

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

**FORM 10-Q**

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

For the Quarterly Period Ended March 31, 2018

or

**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: 333-201391

**HEADTRAINER, INC.**

(Exact name of registrant as specified in its charter)

Wyoming

(State or other Jurisdiction of Incorporation or Organization)

80-0873491

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

1800 Camden Road, #107-196

Charlotte, NC

(Address of Principal Executive Offices)

28203

(Zip Code)

(980) 875-4199

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Emerging Growth company

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

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

As of May 4, 2018, there were 90,970,139 shares of the registrant's common stock outstanding.

**HEADTRAINER, INC.**  
**FORM 10-Q**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2018**  
**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>PART I. FINANCIAL INFORMATION</u></b>	<b>3</b>
ITEM 1. <u>Unaudited Condensed Financial Statements</u>	3
<u>Condensed Consolidated Balance Sheets as March 31, 2018 and September 30, 2017</u>	3
<u>Condensed Consolidated Statements of Operations for the Three and Six months ended March 31, 2018 and 2017</u>	4
<u>Condensed Consolidated Statement of Stockholders' Deficit for the Six months ended March 31, 2018</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the Six months ended March 31, 2018 and 2017</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
ITEM 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	20
ITEM 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	26
ITEM 4. <u>Controls and Procedures</u>	26
<b><u>PART II. OTHER INFORMATION</u></b>	<b>28</b>
ITEM 1. <u>Legal Proceedings</u>	28
ITEM 1A. <u>Risk Factors</u>	28
ITEM 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
ITEM 3. <u>Defaults Upon Senior Securities</u>	29
ITEM 4. <u>Mine Safety Disclosures</u>	29
ITEM 5. <u>Other Information</u>	29
ITEM 6. <u>Exhibits</u>	30
<b><u>SIGNATURES</u></b>	

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

HEADTRAINER, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	March 31, 2018	September 30, 2017
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	\$ 2,652	\$ 186,881
Prepaid expenses	40,512	6,995
Total current assets	<u>43,164</u>	<u>193,876</u>
Equipment, net	<u>232</u>	<u>1,170</u>
Total assets	<u>\$ 43,396</u>	<u>\$ 195,046</u>
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,713,083	\$ 1,589,421
Accrued compensation to related parties	380,741	298,966
Notes payable - related parties	116,948	112,959
Convertible notes payable, net	141,316	137,646
Convertible notes payable - related parties	135,696	130,446
Total current liabilities	<u>2,487,784</u>	<u>2,269,438</u>
Long-term convertible notes payable	<u>219,132</u>	<u>214,840</u>
Total long-term liabilities	219,132	214,840
Total liabilities	<u>2,706,916</u>	<u>2,484,278</u>
Commitments and contingencies (note 13)		
<b>Stockholders' deficit</b>		
Preferred stock, 10,000,0000 shares authorized; par value \$0.001; no shares outstanding	-	-
Common stock, 500,000,0000 shares authorized; par value \$0.001; 89,970,139 and 86,726,967 shares issued and outstanding as of March 31, 2018 and September 30, 2017, respectively	89,970	86,727
Additional paid-in capital	7,088,262	6,960,153
Accumulated deficit	<u>(9,841,752)</u>	<u>(9,336,112)</u>
Total stockholders' deficit	<u>(2,663,520)</u>	<u>(2,289,232)</u>
Total liabilities and stockholders' deficit	<u>\$ 43,396</u>	<u>\$ 195,046</u>

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

**HEADTRAINER, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	March 31,		March 31,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Research and development	5,985	68,646	54,475	99,146
Sales and marketing	-	-	-	600
General and administrative	247,006	447,661	433,946	1,118,554
(Gain) loss on debt and payable extinguishment	-	-	-	(164,267)
Total operating expenses	<u>252,991</u>	<u>516,307</u>	<u>488,421</u>	<u>1,054,033</u>
Loss from operations	(252,991)	(516,307)	(488,421)	(1,054,033)
Other expense:				
Interest expense	9,512	6,995	17,219	17,178
	<u>9,512</u>	<u>6,995</u>	<u>17,219</u>	<u>17,178</u>
Net loss	<u>\$ (262,503)</u>	<u>\$ (523,302)</u>	<u>\$ (505,640)</u>	<u>\$ (1,071,211)</u>
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average shares outstanding - basic and diluted	<u>89,903,473</u>	<u>45,365,773</u>	<u>89,604,830</u>	<u>44,004,793</u>

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

**HEADTRAINER, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**  
(Unaudited)

	Common Stock Shares	Common Stock Amount	Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, September 30, 2017	86,726,967	\$ 86,727	\$ 6,960,153	\$ (9,336,112)	\$ (2,289,232)
Common stock issued for cash	3,243,172	3,243	116,757	-	120,000
Stock based compensation	-	-	11,352	-	11,352
Net loss	-	-	-	(505,640)	(505,640)
Balance, March 31, 2018	89,970,139	\$ 89,970	\$ 7,088,262	\$ (9,841,752)	\$ (2,663,520)

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

**HEADTRAINER, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	For the Six Months Ended March 31,	
	2018	2017
<b>Cash flows used in operating activities:</b>		
Net loss	\$ (505,640)	\$ (1,071,211)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	938	1,161
Amortization of debt discount	4,292	-
Stock -based compensation - related parties	11,352	485,575
(Gain) loss on settlement of debt and accounts payable	-	(164,267)
Accrued interest on notes payable	12,909	17,178
Changes in operating assets and liabilities:		
Prepaid expenses	(33,517)	-
Accounts payable and accrued liabilities	123,662	509,360
Accrued compensation to related parties	81,775	68,599
Net cash used in operating activities	<u>(304,229)</u>	<u>(152,980)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from sale of common stock	120,000	75,000
Net cash provided by financing activities	<u>120,000</u>	<u>75,000</u>
Decrease in cash	(184,229)	(77,980)
Cash – beginning of period	186,881	123,896
Cash – end of period	<u>\$ 2,652</u>	<u>\$ 45,916</u>
Supplementary cash flow information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash investing and financing activities:		
Accounts payable and accrued expenses settled for common stock - related parties	\$ -	\$ 262,500

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

**HEADTRAINER, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

HeadTrainer, Inc. and Subsidiary (the “Company” or “We”), formerly known as TeleHealthCare, Inc. (“TeleHealthCare”), was incorporated under the laws of the State of Wyoming on December 10, 2012. Prior to the reverse merger described below, TeleHealthCare developed platforms in the telehealth industry. The first platform the Company developed was called CarePanda. CarePanda was set up as a division of TeleHealthCare. CarePanda is an online software that helps people, family members and caregivers manage, share and control their own, their family’s or their customers’ healthcare information.

