

LIVEWIRE ERGOGENICS INC.
Form 10-Q
November 23, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

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

For the transition period from _____ to _____

Commission File Number: **333-149158**

LIVEWIRE ERGOGENICS INC.

(Exact name of small business issuer as specified in its charter)

Nevada

26-1212244

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(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

24845 Corbit Place

Yorba Linda, CA 92887

(Current Address of Principal Executive Offices)

714-940-0155

(Issuer Telephone Number)

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, Par Value \$0.0001

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Rule 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company
(Do not check of a smaller reporting company)

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

At November 20, 2015, there were 439,424,393 shares of \$0.0001 par value common stock issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

LiveWire Ergogenics, Inc.**Condensed Consolidated Balance Sheets**

| | September 30, 2015 | December 31, 2014 |
|--|-------------------------------|------------------------------|
| | (unaudited) | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$- | \$1,448 |
| Accounts receivable, net | - | 9,447 |
| Inventory, net | 35,672 | 47,128 |
| Prepaid and other current assets | 112,310 | 220,391 |
| Security deposits | 23,430 | - |
| Total current assets | 171,412 | 278,414 |
| Property and equipment, net | 4,553 | 7,799 |
| Security deposits | - | 23,430 |
| Total assets | \$175,965 | \$309,643 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$188,241 | \$153,370 |
| Deferred revenue | 79,342 | 79,342 |
| Due to others | 24,615 | 23,015 |
| Notes payable | 251,700 | 235,700 |
| Notes payable - related party | 196,341 | 196,341 |
| Convertible debentures, net | 282,746 | 244,778 |
| Derivative liability | 64,606 | 61,030 |
| Total Liabilities | 1,087,591 | 993,576 |
| COMMITMENT AND CONTINGENCIES (SEE NOTE 8) | - | - |
| STOCKHOLDERS' DEFICIT | | |

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| | | |
|--|------------------|------------------|
| Preferred stock, \$0.0001 par value, 10,000,000 shares authorized | | |
| Series B convertible preferred stock, \$0.0001 par value, 150,000 shares designated, 32,820 shares issued and outstanding at September 30, 2015 and December 31, 2014, liquidation preference is \$1 per share | 3 | 3 |
| Series C convertible preferred stock, \$0.0001 par value, 75 shares designated, 75 shares issued and outstanding at September 30, 2015 and December 31, 2014, liquidation preference is \$200 per share | - | - |
| Common stock, \$0.0001 par value, 1,500,000,000 and 200,000,000 shares authorized, respectively, 416,269,631 and 156,508,559 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively | 41,627 | 15,651 |
| Class A convertible common stock, \$0.0001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding at September 30, 2015 and December 31, 2014 | - | - |
| Additional paid-in-capital | 7,715,640 | 7,434,862 |
| Accumulated deficit | (8,668,896) | (8,134,449) |
| Total stockholders' deficit | (911,626) | (683,933) |
| Total liabilities and stockholders' deficit | \$175,965 | \$309,643 |

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

LiveWire Ergogenics, Inc.

Condensed Consolidated Statements of Operations

(Unaudited)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|--|--|---------------------|--|-----------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Income: | | | | |
| Sales | \$4,980 | \$22,087 | \$32,915 | \$203,887 |
| Cost of goods sold | 3,132 | 6,031 | 30,316 | 125,673 |
| Gross Profit | 1,848 | 16,056 | 2,599 | 78,214 |
| Operating Expenses: | | | | |
| Selling costs | 661 | (122) | 2,081 | 52,736 |
| General and administrative costs | 73,232 | 282,050 | 313,450 | 2,571,062 |
| Depreciation | 1,094 | 1,245 | 3,246 | 3,513 |
| Total Operating Expenses | 74,987 | 283,173 | 318,777 | 2,627,311 |
| Loss from operations | (73,139) | (267,117) | (316,178) | (2,549,097) |
| Other Expenses (Income): | | | | |
| Other expense | - | (44,523) | 27,323 | 172,040 |
| Loss on change in fair value of derivative liability | 64,606 | - | 62,960 | - |
| Loss on settlement of debt | - | 45,493 | - | 82,281 |
| Amortization of beneficial conversion feature | 13,845 | 63,446 | 93,218 | 179,214 |
| Interest expense | 9,920 | 4,921 | 34,768 | 644,677 |
| Total other expenses | 88,371 | 69,337 | 218,269 | 1,078,212 |
| Net Loss Before Provision for Income Taxes | \$(161,510) | \$(336,454) | \$(534,447) | \$(3,627,309) |
| Provision for income tax | - | - | - | - |
| Net Loss | \$(161,510) | \$(336,454) | \$(534,447) | \$(3,627,309) |
| Basic and diluted loss per share | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.03) |
| Weighted average shares outstanding - basic and diluted | 301,003,741 | 142,431,535 | 225,911,274 | 125,788,803 |

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

LiveWire Ergogenics, Inc.**Condensed Consolidated Statements of Cash Flows****(Unaudited)**

| | For the Nine Months Ended September 30, 2015 2014 | |
|---|---|---------------|
| Cash Flows From Operating Activities: | | |
| Net loss | \$(534,447) | \$(3,627,309) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation expense | 3,246 | 3,513 |
| Net loss on settlement of debt | - | 82,281 |
| Change in fair value of derivative liability | 62,960 | - |
| Amortization of beneficial conversion feature | 93,218 | 179,214 |
| Amortization of prepaid consulting fees | 233,081 | 230,351 |
| Common stock issued for services | - | 140,000 |
| Common stock issued for interest expense | - | 614,200 |
| Default penalty on convertible notes payable | 26,725 | - |
| Stock based compensation | - | 1,751,184 |
| Write off of subscription receivable | - | 45,000 |
| Bad debt provision | 9,112 | 42,069 |
| Discount on issuance of common stock | - | 80,600 |
| Change in operating assets and liabilities: | | |
| Accounts receivable, net | 335 | (89,605) |
| Due to others | 1,600 | 200 |
| Inventory, net | 11,456 | (84,855) |
| Prepaid and other current assets | - | (91,387) |
| Accounts payable and accrued expenses | 37,266 | (9,874) |
| Accounts payable - related party | - | (30,000) |
| Deferred revenue | - | 89,342 |
| Net cash used in operating activities | (55,448) | (675,076) |
| Cash Flows From Investing Activities | | |
| Purchase of equipment | - | (5,001) |
| Cost incurred in connection with Apple Rush transaction | - | (64,549) |
| Payments towards security deposits | - | (23,430) |
| Net cash used in investing activities | - | (92,980) |
| Cash Flows From Financing Activities | | |
| Proceeds from notes payable | 16,000 | 160,000 |
| Repayment of note payable | - | (20,500) |
| Proceeds from convertible notes payable | 38,000 | 215,000 |

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| | | |
|---|------------|----------------|
| Repayment of notes payable - related party | - | (10,000) |
| Proceeds from issuance of common stock | - | 424,300 |
| Net cash provided by financing activities | 54,000 | 768,800 |
| | | |
| Net (Decrease) Increase in Cash | (1,448) | 744 |
| | | |
| Cash at Beginning of Period | 1,448 | 8,342 |
| | | |
| Cash at End of Period | \$- | \$9,086 |
| | | |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for interest | \$- | \$- |
| Cash paid for income taxes | \$- | \$- |
| | | |
| Non Cash Investing and Financing Activities | | |
| Beneficial conversion feature on convertible notes | \$38,000 | \$215,000 |
| Common stock issued for payment of notes payable | \$- | \$50,000 |
| Common stock issued for payment of convertible notes payable | \$206,975 | \$250,300 |
| Conversion of interest to note payable | \$- | \$6,760 |
| Conversion of debt to Class A common stock | \$- | \$20,596 |
| Conversion of Class A common stock to common stock | \$- | \$100 |
| Accounts payable and accrued expenses settled by issuance of common stock | \$- | \$15,093 |
| Conversion of accounts payable - related party to notes payable - related party | \$- | \$206,341 |
| Convertible note issued for prepaid consulting services | \$125,000 | \$364,560 |
| Conversion of Series B preferred stock to common stock | \$- | \$10 |
| Common stock issued for conversion of interest | \$2,395 | \$- |
| Extinguishment of derivative liability | \$59,384 | \$- |

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

LIVEWIRE ERGOGENICS INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

NOTE 1 – BASIS OF PRESENTATION AND NATURE OF OPERATIONS

The Company

LiveWire MC2, LLC (“LVWR”) was organized under the laws of the State of California on January 7, 2008 as a limited liability company. LVWR was formed for the purpose of developing and marketing consumable energy supplements. LVWR adopted December 31 as the fiscal year end.

