, dated March 17, 2014, by and among Budimir Drakulic, Thomas Foxall, Sina Fakhar and Branislav Vljajinic and BioSig Technologies, Inc. \(incorporated by reference to Exhibit 10.29 to the Form S-1/A filed on May 1, 2014\)](#)
- 10.21 [Securities Purchase Agreement, dated April 4, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.30 to the Form S-1/A filed on May 1, 2014\)](#)
- 10.22 [Registration Rights Agreement, dated April 4, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.31 to the Form S-1/A filed on May 1, 2014\)](#)
- 10.23 [Form of Warrant used in connection with April 4, 2014 private placement \(incorporated by reference to Exhibit 10.32 to the Form S-1/A filed on May 1, 2014\)](#)
- 10.24 [Consulting Agreement, dated December 10, 2010, by and between BioSig Technologies, Inc. and Jonathan Steinhouse \(incorporated by reference to Exhibit 10.33 to the Form S-1/A filed on May 22, 2014\)](#)
- 10.25 [Executive Employment Agreement, dated July 15, 2014, by and between BioSig Technologies, Inc. and Gregory Cash \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on July 21, 2014\)](#)
- 10.26 [Incentive Stock Option Agreement, dated July 15, 2014, by and between BioSig Technologies, Inc. and Gregory Cash \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on July 21, 2014\)](#)
- 10.27 [Securities Purchase Agreement, dated as of August 15, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on August 21, 2014\)](#)
- 10.28 [Registration Rights Agreement, dated as of August 15, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.3 to the Form 8-K filed on August 21, 2014\)](#)
- 10.29 [Form of Warrant used in connection with August 15, 2014 private placement \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on August 21, 2014\)](#)
- 10.30 [Form of Restricted Stock Award Agreement under the 2012 Equity Incentive Plan \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on September 5, 2014\)](#)
- 10.31 [Composite of Unit Purchase Agreement, dated December 19, 2014, as amended by Supplement No. 1, dated December 17, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.37 to the Form 10-K filed on February 20, 2015\)](#)
- 10.32 [Registration Rights Agreement, dated December 19, 2014, by and between BioSig Technologies, Inc. and certain purchasers set forth therein \(incorporated by reference to Exhibit 10.38 to the Form 10-K filed on February 20, 2015\)](#)
- 10.33 [Form of "B" Warrant used in connection with December 19, 2014 private placement \(incorporated by reference to Exhibit 10.40 to the Form 10-K filed on February 20, 2015\)](#)
- 10.34 [Amendment No. 2 to the BioSig Technologies, Inc. 2012 Equity Incentive Plan \(incorporated by reference to Exhibit 99.3 to the Form S-8 filed on April 17, 2015\)](#)
- 10.35 [Amendment No. 3 to the BioSig Technologies, Inc. 2012 Equity Incentive Plan \(incorporated by reference to Exhibit 10.41 to the Form S-1 filed on May 20, 2015\)](#)
- 10.36 [Securities Purchase Agreement, dated as of May 11, 2015, by and between BioSig Technologies, Inc. and Alpha Capital Anstalt \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 15, 2015\)](#)
- 10.37 [Securities Purchase Agreement, dated as of May 11, 2015, by and between BioSig Technologies, Inc. and Brio Capital Master Fund Ltd. \(incorporated by reference to Exhibit 10.2 to the Form 8-K filed on May 15, 2015\)](#)
- 10.38 [Amendment Agreement No. 6 to Securities Purchase Agreement, dated July 30, 2014, by and between BioSig Technologies, Inc. and certain purchasers \(incorporated by reference to Exhibit 10.44 to the Form S-1/A filed on June 10, 2015\)](#)
- 10.39 [Amendment No. 4 to the BioSig Technologies, Inc. 2012 Equity Incentive Plan \(incorporated by reference to Exhibit 99.1 to the Form 8-K filed on May 29, 2015\)](#)
- 10.40 [Form of Subscription Agreement \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed on October 29, 2015\)](#)