On September 11, 2017, TeleHealthCare executed an Agreement and Plan of Merger (the “Merger Agreement”) with HeadTrainer, Inc., a North Carolina corporation, and HT Acquisition Corp., a Wyoming corporation and wholly-owned subsidiary of HeadTrainer, Inc. (the “Acquisition”) whereby the Acquisition was merged with and into the Company (the “Merger”) in consideration for 52,500,000 newly-issued shares of Common Stock of the Company (the “Merger Shares”). As a result of the Merger, HeadTrainer became a wholly-owned subsidiary of TeleHealthCare, and following the consummation of the Merger and giving effect to the retirement of approximately 47,000,000 shares (leaving approximately 23,873,000 shares remaining prior to the Merger), and the sale of approximately 10,353,967 shares at the Merger to accredited investors, the stockholders of HeadTrainer, Inc. became beneficial owners of approximately 61% of our issued and outstanding common stock. Certain assets and liabilities of the original TeleHealthCare were then spun off, including assets and liabilities associated with CarePanda, with the Company assuming approximately \$194,632 of remaining liabilities and changing the name of the newly merged company to HeadTrainer, Inc.

As a result of the Merger, each HeadTrainer shareholder received approximately 2.53 newly issued shares of TeleHealthCare for every 1 common share of HeadTrainer owned.

Prior to the consummation of the Merger, our former Board of Directors approved an amendment to our Articles of Incorporation (the “Amendment”) to (i) change our name to HeadTrainer, Inc.; (ii) to increase the number of our authorized shares of capital stock to 510,000,000 shares, of which 500,000,000 shares shall be common stock and 10,000,000 shares shall be blank check preferred stock; and (iii) to provide that the Company may take action without a meeting on the written consent of the holders of a majority of the shares entitled to vote at such meeting.

For accounting purposes, HeadTrainer was deemed to be the accounting acquirer in the transaction and, consequently, the transaction was treated as a recapitalization of the Company. Accordingly, HeadTrainer’s assets, liabilities and results of operations became the historical consolidated financial statements of the Company and the Company’s assets, liabilities and results of operations was consolidated with HeadTrainer effective as of the date of the Merger. No step-up in basis or intangible assets or goodwill was recorded in this transaction.

As a result of the Merger with HeadTrainer, our business plan has shifted to mobile applications for athletes of all ages and all skill levels, designed to engage and improve cognitive abilities. We are focused on developing a unique, industry-leading iOS and Android cognitive training mobile device application platform called HeadTrainer that we believe is differentiated from other players in the cognitive training space with a primary focus on the youth sports markets.

*HeadTrainer, Inc.*

HeadTrainer was incorporated in the state of North Carolina on May 13, 2014. It subsequently changed its original name of Head Trainer, Inc. to HeadTrainer, Inc.

HeadTrainer was established to create, develop, promote, market, produce, and distribute online/mobile application cognitive training tools initially intended for the youth, millennial and adult sports markets. The Corporation initially intends to outsource product manufacturing, distribution and the majority of its marketing efforts. The Corporation may work in conjunction with other organizations that provide computer programming, graphic design, and marketing expertise, and/or accomplish these same tasks in-house.

*Basis of Presentation*

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial statements, instructions to Form 10-Q, and Regulation S-X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report on Form 10-K for the year ended September 30, 2017. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make our financial statements not misleading have been included. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year, or any other period.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting*

The Company's unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The Company has a September 30 year-end.

On August 28, 2017, our Board of Directors approved a reverse stock split of our issued and authorized shares of common on the basis of three (3) shares for one (1) new share. Our shareholders approved the reverse split through a special meeting held on November 2, 2017. As of the date of this filing, FINRA has not yet effected the reverse stock split. Our authorized common stock will remain unchanged with 500,000,000 shares of common stock. No fractional shares will be issued in connection with the reverse stock split. Additionally, the Board of Directors and shareholders approved the authorization of 10,000,000 shares of blank check preferred stock with a par value of \$0.001 per share.

No share or per share information included in these unaudited condensed consolidated financial statements gives effect to the reverse split since it has not yet been effected by FINRA as of the date of this filing.

*Basis of Consolidation*

The unaudited condensed consolidated financial statements include the accounts of HeadTrainer, Inc. and its wholly-owned subsidiary HeadTrainer, as of and for the six months ended March 31, 2018 and 2017. All significant intercompany transactions have been eliminated in consolidation.



*Use of Estimates*

The preparation of unaudited condensed consolidated financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to useful life and recoverability of long-lived assets, valuation of shares for services and assets, deferred income tax asset valuations and loss contingencies. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

*Cash*

For purposes of the statement of cash flows, the Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. There is no restricted cash or cash equivalents.

*Revenue Recognition*

We recognize subscription revenue when four basic criteria are met: (1) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which the services will be provided; (2) services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured. Subscription revenue derived from direct sales to users is recognized on a straight-line basis over the duration of the subscription period. As of March 31, 2018 and September 30, 2017, deferred revenue was \$0. There was no revenue for the six months ended March 31, 2018 or 2017.

*Equipment*

Equipment consists of computer equipment, and is recorded at cost, less accumulated depreciation. Equipment is depreciated on a straight-line basis over its estimated life. Computer equipment is depreciated over an estimate life of three years.

*Income Taxes*

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which these temporary differences are expected to be recovered or settled. A valuation allowance is established to reduce net deferred tax assets to the amount expected to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in results of operations in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being recognized. Changes in recognition and measurement are reflected in the period in which the change in judgment occurs. Interest and penalties related to unrecognized tax benefits are included in income tax expense.

### *Fair value*

Financial instruments consist principally of cash, accounts payable and accrued liabilities, notes payable and convertible notes payable. The recorded values of all financial instruments approximate their current fair values because of their nature and respective relatively short maturity dates or durations. The carrying amounts of these financial instruments approximate fair value due to their short-term nature.

The Company measures and discloses the estimated fair value of financial assets and liabilities using the fair value hierarchy prescribed by US generally accepted accounting principles. The fair value hierarchy has three levels, which are based on reliable available inputs of observable data. The hierarchy requires the use of observable market data when available. The three-level hierarchy is defined as follows:

- Level 1 - Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in accessible active markets.
- Level 2 - Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.
- Level 3 - Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect a company's own assumptions about the inputs that market participants would use.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial statement. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

### *Research and development expenses*

Research and development expenses are expensed as incurred and are primarily comprised of product development.

### *Warrants*

The Company has issued warrants in connection with financing arrangements. Warrants that do not qualify to be recorded as permanent equity are recorded as liabilities at their fair value using the Black-Scholes option pricing model. Warrants that do qualify to be recorded as permanent equity are recorded based on the relative fair value of the instrument using the Black-Scholes option-pricing model. The relative fair value of the warrants is recorded in additional paid-in capital and as a debt discount. For warrants issued for services, the relative fair value is recorded in additional paid-in capital and stock-based compensation.