On June 30, 2011, LVWR, together with its members, entered into a purchase agreement (the “Purchase Agreement”), for a share exchange with SF Blu Vu, Inc., (“SF Blu”), a public Nevada shell corporation. SF Blu Vu Inc. was formed in Nevada on October 9, 2007 under the name Semper Flowers, Inc. On May 15, 2009, Semper Flowers, Inc. changed its name to SF Blu Vu, Inc. The Purchase Agreement was ultimately completed on August 31, 2011. Under the terms of the Purchase Agreement, SF Blu issued 36,000,000 (30,000,000 shares pre stock split of 1 additional share for every five shares held) of their common shares for 100% of the members’ interest in LVWR. Subsequent to the Purchase Agreement, the members of LVWR owned 60% of common shares of SF Blu, effectively obtaining operational and management control of SF Blu. For accounting purposes, the transaction has been accounted for as a reverse acquisition under the purchase method of business combinations, and accordingly the transaction has been treated as a recapitalization of LVWR, the accounting acquirer in this transaction, with SF Blu (the shell) as the legal acquirer.

Subsequent to the Purchase Agreement being completed, SF Blu as the legal acquirer and surviving company, together with their controlling stockholders from LVWR changed the name of SF Blu to LiveWire Ergogenics, Inc. (“LiveWire”) on September 20, 2011. Hereafter, SF Blu, LVWR, or LiveWire are referred to as the “Company”, unless specific reference is made to an individual entity.

Interim Financial Statements

These unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2015 and 2014 reflect all adjustments which, in the opinion of management, are necessary to present

fairly the financial position, results of operations and cash flows for the periods presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All adjustments are of a normal recurring nature.

These interim unaudited condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements and notes thereto for the years ended December 31, 2014 and 2013 included in the Company’s Form 10-K filed with the United States Securities and Exchange Commission (“SEC”) on May 8, 2015. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited consolidated financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the three and nine month period ended September 30, 2015 are not necessarily indicative of results for the entire year ending December 31, 2015.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising

Advertising is expensed as incurred and is included in selling costs on the accompanying consolidated statements of operations. Advertising and marketing expense for the nine months ended September 30, 2015 and 2014 was approximately \$650 and \$52,736, respectively and for the three months ended September 30, 2015 and 2014 was approximately \$350 and \$(122), respectively.

Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, its current credit-worthiness and current economic trends. Accounts are written off after exhaustive efforts at collection. At September 30, 2015 and December 31, 2014, the Company has established, based on a review of its outstanding balances, an allowance for doubtful accounts in the amount of \$58,264 and \$49,153, respectively.

Basis of Accounting

These unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial statements and with Form 10-Q and article 8 of the Regulation S-X of the SEC. Under this basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less and money market accounts to be cash equivalents. There were no cash equivalents at September 30, 2015 and December 31, 2014.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Derivative Liabilities

The Company assessed the classification of its derivative financial instruments as of September 30, 2015, which consist of convertible instruments and rights to shares of the Company's common stock, and determined that such derivatives meet the criteria for liability classification under ASC 815.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Inventory

Inventory is stated at the lower of cost or market value using the FIFO method. Inventory consists primarily of finished goods and packaging materials and production supplies, i.e. packaged consumable energy supplements, manufactured under contract, and the wrappers and containers they are sold in. A periodic inventory system is maintained by 100% count. Inventory is replaced periodically to maintain the optimum stock on hand available for immediate shipment.

Inventory is shown on the balance sheet net of a reserve, which represents older packaging that may still be used as samples. The Company does not anticipate taking additional inventory reserves in the future.

Fair Value of Financial Instruments

Effective January 1, 2008, the Company adopted FASB ASC 820-Fair Value Measurements and Disclosures, or ASC 820, for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company did not have any Level 2 or Level 3 assets or liabilities as of September 30, 2015, with the exception of its convertible notes payable and derivative liability. The carrying amounts of these liabilities at September 30, 2015 approximate their respective fair value based on the Company's incremental borrowing rate.

Cash is considered to be highly liquid and easily tradable as of September 30, 2015 and therefore classified as Level 1 within our fair value hierarchy.

In addition, FASB ASC 825-10-25 Fair Value Option, or ASC 825-10-25, was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. The Company did not elect the fair value options for any of its qualifying financial instruments.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for “Accounting for Derivative Instruments and Hedging Activities”.

Professional standards generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as “The Meaning of “Conventional Convertible Debt Instrument”.

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when “Accounting for Convertible Securities with Beneficial Conversion Features,” as those professional standards pertain to “Certain Convertible Instruments.” Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the contract shall be classified as an asset or a liability.

Income Taxes

Prior to the Purchase Agreement LVWR was taxed as a limited liability company, which is a 'pass through entity' for tax purposes. Taxable income flowed through to its members, and income taxes were not levied at the company level. Subsequent to the reverse merger LVWR became a subsidiary of the SF Blu and is taxed at the Company's marginal corporate rate. The Company accounts for income taxes under the provisions of ASC Section 740-10-30, which is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in their consolidated financial statements or tax returns.

Stock Based Compensation

The Company accounts for the grant of stock options and restricted stock awards in accordance with ASC 718, "Compensation-Stock Compensation." ASC 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation.

Recognition of Revenue

Sales are recorded at the time title of goods sold passes to customers, which based on shipping terms which generally occurs when the product is shipped to the customer and collectability is reasonably assured. Based on prior experience, the Company reasonably estimates its sales returns and warranty reserves. Sales are presented net of discounts and allowances. Discounts and allowances are determined when a sale is negotiated. The Company does not grant price adjustments after a sale is complete. The Company warrants its products sold on the internet with a right of exchange by means of an approved Return Merchandise Authorization (RMA). Returns of unused merchandise are similarly authorized. Warranty and return policy for product sold through retail distribution channels is negotiated with each customer.

The Company's revenue is primarily derived from sales of their consumable energy supplement products through distributors who distribute their products to retailers. The Company also sells their products directly to consumers; this is normally done through internet sales. This portion of their sales is minimal.

Deferred revenue is comprised of advances from customers, which will be applied toward future invoices within one year. As of September 30, 2015 and December 31, 2014, the balance was \$79,342.

Shipping costs

Shipping costs are included in cost of goods sold and totaled approximately \$3,575 and \$25,425 for the nine months ended September 30, 2015 and 2014, respectively and approximately \$1,075 and \$6,979 for the three months ended September 30, 2015 and 2014, respectively.

Earnings (loss) per common share

The Company utilizes the guidance per FASB Codification ASC 260 "Earnings Per Share". Basic earnings per share is calculated on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation, plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding, is not presented separately as it is anti-dilutive. Such securities, shown below, presented on a common share equivalent basis and outstanding as of September 30, 2015 and 2014 have been excluded from the per share computations:

| | For the Nine Months Ended September 30, | |
|---------------------------|---|-----------|
| | 2015 | 2014 |
| Convertible Notes Payable | 298,156,359 | 2,810,234 |
| Warrants | 6,680,002 | 6,680,002 |
| Series B Preferred Stock | 32,820 | 32,820 |
| Series C Preferred Stock | 600,000 | 600,000 |

Long Lived Assets

The Company follows Accounting Standards Codification subtopic 360-10, Property, Plant and Equipment (“ASC 360-10”). ASC 360-10 requires those long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

Reclassification

Certain reclassifications have been made to conform the prior period data to the current presentation. These reclassifications had no effect on reported net loss.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements for the nine months ended September 30, 2015, include the accounts of the Company and its wholly-owned subsidiary LiveWire MC2, LLC (“LVWR”). All significant intercompany balances and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements

ASU 2015-03

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The

amendments are effective for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The amendments are to be applied on a retrospective basis, wherein the balance sheet of each individual period presented is adjusted to reflect the period-specific effects of applying the new guidance. We do not expect the adoption of ASU 2015-03 to have a material effect on our financial position, results of operations or cash flows.