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10.41	<u>Unit Purchase Agreement, dated October 23, 2015, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on October 29, 2015)</u>
10.42	<u>Form of Warrant used in connection with October 23, 2015 private placement (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on Form 8-K on October 29, 2015)</u>
10.43	<u>Registration Rights Agreement, dated October 23, 2015, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.04 to the Form 8-K filed on October 29, 2015)</u>
10.44	<u>Amendment No. 5 to the BioSig Technologies, Inc. 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on November 25, 2016)</u>
10.45	<u>General Release and Severance Agreement, dated May 31, 2017, by and between BioSig Technologies, Inc. and Greg Cash (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on June 2, 2017)</u>
10.46	<u>Restricted Stock Award Agreement, dated May 31, 2017, by and between BioSig Technologies, Inc. and Greg Cash (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on June 2, 2017)</u>
10.47	<u>Form of Unit Purchase Agreement, dated April 6, 2017, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.61 to the Form S-1/A filed on August 3, 2017).</u>
10.48	<u>Form of Warrant used in connection with April 6, 2017 private placement (incorporated by reference to Exhibit 10.62 to the Form S-1/A filed on August 3, 2017)</u>
10.49	<u>Form of Registration Rights Agreement, dated April 6, 2017, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.63 to the Form S-1/A filed on August 3, 2017)</u>
10.50	<u>Form of Securities Purchase Agreement, dated November 3, 2017, by and between BioSig Technologies, Inc. and certain purchasers set forth therein (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on November 9, 2017)</u>
10.51	<u>Form of Class A Common Stock Purchase Warrant used in connection with November 3, 2017 private placement (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on November 9, 2017)</u>
10.52	<u>Form of Class B Common Stock Purchase Warrant used in connection with November 3, 2017 private placement (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on November 9, 2017)</u>
10.53	<u>Form of Registration Rights Agreement, dated November 3, 2017, by and between BioSig Technologies, Inc. and certain purchasers set forth therein used in connection with November 3, 2017 private placement (incorporated by reference to Exhibit 10.4 to the Form 8-K filed on November 9, 2017)</u>
10.54	<u>Form of Securities Purchase Agreement dated February 16, 2018, by and between BioSig Technologies, Inc. and certain accredited investors (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 16, 2018).</u>
10.55	<u>Form of Warrant used in connection with February 16, 2018 sale of Series E Convertible Preferred Stock (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on February 16, 2018).</u>
10.56	<u>Form of Registration Rights Agreement dated February 16, 2018, by and between BioSig Technologies, Inc. and certain purchasers of Series E Convertible Preferred Stock (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on February 16, 2018).</u>
10.57	<u>Form of Consent in connection with February 16, 2018 private placement (incorporated by reference to Exhibit 10.4 to the Form 8-K filed on February 16, 2018).</u>
10.58	<u>Form of Unit Purchase Agreement dated April 30, 2018, by and between BioSig Technologies, Inc. and certain accredited investors (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 1, 2018).</u>
10.59	<u>Form of Warrant used in connection with the April 30, 2018 private placement (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on May 1, 2018).</u>
23.1	<u>Consent of Liggett & Webb, P.A. (filed herewith)</u>
23.2	<u>Consent of Haynes and Boone, LLP (included in Exhibit 5.1)</u>
24.1	<u>Power of Attorney (included on signature page)</u>

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

provided, however, that subparagraphs (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A (§230.430A of this chapter), shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the undersigned registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

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(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California on May 16, 2018.

BIOSIG TECHNOLOGIES, INC.

By: /s/ Kenneth L. Londoner
Name: Kenneth L. Londoner
Title: Chief Executive Officer and Chairman