### *Share-based compensation*

The Company measures the cost of awards of equity instruments based on the grant date fair value of the awards. That cost is recognized on a straight-line basis over the period during which the employee is required to provide service in exchange for the entire award. The fair value of stock options on the date of grant is calculated using the Black-Scholes option pricing model, based on key assumptions such as the fair value of common stock, expected volatility and expected term. The Company's estimates of these important assumptions are primarily based on third-party valuations, historical data, peer company data and the judgment of management regarding future trends and other factors.

*Equity Instruments Issued for Services*

Issuances of the Company's common stock for services is measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued to employees and board members is determined at the earlier of (i) the date at which a commitment for performance to earn the equity instruments is reached (a "performance commitment" which would include a penalty considered to be of a magnitude that is a sufficiently large disincentive for nonperformance) or (ii) the date at which performance is complete. When it is appropriate for the Company to recognize the cost of a transaction during financial reporting periods prior to the measurement date, for purposes of recognition of costs during those periods, the equity instrument is measured at the then-current fair values at each of those financial reporting dates. Based on the applicable guidance, the Company records the compensation cost but treats forfeitable unvested shares as unissued until the shares vest.

*Advertising Costs*

The Company expenses the costs of advertising when the advertisements are first aired or displayed. All other advertising and promotional costs are expensed in the period incurred. Total advertising expense for the six months ended March 31, 2018 and 2017 was \$0 and \$600, respectively. The Company's application was inactive and not sold during the six months ended March 31, 2018.

*Earnings (Loss) Per Share ("EPS")*

Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding. Diluted EPS includes the effect from potential issuance of common stock, such as stock issuable pursuant to the exercise of stock options and warrants and the assumed conversion of convertible notes.

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was antidilutive even though the exercise price could be less than the average market price of the common shares:

	<b>March 31,</b>	
	<b>2018</b>	<b>2017</b>
Convertible notes	12,955,086	486,812
Warrants	3,791,966	3,791,966
Potentially dilutive securities	<u>16,747,052</u>	<u>4,278,778</u>

*Recent Accounting Pronouncements*

On May 10, 2017, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") 2017-09 "Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting", which provides guidance to clarify when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The guidance is effective prospectively for all companies for annual periods beginning on or after December 15, 2017. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance.

In February 2016, the FASB issued ASU 2016-02, "Leases" (Topic 842). This guidance will be effective for public entities for fiscal years beginning after December 15, 2018 including the interim periods within those fiscal years. Early application is permitted. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories: (i) Financing leases, similar to capital leases, which will require the recognition of an asset and liability, measured at the present value of the lease payments and (ii) Operating leases which will require the recognition of an asset and liability measured at the present value of the lease payments. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. For sale leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met. The Company is currently evaluating the impact of adopting this guidance.

In August 2015, the FASB issued ASU 2015-14, "Revenue From Contracts With Customers (Topic 606)". The amendments in this ASU defer the effective date of ASU 2014-09 "Revenue From Contracts With Customers (Topic 606)". Public business entities should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is still evaluating the impact of adopting this guidance.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its unaudited condensed consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

### **NOTE 3 - LIQUIDITY, UNCERTAINTIES AND GOING CONCERN**

The Company is subject to a number of risks similar to those of early stage companies, including dependence on key individuals, the difficulties inherent in the development of a commercial market, the potential need to obtain additional capital necessary to fund the development of its products, and competition from larger companies.

These unaudited condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred a loss since inception resulting in an accumulated deficit of approximately \$10 million as of March 31, 2018, and further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months from the date of the issuance of these unaudited condensed consolidated financial statements with existing cash on hand and loans from directors and/or the private placement of common stock. There is, however, no assurance that the Company will be able to raise any additional capital through any type of offering on terms acceptable to the Company.

**NOTE 4 –EQUIPMENT**

The Company’s equipment consists of the following:

	March 31, 2018	September 30, 2017
Computer equipment	\$ 7,351	\$ 7,351
	7,351	7,351
Less: accumulated depreciation	(7,119)	(6,181)
	<u>\$ 232</u>	<u>\$ 1,170</u>

Depreciation expense was \$938 and \$1,161 for the six months ended March 31, 2018 and 2017, respectively.

**NOTE 5 - RELATED PARTIES**

In June 2014, the Company entered into an agreement with HIP, LLC (“HIP”), a company owned by the Company’s Chairman. Per the agreement, in exchange for the intellectual property consisting of certain patents and trademarks, the Company is to pay HIP periodic royalty payments equal to 1.75% of the revenue derived from the sale of any product incorporating the intellectual property.

On July 24, 2015, the Company entered into a separation agreement and release of liability (the “Separation Agreement”) with the Company’s former Chief Executive Officer (the “former CEO”) whereby the Company agreed to pay the former CEO a severance payment of \$150,000, plus repay a \$50,000 unsecured promissory note which is included in convertible notes payable – related parties on the accompanying balance sheet, on or before December 31, 2017, or within 10 days of the Company receiving \$700,000 in cash proceeds from the issuance of debt or equity securities. The \$150,000 severance payment is reflected in accrued compensation to related parties as of March 31, 2018 and September 30, 2017. Additionally, the Company agreed to pay the former CEO a royalty of 0.5% of the Company’s gross revenue recognize from June 15, 2015 through January 25, 2018 payable on a quarterly basis. The former CEO has initiated legal action against the Company and has received a judgement to collect the unpaid severance payment, promissory note, and royalties as the amounts remain unpaid as of March 31, 2018. The Company has appropriately accrued for this matter and has included in accrued liabilities on the accompanying unaudited condensed consolidated balance sheets.

On February 1, 2015, the Company entered into an Employment Agreement with one of the Company’s founder to serve as Chairman of the Board of Directors (the “Former Chairman”). The agreement has a term of seven years, renewable in two-year increments upon the approval of the Board of Directors of the Company and provides for an annual salary of \$150,000. Additionally, the agreement includes compensation of .0125% of gross revenue after successful launch of the Company’s product, subject to approval by the board of directors. In February and November 2016, the Former Chairman and the Company entered into a deferred salary conversion agreement, whereby the Former Chairman agreed to convert a total of \$131,000 of unpaid salary into 1,139,480 shares of the Company’s common stock. As of March 31, 2018 and September 30, 2017, a total of \$75,250, remains accrued for this agreement and is included in accrued compensation to related parties on the accompanying balance sheet.

On May 15, 2016, the Company entered into an Employment Agreement, with an Amendment dated November 7, 2016, with the Company's CEO, Mr. Robert Finigan, terminating by either party upon 60 day written notice. The agreement calls for a compensation of minimum wage until such time the Company completes a debt or equity offering of at least \$1,000,000, when the CEO shall begin receiving a salary of \$100,000 per year, payable monthly. At such time the Company completes a debt or equity offering of at least \$5,000,000, the CEO shall begin receiving a salary of \$200,000 per year, payable monthly. The agreement allows for the cashless exercise of 1,500,000 stock options of the pre-Merger HeadTrainer, Inc. common stock at a price of \$0.051 per share and a fair value of \$371,858. The options became fully vested on May 31, 2017 and must be exercised between May 31, 2017 and May 31, 2022 (see Note 11). These options were cancelled on the Merger date. Accrued salary under this agreement was \$40,102 and \$21,352 as of December 31 and September 30, 2017, respectively, and is included in accrued compensation to related parties on the accompanying balance sheet. On May 19, 2017, the Company granted 1,011,191 shares with a value of \$100,000 in lieu of salary under this agreement, of which \$0 and \$33,836 were earned and included in stock-based compensation – related party for the six months ended March 31, 2018 and 2017, respectively.