ASU 2015-02

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which is intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). The ASU focuses on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. In addition to reducing the number of consolidation models from four to two, the new standard simplifies the FASB Accounting Standards Codification and improves current U.S. GAAP by placing more emphasis on risk of loss when determining a controlling financial interest, reducing the frequency of the application of related-party guidance when determining a controlling financial interest in a variable interest entity (“VIE”), and changing consolidation conclusions for companies in several industries that typically make use of limited partnerships or VIEs. The ASU will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. We do not expect the adoption of ASU 2015-02 to have a material effect on our financial position, results of operations or cash flows.

ASU 2015-01

In January 2015, the FASB issued ASU No. 2015-01, “Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items.” This ASU eliminates from U.S. GAAP the concept of extraordinary items. ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. We do not expect the adoption of ASU 2015-01 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-17

In November 2014, the FASB issued ASU No. 2014-17, “Business Combinations (Topic 805): Pushdown Accounting.” This ASU provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable. ASU 2014-17 was effective on November 18, 2014. The adoption of ASU 2014-17 did not have any effect on our financial position, results of operations or cash flows.

ASU 2014-16

In November 2014, the FASB issued ASU 2014-16, “Derivatives and Hedging (Topic 815).” ASU 2014-16 addresses whether the host contract in a hybrid financial instrument issued in the form of a share should be accounted for as debt or equity. ASU 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We do not currently have issued, nor are we investors in, hybrid financial instruments. Accordingly, we do not expect the adoption of ASU 2014-16 to have any effect on our financial position, results of operations or cash flows.

ASU 2014-15

In August 2014, the FASB issued ASU No. 2014-15, “Presentation of Financial Statements - Going Concern (Subtopic 205-40)”. ASU 2014-15 provides guidance related to management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosure. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and for interim and annual periods

thereafter. Early application is permitted. We do not expect the adoption of ASU 2014-15 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-12

In June 2014, the FASB issued ASU No. 2014-12, “Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.” This ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We do not expect the adoption of ASU 2014-12 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-09

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 affects any entity using U.S. GAAP that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. We are still evaluating the effect of the adoption of ASU 2014-09. On April 1, 2015, the FASB voted to propose to defer the effective date of the new revenue recognition standard by one year.

ASU 2014-08

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) and Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 amends the definition for what types of asset disposals are to be considered discontinued operations, as well as amending the required disclosures for discontinued operations and assets held for sale. ASU 2014-08 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2014. The adoption of ASU 2014-08 did not have any effect on our financial position, results of operations or cash flows.

A variety of accounting standards have been issued or proposed by FASB that do not require adoption until a future date. We regularly review all new pronouncements that have been issued since the filing of our Form 10-K for the year ended December 31, 2014 to determine their impact, if any, on our consolidated financial statements. The Company does not expect the adoption of any of these standards to have a material impact once adopted.

NOTE 3 – GOING CONCERN

The Company's unaudited condensed consolidated financial statements are prepared using U.S. GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has a net loss of \$534,447 for the nine months ended September 30, 2015, and has an accumulated deficit of \$8,668,896 and our current liabilities exceeded our current assets by \$916,179 as of September 30, 2015. The Company has not yet established an adequate ongoing source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease development of operations.

In order to continue as a going concern, develop a reliable source of revenues, and achieve a profitable level of operations the Company will need, among other things, additional capital resources. Management's plans to continue as a going concern include raising additional capital through increased sales of product and by sale of common shares. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – PROPERTY AND EQUIPMENT

| | September 30, 2015 (Unaudited) | December 31, 2014 |
|--------------------------|--------------------------------------|----------------------|
| Equipment | \$ 27,780 | \$ 27,780 |
| Accumulated depreciation | (23,227) | (19,981) |
| Total | \$ 4,553 | \$ 7,799 |

Property and equipment is stated at cost less accumulated depreciation and depreciated using straight line methods over the estimated useful lives of the related assets ranging from three to five years. Maintenance and repairs are expensed currently. The cost of normal maintenance and repairs is charged to operations as incurred. Major overhaul that extends the useful life of existing assets is capitalized. When equipment is retired or disposed, the costs and related accumulated depreciation are eliminated and the resulting profit or loss is recognized in income.

Depreciation expense amounted to \$3,246 and \$3,513 for the nine months ended September 30, 2015 and 2014, respectively and \$1,094 and \$1,245 for the three months ended September 30, 2015 and 2014, respectively.

NOTE 5 – INVENTORY

The Company outsources the manufacturing of their consumable energy supplements. The wife of the Company’s CEO owns approximately 8% of this food outsource producer. The Company believes that they are a minor customer of this outsource producer and that production terms with this outsourcer are conducted on an arms-length basis.

| | September 30, 2015 | December 31, 2014 |
|---|-----------------------|----------------------|
| | (Unaudited) | |
| Finished goods | \$ 43,364 | \$ 117,376 |
| Packaging materials and production supplies | 26,192 | 26,192 |
| | 69,556 | 143,568 |
| Reserve on inventory | (33,884) | (96,440) |
| | \$ 35,672 | \$ 47,128 |

NOTE 6 – PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets balance primarily consists of approximately \$82,000 related to advances made to suppliers for inventory and approximately \$30,000 related to prepaid consulting fees.

NOTE 7 – RELATED PARTY TRANSACTIONS AND LOANS FROM STOCKHOLDERS

Included in notes payable – related party as of September 30, 2015 and December 31, 2014, is \$196,341, payable to an entity owned by the controlling shareholders of the Company. The related entity provides marketing and product development costs and general and administrative expenses to the Company.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Employment Agreements

On July 20, 2011, the Company entered into two employment agreements. The agreements have a five year term and may be terminated upon mutual agreement. The salary associated with each of the agreements is \$260,000 annually, a portion of which will be paid in cash and a portion of which will be deferred until the Company achieves certain levels of sales and or enters into a merger, purchase or sale agreement and or if the Company is sold.

During the year ended December 31, 2012, a total of \$209,448, due under these employment agreements, were converted into 1,256,688 (1,047,240 shares pre stock split of 1 additional share for every five shares held) shares of the Company's common stock and Class A warrants to purchase 1,256,688 (1,047,240 Class A warrants pre stock split of 1 additional share for every five shares held) shares of the Company's common stock at \$1 per share. These warrants expire on January 31, 2016.

On September 3, 2013, Bill Hodson, the chief executive officer, and Brad Nichols, the president of the Company, agreed to forgive their deferred salaries to date, the total amount of which is \$460,667, and shall no longer hold the Company responsible for payment of that amount. This has been recorded as a capital contribution. In addition, Mr. Hodson and Mr. Nichols agreed to change the terms of their employment agreements to a salary of \$1 per year. All other details of the employment agreements shall remain in full effect.

On February 20, 2015, Brad Nichols submitted his resignation as an executive officer and a director of the Board of Directors of the Company effective as of the Board's acceptance of his resignation on March 2, 2015. Mr. Nichols is no longer a member of the Board or any of its committees. As a result of the resignation of Mr. Nichols, the Board will consist of one director. The Board does not intend to appoint new directors to replace Mr. Nichols, and has determined that the Board will consist of one director going forward.

Litigation

The Company is subject to certain 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.

NOTE 9 – NOTES PAYABLE

On April 22, 2014, the Company issued a non-interest bearing promissory note for \$206,341 to a related party as settlement of the accounts payable- related party. The principal is payable every 90 days beginning on September 30, 2014 at the rate of \$25,000 per quarter until the balance is zero. As of September 30, 2015, the remaining balance of this note payable is \$196,341. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On April 22, 2014, the Company issued a promissory note for \$150,000 to a third party for cash, which is due on October 22, 2014. Interest accrued at a rate of 12% per annum. Monthly interest payments of \$1,500 is payable every 30 days beginning on May 22, 2014. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On August 13, 2014, the Company issued a promissory note for \$10,000 to a third party for cash, which is due on August 13, 2015. Annual compounded interest accrues at a rate of 6%, per annum. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On December 31, 2014, the Company issued a promissory note for \$10,000 to a third party for cash, which is due on June 30, 2015. Annual compounded interest accrues at a rate of 8%, per annum. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On February 23, 2015, the Company issued a promissory note for \$5,000 to a third party for cash, which is due on August 30, 2015. Annual compounded interest accrues at a rate of 8%, per annum. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On March 19, 2015, the Company issued a promissory note for \$5,000 to a third party for cash, which is due on September 30, 2015. Annual compounded interest accrues at a rate of 8%, per annum. This note is technically in default but the Company has an understanding with the note holder that payments will be made when the Company is able to do so.