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of BioSig Technologies, Inc., a Delaware corporation, do hereby constitute and appoint Kenneth L. Londoner as his or her true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments, exhibits thereto and other documents in connection therewith) to this Registration Statement and any subsequent registration statement filed by the registrant pursuant to Rule 462(b) of the Securities Act of 1933, as amended, which relates to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Kenneth L. Londoner</u> Kenneth L. Londoner	Chief Executive Officer, Chairman and Director (principal executive officer)	May 16, 2018
<u>/s/ Steve Chaussy</u> Steve Chaussy	Chief Financial Officer (principal financial and accounting officer)	May 16, 2018
<u>/s/ Donald E. Foley</u> Donald E. Foley	Director	May 16, 2018
<u>/s/ Roy T. Tanaka</u> Roy T. Tanaka	Director	May 16, 2018
<u>/s/ Patrick J. Gallagher</u> Patrick J. Gallagher	Director	May 16, 2018
<u>/s/ Seth H.Z. Fischer</u> Seth H. Z. Fischer	Director	May 16, 2018
<u>/s/ Jeffrey F. O'Donnell, Sr.</u> Jeffrey F. O'Donnell, Sr.	Director	May 16, 2018
<u>/s/ Andrew L. Filler</u> Andrew L. Filler	Director	May 16, 2018
<u>/s/ David Weild IV</u> David Weild IV	Director	May 16, 2018

May 16, 2018

BioSig Technologies, Inc.
12424 Wilshire Boulevard, Suite 745
Los Angeles, California 90025

Re: BioSig Technologies, Inc. – Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to BioSig Technologies, Inc., a Delaware corporation (the "Company"), in connection with the proposed registration of 1,977,726 shares of common stock of the Company, par value \$0.001 per share (the "Common Stock"), comprised of (i) up to 1,000,000 shares of Common Stock (the "Shares") issuable upon the conversion of 1,000 shares of the Company's Series E Convertible Preferred Stock (the "Series E Stock"), (ii) up to 294,392, shares of Common Stock issuable as a make-whole dividend upon conversion of the Series E Stock (the "Dividend Shares") and together with the Shares the "Conversion Shares") and (iii) up to 683,334 shares of Common Stock (the "Warrant Shares") issuable upon the exercise of warrants (the "Warrants"), pursuant to the registration statement on Form S-1 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), filed with the Securities and Exchange Commission (the "Commission") on May 16, 2018.

The opinions expressed herein are limited exclusively to the General Corporation Law of the State of Delaware (the "DGCL") and applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the DGCL and such provisions of the Delaware Constitution and we have not considered, and express no opinion on, any other laws or the laws of any other jurisdiction.

In rendering the opinions expressed herein, we have examined and relied upon the originals, or copies certified to our satisfaction, of (i) the Registration Statement, including the prospectus, and all exhibits thereto; (ii) the Company's Certificate of Incorporation and any amendments to date certified by the Secretary of State of the State of Delaware; (iii) the Company's By-laws and any amendments to date certified by the Executive Chairman of the Company; (iv) the minutes and records of the corporate proceedings of the Company with respect to the authorization of the issuance of the Conversion Shares and the Warrant Shares covered by the Registration Statement and related matters thereto; (v) the Warrants; (vi) a specimen of the Company's Common Stock certificate; and (vii) such other records, documents and instruments as we have deemed necessary for the expression of the opinions stated herein.

BioSig Technologies, Inc.

May 16, 2018

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In making the foregoing examinations, we have assumed the genuineness of all signatures (other than those of the Company), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies thereof and the authenticity of the originals of such latter documents. As to all questions of fact material to these opinions, where such facts have not been independently established, we have relied, to the extent we have deemed reasonably appropriate, upon representations or certificates of officers of the Company or governmental officials.

Based upon the foregoing and subject to the assumptions and qualifications stated herein, we are of the opinion that:

The Conversion Shares have been duly authorized for issuance by all necessary corporate action of the Company and, when issued and paid for in accordance with the terms and conditions of the Series E Stock, the Conversion Shares will be validly issued, fully paid and non-assessable.

The Warrant Shares have been duly authorized for issuance by all necessary corporate action of the Company and, when issued and paid for in accordance with the terms and conditions of the Warrants, the Warrant Shares will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting part of such Registration Statement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Haynes and Boone, LLP

Haynes and Boone, LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to use in this Form S-1 Registration Statement of our report dated February 27, 2018, relating to the financial statements of BioSig Technologies, Inc. which appear in this Registration Statement. Our report includes an explanatory paragraph expressing substantial doubt regarding the Company's ability to continue as a going concern

We also consent to the references to us under the heading "Experts" in such Registration Statement.

/s/Liggett & Webb, P.A.

New York, New York
May 16, 2018