On May 27, 2016, the Company entered into an Employment Agreement, with an Amendment dated November 7, 2016, with the Company's CTO, terminating by either party upon 60 day written notice. The agreement calls for a compensation of minimum wage until such time the Company completes a debt or equity offering of at least \$1,000,000, when the CTO shall begin receiving a salary of \$75,000 per year, payable monthly. At such time the Company completes a debt or equity offering of at least \$5,000,000, the CTO shall begin receiving a salary of \$150,000 per year, payable monthly. The agreement allows for the cashless exercise of 1,125,000 stock options of the pre-Merger HeadTrainer, Inc. common stock at a price of \$0.051 per share. The options become fully vested on May 31, 2017 and must be exercised between May 31, 2017 and May 31, 2022 (see Note 11). These options were cancelled on the Merger date. On May 27, 2017, the Company granted 758,393 shares with a value of \$75,000 in lieu of salary under this agreement. As of March 31, 2018 and September 30, 2017, a total of \$17,697 remains accrued for this agreement and is included in accrued compensation to related parties on the accompanying balance sheet.

On September 15, 2017, we entered into an employment agreement with Mr. Robert Finigan as our Chairman and Chief Executive Officer. Under the terms of the employment agreement, Mr. Finigan is considered an "At Will" employee and shall receive annual compensation of \$150,000 per year and be immediately vested in the Company's health and benefits package. Mr. Finigan was also granted 1,000,000 shares of the Company's common stock, with a fair value of \$22,700, that vests as to 125,000 shares on each of October 1, 2017, January 1, 2018, April 1, 2018, July 1, 2018, October 1, 2018, January 1, 2019, April 1, 2019 and July 1, 2019. Mr. Finigan also may defer up to 50% of his annual salary to purchase an equivalent number of shares in the Company based upon a purchase price of \$0.0227 per share. Mr. Finigan is also entitled to reimbursement of business expenses and customary provisions for vacation, sick time and holidays. Determinations with regard to bonus or option grants are made by the Board of Directors. As of March 31, 2018 and September 30, 2017, a total of \$47,405 and \$3,655, respectively, remains accrued for this agreement and is included in accrued compensation to related parties on the accompanying balance sheet.

On September 15, 2017, we entered into an employment agreement with Mr. Maurice Durschlag as our Chief Marketing Officer. Under the terms of the employment agreement, Mr. Durschlag is considered an "At Will" employee and shall receive annual compensation of \$120,000 per year and be immediately vested in the Company's health and benefits package. Mr. Durschlag was also granted 1,000,000 shares of the Company's common stock, with a fair value of \$22,700, that vests as to 125,000 shares on each of October 1, 2017, January 1, 2018, April 1, 2018, July 1, 2018, October 1, 2018, January 1, 2019, April 1, 2019 and July 1, 2019. Mr. Durschlag also may defer up to 50% of his annual salary to purchase an equivalent number of shares in the Company based upon a purchase price of \$0.0227 per share. Mr. Durschlag is also entitled to reimbursement of business expenses and customary provisions for vacation, sick time and holidays. Determinations with regard to bonus or option grants are made by the Board of Directors. As of March 31, 2018 and September 30, 2017, a total of \$40,000 and \$5,000, respectively, remains accrued for this agreement and is included in accrued compensation to related parties on the accompanying balance sheet.

As of March 31, 2018 and September 30, 2017, an additional \$50,389 and \$47,364, respectively, was accrued for other employees and employer taxes which is included in accrued compensation to related parties on the accompanying balance sheet.

**NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are as follows at March 31, 2018 and September 30, 2017:

	March 31, 2018	September 30, 2017
Accounts payable	\$ 385,720	\$ 363,527
Accrued consulting and brand endorsement fees	1,261,666	1,161,249
Accrued other	65,697	64,645
	<u>\$ 1,713,083</u>	<u>\$ 1,589,421</u>

**NOTE 7 – NOTES PAYABLE – RELATED PARTIES**

Current related party notes payable are as follows at March 31, 2018 and September 30, 2017, respectively:

	March 31, 2018	September 30, 2017
Notes payable, shareholder, 0% interest, unsecured, due upon demand. On May 18, 2016, the noteholder converted the note to an 8% unsecured promissory note due August 1, 2016. This note is in default as of March 31, 2018.	\$ 100,000	\$ 100,000
Notes payable, shareholder, 0% interest, unsecured, due upon demand	2,000	2,000
	102,000	102,000
Accrued interest	14,948	10,959
	<u>\$ 116,948</u>	<u>\$ 112,959</u>

Interest expense related to these notes for the six months ended March 31, 2018 and 2017 was \$3,989 and \$3,989, respectively.

**NOTE 8 – CONVERTIBLE NOTES PAYABLE**

Convertible notes payable are as follows at March 31, 2018 and September 30, 2017, respectively:

	March 31, 2018	September 30, 2017
Convertible note payable, including interest at 10%, due December 31, 2016, convertible at \$0.49 per share. This note is in default as of March 31, 2018 and continues to accrue interest at 10%.	\$ 100,000	\$ 100,000
Convertible notes payable dated May 5, 2017, including interest at 10%, due May 5, 2018, convertible into shares of the Company's common stock at \$0.0227 per share.	10,000	10,000
Four convertible denture notes payable dated in August and September 2017, including interest at 0% (12% after an event of default) due in August and September of 2020, convertible at any time into shares of the Company's common stock at \$0.0205 per share. The Company recorded a debt discount of \$25,756 for the beneficial conversion feature upon issuance, with an unamortized balance of \$20,868 and \$25,160 as of March 31, 2018 and September 30, 2017. A total of \$200,000 of these notes were assumed in the Merger, with \$40,000 received in cash subsequent the Merger.	219,132	214,840
	329,132	324,840
Accrued interest	31,316	27,646
	360,448	352,486
Less current portion	(141,316)	(137,646)
Long-term convertible notes payable, net	<u>\$ 219,132</u>	<u>\$ 214,840</u>

Interest expense related to these notes for the six months ended March 31, 2018 and 2017 was \$5,500 and \$5,000, respectively. Amortization of the debt discount was \$4,292 and \$0 for the six months ended March 31, 2018 and 2017, respectively, and included in interest expense for each period on the accompanying unaudited condensed consolidated statement of operations.