On April 3, 2015, the Company issued a promissory note for \$6,000 to a third party for cash, which is due on October 30, 2015. Annual compounded interest accrues at a rate of 8%, per annum.

As of September 30, 2015, the remaining balance for notes payable totaled \$251,700.

As of September 30, 2015 and December 31, 2014, the Company had accrued interest of \$46,767 and \$30,192 respectively, related to notes payable, which is included in accounts payable and accrued expenses on the condensed consolidated balance sheets.

NOTE 10 – CONVERTIBLE NOTES PAYABLE

At September 30, 2015 and December 31, 2014 convertible debentures consisted of the following:

| | September 30, 2015 (Unaudited) | December 31, 2014 |
|---------------------------|--------------------------------------|----------------------|
| Convertible notes payable | \$ 306,250 | \$ 323,500 |
| Unamortized debt discount | (23,504) | (78,722) |
| Total | \$ 282,746 | \$ 244,778 |

Note issued on May 7, 2013:

On May 7, 2013, the Company entered into an agreement with a third party non-affiliate to a 6% interest bearing convertible debentures for \$12,000 due on May 6, 2014, along with redemption premium of 110% of principal amount and conversion features commencing immediately. The loan is convertible at \$0.03 per share. In connection with this debenture, the Company recorded a \$12,000 discount on debt, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September 30, 2015 this note has not been converted.

During the year ended December 31, 2014, the Company fully amortized the remaining debt discount balance of \$4,154 as amortization of beneficial conversion feature.

Note issued on August 16, 2013:

On August 16, 2013, the Company entered into an agreement with a third party non-affiliate to a 10% interest bearing convertible debentures for \$100,000 due on August 16, 2016. The loan is convertible immediately at \$0.25 per share. In connection with this debenture, the note holder was issued 500,000 warrants and recorded a \$5,167 discount, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September 30, 2015 this note has not been converted.

As of December 31, 2014, a net discount of \$2,756 remained. During the nine months ended September 30, 2015, the Company amortized a total debt discount of \$1,308 as amortization of beneficial conversion feature. As of September

30, 2015, a net discount of \$1,448 remained.

Note issued on October 3, 2013:

On October 3, 2013, the Company entered into an agreement with a third party non-affiliate to a 10% interest bearing convertible debentures for \$25,000 due on October 2, 2016. The loan is convertible immediately at \$0.25 per share. In connection with this debenture, the note holder was issued 125,000 warrants and recorded a \$3,637 discount, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September 30, 2015 this note has not been converted.

As of December 31, 2014, a net discount of \$2,138 remained. During the nine months ended September 30, 2015, the Company amortized a total debt discount of \$898 as amortization of beneficial conversion feature. As of September 30, 2015, a net discount of \$1,239 remained.

Note issued on October 3, 2013:

On October 3, 2013, the Company entered into an agreement with a third party non-affiliate to a 10% interest bearing convertible debentures for \$25,000 due on October 2, 2016. The loan is convertible immediately at \$0.25 per share. In connection with this debenture, the note holder was issued 125,000 warrants and recorded a \$3,637 discount, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September 30, 2015 this note has not been converted.

As of December 31, 2014, a net discount of \$2,138 remained. During the nine months ended September 30, 2015, the Company amortized a total debt discount of \$898 as amortization of beneficial conversion feature. As of September 30, 2015, a net discount of \$1,239 remained.

Note issued on October 30, 2013:

On October 30, 2013, the Company entered into an agreement with a third party non-affiliate to a 10% interest bearing convertible debentures for \$25,000 due on October 29, 2016. The loan is convertible immediately at \$0.25 per share. In connection with this debenture, the note holder was issued 125,000 warrants and recorded a \$2,687 discount, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. As of September 30, 2015 this note has not been converted.

As of December 31, 2014, a net discount of \$1,648 remained. During the six months ended September 30, 2015, the Company amortized a total debt discount of \$661 as amortization of beneficial conversion feature. As of September 30, 2015, a net discount of \$987 remained.

Note issued on July 21, 2014:

On July 21, 2014, the Company entered into an agreement with a third party non-affiliate to a 8% interest bearing convertible debentures for \$53,000 due on April 24, 2015, with conversion features commencing after 180 days following the date of this note. The loan is convertible at 58% of the average of the lowest three trading prices for the common stock during the ten trading day prior to the conversion date. In connection with this debenture, the Company recorded a \$53,000 discount on debt, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. During the nine months ended September 30, 2015, the Company converted the principal balance of \$53,000 and accrued interest of \$2,120 into 16,308,772 shares of common stock.

As of December 31, 2014, a net discount of \$21,812 remained. During the nine months ended September 30, 2015, the Company fully amortized and wrote off a total debt discount of \$21,812 to current period operations as amortization of beneficial conversion feature.

Note issued on September 5, 2014:

On September 5, 2014, the Company entered into an agreement with a third party non-affiliate to a 8% interest bearing convertible debentures for \$83,500 due on June 9, 2015, with conversion features commencing after 180 days following the date of this note. The loan is convertible at 58% of the average of the lowest three trading prices for the common stock during the ten trading day prior to the conversion date. In connection with this debenture, the Company recorded a \$83,500 discount on debt, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. This note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value (See Note 11). On April 15, 2015, pursuant to a notice of default received from the note holder demanding immediate payment of 150% of the remaining outstanding principal balances of the note, the Company recognized a default penalty of \$26,725 as additional principal on this note. During the nine months ended September 30, 2015, the Company converted \$110,500 of the principal and interest balance into 225,952,300 shares of common stock. As of September 30, 2015, the principal balance was fully converted and an accrued interest balance of \$3,065 remained.

As of December 31, 2014, a net discount of \$48,231 remained. During the nine months ended September 30, 2015, the Company fully amortized the remaining debt discount balance of \$48,231 to current period operations as amortization of beneficial conversion feature.

Note issued on March 30, 2015:

On March 30, 2015, the Company entered into a six month consulting agreement and as compensation, issued a convertible promissory note for \$125,000. The note bears 4% interest per annum and matures at April 1, 2017. The note is convertible at any time into shares of the Company's common stock at a rate of \$0.0025 per share. During the nine months ended September 30, 2015, the Company converted \$43,750 of the principal balance into 17,500,000 shares of common stock. As of September 30, 2015, a principal balance of \$81,250 remained.

Note issued on May 12, 2015:

On May 12, 2015, the Company entered into an agreement with a third party non-affiliate to a 12% interest bearing convertible debentures for \$38,000 due on February 14, 2016, with conversion features commencing after 180 days following the date of this note. The loan is convertible at 51% of the average of the lowest three trading prices for the common stock during the ten trading day prior to the conversion date. In connection with this debenture, the Company recorded a \$38,000 discount on debt, related to the beneficial conversion feature of the note to be amortized over the life of the note or until the note is converted or repaid. This note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value (See Note 11). As of September 30, 2015, a principal balance of \$38,000 remained.

During the nine months ended September 30, 2015, the Company amortized a total debt discount of \$19,410 as amortization of beneficial conversion feature. As of September 30, 2015, a net discount of \$18,590 remained.

NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company applies the provisions of ASC Topic 815-40, *Contracts in Entity's Own Equity* ("ASC Topic 815-40"), under which convertible instruments, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company has \$38,000 of convertible debt with variable conversion pricing outstanding at September 30, 2015.

The Company calculates the estimated fair values of the liabilities for derivative instruments using the Black Scholes ("BSM") option pricing model. The closing price of the Company's common stock at September 30, 2015 was \$0.0003.

Volatility, expected remaining term and risk free interest rates used to estimate the fair value of derivative liabilities at September 30, 2015, are indicated in the table that follows. The volatility for the valuation was based on the historical volatility of the closing price of the Company's common stock at September 30, 2015, the expected term is equal to the remaining term of the note, and the risk free rate is based upon rates for treasury securities with the same term.

At September 30, 2015, the Company valued the conversion features using the assumptions specified in the below table and determined that, during the nine months ended September 30, 2015, the Company's derivative liability amounted to \$64,606. The Company recognized a corresponding gain of \$1,646 on derivative liability in conjunction with this revaluation during the nine months ended September 30, 2015, which combined with derivative liability expenses in excess of debt discount of \$64,606 resulted in a total derivative liability loss of \$62,960 for the nine months ended September 30, 2015. The Company recognized a corresponding loss of \$62,960 and \$64,606 on derivative liability in conjunction with this valuation during the three and nine months ended September 30, 2015, respectively.

| | Valuation at September 30, 2015 | |
|-------------------------|--|---|
| Volatility | 289 | % |
| Expected remaining term | .33 | |
| Risk-free interest rate | 0.25 | % |
| Expected dividend yield | None | |

The following table provides a summary of changes in fair value of the Company's Level 3 derivative liabilities for the nine months ended September 30, 2015:

| | September 30, 2015 |
|---|-----------------------|
| Balance, beginning of year | \$ 61,030 |
| Additions | 64,606 |
| Change in fair value of derivative liabilities | (1,646) |
| Extinguished liability reclassified to additional paid in capital | (59,384) |
| | \$ 64,606 |

NOTE 12 – STOCKHOLDERS' DEFICIT

Common Stock

On February 3, 2015, the Company issued 2,448,980 shares of common stock valued at \$0.0049 per share totaling \$12,000 for partial conversion of a \$53,000 convertible note.

On February 20, 2015, the Company issued 7,703,125 shares of common stock valued at \$0.0032 per share totaling \$24,650 for partial conversion of a \$53,000 convertible note.

On February 26, 2015, the Company issued 6,156,667 shares of common stock valued at \$0.0030 per share totaling \$16,350 in principal and \$2,120 in accrued interest for the remaining conversion of a \$53,000 convertible note.

On March 13, 2015, the Company issued 7,705,000 shares of common stock valued at \$0.0020 per share totaling \$15,410 for partial conversion of a \$83,500 convertible note.

On March 19, 2015, the Company issued 7,705,263 shares of common stock valued at \$0.0019 per share totaling \$14,640 for partial conversion of a \$83,500 convertible note.

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On April 10, 2015, the Company issued 8,000,000 shares of common stock valued at \$0.0025 per share totaling \$20,000 for partial conversion of a \$125,000 convertible note.

On April 21, 2015, the Company issued 9,500,000 shares of common stock valued at \$0.0025 per share totaling \$23,750 for partial conversion of a \$125,000 convertible note.

On May 11, 2015, the Company issued 10,214,706 shares of common stock valued at \$0.0017 per share totaling \$17,365 for partial conversion of a \$83,500 convertible note.

On June 23, 2015, the Company issued 10,189,873 shares of common stock valued at \$0.0008 per share totaling \$8,050 for partial conversion of a \$83,500 convertible note.

On July 16, 2015, the Company issued 10,214,286 shares of common stock valued at \$0.0007 per share totaling \$7,150 for partial conversion of a \$83,500 convertible note.

On July 20, 2015, the Company issued 10,214,286 shares of common stock valued at \$0.0007 per share totaling \$7,150 for partial conversion of a \$83,500 convertible note.

On July 23, 2015, the Company issued 10,211,538 shares of common stock valued at \$0.0005 per share totaling \$5,310 for partial conversion of a \$83,500 convertible note.

On July 28, 2015, the Company issued 10,204,545 shares of common stock valued at \$0.0004 per share totaling \$4,490 for partial conversion of a \$83,500 convertible note.

On August 3, 2015, the Company issued 10,202,703 shares of common stock valued at \$0.0004 per share totaling \$3,775 for partial conversion of a \$83,500 convertible note.

On August 10, 2015, the Company issued 10,206,897 shares of common stock valued at \$0.0003 per share totaling \$2,960 for partial conversion of a \$83,500 convertible note.

On August 19, 2015, the Company issued 14,304,348 shares of common stock valued at \$0.0002 per share totaling \$3,290 for partial conversion of a \$83,500 convertible note.

On August 25, 2015, the Company issued 14,304,348 shares of common stock valued at \$0.0002 per share totaling \$3,290 for partial conversion of a \$83,500 convertible note.

On August 31, 2015, the Company issued 14,333,333 shares of common stock valued at \$0.0002 per share totaling \$3,010 for partial conversion of a \$83,500 convertible note.

On September 2, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

On September 9, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

On September 15, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

On September 16, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

On September 18, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

On September 25, 2015, the Company issued 14,323,529 shares of common stock valued at \$0.0002 per share totaling \$2,435 for partial conversion of a \$83,500 convertible note.

2013 Stock Incentive Plan

On May 1, 2013, the Board of Directors of the Company adopted and approved the 2013 Stock Incentive Plan (“2013 Plan”) whereby it reserved for issuance up to 7,500,000 shares of its common stock. The purpose of the Plan is to provide directors, officers and employees of, and consultants, to the Company with additional incentives by increasing their ownership in the Company. Directors, officers, employees and consultants of the Company are eligible to participate in the 2013 Plan. Incentive stock options may be granted only to employees of the Company. Options in the form of Non-Statutory Stock Options (“NSO”) may be granted under the 2013 Plan. Restricted Stock may also be granted under the 2013 Plan. On May 3, 2013, the Company filed Form S-8 with the SEC to register those 7,500,000 shares of common stock. On May 24, 2014, the Company filed Form S-8 with the SEC to register an additional 10,000,000 shares of common stock under the 2013 Plan. On May 24, 2014, the Company filed Form S-8 with the SEC to register an additional 10,000,000 shares of common stock under the 2013 Plan. On April 10, 2015, the Company filed Form S-8 with the SEC to register an additional 135,000,000 shares of common stock under the 2013 Plan.

Series B Convertible Preferred Stock

Designation and Rank

On October 17, 2013, the Company created its new Series B preferred class of stock. The series of Preferred Stock shall be designated the “Series B Preferred Stock” and shall consist of 150,000 shares. The Series B Preferred Stock shall be senior to the common stock and all other shares of Preferred Stock that may be later authorized. Each share of Series B Preferred Stock shall have a Stated Value of \$1.00 per share.

Voting, Liquidation, Dividends, and Redemption

Each outstanding share of Series B Preferred Stock shall vote with the common stock on all matters. The shares of Series B Preferred Stock shall (i) have a liquidation preference of \$1.00 per share; (ii) accrue, earn, or participate in any dividends on the common stock; and (iii) were subject to redemption by the Corporation prior to December 31, 2014 at a fixed redemption price of \$1.10 per share.

Conversion

After March 31, 2014, each outstanding share of Series B Preferred Stock may be converted, at the option of the owner, into common stock using a conversion formula that delivers common stock worth \$1.25 for every \$1.00 of Series B converted. The owner shall provide a written Notice of Conversion that specifies the amount of Series B Preferred Stock to be converted into common stock and the lowest closing bid price of the Corporation's common stock during the preceding 10 trading days.

Limitation on Conversion

In no event (except while there is outstanding a tender offer for any or all of the shares of the Company's Common Stock) shall the owner be entitled to convert any shares of Series B Preferred Stock to the extent that, after such conversion the sum of (1) the number of shares of Common Stock then beneficially owned by the owner and its affiliates, and (2) the number of shares of Common Stock issuable upon the conversion of the shares of Series B Preferred Stock with respect to which the determination of this proviso is being made, would result in beneficial ownership by the owner and its affiliates of more than 9.99% of the outstanding shares of Common Stock (after taking into account the shares to be issued to the owner upon such conversion). For purposes of the proviso to the preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. Nothing herein shall preclude the owner from disposing of a sufficient number of other shares of Common Stock beneficially owned by the owner so as to thereafter permit the continued conversion of shares of Series B Preferred Stock.