**NOTE 9 – CONVERTIBLE NOTES PAYABLE – RELATED PARTIES**

Convertible notes payable to related parties are as follow at March 31, 2018 and 2017, respectively:

	March 31, 2018	September 30, 2017
Convertible note payable to brother of former CEO, including interest at 10%, due December 31, 2016, convertible at \$0.49 per share. This note is in default as of March 31, 2018 and continues to accrue interest at 10%.	\$ 50,000	\$ 50,000
Convertible note payable to former CEO, including interest at 10%, due December 31, 2017, convertible at \$0.49 per share, currently in default.	50,000	50,000
Convertible notes payable, with a shareholder, dated May 5, 2017, including interest at 10%, due May 5, 2018, convertible into shares of the Company's common stock at \$0.0227 per share.	5,000	5,000
	105,000	105,000
Accrued interest	30,696	25,446
	135,696	130,446
Less current portion	(135,696)	(130,446)
Long-term convertible notes payable, related parties	<u>\$ -</u>	<u>\$ -</u>

Interest expense related to these notes for the six months ended March 31, 2018 and 2017 was \$5,250 and \$5,250, respectively.



## NOTE 10 – COMMON STOCK

On May 13, 2014, the Company filed its Articles of Incorporation with the State of North Carolina Secretary of State giving it the authority to issue 10,000,000 common shares, with no par value. On February 3, 2016, the majority voting common shareholders approved the amendment of the Company's articles of incorporation in order to increase its authorized common stock from 10,000,000 shares to 25,000,000 shares.

On September 11, 2017, TeleHealthCare executed an Agreement and Plan of Merger (the "Merger Agreement") with HeadTrainer, Inc., a North Carolina corporation, and HT Acquisition Corp., a Wyoming corporation and wholly-owned subsidiary of HeadTrainer, Inc. (the "Acquisition") whereby the Acquisition was merged with and into the Company (the "Merger") in consideration for 52,500,000 newly-issued shares of Common Stock of the Company (the "Merger Shares"). As a result of the Merger, HeadTrainer became a wholly-owned subsidiary of TeleHealthCare, and following the consummation of the Merger and giving effect to the retirement of approximately 47,000,000 shares (leaving approximately 24,000,000 shares remaining prior to the Merger), and the sale of approximately 10,000,000 shares at the Merger to accredited investors, the stockholders of HeadTrainer, Inc. became beneficial owners of approximately 61% of our issued and outstanding common stock. Certain assets and liabilities of the original TeleHealthCare were then spun off, including assets and liabilities associated with CarePanda, with the Company assuming approximately \$195,000 of remaining liabilities and changing the name of the newly merged company to HeadTrainer, Inc. All TeleHealthCare stock options or warrants expired by September 30, 2017. Warrants to purchase an aggregate of 1,500,000 shares of common stock remain from HeadTrainer, with a total of 2,625,000 HeadTrainer stock options cancelled (See Note 11).

As a result of the Merger, each HeadTrainer shareholder received approximately 2.53 newly issued shares of TeleHealthCare for every 1 common share of HeadTrainer owned.

Concurrent with Merger, our Board of Directors approved an amendment to our Articles of Incorporation (the "Amendment") to (i) change our name to HeadTrainer, Inc.; (ii) to increase the number of our authorized shares of capital stock to 510,000,000 shares, of which 500,000,000 shares shall be common stock and 10,000,000 shares shall be blank check preferred stock; and (iii) to provide that the Company may take action without a meeting on the written consent of the holders of a majority of the shares entitled to vote at such meeting.

### Transactions during the six months ended March 31, 2018:

On October 2, 2017, the Company received proceeds of \$60,000 from an accredited investor for the sale of 2,643,172 shares of the Company's common stock at a price of \$0.0227 per share.

[Table of Contents](#)

On January 10, 2018, the Company received aggregate proceeds of \$60,000 from two investors for the sale of a total of 600,000 shares of the Company's common stock at a price of \$0.10 per share.

During the six months ended March 31, 2018, the Company's CEO earned 250,000 shares of common stock at \$0.0227 per share, with a total value of \$5,676 for services pursuant to his employment agreement dated September 15, 2017.

During the six month ended March 31, 2018, the Company's Chief Marketing Officer earned 250,000 shares of common stock at \$0.0227 per share, with a total value of \$5,676 for services pursuant to his employment agreement dated September 15, 2017.

**NOTE 11 - WARRANTS**

As of March 31, 2018, the Company had no stock options and 3,791,966 warrants outstanding. The warrants have terms of 5 to 10 years and have an exercise price of \$0.07. These warrants were issued in April and May of 2016 while HeadTrainer was a private company.

**NOTE 12 – OPERATING LEASE**

From May 2014 through July 2016, the Company had a month-to-month office lease for an office space with a monthly base rate of \$870 per month. The Company owes \$1,601 for past due payments under this lease as of March 31, 2018, which it has agreed to pay over monthly installments through May 2018. The Company did not lease office space from August 2016 through July 2017.

The Company entered into a lease agreement for office space in August 2017 for a total monthly rental of \$1,995 and a term of 24 months.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

The Company has endorsement agreements with spokespeople to serve as the Company's brand ambassadors entered in January 2015, providing for cash compensation of \$100,000 annually. The agreements have a ten-year term and provide for one-year extensions by agreement of both parties. The future compensation to brand ambassadors is \$1,400,000, to be earned during the period from January 1, 2018 to December 31, 2024. In addition, the Company will pay royalties to each spokesperson of .5% per month for all gross subscription revenue received by the Company for US subscriptions and 0.25% per month for all gross subscription revenue received by the Company for all non-US subscriptions. Accrued royalties under these agreements were not material as of March 31, 2018 or September 30, 2017. Total accrued expense under these agreements was \$300,000 and \$250,000 respectively, as of March 31, 2018 and September 30 2017, respectively.

The Company has endorsement agreements with athletes with dates all expiring in 2017, providing for cash compensation of amounts ranging from \$50,000 annually to \$150,000 annually. The future compensation to athletes is \$0 as of March 31, 2018. In addition, the Company agreed to pay royalties of .5% of revenues from subscribers that identify the selected athlete as their favorite athlete. Accrued royalties under these agreements were not material as of December 31 or September 30, 2017. Total accrued expense related to these agreements was \$775,000 as of March 31, 2018 and September 30, 2017, respectively. All agreements were expired as of September 30, 2017.

In addition to the royalties to be paid to brand ambassadors and athletes, the Company is to pay royalties the former CEO and to the Company's Founder as disclosed in Related Party footnote.

The Company is to pay commissions to Apple and Google in consideration for services as the Company's agent and commissionaire for sales of licensed applications to end-users in the amount of 30% of all purchase prices payable to each end-user. The Company's application was inactive during the six months ended March 31, 2018.

On September 30, 2016, the Company entered into a services agreement with a service provider for a development project payable in installments upon completion of certain milestones. The Company incurred \$44,500 and \$92,500 of expense for the six months ended March 31, 2018 and 2017, respectively, related to the project which is included in research and development expense.

**NOTE 14– SUBSEQUENT EVENTS**

In April 2018, the Company received aggregate proceeds of \$50,000 from two investors for the sale of a total of 1,000,000 shares of the Company's common stock at a price of \$0.05 per share.

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

### *Note Regarding Forward-Looking Statements*

This Quarterly Report on Form 10-Q includes a number of forward-looking statements that reflect management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other comparable terminology. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors” set forth in this Annual Report on Form 10-K for the fiscal year ended September 30, 2017, as filed with the Securities & Exchange Commission on March 20, 2018, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and without limitation:

- our ability to successfully commercialize and our products and services on a large enough scale to generate profitable operations;
- relationships with our sponsored athletes;
- the retention and availability of key personnel;
- general economic and business conditions;
- substantial doubt about our ability to continue as a going concern;
- our need to raise additional funds in the future;
- our ability to successfully recruit and retain qualified personnel in order to continue our operations;
- our ability to successfully implement our business plan;
- our ability to successfully acquire, develop or commercialize new products and equipment;
- intellectual property claims brought by third parties; and
- ability to successfully demonstrate scientific improvement and claims in identified cognitive areas.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or performance. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission (the “SEC”). We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

*Corporate History and Overview*

As used in this Quarterly Report on Form 10-Q and unless otherwise indicated, the terms “Company,” “we,” “us,” and “our” refer to HeadTrainer, Inc. and our wholly-owned subsidiary also named HeadTrainer, Inc. Unless otherwise specified, all dollar amounts are expressed in United States dollars.

TeleHealthCare, Inc., a Wyoming corporation, was incorporated on December 10, 2012 as a developer of platforms in the telehealth industry. Most of the activity since the date of inception through April of 2017 involved incorporation efforts, development of our internet portal and mobile applications.

On September 11, 2017, TeleHealthCare executed an Agreement and Plan of Merger (the “Merger Agreement”) with HeadTrainer, Inc., a North Carolina corporation, and HT Acquisition Corp., a Wyoming corporation and wholly-owned subsidiary of HeadTrainer, Inc. (the “Acquisition”) whereby the Acquisition was merged with and into the Company (the “Merger”) in consideration for 52,500,000 newly-issued shares of Common Stock of the Company (the “Merger Shares”). As a result of the Merger, HeadTrainer became a wholly-owned subsidiary of TeleHealthCare, and following the consummation of the Merger and giving effect to the retirement of approximately 47,000,000 shares (leaving approximately 23,873,000 shares remaining prior to the Merger), and the sale of approximately 10,353,967 shares at the Merger to accredited investors, the stockholders of HeadTrainer, Inc. became beneficial owners of approximately 61% of our issued and outstanding common stock.

As a result of the Merger, the 52,500,000 newly-issued shares were issued to the pre-existing HeadTrainer shareholders for their 20,767,856 shares, an exchange ratio of 2.5280 per share. HeadTrainer assumed net liabilities totaling \$194,632, with the remaining assets and liabilities assumed by MD Capital Advisors, Inc., a Company owned by TeleHealthCare’s former CEO, in a Split-Off Agreement.

At the effective time of the Merger, our Board of Directors and officers were reconstituted by the resignation of Derek Cahill and the appointment of Bob Finigan, Maurice Durschlag and Jay Bilas. Subsequently, on October 16, 2017, Mr. Jay Bilas resigned from our Board of Directors.

At the Merger, our Board of Directors approved an amendment to our Articles of Incorporation (the “Amendment”) to (i) change our name to HeadTrainer, Inc.; (ii) to increase the number of our authorized shares of capital stock to 510,000,000 shares, of which 500,000,000 shares shall be common stock and 10,000,000 shares shall be blank check preferred stock; and (iii) to provide that the Company may take action without a meeting on the written consent of the holders of a majority of the shares entitled to vote at such meeting.

For accounting purposes, HeadTrainer was deemed to be the accounting acquirer in the transaction and, consequently, the transaction was treated as a recapitalization of the Company. Accordingly, HeadTrainer’s assets, liabilities and results of operations became the historical consolidated financial statements of the Company and the Company’s assets, liabilities and results of operations will be consolidated with HeadTrainer effective as of the date of the Merger. No step-up in basis or intangible assets or goodwill was recorded in this transaction.

As a result of the Merger with HeadTrainer, our business plan has shifted to mobile applications for athletes of all ages and all skill levels, designed to engage and improve cognitive abilities. We are focused on developing a unique, industry-leading iOS and Android cognitive training mobile device application platform called HeadTrainer that we believe is differentiated from other players in the cognitive training space with a primary focus on the youth sports markets. We are in evaluation of our core system architecture and expect to be in development of ten to fifteen (10-15) mobile games/exercises in second quarter. The development and testing will be ongoing, and we are expecting to launch the product in beta form in the second half of calendar 2018.

## *Our Product*

We have developed a product that consists of i) a mobile device application (“App”) that provides a suite of cognitive training exercises available in iOS and Android versions and ii) integrates into a server-based platform that can customize user experiences, track progress, provide education, and offer an administrative console for the user (the “Product”). We are continuing to develop our Product platform with the goal that it be flexible and interesting to a wide audience. The cognitive training tools are intended to serve primarily the youth sports market (ages 8-18) and the high sports interest market (ages 13-29) along with support for an adult category. The exercises incorporate sports themes and were designed with graphics that appeal to the target demographic.

We are in development of the Product, designed to help athletes improve their cognitive abilities, with the creation and delivery of between 10 and 15 games/exercises, each of which is targeted to improve cognitive skills in one or more of five key cognitive areas. We call these five areas Cognitive Skill Attributes (each an “CSA”) and have defined them specifically as follows:

- Processing Speed
- Decision Making
- Focus/Concentration
- Visual-Spatial Awareness and
- Memory

We expect to continuously develop new games/exercises to build a library of unique experiences, and we believe that this is essential to establish an increasing set of games/exercises for users to master.

The overall goal of the Product is to improve cognitive reasoning, response times, associated motor skills and reaction time. The Product will attempt to provide varying and escalating levels of difficulty to continuously challenge the users who will have a personalized training sequence presented to them based on their individual progress. A user’s progress will be reflected in specific game/exercise scores, as well as through aggregate scores for each CSA and a computed overall score (the “HeadTrainer Index”). Another anticipated feature of the Product is the ability to participate in combines called “HeadTrainer Contests,” which will allow users to compete against others throughout the world. There will also be an embedded feature in the Product that will allow the accumulation of points that may be able to be exchanged for prizes, such as logo t-shirts, caps, and potentially autographed footballs or basketballs. This feature will mostly likely need to be delivered through a web system or third party outside of the App itself. While we believe this rewards feature is unique in the industry, more development work is required before this feature can be implemented.