Equity Designation and Issuances:

Effective January 29, 2014 the Company amended its Series B Preferred Stock designation in order to permit the issuance of junior Preferred Stock which have enhanced or "super-majority" voting rights. The amendment was approved by the holders of the Series B Preferred Stock. The amended Series B Preferred Stock designation is

attached as Exhibit 10.1 in Form 8-K filed with the SEC on February 6, 2014.

On October 17, 2013, the Company issued 134,724 shares of Series B convertible preferred stock as the result of the conversion of debt and accrued liabilities totaling \$134,724, valued at \$1 per share.

On August 27, 2014, three unrelated parties converted a total of 101,904 shares of Series B preferred stock into 3,112,955 of common stock at the conversion rate of \$0.03288.

Series C Convertible Preferred Stock

Effective January 29, 2014 the Board of Directors authorized the creation of 75 shares of a new Series C convertible preferred stock. Each share of Series C Preferred has the right to convert into 8,000 shares of the Company's common stock and have a liquidation preference of \$200. Additionally, the Series C Preferred is allowed to cast a vote, on all matters that the Company's shareholders are permitted to vote upon, equal to .7% of all outstanding securities that are eligible to vote at the time of such shareholder action for each share of Series C Preferred (.7% X 75 shares = 52.5% of total vote).

On January 31, 2014 the Company issued 75 shares of Series C Preferred Stock valued at \$24,000 to its Chief Executive Officer, Bill Hodson in exchange for a \$15,000 as stock based compensation to the Executive by the Company. In addition the remaining \$9,000 was recorded as a loss on settlement of debt.

Class A Common Stock

Effective February 3, 2014 the Board of Directors recommended, and the Company's shareholders approved by written consent, the creation of 1,000,000 shares of Class A Common Stock. Each share of Class A Common Stock is entitled to convert into one (1) share of regular common stock at any time at the option of the holder and to cast two hundred (200) votes on all matters as to which holders of the common stock, voting together as a class, are entitled to vote.

On February 3, 2014 the Company issued 1,000,000 shares of Class A Common Stock valued at \$67,000 to its Chief Executive Officer, Bill Hodson in exchange for \$20,596 owed to the Executive by the Company. In addition, the \$4,404 was recorded as a stock based compensation and \$42,000 was recorded as a loss on settlement of debt.

On February 6, 2014 Bill Hodson converted his 1,000,000 shares of Class A Common Stock into 1,000,000 shares of regular Common Stock. Following the conversion the Class A Common Stock is no longer outstanding.

Amendment of Articles of Incorporation

Effective February 3, 2014, following the enactment of the First Amendment, Article Eight of the Company's Articles of Incorporation was amended to (i) increase the authorized common stock from 100,000,000 shares to 150,000,000 shares, and (ii) to permit the holders of the Company's outstanding Preferred Stock voting together as a class to effect a change in the number of authorized shares of regular Common Stock or Series A Common Stock by amending the Articles of Incorporation without the affirmative vote, either separately or as a class, of the holders of regular Common Stock and Series A Common Stock.

Effective July 24, 2014, Article Eight of the Company's Articles of Incorporation was amended to increase the authorized common stock from 150,000,000 shares to 200,000,000 shares.

Effective April 6, 2015, Article Eight of the Company's Articles of Incorporation was amended to increase the authorized common stock from 200,000,000 shares to 1,500,000,000 shares.

As of September 30, 2015 and December 31, 2014, the Company had 416,269,631 and 156,508,559 shares of its common stock issued and outstanding, respectively.

As of September 30, 2015 and December 31, 2014, the Company had 0 shares of its Class A common stock issued and outstanding.

As of September 30, 2015 and December 31, 2014, the Company had 32,820 shares of its series B preferred stock issued and outstanding.

As of September 30, 2015 and December 31, 2014, the Company had 75 of its series C preferred stock issued and outstanding.

Warrants

The following table summarizes the changes in warrants outstanding and related prices for the shares of the Company's common stock issued to shareholders at September 30, 2015:

| Exercise Price | Number Outstanding | Warrants Outstanding Weighted Average Remaining Contractual Life (years) | Weighted Average Exercise price | Number Exercisable | Warrants Exercisable Weighted Average Exercise Price |
|-----------------------|---------------------------|---|--|---------------------------|---|
| \$0.20 – 1.00 | 6,680,002 | .42 | \$ 0.90 | 6,680,002 | \$ 0.90 |

Transactions involving the Company's warrant issuance are summarized as follows:

| | Number of Shares | Weighted Average Price Per Share |
|-----------------------------------|---------------------------------|---|
| Outstanding at December 31, 2013 | 6,680,002 | \$ 0.90 |
| Issued | - | - |
| Exercised | - | - |
| Expired | - | - |
| Outstanding at December 31, 2014 | 6,680,002 | \$ 0.90 |
| Issued | - | - |
| Exercised | - | - |
| Expired | - | - |
| Outstanding at September 30, 2015 | 6,680,002 | \$ 0.90 |

NOTE 13 – CONCENTRATIONS

The following table sets forth information as to each customer that accounted for 10% or more of the Company's revenues for the nine months ended September 30, 2015 and 2014. At September 30, 2015, three customers accounted for 71% of the Company's total revenue. At September 30, 2014, three customers accounted for 46% of the Company's total revenue.

| Customer | Nine Months Ended September 30, 2015 | % | Nine Months Ended September 30, 2014 | % |
|----------|--|---|--|---|
| A | 27 | % | 22 | % |
| B | 13 | % | 13 | % |
| C | 31 | % | 11 | % |

For the nine months ended September 30, 2015, the Company had no purchases used for production. For the nine months ended September 30, 2014, the Company had two suppliers who accounted for approximately \$150,175 of their purchases used for production, or approximately 84% of total purchases for the nine months then ended.

NOTE 14 – SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the unaudited condensed consolidated financial statements were available to be issued as follows:

Conversions:

On October 1, 2015, the Company converted \$2,005 of debt into 14,321,429 shares of common stock valued at \$0.00014 per share for partial conversion of accrued interest of a \$83,500 convertible note.

On October 22, 2015, the Company converted \$1,060 of debt into 8,833,333 shares of common stock valued at \$0.00012 per share for remaining conversion of accrued interest of a \$83,500 convertible note.

On November 17, 2015, the Company issued a promissory note for \$30,000 to a third party for cash, which is due on May 17, 2016 (“Maturity Date”). Annual simple interest accrues at a rate of 20%, per annum. In addition, the Company issued restricted shares of common stock equal to \$50,000, that will be convertible to freely tradeable shares at Maturity Date.

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operation

The following discussion and analysis should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes included elsewhere in this report. It contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, market prices for natural gas and oil, economic and competitive conditions, capital expenditures and other uncertainties, as well as those factors discussed below, all of which are difficult to predict and which expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not have any intention or obligation to update forward-looking statements included in this report after the date of this report, except as required by law.

INTRODUCTION

The following discussion and analysis summarizes the significant factors affecting: (i) our plan of operations for the nine months ended September 30, 2015. This discussion and analysis should be read in conjunction with our consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2014.

EXECUTIVE SUMMARY

We are engaged in the sale and marketing of energy chew products. Our product delivers a blend of ingredients that provides an energy boost similar to an energy drink, such as Red Bull or 5-Hour Energy, but is about the size of a Starburst candy. The product is not a gum; it dissolves quickly and is an alternative to drinks or shots.

Results of Operations

The financial information with respect to the three and nine months ended September 30, 2015 and 2014 that is discussed below is unaudited. In the opinion of management, such information contains all adjustments, consisting

only of normal recurring accruals, necessary for a fair presentation of the results for such periods. The results of operations for interim periods are not necessarily indicative of the results of operations for the full fiscal years.

Company Overview for the nine months ended September 30, 2015 and 2014

During the nine months ended September 30, 2015 and 2014, we incurred net losses of \$534,447 and \$3,627,309, respectively.

Comparison of the results of operations for the nine months ended September 30, 2015 and 2014

Sales. During the nine months ended September 30, 2015 and 2014, sales of our products amounted to \$32,915 and \$203,887, respectively. Our sales decreased by \$170,972 or 84% primarily because of the greater restrictions we placed on the credit worthiness of our distributors, which has resulted in us requiring 50% minimum payments prior to shipping. Additionally, the decrease is also a result of lower than expected re-orders from private label customers.