Current cognitive training systems are generally designed for non-athletic training (i.e. where a subject is in a calm, quiet environment). Along with traditional sight and touch cognitive training modules, the Company, by contrast, has attempted to replicate in its Product a true sporting event environment, by incorporating, for instance, outside and background noise in future releases. By utilizing headphones with environment-specific, programmed noise, audio tracks, and prompts, the Company has created its Product with integrated audio track, sight, touch, and sound training systems that allows the athlete to train in an environment that we believe is similar to many of the stimuli that would be present in actual competition. No material revenue has been earned to date.

*Results of Operations*

Comparison of the Three Months ended March 31, 2018 to the Three Months ended March 31, 2017

A comparison of the Company's operating results for the six months ended March 31, 2018 and March 31, 2017, respectively, is as follows:

**Revenues**

Our application was not active and thus there were no revenues for the three months ended March 31, 2018 or 2017.

**Cost of Sales and Gross Margins**

There were no revenues for the three months ended March 31, 2018 or 2017, thus the Company had no costs of sales or gross margins.

**Operating Expenses**

Operating expenses decreased by \$263,316, or 51%, for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, as a result of a \$200,655 decrease in general and administrative expenses primarily from a reduction in stock-based compensation to related parties.

Comparison of the Six Months ended March 31, 2018 to the Six Months ended March 31, 2017

A comparison of the Company's operating results for the six months ended March 31, 2018 and March 31, 2017, respectively, is as follows:

**Revenues**

Our application was not active and thus there were no revenues for the six months ended March 31, 2018 or 2017.

**Cost of Sales and Gross Margins**

There were no revenues for the six months ended March 31, 2018 or 2017, thus the Company had no costs of sales or gross margins.

**Operating Expenses**

Operating expenses decreased by \$565,612, or 54%, for the six months ended March 31, 2018, as compared to the six months ended March 31, 2017, as a result of a \$684,608 decrease in general and administrative expenses primarily from a reduction in stock-based compensation to related parties. This decrease was partially offset by the gain on debt and payable extinguishment of \$164,267

*Liquidity, Financial Condition and Capital Resources*

As of March 31, 2018, we had cash on hand of \$2,652 and a working capital deficiency of \$2,444,620, as compared to cash on hand of \$186,881 and a working capital deficiency of \$2,075,562 as of September 30, 2017. The increase in working capital deficiency is mainly due to our net loss of \$505,640 during the six months ended March 31, 2018, partially offset by proceeds received from the sale of common stock of \$120,000.

## Common Stock Financing

On October 2, 2017, the Company received proceeds of \$60,000 from an accredited investor for the sale of 2,643,172 shares of the Company's common stock at a price of \$0.0227 per share.

On January 10, 2018, the Company received aggregate proceeds of \$60,000 from two investors for the sale of a total of 600,000 shares of the Company's common stock at a price of \$0.10 per share.

In April 2018, the Company received aggregate proceeds of \$50,000 from two investors for the sale of a total of 1,000,000 shares of the Company's common stock at a price of \$0.05 per share.

## Going Concern

The condensed consolidated financial statements contained in this quarterly report on Form 10-Q have been prepared assuming that the Company will continue as a going concern. The Company has accumulated losses from inception through the period ended March 31, 2018 of approximately \$10 million, as well as negative cash flows from operating activities. Presently, the Company does not have sufficient cash resources to meet its debt obligations, fund operations and planned research and development in the twelve months from the issuance of this report. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is in the process of evaluating various financing alternatives in order to finance the Company's capital requirements. These alternatives include raising funds through public or private equity markets and either through institutional or retail investors, although there is no assurance that the Company will be successful with its fund-raising initiatives.

The condensed consolidated financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to obtain additional financing as may be required and ultimately to attain profitability. If the Company raises additional funds through the issuance of equity, the percentage ownership of current shareholders could be reduced, and such securities might have rights, preferences or privileges senior to the rights, preferences and privileges of the Company's common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective business endeavors or opportunities, which could significantly and materially restrict its future plans for developing its business and achieving commercial revenues. If the Company is unable to obtain the necessary capital, the Company may have to cease operations.

## Working Capital Deficiency

	<b>March 31, 2018</b>	<b>September 30, 2017</b>
Current assets	\$ 43,164	\$ 193,876
Current liabilities	2,487,784	2,269,438
Working capital deficiency	\$ (2,444,620)	\$ (2,075,562)

The decrease in current assets is mainly due to a decrease in cash of \$184,229 as a result of cash used in operations of \$304,229, partially offset by proceeds from the sale of common stock of \$120,000 during the six months ended March 31, 2018. The increase in current liabilities is primarily due to an increase in accounts payable, accrued liabilities, and accrued compensation to related parties during the six months ended March 31, 2018.



## Cash Flows

	Six Months Ended	
	March 31,	
	2018	2017
Net cash used in operating activities	\$ (304,229)	\$ (152,980)
Net cash used in investing activities	-	-
Net cash provided by financing activities	120,000	75,000
Decrease in cash	\$ (184,229)	\$ (77,980)

### Operating Activities

Net used in operating activities was \$304,229 for the six months ended March 31, 2018 primarily due to the net loss of \$505,640, partially offset by an increase in accounts payable and accrued liabilities, and accrued compensation to related parties.

Net cash used by operating activities was \$152,980 for the six months ended March 31, 2017, primarily due to a net loss of \$1,071,211, partially offset by stock-based compensation to related parties and an increase in accounts payable and accrued liabilities.

### Investing Activities

The Company used no cash for investing activities during the six months ended March 31, 2018 or 2017.

### Financing Activities

For the six months ended March 31, 2018, net cash provided by financing activities was \$120,000 which was received from sale of common stock.

For the six months ended March 31, 2017, net cash provided by financing activities was \$75,000 from the sale of common stock.

### Future Financing

We will require additional funds to implement our growth strategy for our business. In addition, while we have received capital from various private placements of equity and convertible debt that have enabled us to fund our operations, these funds have been largely utilized, and additional funds are needed for other corporate operational and working capital purposes. However, not including funds needed to fund the growth of the Company or to pay down existing debt and trade payables, we anticipate that we will need to raise additional capital to cover all of our operational expenses through the Company's fiscal year ending September 30, 2018. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There can be no assurance that additional financing will be available to us when needed or, if available, that such financing can be obtained on commercially reasonable terms. If we are not able to obtain the additional necessary financing on a timely basis, or if we are unable to generate significant revenues from operations, we will not be able to meet our other obligations as they become due, and we will be forced to scale down or perhaps even cease our operations.

*Off-Balance Sheet Arrangements*

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

*Effects of Inflation*

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

*Critical Accounting Policies and Estimates*

Our significant accounting policies are more fully described in the notes to our unaudited condensed consolidated financial statements included herein for the quarter ended March 31, 2018 and in the notes to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

*Recently Adopted Accounting Pronouncements*

Our recently adopted accounting pronouncements are more fully described in Note 2 to our unaudited condensed consolidated financial statements included herein for the quarter ended March 31, 2018.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not Applicable. As a smaller reporting company, we are not required to provide the information required by this Item.