Cost of goods sold. For the nine months ended September 30, 2015, cost of goods sold was \$30,316 compared to \$125,673 for the nine months ended September 30, 2014. Our decrease of \$95,357 or 76% in cost of goods is a direct result of our decrease in sales during the nine months ended September 30, 2015.

Gross profit. For the nine months ended September 30, 2015, our gross profit was \$2,599 (8% of revenue) compared to gross profit of \$78,214 (38% of revenue) for the nine months ended September 30, 2014. The decrease in gross profit dollar amount and in gross profit percentage in 2015 from 2014, is a direct result of lower sales volume.

Costs and Expenses

General and Administrative. During the nine months ended September 30, 2015, general and administrative expenses amounted to \$313,450 as compared to \$2,571,062 for the nine months ended September 30, 2014, a decrease of \$2,257,612 or 88%. The decrease in general and administrative expenses was primarily due to \$1,751,184 of stock based compensation during the nine months ended September 30, 2014 compared to \$0 in the corresponding period in 2015.

Selling Costs. During the nine months ended September 30, 2015 and 2014, selling costs amounted to \$2,081 or 6% of sales and \$52,736 or 26% of sales, respectively. The decrease in selling costs is attributable to reduced sales volume.

Depreciation. During the nine months ended September 30, 2015 and 2014, depreciation expense amounted to \$3,246 and \$3,513, respectively.

Interest expense. During the nine months ended September 30, 2015 interest expense decreased to \$34,768 from \$644,677 during the nine months ended September 30, 2014, a decrease of \$609,909. The primary reason for the decrease is due to the issuance of shares recorded as interest totaling \$614,200 in the first quarter of 2014.

Loss on settlement of debt. During the nine months ended September 30, 2015 loss on settlement of debt totaled \$0 compared to \$82,281 loss on settlement of debt for the nine months ended September, 2014. The decrease relates to the Company settling debts by issuing shares of common and preferred stock as well as the forgiveness of approximately \$45,000 in convertible debt during the first quarter of 2014.

Loss on change in fair value of derivative liability. As described in our accompanying unaudited condensed consolidated financial statements, we issued convertible notes with certain conversion features that have certain reset provisions. All of which, we are required to bifurcate from the host financial instrument and mark to market each reporting period. We recorded the initial fair value of the reset provision as a liability with an offset to equity or debt discount and subsequently mark to market the reset provision liability at each reporting cycle.

For the nine months ended September 30, 2015, we recorded a loss of \$62,960 in change in fair value of the derivative liability including initial non-cash interest as compared to a gain of \$0 for the nine months ended September 30, 2014. Also, the Company amortized beneficial conversion feature expense on convertible notes of \$93,218 during the nine months ended September 30, 2015 as compared to \$179,214 for the same period in the previous year.

Company Overview for the three months ended September 30, 2015 and 2014

During the three months ended September 30, 2015 and 2014, we incurred net losses of \$161,510 and \$336,454, respectively.

Comparison of the results of operations for the three months ended September 30, 2015 and 2014

Sales. During the three months ended September 30, 2015 and 2014, sales of our products amounted to \$4,980 and \$22,087, respectively. Our sales decreased by \$17,107 or 77% primarily because of the greater restrictions we placed on the credit worthiness of our distributors, which has resulted in us requiring 50% minimum payments prior to shipping. Additionally, the decrease is also a result of lower than expected re-orders from private label customers.

Cost of goods sold. For the three months ended September 30, 2015, cost of goods sold was \$3,132 compared to \$6,031 for the three months ended September 30, 2014. Our decrease of \$2,899 or 48% is a direct result of our decrease in sales during the three months ended September 30, 2015.

Gross profit. For the three months ended September 30, 2015, our gross profit was \$1,848 (37% of revenue) compared to gross profit of \$16,056 (73% of revenue) for the three months ended September 30, 2014. The decrease in gross profit dollar amount and in gross profit percentage in 2015 from 2014, is a direct result of lower sales volume.

Costs and Expenses

General and Administrative. During the three months ended September 30, 2015, general and administrative expenses amounted to \$73,232, as compared to \$282,050 for the three months ended September 30, 2014, a decrease of \$208,818 or 74%. The decrease in general and administrative expenses was primarily due to a decrease in consulting fees during the three months ended September 30, 2015 compared to the corresponding period in 2014.

Selling Costs. During the three months ended September 30, 2015 and 2014, selling costs amounted to \$661 or 13% of sales and \$(122) or -1% of sales, respectively. Selling costs were relatively unchanged compared to the corresponding period in 2014.

Depreciation. During the three months ended September 30, 2015 and 2014, depreciation expense amounted to \$1,094 and \$1,245, respectively.

Interest expense. During the three months ended September 30, 2015 interest expense increased to \$9,920 from \$4,921 during the three months ended September 30, 2014, an increase of \$4,999. The primary reason for the increase is due to an increase in interest expense from our subsidiary during the three months ended September 30, 2015 compared to the corresponding period in 2014.

Loss on settlement of debt. During the three months ended September 30, 2015 loss on settlement of debt totaled \$0 compared to \$45,493 loss on settlement of debt for the three months ended September 30, 2014. The decrease relates to the Company settling debts by issuing shares of common and preferred stock during the three months ended September 30, 2014. There was no settlement of debt during the three months ended September 30, 2015.

Loss on change in fair value of derivative liability. As described in our accompanying unaudited condensed consolidated financial statements, we issued convertible notes with certain conversion features that have certain reset provisions. All of which, we are required to bifurcate from the host financial instrument and mark to market each reporting period. We recorded the initial fair value of the reset provision as a liability with an offset to equity or debt discount and subsequently mark to market the reset provision liability at each reporting cycle.

For the three months ended September 30, 2015, we recorded a loss of \$64,606 in change in fair value of the derivative liability including initial non-cash interest as compared to a gain of \$0 for the three months ended September 30, 2014. Also, the Company amortized beneficial conversion feature expense on convertible notes of \$13,845 during the three months ended September 30, 2015 as compared to \$63,446 for the same period in the

previous year.

Going Concern

The Company's unaudited condensed consolidated financial statements are prepared using U.S. GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have a net loss of \$534,447 for the nine months ended September 30, 2015, an accumulated deficit of \$8,668,896 and our current liabilities exceeded our current assets by \$916,179 as of September 30, 2015. We have not yet established an adequate ongoing source of revenues sufficient to cover our operating costs and to allow us to continue as a going concern. Our ability to continue as a going concern is dependent on obtaining adequate capital to fund operating losses until we become profitable. If we are unable to obtain adequate capital, we could be forced to cease development of operations.

In order to continue as a going concern, develop a reliable source of revenues, and achieve a profitable level of operations the Company will need, among other things, additional capital resources. Management's plans to continue as a going concern include raising additional capital through increased sales of product and by sale of common shares. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Liquidity and Capital Resources

During the nine months ended September 30, 2015, our cash flows from operations were not sufficient for us to meet our operating commitments. Our cash flows from operations continue to be, and are expected to continue to be, insufficient to meet our operating commitments.

Working Capital. As of September 30, 2015, we had a working capital deficit of \$916,179 and cash of \$0, while at December 31, 2014 we had a working capital deficit of \$715,162 and cash of \$1,448. The increase in our working capital deficit is primarily attributable to an increase in current liabilities in the current year versus the prior year. We do not expect our working capital deficit to increase in the near future.

Cash Flow. Net cash used in or provided by operating, investing and financing activities for the nine months ended September 30, 2015 and 2014 were as follows:

| | Nine Months Ended | |
|---|--------------------------|-------------|
| | September 30, | |
| | 2015 | 2014 |
| Net cash used in operating activities | \$(55,448) | \$(675,076) |
| Net cash used in investing activities | \$- | \$(92,980) |
| Net cash provided by financing activities | \$54,000 | \$768,800 |

Net Cash Used in Operating Activities. The changes in net cash used in operating activities are attributable to our net loss adjusted for non-cash charges as presented in the condensed consolidated statements of cash flows and changes in working capital as discussed above.

Net Cash Used in Investing Activities. There were no capital expenditures for the nine months ended September 30, 2015. Net cash used in investing activities for the nine months ended September 30, 2014 was related to purchases of equipment as well as payments towards security deposits.

Net Cash Provided by Financing Activities. Net cash provided by financing activities for the nine months ended September 30, 2015 relates primarily to cash received from issuance of our notes payable and convertible notes payable. Net cash provided by financing activities for the nine months ended September 30, 2014 relates primarily to cash received from issuance of note payable and convertible notes payable and cash received from the issuance of our

common stock offset by the repayments of our notes payable and shareholder loans.

Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements.

Inflation

The effect of inflation on the Company's revenue and operating results was not significant.

Contractual Obligations

None.

Recently Issued Accounting Pronouncements

ASU 2015-03

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The amendments are effective for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The amendments are to be applied on a retrospective basis, wherein the balance sheet of each individual period presented is adjusted to reflect the period-specific effects of applying the new guidance. We do not expect the adoption of ASU 2015-03 to have a material effect on our financial position, results of operations or cash flows.

ASU 2015-02

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which is intended to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). The ASU focuses on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. In addition to reducing the number of consolidation models from four to two, the new standard simplifies the FASB Accounting Standards Codification and improves current U.S. GAAP by placing more emphasis on risk of loss when determining a controlling financial interest, reducing the frequency of the application of related-party guidance when determining a controlling financial interest in a variable interest entity (“VIE”), and changing consolidation conclusions for companies in several industries that typically make use of limited partnerships or VIEs. The ASU will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. We do not expect the adoption of ASU 2015-02 to have a material effect on our financial position, results of operations or cash flows.

ASU 2015-01

In January 2015, the FASB issued ASU No. 2015-01, “Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items.” This ASU eliminates from U.S. GAAP the concept of extraordinary items. ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. We do not expect the adoption of ASU 2015-01 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-17

In November 2014, the FASB issued ASU No. 2014-17, “Business Combinations (Topic 805): Pushdown Accounting.” This ASU provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable. ASU 2014-17 was effective on November 18, 2014. The adoption of ASU 2014-17 did not have any effect on our financial position, results of operations or cash flows.

ASU 2014-16

In November 2014, the FASB issued ASU 2014-16, “Derivatives and Hedging (Topic 815).” ASU 2014-16 addresses whether the host contract in a hybrid financial instrument issued in the form of a share should be accounted for as debt or equity. ASU 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We do not currently have issued, nor are we investors in, hybrid financial instruments. Accordingly, we do not expect the adoption of ASU 2014-16 to have any effect on our financial position, results of operations or cash flows.

ASU 2014-15

In August 2014, the FASB issued ASU No. 2014-15, “Presentation of Financial Statements - Going Concern (Subtopic 205-40)”. ASU 2014-15 provides guidance related to management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosure. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and for interim and annual periods thereafter. Early application is permitted. We do not expect the adoption of ASU 2014-15 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-12

In June 2014, the FASB issued ASU No. 2014-12, “Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.” This ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We do not expect the adoption of ASU 2014-12 to have a material effect on our financial position, results of operations or cash flows.

ASU 2014-09

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 affects any entity using U.S. GAAP that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. We are still evaluating the effect of the adoption of ASU 2014-09. On April 1, 2015, the FASB voted to propose to defer the effective date of the new revenue recognition standard by one year.

ASU 2014-08

In April 2014, the FASB issued ASU No. 2014-08, “Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) and Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.” ASU 2014-08 amends the definition for what types of asset disposals are to be considered discontinued operations, as well as amending the required disclosures for discontinued operations and assets held for

sale. ASU 2014-08 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2014. The adoption of ASU 2014-08 did not have any effect on our financial position, results of operations or cash flows.

The Company has evaluated recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA and the SEC and we have not identified any that would have a material impact on the Company's financial position, or statements.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 under the Exchange Act and is not required to provide the information required under this item.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Principal Executive Officer and Principal Accounting Officer have carried out an evaluation of the effectiveness of our disclosure, controls and procedures. Based upon that evaluation, our Principal Executive Officer and Principal Accounting Officer concluded that as of the end of the period covered by this report, our disclosures, controls and procedures are not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. During the most recently completed nine months ended September 30, 2015, there has been no significant change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

We do not have an independent body to oversee our internal control over financial reporting and lack segregation of duties due to the limited nature and resources of the Company.

In light of these material weaknesses, we performed additional analysis and procedures in order to conclude that our financial statements included in this report were fairly stated in accordance with accounting principles generally accepted in the United States. Accordingly, we believe that despite our material weaknesses, our financial statements included in this report are fairly stated, in all material respects, in accordance with United States generally accepted accounting principles.

We plan to rectify these weaknesses by implementing an independent board of directors and hiring additional accounting personnel once we have additional resources to do so.

Changes in Internal Control over Financial Reporting

Our management, with the participation of the Principal Executive Officer and Principal Accounting Officer performed an evaluation as to whether any change in our internal controls over financial reporting occurred during the nine months ended September 30, 2015. Based on that evaluation, the Company's Principal Executive Officer and Principal Accounting Officer concluded that no change occurred in the Company's internal control over financial reporting during the nine months ended September 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

| No. | Description |
|----------|---|
| 2.1 | Purchase Agreement dated June 30 , 2011 incorporated by reference from Form 8-K filed September 2, 2011 (SEC Accession No. 0001013762-11-002422) |
| 3.1(i) | Articles of Incorporation incorporated by reference from Form S-1 filed February 11, 2008 (SEC Accession No. 0001013762-08-000306) |
| 3.1(ii) | Certificate of Amendment on Name Change to SF Blu Vu, Inc. incorporated by reference from Form 8-K filed October 16, 2009 (SEC Accession No. 0001013762-09-001684) |
| 3.1(iii) | Certificate of Amendment on Name Change to LiveWire Ergogenics, Inc. incorporated by reference from Form 8-K filed November 14, 2011 (SEC Accession No. 0001013762-11-003020) |
| 3.2 | Bylaws incorporated by reference from Form S-1 filed February 11, 2008 (SEC Accession No. 0001013762-08-000306) |
| 4.1 | Certificate of Designation of the Series A Preferred Stock |
| 10.1 | Purchase Agreement dated June 30 , 2011 incorporated by reference from Form 8-K filed September 2, 2011 (SEC Accession No. 0001013762-11-002422) |
| 10.2 | Fee Agreement with Weed & Co. LLP dated July 1, 2011 incorporated by reference from Form 8-K/A filed November 28, 2011 (SEC Accession No. 0001013762-11-003194) |
| 10.3 | Executive Employment Agreement – Brad Nichols dated July 20, 2011 incorporated by reference from Form 8-K/A filed November 28, 2011 (SEC Accession No. 0001013762-11-003194) |
| 10.4 | Executive Employment Agreement – Bill Hodson dated July 20, 2011 incorporated by reference from Form 8-K/A filed November 28, 2011 (SEC Accession No. 0001013762-11-003194) |
| 10.5 | Contingent Option Agreement dated July 21, 2011 incorporated by reference from Form 8-K/A filed November 28, 2011 (SEC Accession No. 0001013762-11-003194) |
| 21.1 | Subsidiaries of the Registrant. |
| 31.1 | Rule 13a-14(a)/15(d)-14(a) Certificate of Chief Executive Officer filed herewith. |
| 31.2 | Rule 13a-14(a)/15(d)-14(a) Certificate of Chief Accounting Officer filed herewith. |
| 32.1 | Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 filed herewith. |
| 32.2 | Chief Accounting Officer Certification Pursuant to 18 U.S.C. Section 1350 filed herewith. |
| 101.INS | XBRL Instance Document * |
| 101.SCH | XBRL Taxonomy Extension Schema Document * |
| 101.CAL | XBRL Taxonomy Calculation Linkbase Document * |
| 101.LAB | XBRL Taxonomy Labels Linkbase Document * |
| 101.PRE | XBRL Taxonomy Presentation Linkbase Document * |
| 101.DEF | XBRL Definition Linkbase Document * |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

**LIVEWIRE
ERGOGENICS INC.**

Dated: November 23, 2015 By: */s/ Bill J. Hodson*

Bill J. Hodson

Chief Executive Officer

Chief Accounting Officer