**ITEM 4. CONTROLS AND PROCEDURES**

*Evaluation of Disclosure Controls and Procedures*

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (who is our Principal Executive Officer) and our Chief Financial Officer and Treasurer (who is our Principal Financial Officer and Principal Accounting Officer), of the effectiveness of the design of our disclosure controls and procedures (as defined by Exchange Act Rules 13a-15(e) or 15d-15(e)) as of March 31, 2018 pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2018 in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. This conclusion is based on findings that constituted material weaknesses. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's interim financial statements will not be prevented or detected on a timely basis.

In performing the above-referenced assessment, management identified the following deficiencies in the design or operation of our internal controls and procedures, which management considers to be material weaknesses:

(i) *Lack of Formal Policies and Procedures.* We utilize a third party independent contractor for the preparation of our financial statements. Although the financial statements and footnotes are reviewed by our management, we do not have a formal policy to review significant accounting transactions and the accounting treatment of such transactions. The third party independent contractor is not involved in the day to day operations of the Company and may not be provided information from management on a timely basis to allow for adequate reporting/consideration of certain transactions.

(ii) *Audit Committee and Financial Expert.* We do not have a formal audit committee with a financial expert, and thus we lack the board oversight role within the financial reporting process.

(iii) *Insufficient Resources.* We have insufficient quantity of dedicated resources and experienced personnel involved in reviewing and designing internal controls. As a result, a material misstatement of the interim and annual financial statements could occur and not be prevented or detected on a timely basis.

(iv) *Entity Level Risk Assessment.* We did not perform an entity level risk assessment to evaluate the implication of relevant risks on financial reporting, including the impact of potential fraud related risks and the risks related to non-routine transactions, if any, on internal control over financial reporting. Lack of an entity-level risk assessment constituted an internal control design deficiency which resulted in more than a remote likelihood that a material error would not have been prevented or detected, and constituted a material weakness.

Our management feels the weaknesses identified above have not had any material effect on our financial results. However, we are currently reviewing our disclosure controls and procedures related to these material weaknesses, and expect to implement changes in the near term, as resources permit, in order to address these material weaknesses. Our management will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis, and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds permit.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

#### *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We may be involved in legal proceedings in the ordinary course of our business. Although our management cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of our legal proceedings, including any amounts we may be required to pay, will not have a material effect on our unaudited condensed consolidated financial statements.

On July 24, 2015, the Company entered into a separation agreement and release of liability (the ‘Separation Agreement’) with the Company’s former Chief Executive Officer (the “former CEO”) whereby the Company agreed to pay the former CEO a severance payment of \$150,000, plus repay a \$50,000 unsecured promissory note which is included in convertible notes payable – related parties on the accompanying balance sheet, on or before December 31, 2017, or within 10 days of the Company receiving \$700,000 in cash proceeds from the issuance of debt or equity securities. The \$150,000 severance payment is reflected in accrued compensation to related parties as of March 31, 2018 and September 30, 2017. Additionally, the Company agreed to pay the former CEO a royalty of 0.5% of the Company’s gross revenue recognize from June 15, 2015 through January 25, 2018 payable on a quarterly basis. The former CEO has initiated legal action against the Company and has received a judgement to collect the unpaid severance payment, promissory note, and royalties as the amounts remain unpaid as of March 31, 2018. The Company has appropriately accrued for this matter and has included in accrued liabilities on the accompanying unaudited condensed consolidated balance sheets.

From time to time, we are a party to, or otherwise involved in, legal proceedings arising in the normal and ordinary course of business. As of the date of this report, we are not aware of any other proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position.

### ITEM 1A. RISK FACTORS

As a smaller reporting company, we are not required to provide the information required by this Item. We note, however, that an investment in our common stock involves a number of very significant risks. Investors should carefully consider the risk factors included in the “Risk Factors” section of our Annual Report on Form 10-K for our fiscal year ended September 30, 2017, as filed with SEC on March 20, 2018, in addition to other information contained in such Annual Report and in this Quarterly Report on Form 10-Q, in evaluating the Company and our business before purchasing shares of our common stock. The Company’s business, operating results and financial condition could be adversely affected due to any of those risks.

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

On October 2, 2017, the Company received proceeds of \$60,000 from an accredited investor for the sale of 2,643,172 shares of the Company’s common stock at a price of \$0.0227 per share.

On January 10, 2018, the Company received aggregate proceeds of \$60,000 from two investors for the sale of a total of 600,000 shares of the Company’s common stock at a price of \$0.10 per share.

In April 2018, the Company sold 1,000,000 shares of its common stock for aggregate proceeds of \$50,000 from two, nonaffiliated investors.

The securities referred to above were offered and sold without registration under the Securities Act of 1933, as amended (the “Securities Act”) in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act as provided in Rule 506(b) of Regulation D promulgated thereunder.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not Applicable.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
2.1	Agreement and Plan of Merger by and among TeleHealthCare, Inc. (the "Company"), HeadTrainer, Inc. and HT Acquisition Corp. (1)
3.1	Articles of Incorporation (2)
3.2	By-Laws (2)
4.1	Form of Series A Convertible Debenture (1)
10.1	Form of Subscription Agreement for Series A Convertible Debenture (1)
10.2	Form of Subscription Agreement for Common Stock (1)
10.3	Form Note Agreement (2)
14.1	Code of Ethics (2)
<a href="#">31.1</a>	Certification of Chief Executive Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act. *
<a href="#">31.2</a>	Certification of Principal Financial Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act. *
<a href="#">32.1</a>	Certification of Chief Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
<a href="#">32.2</a>	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *

\* Filed herewith.

(1) Incorporated herein by reference from the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 15, 2017.

(2) Incorporated herein by reference from the Company's Form S-1/A filed with the Securities and Exchange Commission on February 24, 2014.

**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, thereunto duly authorized.

**HEADTRAINER, INC.**

By: /s/ Robert Finigan  
Robert Finigan  
Chief Executive Officer  
(Principal Executive Officer)  
Date: May 4, 2018

By: /s/ Robert Finigan  
Robert Finigan  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)  
Date: May 4, 2018

**HEADTRAINER, INC.**  
**CERTIFICATION PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Finigan, certify that:

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

By: /s/ Robert Finigan  
Robert Finigan  
Chief Executive Officer  
(Principal Executive Officer)  
Date: May 4, 2018

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**HEADTRAINER, INC.**  
**CERTIFICATION PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Finigan, certify that:

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

By: /s/ Robert Finigan  
Robert Finigan  
Principal Accounting Officer  
Date: May 4, 2018

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**HEADTRAINER, INC.  
CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q of HeadTrainer, Inc. (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

By: /s/ Robert Finigan  
Robert Finigan  
Chief Executive Officer  
(Principal Executive Officer)  
Date: May 4, 2018

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**HEADTRAINER, INC.  
CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q of HeadTrainer, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

By: /s/ Robert Finigan  
Robert Finigan  
Principal Accounting Officer  
Date: May 4, 2018

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